





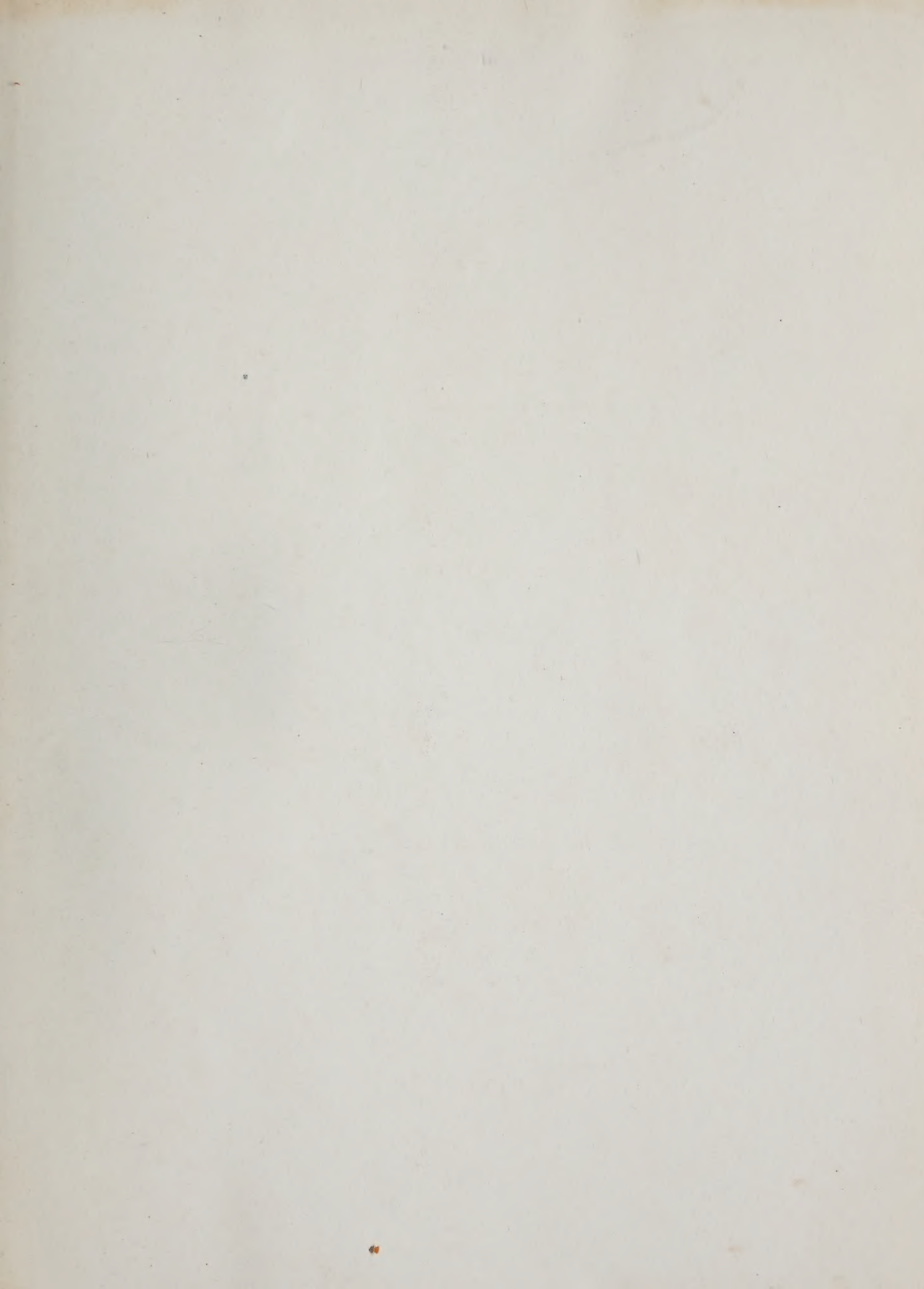
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APPENDIX

TO THE

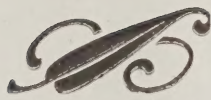
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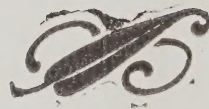
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STATE OF CONNECTICUT

31

WILLIAM H. HARRIS



## Appendix

TO THE

## LEGISLATIVE JOURNAL

WRIT OF SCIRE FACIAS BY THE SUPREME COURT  
OF PENNSYLVANIA.

IN THE

SUPREME COURT OF PENNSYLVANIA.

FOR THE EASTERN DISTRICT.

Nos. 311, 312. January Term, 1930.

Beatrice Vinnacombe and Joseph Vinnacombe,

v.

The City of Philadelphia,

Defendant,

and American Stores Company, Joseph Langman and Elizabeth  
Langman,

Additional Defendants and Appellants.

Appeals From Orders of the Court of Common Pleas No. 2 of  
Philadelphia County, as of June Term, 1926, No. 1435.

## OPINION OF THE COURT.

SIMPSON, J.

Alleging that she had been injured by reason of a defect in a footway pavement in the city of Philadelphia, plaintiff and her husband sued the city to recover damages for the injury she had sustained. Claiming that the Act of April 10, 1929, P. L. 479, gave it the right to bring upon the record, as additional defendants, those who would be liable over to it if a recovery was had against it in that suit, the city filed two affidavits therein, one alleging that the owners of the property had failed to keep the pavement in repair, and hence were thus liable over; and the other alleging like facts and liability regarding the tenant in possession; and caused two writs of scire facias to be issued therein, one against each party. Each was duly served and entered an appearance. The court below refused to quash the writs of scire facias or to dismiss the proceedings as to either defendant, whereupon each prosecuted one of the present appeals.

The Act of 1929 is as follows:

"An Act to regulate procedure where a defendant desires to have joined as additional defendants persons whom he alleges are liable over to him, or jointly or severally liable with him, for the cause of action declared on.

"Section 1. Be it enacted, &c., That any defendant, named in any action, may sue out, as of course, a writ of scire facias to bring upon the record as an additional defendant any other person alleged to be liable over to him for the cause of action declared on, or jointly or severally liable therefore with him, with the same force and effect as if such other had been originally sued, and such suit shall continue, both before and

after judgment, according to equitable principles, although at common law, or under existing statutes, the plaintiff could not properly have joined all such parties as defendants."

As an owner, or tenant in possession, is primarily required to keep in repair the footway pavement in front of the property owned or occupied by him, one or the other of these appellants may be liable over to the city for any recovery which may be had against it in the present suit: *Phila. v. Reading Co.*, 295 Pa. 183; *Phila. v. Merchant & Evans Co.*, 296 Pa. 126. Hence, the question for us to decide is whether or not the statute is constitutional and applicable. In construing it, two things are plainly apparent: (1) The act is a remedial one. Its purpose is to avoid a multiplicity of suits; to compel every interested person to appear and defend the action by plaintiff; and to save the original defendant from possible harm resulting from loss of evidence, as might result if compelled to await the end of the suit before proceeding against those who were primarily liable in whole or in part. Hence the statute is to be liberally construed to advance the legislative purpose: *Fulton Farmers Association v. Bomberger*, 262 Pa. 43 47; *Duggan v. Duggan*, 291 Pa. 556. (2) Nothing in the act shows the slightest intention to affect plaintiffs in such suits. Consequently, the adding of additional defendants will give no higher right to plaintiffs than they had before. As to them the action proceeds against the original defendant only, exactly as it would have done if the additional defendants had not been named, except that the court below, in the exercise of a sound discretion, should give to the original defendant, who acts promptly, a reasonable extra time to bring the additional defendants upon the record, before being required to file an affidavit of defence or plea. It follows, that no question can arise as to an implied repeal of the statute of limitations as between the additional defendants and plaintiff.

The only other objections which require consideration, are those which allege that the statute does not apply to actions of trespass, that it is prospective only, and that it violates article III, section 3, and article III, section 7, of the State Constitution. The statute says it applies to "any action," and this of course includes actions of trespass. That it also says the "suit shall continue, both before and after judgment, according to equitable principles," is no more than to say that it is to proceed according to the long settled principles of Pennsylvania jurisprudence, (*Laussatt on "Equity in Pennsylvania,"* 1st Annual Report of Penna. Bar Association, page 221; *Lawrence Lewis, Jr.*, on "The Courts of Pennsylvania in the 17th Century," *Ibid.*, page 353; "Pennsylvania Jurisprudence" by Hon. John W. Simonton, *Ibid.*, page 3; *Wain v. Smith*, 1 *Phila.* 362, per *Hare J.*), the legislature evidently deeming it wise to so state, because plaintiff had no legal right to join "all such parties as defendants." Nor is the statute prospective only. It is procedural in its nature; hence "it is applied, as of course, to litigation existing at the time of its passage"; *Kille v. Reading Iron Works*, 134 Pa. 225, 227; *Kuca v. Lehigh Valley Coal Co.*, 268 Pa. 163, 166. Nor is anything in the alleged constitutional objections, since even a casual glance will show that the statute contains but "one subject, which [is] clearly expressed in its title," and that it is not a local or special law . . . regulating the practice . . . in any judicial proceeding," but, on the contrary, is a general one regulating every such proceeding where the liability referred to in it may appear. It might just as well be said that a procedural act is special which applies to every action of assumpsit, because it does not apply also to actions of trespass. What has been said disposes of the appeals and requires an affirmance of the



judgments; but it may not be inappropriate to outline the procedure under the statute, where, as here, no rule of court governs it.

The act does not require that the manner in which the liability over to defendant arises, shall be set forth in the preliminary proceedings, leading up to the issuance of the scire facias, any more than this is required in the institution of an ordinary suit. It simply specifies that the original defendant shall allege that the additional defendants, sought to be added, are so liable. It will be sufficient, therefore, if the original defendant files a præcipe for the writ in substantially the following form:

"(Caption of case)

To the Prothonotary of said Court,

Issue a writ of scire facias in accordance with the provisions of the Act of April 10, 1929, P. L. 479, to bring upon the record as additional defendant<sup>1</sup>..... whom defendant alleges is liable over to him [or jointly or severally liable with him, as the case may be] for the cause of action declared on in this case, to the extent of the whole [or a stated part, as the case may be] of the amount which may be recovered therein against him, for the reason that [here briefly state the reason why defendant claims that the additional defendant is thus liable<sup>2</sup>]. Returnable sec reg

.....Attorney for Defendant."

Upon this præcipe a writ may be issued in substantially the following form, this court having power, under section 3 of the Act of June 16, 1836, P. L. 784, 786, to devise and establish it:

"The Commonwealth of Pennsylvania

to the Sheriff of the County of

..... Greeting:

Whereas in a case pending in our Court of Common Pleas of said County of .....

as of ..... Term, No. ....

wherein ..... is plaintiff

and ..... is defendant, the said plaintiff has brought suit to recover a judgment against said defendant for the cause of action set forth in the statement of claim therein, as by reference to said statement, attached to the copies of this writ, will fully and at large appear. And whereas the defendant in said suit alleges that

..... is liable over to said defendant, [or is jointly or severally liable with said defendant] for the cause of action declared on in said suit, for the whole [or a stated part] of any amount which may be recovered therein against said defendant, by reason of the fact that [here briefly set forth the reason alleged, substantially as set forth in the præcipe] and hence should be brought upon the record as additional defendant as provided by our Act of April 10, 1929, P. L. 479. Now, therefore, we command you that you make known to said ..... by service upon him of a copy of this writ and said statement of claim that he is required, within fifteen days after the receipt of such copies, to enter a written appearance, in person or by counsel, in the office of the prothonotary of our said Court at

..... and is also required, within said fifteen days, to file in said office an answer, under oath,

<sup>1</sup> Throughout the præcipe and the writ of scire facias based on it, the plaintiff, defendant and additional defendant are stated as if each was but one person of the masculine gender, if there are more than one of either class all should be inserted in the appropriate place or places, and the gender should be changed and the plural form used wherever necessary.

<sup>2</sup> The following will serve as illustration of that which is required to be inserted: (1) in the instant case it might be: "said additional defendant, is owner of the property No. 5931 Market Street, in the city of Philadelphia, and hence is primarily responsible for the defect in the footway pavement in front of said premises, which plaintiff alleges caused the injury for which that suit is brought." Or (2) "the alleged improper construction, which it is charged in said suit resulted in plaintiff's loss, consisted of bad and imperfect plastering for which said additional defendant is responsible under his contract with defendant, dated January 1, 1929." Or (3) "said additional defendant is a prior endorser to defendant upon the promissory note for which said suit is brought." Or (4) "said additional defendant is jointly or severally liable with defendant on the bond for which said suit is brought." These are, of course, but illustrations, the præcipe, at this point, must set forth the actual facts upon which defendant bases his claim regarding the liability of the additional defendant or defendants to him.

admitting, or fully and specifically denying, with the reasons therefore, his liability over to said defendant [or his joint or several liability with said defendant] for the whole [or a stated part] of any recovery which may be had against said defendant in said suit. And have you then and there this writ.

Witness the Honorable .....

President Judge of our said Court, this .....

day of ..... A. D. 19.....

Prothonotary."

The issues raised by the scire facias and the proceedings following it, are between the two classes of defendants only, and are, in form and effect, in assumpsit (*Phila. v. Reading Co.*, 295 Pa. 183), whether the original proceedings are in assumpsit or trespass. Hence, if the additional defendants are served and do not appear, or don file an affidavit of defence, the original defendant may enter a judgment against them for want of an appearance or an affidavit of defence, as the case may be, after which the case will proceed to trial as between plaintiff and the original defendant. If the additional defendants appear and file an affidavit of defence, any clearly defined issues of fact which are raised thereby, or by any amendments thereof, should be tried at the same time as the issues between the original parties are tried; but if no such issues of fact are raised, judgment may be entered for want of a sufficient affidavit of defence, or, if the two classes of defendants agree on the facts, the court may enter the appropriate judgment as between them, in either event, without awaiting the result of the trial as between the original parties.

If, at the trial, the jury find a verdict in favor of the original defendant, they need go no further; but if they find in favor of plaintiff, they should also specify in their verdict (if there are issues then pending between the original and additional defendants), whether or not the latter, or any of them, are liable over to the original defendant, or jointly or severally liable with him, for the amount awarded to plaintiff, and the extent of such liability, and the cause should thereafter proceed to final judgment as in other actions; the court having the right, however, to grant a new trial to, or to enter judgment non obstante veredicto in favor of, any one of the parties, without disturbing the other verdict in the case. Whenever the final judgment is in favor of the original defendant, the judgment against the additional defendants, if one has been entered, should be stricken off on motion; but if it is adverse to both the original and the additional defendants, plaintiff, upon receiving satisfaction from the original defendant, should mark the suit to the use of the latter, and the additional defendants will be liable to and execution may issue against them at his instance, for the proportion of the recovery adjudged to be payable by them, without any further proceedings being required to establish such liability.

In the instant case, defendant did not proceed exactly in the way hereinbefore provided, but since the additional defendants were duly served with the several writs of scire facias and have appeared to the action, by leave of court the writs may be amended and the additional defendants required to file affidavits of defence thereto, after which the case will proceed exactly as it would have done had the preliminary proceedings been conducted in the manner above set forth.

The orders of the court below are affirmed.

#### REASONS FOR PARDONS GRANTED BY THE GOVERNOR FROM JANUARY 1, 1929, TO DECEMBER 31, 1930.

Commonwealth of Pennsylvania.

Governor's Office.

Harrisburg, January 6, 1931.

To the Honorable, the House of Representatives of the Commonwealth of Pennsylvania:

I have the honor to present herewith the reasons for pardons granted by me from January 1, 1929, to December 31, 1930; also the reasons for remission of a fine.

JOHN S. FISHER.



Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 11, 12, and 13 December Term, 1919, in the Court of Oyer and Terminer in and for the County of Northampton, Antonio Sanchez Lopez was convicted of felonious assault with intent to kill, on three different persons, and on December 11, 1919, was sentenced in the aggregate to pay a fine of \$150.00, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than fifteen years, nor more than twenty-one years.

The applicant is forty-three years of age, a native and subject of Spain, and a mechanic by trade. At the time of his arrest he was employed as a machinist and resided in Bethlehem. He is unmarried.

In January 1919, Mrs. Carrie Forker (the applicant's landlady), residing in Bethlehem, lost some jewelry. The applicant was charged with having stolen it. He was convicted of the offense, sentenced, and upon his release from the Northampton County Prison, after the expiration of his sentence, on November 29, 1919, he returned to his boarding house to claim his trunk, clothing and other belongings. The landlady refused to give him his property unless he paid her \$500.00, which she claimed was due her for the loss of her jewelry and for the rent of his room while he was in jail. The jewelry was supposed to have been returned to her by the police (who apparently confiscated it), and the charge for storing the applicant's belongings while he was in jail was clearly unjust. Mrs. Forker, for the loss of the jewelry, had brought attachment proceedings against the applicant, and obtained an attachment execution against the bank, on which the bank paid the sum of \$310.16, representing the applicant's savings, including three Liberty Bonds of \$50.00 each.

The applicant learned from the bank that all of his savings had been attached. He returned the next day to the boarding house and again claimed his belongings, but the landlady refused to surrender them. The applicant testified that he had decided to leave town to go to work in the mines and for the purpose of self-protection there he bought a gun. When the landlady refused his request for the return of his property he became enraged and lost his self-control. He grabbed a hatchet and assaulted his landlady and her mother. As he was leaving the house, his road was barred by a neighbor and the applicant fired a shot at him. None of these persons suffered any permanent injury or were in any way permanently incapacitated. Although convicted of assault with intent to kill, the applicant did not use the gun against the women, although he had it in his possession at the time.

The applicant has now served nine years and one month of his term in prison. His prior record was good, with the exception of his conviction for larceny. His prison record has been good as shown by letters on file with the Board. The applicant's parents, seventy-six and seventy-one years of age, residing in Spain, are in infirm health and anxious to have their son with them during their declining years. The Spanish Consul at Philadelphia, by letter filed, has undertaken to see that the applicant is returned to Spain on the first steamer bound for Cadex, without cost to the Commonwealth, in the event that he is pardoned.

In consideration of all the circumstances of this case; the prior good record of the applicant, with one exception; the term of imprisonment already served; because of his excellent prison record; because his aged parents in Spain require his presence in their declining years; in consideration of the further fact that the Spanish authorities have undertaken to return the applicant to Spain, if pardoned, without cost to the Commonwealth, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law-abiding member of the community.

We, therefore, "after full hearing upon due public notice and

in open session," recommend that a pardon be now granted to the said Antonio Sanchez Lopez.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 2 and 3 March Term 1920, in the Court of Oyer and Terminer, in and for the County of Indiana, Tony Minkovitch pleaded guilty to voluntary manslaughter and on June 21, 1920, was sentenced in the aggregate to pay a fine of \$1000.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than ten years nor more than twelve years.

The applicant is thirty years of age, a native of Poland and owes allegiance to that country. He is a machinist by occupation and was employed as such by the Valley Mould Company of Black Lick, Indiana County, and resided at Black Lick. He is unmarried.

On February 22, 1920, the applicant worked a half day and in the evening of the same day he spent several hours in the company of two friends. About 8:00 o'clock in the evening he returned to his boarding house and found there two men, Yohem Postvoyte, alias Yost Hosti, and Paul Leiko who were very much intoxicated. Leiko offered the applicant a drink of moonshine but he refused to take it. Leiko then told the applicant that if he did not take a drink he, Leiko, would pour it on his head. The applicant laughed at Leiko, who then poured the liquor on the applicant's head. The applicant pushed him away knowing he was very much under the influence of liquor. Leiko and Postvoyte then became very loud and angry. The landlady called the applicant to another room and told him to humor the drunken men and induce them to leave her house. His efforts were unavailing, so he went out on the porch and laid on a box as if to rest. Suddenly Leiko and Postvoyte appeared. Leiko picked up a "Pop box" and tried to hit the applicant on the head but a third man appeared and prevented Leiko from doing this. Leiko, in a frenzy of rage, hit the applicant on the mouth with his fist. He was a man of great strength and weighed about two hundred pounds. The applicant then tried to calm Leiko but Postvoyte started to attack him while Leiko held the applicant. The latter was battered about the face by Postvoyte and finally broke away and began to defend himself with a penknife, with the result that both of his assailants died later from the effects of knife wounds. The applicant was only twenty years of age when this occurred.

The applicant has now served eight years and seven months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent, as shown by a letter from the Deputy Warden.

The trial Judge has gled with the Board a letter in which he states that the applicant has been punished with as much effect as if he had been required to serve the full minimum sentence. He adds that there was great provocation and passion clearly constituting voluntary manslaughter. He states that in his judgment the ends of justice would be fully met by his release, and recommends a pardon.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of his excellent prison record; because of the recommendation of the trial Judge, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law-abiding member of the community.

We, therefore, "after full hearing upon due public notice and



in open session," recommend that a pardon be now granted to the said Tony Minkovitch.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, May Term, 1922, in the Court of Oyer and Terminer, in and for the County of Washington, Antonio Palmese pleaded guilty to an indictment charging him with felonious and statutory rape, and on April 3, 1922, was sentenced to pay a fine of \$1.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than ten years nor more than twelve years.

The applicant is thirty-one years of age, an Italian by birth, but came to the United States in 1913, took out his first citizenship papers and served with the United States Army during the World War, thereby becoming a citizen of the United States. He is unmarried. At the time of his arrest he was employed as a weighing clerk by the Coshocton Iron Works, Forward Township, Allegheny County, and was so employed since the year 1913, with the exception of the time served in the army. At the time of his arrest, he lived with his sister and her husband, James Pizzutelli, in Monongahela City, Washington County.

The applicant was charged with ravishing Frances Pizzutelli, a niece of his sister's husband, 13 years of age. He was clearly guilty of statutory rape. The offense was committed on or about May 15, 1921, at which time the applicant was 24 years of age. After the commission of this offense the applicant married, and forty-five days after his marriage he was arrested and charged with the aforesaid crime. As a result of their illegal act, the girl became pregnant and was delivered of an unborn child by means of an operation. She now resides with her parents in Monongahela City.

The applicant has now served six years and nine months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial Judge in which he states that the father of the girl involved informed him that he desires the applicant to be pardoned. In consideration of the fact that the applicant, if released, has promised to leave Washington County and to remain away, the trial Judge is favorable to pardon. The trial District Attorney has also filed with the Board, a letter in which he recommends pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because the father of the girl through the trial Judge asks for clemency; and in further consideration of the fact that the trial District Attorney and the trial Judge are favorable to pardon, we have concluded that he has been sufficiently punished, and if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Antonio Palmese.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 46, March Sessions 1925, in the Court of Quarter Sessions of the Peace in and for the County of Lawrence, Frank Appugliese was convicted of felonious assault and battery, aggravated assault and battery, assault and battery, assault, felony, misdemeanor and wantonly and playfully pointing firearms at another, and on June 15, 1925, was sentenced to pay a fine of \$50.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three years nor more than six years.

The applicant is twenty-three years of age, a native of Italy and owes allegiance to the Italian Government. His occupation is that of laborer. At the time of his arrest he was employed by the Bessemer Limestone and Cement Company in the Borough of Bessemer, Lawrence County, in which Borough he resided. He is unmarried.

The applicant was convicted of assaulting and shooting Grover Syling, a police officer, at the residence of Sam Cassalara in the City of New Castle, on the evening of December 22, 1924. The applicant had gone there with a girl to whom he had been paying attention. Relatives of the girl had called the police and had directed them to the Cassalara home. The applicant had been there but a few minutes when the shooting occurred. When the police entered the house he was standing on the first floor at the foot of the stairs in the dining room. He had an overcoat on and there was no commotion, disorder or trouble at that time. Two police officers (one of them being Syling), entered the house through the back door, without knocking. They crossed the small kitchen and caught hold of the applicant who immediately began to shoot. Three shots were fired and all three shots lodged in, or near the floor of the room. One of the shots hit officer Syling in the leg. The applicant was overpowered and taken to the lock-up and subsequently convicted and sentenced as above stated. The applicant's possession of the revolver is accounted for by the fact that within a year previously he and his brother were both attacked by an Italian and severely beaten, since which time he carried a revolver for self-protection.

He was only 19 years old when the present crime was committed.

The applicant has now served 3 years and 7 months of his term of imprisonment. He was never before charged with or convicted of crime. The minimum term of his sentence expired on June 15, 1928, at which time he was released from the prison and taken into custody by the emigration authorities at Pittsburgh and has been confined in the Allegheny County Jail since that time. The purpose of the present applicant if successful, is to restore to the applicant the rights and privileges which he had before the commission of the offense and in order that he may escape deportation. All of his near relatives now reside in this country.

The trial Judge is dead. The trial District Attorney who is now the President Judge has filed with the Board a letter in which he states that the applicant having served his minimum sentence has paid his debt to the State and deportation would impose a greater punishment than is due. He recommends favorable action by the Board.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of the recommendation of the trial District Attorney who is now the President Judge, we have concluded that the applicant has been sufficiently punished and if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frank Appugliese.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 28, 110 and 111, March Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Indiana, M. A. Federinko pleaded guilty to indictments charging him with larceny and forgery, and on May 26, 1924, was sentenced in the aggregate to pay a fine of eighteen and three-quarter cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years nor more than ten years.

The applicant is twenty-nine years of age, of Czecho-Slovakian parentage, but owes allegiance to the United States. He is an accountant by occupation, and at the time of his arrest was employed as a clerk and interpreter in the Foreign Exchange Department of the Farmers' Bank and Trust Company of Indiana, Pennsylvania, and resided in that borough with his wife and two children.

On March 8, 1924, the Treasurer of the above stated bank, where the applicant had been employed for about four years, discovered a shortage in the transactions of the clerk in charge of the Foreign Exchange and Savings Department. The Treasurer asked the applicant to explain said transactions, and during the conversation the latter confessed to embezzling approximately \$20,000, which amount was afterwards increased to \$26,000, disclosed in a thorough check-up by the bank and surety company which bonded the applicant. The embezzlements covered a period of eighteen months, and the major portion was taken from the Savings Department and loaned to friends to help them out of business difficulties.

At the time of his arrest, the applicant was charged with larceny in the amount of \$5200.00, and when he appeared before the court for sentence an additional charge of larceny and a charge of forgery were lodged against him. The applicant's loans to friends were secured by notes which were afterwards turned over to the security company as salvage, which latter amounted to approximately one-half of the amount embezzled. When he found that this money could not be repaid by his friends, he invested approximately \$8000.00 in a real estate venture in order that the amount embezzled might be recouped and returned to the bank. The real estate company lasted but a short time and his partners fled with the cash. When arrested, the applicant concealed nothing and assisted the bank and bonding officials to straighten out his accounts. The bank eventually lost nothing.

The applicant has now served four years and eight months of his term of imprisonment. He was never before charged with or convicted of crime. He has an excellent prison record and the Deputy Warden of the Penitentiary recommends clemency.

The applicant left the public schools at the age of thirteen years and was compelled to work as a coal miner to help support a family of eight children, inasmuch as his father was in poor health. When he assumed his duties with the bank he was an ignorant coal miner of limited education who had never been out of the County, and did not know the ways of the world. His wife and two children require his support; they have been dependent on relatives for maintenance.

A number of letters were filed with the Board requesting clemency, one from Harry White, President of the Indiana County Deposit Bank. The president of the bank in which the defalcation occurred writes the Board: "As compared with the justice meted out to others for similar offenses, he probably has paid a sufficient penalty and further confinement will serve no good purpose. He is still young enough, in our opinion, to repent for his wrong and to again take his place in society and become a useful citizen. His family needs him badly for their support."

The trial Judge has filed a letter with the Board recommending clemency, because his family, now maintained by relatives, requires his support, and for the further reason that he has almost completed his minimum sentence. The trial District Attorney does not oppose the present application.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of his excellent prison record; because his wife and two children, now maintained by relatives, require

his support; because of the favorable attitude of the bank from which he embezzled funds, and because of the recommendation of the trial Judge, and others, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said M. A. Federinko.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, April Term, 1916, in the Court of Oyer and Terminer in and for the County of Jefferson, Henry Ward Mottorn was convicted of murder in the first degree and on September 4, 1916, was sentenced by the court to be electrocuted. Subsequently, on December 10, 1917, the sentence of death was commuted to life imprisonment.

The applicant is now twenty-nine years of age and a native-born citizen of the United States. At the time of his conviction he was a student in school. He had no occupation and resided with his parents on a farm at Sprankle Mills, Jefferson County.

Ernest Haines, a boy of about his own age, to wit: 16, who resided in the same locality, was an intimate associate of the applicant. On March 21, 1916, the two boys met in a blacksmith shop in the village. Haines informed the applicant that he wanted to go West on the following Monday and did not have sufficient money for the purpose. He further stated that his father, William Haines, had money "on him" and suggested that about dark that evening the applicant should go to a certain cut along the line of the Pittsburgh and Shawmut Railroad where he, Haines, would meet him and furnish him with a shotgun and cartridges with which to shoot and kill the elder Haines on the following day. He told the applicant that his father would pass through this cut on his way to Sprankle Mills between 12:00 and 1:00 o'clock. About dark the same evening the two boys met at the appointed place. Haines brought with him a single-barrel shotgun, and having loaded it hid it near the railroad cut. He instructed the applicant to go to the cut the following day about noon and wait for his father and shoot him when he passed through and then immediately to go to Sprankle Mills where he, Haines, would meet him at a certain pumping station. Pursuant to these instructions the applicant went to the appointed place on March 22, 1916, waited for the elder Haines, and when the latter came along the railroad, shot and killed him. The younger Haines had secreted himself behind a pile of boards near the railroad cut and after the shooting went to his father's body, took about \$250.00 cash from his father's pocket and then joined the applicant at the pumping station as prearranged. The following day both boys were arrested by the State constabulary. The applicant voluntarily offered to make a confession and actually did make such confession, explaining fully all the facts and circumstances of the case. Both boys were jointly indicted but tried separately. The applicant was tried first and convicted of murder in the first degree. The trial of Haines followed. The applicant became a witness for the Commonwealth against Haines who denied his guilt. Haines was convicted of murder in the first degree and was sentenced to death. He appealed to the Supreme Court and the latter court on technicalities granted him a new trial. In August, 1917, on the second trial, he was acquitted and left the country. The applicant has now been incarcerated 12 years and 4 months. He was never before charged with nor convicted of crime. His prison record is excellent as shown by a letter



from the warden. He was only 16 years of age when this crime was committed. He regarded Ernest Haines as a hero and was completely submissive to his will. The crime was suggested and planned by Haines for gain and he also furnished the instrument with which to commit the crime.

At the trial of the applicant Doctor J. E. Murdoch, who had charge of the State Institution for Feeble Minded, located at Polk, Pennsylvania, an alienist, testified that in his examination of the applicant he found a retardation of intellect of about 2 years. When an appeal to the Board of Pardons was made for a commutation of the death penalty to life imprisonment Dr. Murdoch filed a letter in which he recommended such commutation on account of the boy's inferior mentality.

There was filed with the board a number of letters recommending clemency. Among others a letter from 10 of the jurors who convicted him. In 1924, John S. Fisher, now Governor, filed with the Board a letter urging clemency because of the youth of the applicant, the dominant influence which his accomplice exercised over him and the miscarriage of justice whereby his confederate ultimately escaped punishment. A letter was filed with the Board from the trial District Attorney in which he states that he has no objection to the granting of a pardon. John W. Reed, of Clearfield, afterward President Judge of that County, assisted the District Attorney of Jefferson County in the prosecution of the two boys. He does not recommend clemency but states that there are two reasons for commutation. First, that the applicant was under 17 years of age when the crime was committed; another that he was 2 years under the normal development of a boy his age and that by reason of these facts he may have been unduly susceptible to the influence of a stronger minded associate. The present District Attorney has filed with the board a letter in which he recommends clemency. The present Judge of Jefferson County sent a telegram to the Board in which he tersely states: "under all the facts Ward Mottorn should be pardoned."

In consideration of all the facts of this case; the period of imprisonment already served; because of his prior good record; his excellent prison record; because of the fact that he was only 16 years of age when this crime was committed; because of his inferior mentality; because he was completely dominated by his chum who planned the crime for gain, provided the instrument and ultimately escaped punishment; because of the recommendation of the jurors who convicted the applicant, and of John S. Fisher (now Governor); because of the favorable attitude of the trial District Attorney, present District Attorney and Judge Reed, who assisted in the prosecution of the case) because the applicant's parents require his support; and in further consideration of the recommendation of the present Judge of the District, we have concluded that he has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Henry Ward Mottorn.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 26, May Term 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Northumberland, David Shaffer pleaded guilty to an indictment charging him with robbery and on April 13, 1925, was sentenced to pay a fine of \$500. costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor

more than ten years. Harry Mansfield, who was jointly indicted with him, entered the same plea and received the same sentence.

The applicant is now twenty-two years of age, a native-born citizen of the United States, a miner by occupation, and at the time of his arrest was employed in the Excelsior Coal Mines at Excelsior, Pennsylvania. He is unmarried and resided with his parents in Shamokin. He is the oldest of six children.

On March 14, 1925 the applicant met two boys, Harry Mansfield and Joseph Osborn, who persuaded him to accompany them. They first met in a pool room and started to walk around the town. The applicant had been walking ahead of the two boys when they called to him to stop. He waited for them and they then told him about a shoemaker living nearby. It was about 8:30 in the evening when they went together to the shop and found the shoemaker and another man there. Osborn went in ahead, the other two boys following. Osborn gave a signal by nodding his head and he and Mansfield drew revolvers and Osborn said to the two men: "Hold up your hands," which they did. Mansfield then tied up the two men and took what money was in the cash register while Osborn took the money out of the men's pockets. The applicant took no actual part in the robbery, but was present. They left the shop and went to Osborn's house where Osborn gave the applicant \$55.00. The applicant and Mansfield went to New York City. The former was subsequently arrested at Erie, Pennsylvania. The applicant was eighteen years of age when this robbery was committed.

The applicant has now served three years and nine months of his term of imprisonment. He was never before charged with or convicted with crime. His father has been unable to work for six years. The mother helps support the family by washing. A brother, about seventeen years old, is unable to earn sufficient to support the family, consisting of the parents and five children.

There were filed with the Board a number of letters recommending clemency, among others one from the person robbed. The trial Judge has filed with the Board a letter in which he states that: "the sentence imposed was too severe," and asks clemency. The trial District Attorney has also filed a letter with the Board in which he recommends a pardon. He states that the applicant was led into the crime by Mansfield and Osborn, older men with criminal records. The Chief Burgess of Shamokin, the Sheriff of the County and the Warden of the Jail also recommend clemency.

In consideration of all the circumstances of the case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of the recommendations of the Chief Burgess of Shamokin, Sheriff of the County, the trial District Attorney, the trial Judge and others, we have concluded that he has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said David Shaffer.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 17 March Sessions 1926, in the Court of Quarter Sessions of the Peace in and for the County of Warren, Frank Parisi pleaded guilty to an indictment charging him with statutory rape and on February 22, 1926, was sentenced to pay a fine of \$600.00. costs. and to undergo imprisonment in the

Western Penitentiary for a term of not less than four years nor more than eight years.

The applicant is forty-four years of age, an Italian by birth and owes allegiance to the Kingdom of Italy. He is a laborer by occupation and at the time of his arrest was working for the Warren Light & Power Company, Warren, and resided in that borough. He is a widower.

The applicant was convicted of statutory rape committed on the person of his step-daughter. He had been married to the girl's mother. After the death of the latter, the applicant lived on and made a home for the girl in a small house in East Warren, near the manufacturing district. The girl was under sixteen years of age and she had a child by him. The mother was of loose character and during her lifetime, while her husband was at work, she would entertain other men and have improper relations with them in the presence of her children, including this girl. On account of her environment she naturally fell into evil habits. When arrested they were living together as though married and he provided for her to the best of his ability.

The applicant has now served two years and eleven months of his term of imprisonment. He was never before charged with or convicted of crime.

The trial Judge and the trial District Attorney have both filed letters with the Board in which they recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served, and in further consideration of the fact that the trial District Attorney and the trial Judge both recommend clemency, we have concluded that he has been sufficiently punished, and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frank Parisi.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 98, June Sessions, 1922, in the Court of Quarter Sessions of the Peace in and for the County of Berks, Abraham Minker was convicted of perjury and on December 4, 1927, was sentenced to pay a fine of five hundred dollars (\$500.00), costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than two or more than three years.

The applicant is thirty-one years of age. He is of Polish nationality. At the time of his arrest he was engaged in the commission business and wholesale produce business and resided in the City of Reading. He is married. He now resides in Allentown.

The applicant was arrested on the charge of perjury growing out of a previous arrest of certain persons upon information furnished by him. At the trial the applicant was not able to recognize and identify them, and his later arrest and conviction for perjury resulted from the jury finding that his statement that he did not recognize the said persons was false and constituted perjury. After his conviction and sentence he served two years, the minimum term, and was discharged previous to the expiration of the maximum term because of his good behavior.

The applicant was never before charged with or convicted of crime.

Since the applicant's discharge from prison he has gained a good reputation as attested by the many letters on file with his application. He is now engaged in the construction business as an officer of the Trio Construction Company, a

corporation of which the applicant is treasurer. This company has built two apartment houses, a large garage and three theatres in Allentown. He is also treasurer of the Samson Uniform and Clothing Company of Philadelphia, which makes uniforms for the employes of the United Gas Improvement Company and uniforms for mail carriers. The present application is made in order that he may qualify as a citizen.

A number of letters were filed with the Board recommending clemency, from Senator Norton, County Commissioner Ringler, the Cashier of the National Union Bank of Reading and others. The trial Judge has since died. The trial District Attorney has filed with the Board a letter in which he states that in his judgment the applicant's sentence was too severe. He also states that the ends of justice have been fully met; that he has investigated the applicant and finds that he is engaged in a legitimate enterprise and is meeting with success.

In consideration of all the circumstances of this case; the prior good record of the applicant; because of the fact that he has served his minimum sentence, been discharged from prison and since his release has acquired a good reputation and been successful in business; because of the recommendations of Senator Norton and others and the favorable attitude of the trial District Attorney, we have concluded that he has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Abraham Minker.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 149, September Sessions 1926, in the Courts of Quarter Sessions of the Peace in and for the County of Erie, Ray Miner pleaded guilty to an indictment charging him with larceny by servant of employe (3 counts) and on September 20, 1926 was sentenced by the Court, on the first and second counts, in the aggregate, to pay a fine of \$50, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than three years nor more than six years.

The applicant is forty-nine years of age and a native-born American citizen. He is by occupation a bookkeeper. For seventeen months prior to his arrest he was a traveling salesman for the Spartan Saw Works, Springfield, Massachusetts. He is married but not living with his wife, and has a daughter, aged eight years living with her mother.

The applicant was employed as a bookkeeper for the H. N. Thayer Co., Erie, Pennsylvania, from the year 1909 until April 1925, the time of the discovery of his shortage, a period of nearly sixteen years. In July 1913 his wife was accidentally shot in the head. It was necessary to have the best surgical skill and attendance which involved a greater expense than the applicant's salary permitted. His employers refused to advance him money. He borrowed from loan companies on his furniture and plunged deeper into debt. He began using the company's funds, from time to time, expecting that the expense would lessen and that he could replace the money. A year after the accident a second operation became necessary and in 1915 a third operation, but the wife died shortly after. The applicant never used any of the money for himself until later years. He was in constant fear of discovery and contemplated suicide. No audit of the books was made for more than twelve years and no check made of the cash. When the shortage was finally discovered, the applicant went to the President of the Company and told him about it. He never



made any effort to cover up his shortage and remained with the company six weeks assisting the auditors to straighten out the books. He was not arrested but permitted to take a position with the Spartan Saw Works, Springfield, Massachusetts, as traveling salesman. He worked with them approximately sixteen months before he was arrested. Mr. Strout, one of the owners of the company, knew all the circumstances of the case and trusted him. The worry and uncertainty caused a physical breakdown. The applicant was ill more than five months. He fell behind in his accounts, was indebted to the Spartan Saw Works and unable to catch up. When arrested he was working in Toronto, Canada. He waived all formalities and returned to this country for trial.

The applicant has now served two years and four months of his term of imprisonment. He was never before charged with or convicted of crime. He has an excellent prison record as shown by a letter from the warden. Employment has been offered him, if released, by a former employer. His aged parents are dependent for support on him and a brother.

A number of letters recommending clemency were filed with the Board. The Mayor of Erie, the Register of Wills, the Prothonotary and others recommended pardon. The trial District Attorney has filed with the Board a letter in which he recommends clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of his excellent prison record; because employment has been offered him if released; because his aged parents are largely dependent on him for support; because of the recommendation of the Mayor of Erie, the Register of Wills, the Prothonotary and others, and in consideration of the recommendation of the trial District Attorney, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Ray Miner.

ARTHUR H. JAMES.  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD.  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2 October Term 1927, in the Court of Oyer and Terminer in and for the County of Mifflin, Merle Quay was convicted of statutory rape and on November 2, 1927 was sentenced to pay a fine of \$100.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two and one-half nor more than five years. The Jury as part of the verdict asked the leniency of the Court.

The applicant is twenty-four years of age and a native-born citizen of the United States. He is married. He is by occupation a steel worker and also a wood worker. At the time of his arrest he lived with his wife and mother in the Borough of Lewistown and was engaged in selling electric supplies.

The applicant and a man by the name of Lee Arnold were selling and demonstrating electric supplies. In the course of their occupation Arnold met one Mildred Crimmel of Mifflin, Pa. The following day, October 1, 1927, after working part of the day, Arnold asked the applicant to drive him to Mifflin. He did so and after waiting awhile, Mildred Crimmel and Edna Shugarts, strangers to the applicant and both under 16 years of age, came to the car and got in. They said they wanted to go to Orbisonia. Accordingly they drove there. They then wanted to go to Mt. Union. When they reached Mt. Union the applicant insisted that they go home. The girls then said: "If you make us go home, we will make trouble with your wives." They then drove to Huntingdon. The ap-

plicant realized the seriousness of the situation and tried to induce the girls to go home, offering to pay their carfare, but the girls refused on the plea that their parents abused them. They then returned to Lewistown but the girls would not leave the car. From there they drove to McVeytown, then to Reedsville, and then kept on driving until they came to a hunting camp in the Seven Mountains, known as "Buck Fever Camp." The applicant was exhausted from so much driving and not knowing what else to do, stopped at the camp. They all went into the camp together and spent the night there the girls sleeping upstairs and the men sleeping downstairs. The following morning they drove to Reedsville, then to Yeagertown and other places, and returned to the camp and spent the second night there. The following morning the applicant got the girls into the car and started for home. He left them and then surrendered to the authorities of Juniata County where the charge of "Enticing a Female Child for Immoral Purposes," was lodged against both men, the girls being under the age of 16. The men were tried for this offense and acquitted by the Juniata County Court. They were then taken to Lewistown and charged with statutory rape and were tried, convicted and sentenced as above stated.

The applicant has now served 1 year and 2 months of his term of imprisonment. His former record is good with the single exception, that at the age of 15 or 16 he was sentenced to the Huntingdon Reformatory for breaking and entering.

The applicant claims that he is innocent of the crime charged against him and the jury in their verdict evidently felt that there were extenuating circumstances. The applicant's wife is an invalid and dependent on him for support. His mother, who has the use of only one hand, is partly dependent on him for support. Permanent employment has been offered him if released.

The Chief Burgess of Lewistown, the Chief of Police of that Borough, and the Prothonotary of Mifflin County, in letters filed with the Board, ask clemency. The trial Judge and the trial District Attorney also request a pardon.

In consideration of all the circumstances of the case; the prior good record of the applicant, with a single exception; the term of imprisonment already served; because his invalid wife and crippled mother are dependent on him for support; because employment has been offered him if released; and in further consideration of the fact that the trial Judge and trial District Attorney have recommended clemency, we have concluded that he has been sufficiently punished, and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Merle Quay.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 13, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 258, October Term, 1920, in the Court of Oyer and Terminer, in and for the County of Philadelphia, William Feldkeller pleaded guilty to an indictment charging him with murder, the degree of which was subsequently fixed by the Court at murder in the second degree, and on March 20, 1921, was sentenced to pay a fine of \$1.00, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years nor more than twenty years. In passing sentence the Court addressed the prisoner as follows: "After the testimony in your case and the circumstances surrounding the killing, we are well satisfied for the time being, because of her infidelity and the bereftment of your reason and therefore the deliberate intention to take life, which is one of the re-

quirements of murder in the first degree, was absent, and we, however, feel that you took her life and we therefore fix the degree of your crime as second degree murder. You are in a deplorable situation, but the law must be carried out and you must be punished for it. There is no doubt that you have already suffered a great deal, notwithstanding, that is the duty of the Court to pass sentence upon you."

The applicant is forty-four years of age and a native-born citizen of the United States. He was a clerk by occupation and employed by the Goodrich Tire Company, Philadelphia, and resided in that city with his wife and three children, aged twelve, ten and six years respectively.

The applicant killed his wife at their home on August 18, 1920. They had lived happily together with their children for a period of thirteen years. About the middle of June 1920, the wife, dissatisfied with the monotony of domestic life, secured a position in a restaurant, which caused dissension between the husband and wife. The applicant objected to this because he was in a position to support his family without the necessity of his wife going out to work, and the children needed their mother at home. The applicant and his wife planned to take the children to Atlantic City on the Sunday previous to the killing. On Saturday the applicant worked until noon and then returned to his home. He gave his wife two hundred dollars in cash and tried to induce her to relinquish her position. She refused to do so and left the house. She did not return that night. The following day the applicant learned from his wife's sister that his wife had been deceiving him and had gone out with other men while she was supposed to be working. She returned to her home on Sunday but did not say where she had been. The applicant worried over her wayward conduct, began drinking and kept on drinking Monday and Tuesday. He and his wife quarrelled and she threw a plate containing food at him, saying, "Now you want to know who Jack is. I am going to get him to beat you up and then I will go away with him where you will never see me." The applicant purchased a revolver on Tuesday afternoon. On Wednesday, becoming ill at his place of business, he returned to his home and on the way stopped and purchased more liquor. When he reached home his wife was ironing a waist and skirt. When she finished she dressed and announced that she was going out, and stated that inasmuch as he was "laying around" he could "watch the kids". He asked her to get something for the children to eat, but she refused. They continued quarrelling and finally she said: "If you say much more I will blind you", and threw a little bottle of iodine at him. He grabbed the revolver and started shooting. His wife ran out of the house and down the alley, followed closely by the applicant, firing as he ran. The woman fell with three gun-shots in the body, causing death.

The applicant has now served seven years and ten months of his term of imprisonment. He was never before charged with or convicted of crime. Employment has been offered him if released. His three children, who are under age, require his support.

A representative of the District Attorney's Office present at the oral hearing did not oppose the application for pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of his three children, who are under if released, and in further consideration of the fact that the age, require support; because employment has been offered him District Attorney's Office does not oppose the application, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William Feldkeller.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 11, 12, 13, and 14, August Sessions, 1927, in the Court of Quarter Sessions of the Peace in and for the County of Adams, J. H. Kilmore pleaded guilty to four indictments charging him with larceny and on August 27, 1927, was sentenced to pay costs and to be placed on probation for a period of eighteen months. C. E. Seibert, who was jointly indicted with him, entered the same plea and received the same sentence. During the period of probation, the applicant was permitted to return to Baltimore to continue his education and was required to report once a month to the Probation Officer at Gettysburg, through the Chief Probation Officer of the Supreme Bench of Baltimore City.

At about the same time both defendants were charged in the County of York with larceny and receiving stolen goods, which cases grew out of the same series of acts as those for which they were sentenced in Adams County. The three indictments were not prossed.

The applicant is a native-born citizen of the United States, twenty-one years of age and resided with his parents in the City of Baltimore. At the time of his arrest for the present offences he was employed in a canning factory in New Oxford, Pennsylvania, and at the present time is a student in the Army and Navy Preparatory School, Baltimore, Maryland.

The applicant first met Clarence Seibert in February, 1926, on the farm of an uncle located in Hanover, Pennsylvania. In June, 1926, both boys went to Baltimore, Maryland, the applicant becoming the collector for a bakery, while Seibert became an employe of The Pennsylvania Railroad Company. Becoming dissatisfied, they went to Hanover to secure work there. They rented a shack about five miles north of Hanover and were living at this place at the time of their arrest. Both boys obtained work in a canning factory about ten days after their arrival at Hanover. In the meantime being out of funds and hungry they stole a number of articles including food. They stole chickens and pigeons from a place near Gettysburg. They also stole canned peas from the canning factory and a bail of chicken wire from the pavement in front of the store. They also stole foodstuffs from a huckster. All of these articles, with the exception of the food which had been consumed, were recovered when the boys were arrested. When the applicant was arrested by the State Police he told the truth about all of the thefts. He was only nineteen years of age.

The applicant was never before charged with or convicted of crime. Since August, 1927, when he was placed on probation, he has directed his education along military lines, comported himself well, and is advised and believes that if a pardon is granted he has an excellent chance of securing an appointment at West Point.

There was filed with the Board a number of letters recommending clemency. The trial Judge and the trial District Attorney have both filed letters in which they state they have no objection to a pardon. The Probation Officer of Adams County and the Chief Probation Officer of the Supreme Bench of Baltimore have both filed letters with the Board in which they state that the applicant's conduct while on probation has been exemplary. Both recommend clemency. The State's Attorney of Baltimore County and the Mayor of Baltimore City, on the basis of reports received showing that the applicant has comported himself well while on probation, recommend clemency. The Head Master of the Preparatory School which the applicant has attended since September, 1927, and a Lieutenant of the Fifth Regiment, Maryland National Guard, in which the applicant is a private, speak in the highest terms of the applicant's conduct and efficiency.

In consideration of all the circumstances of this case; his prior good record; the youth of the applicant when these crimes were committed; because of his excellent conduct while on probation as evidenced by letters from the Probation Officers in Baltimore City and Adams County, from the Head Master of the Military Preparatory School which the applicant has attended and an officer of the Military Company to which he belongs, and because of the favorable attitude of the Trial Judge and Trial District Attorney, we have concluded that



he has been sufficiently punished, and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend tha tapar don be now granted to the said J. H. Kilmore.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 16, 1929.

His Excellency, John S. Fisher, Governor.

In the matter of the petition of N. R. Buller, Commissioner of Fisheries, for the remission of a certain fine imposed on and paid by E. E. Buckwald.

Sir: N. R. Buller, Commissioner of Fisheries, of the Commonwealth of Pennsylvania, filed with the Governor of said Commonwealth, a petition for the refund of a certain fine imposed on and collected from one, E. E. Buckwald, of Erie, Pennsylvania, and this petition has now been referred to the Board of Pardons, pursuant to Section 909 of The Administrative Code, approved June 7, 1923 (P. L. 498).

Commissioner Buller's petition, and the accompanying documents, disclose the following facts:

J. C. Johnson, of the City of Erie, Pennsylvania, one of the wardens of the Board of Fish Commissioners of the said Commonwealth, on the 17th day of December, 1928, arrested one, E. E. Buckwald, of the said city, for fishing in the waters of Lake Erie without a license. He was arrested in the act of fishing and did not have about his person, and was unable to exhibit to the Fish Warden, the license, nor was there a license button displayed on his outer garments, as required by the provisions of Section 226 of the Act known as The Fish Law of 1925 (P. L. 448).

On their journey to the Alderman's office, Buckwald stopped at his home and produced the license certificate and license button which had been issued to him. Nevertheless, the Fish Warden took the said Buckwald before E. F. Shugart, an Alderman of said City of Erie, who, after hearing, convicted and sentenced the said Buckwald to pay a fine of \$25.00, the penalty provided by Section 228 of the Act referred to, for fishing without a license. Subsequently, the Alderman transmitted the penalty collected to the Board of Fish Commissioners.

Upon formal complaint being made to the local members of said Board by the said Buckwald, and upon receipt of the Prosecution Report made by the Fish Warden, the said Board, after due consideration, decided that the fine of \$25.00 imposed, as aforesaid, on the said Buckwald, should be remitted, inasmuch as he possessed a license and license button, although he did not have the same on his person as provided by law. The Commissioner of Fisheries, acting on behalf of the Board, petitioned the Governor to remit the said fine which had been paid to the Alderman, and by him transmitted to the Commission.

In consideration of the above stated facts; it appearing that the fine imposed, as aforesaid, upon the said E. E. Buckwald, was imposed by Alderman Shugart, under a narrow and strict construction of the law without regard to any consideration of equity, and it further appearing that the said fine was collected by the said Alderman and by him transmitted to the Board of Fish Commissioners, and that the said Buckwald was in fact the owner of a proper license and license button, although he neglected to have them in his actual possession while fishing, we, after due consideration of the petition of the said N. R. Buller, Commissioner of Fisheries of the Commonwealth of Pennsylvania, do recommend that the said fine of \$25.00 imposed on and paid by the said E. E. Buckwald, be now remitted by the Governor of this Commonwealth, by

virtue of the authority vested in him by Article IV, Section 9, of the Constitution of Pennsylvania.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 5, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 68, 206 and 206A, September Sessions, 1922, in the Court of Quarter Sessions of the Peace in and for the County of Berks, Lewis Edwards alias James E. Sanders, pleaded guilty to indictments charging him with the larceny of a motor vehicle, operating a motor vehicle without the consent of the owner, assault and battery, aggravated assault and battery, assault and battery with intent to kill, carrying concealed, deadly weapons and breaking prison, and on September 5, 1922, was sentenced in the aggregate to pay a fine of \$600.00 costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than twelve years and four months nor more than fourteen years.

At No. 1269, March Sessions, 1924, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, the said Lewis Edwards, alias Porter, alias Arthur Stewart, alias James Edward Saunders, pleaded guilty to an indictment charging him with breaking prison and escaping, and on April 8, 1924, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than twelve years and four months, nor more than fourteen years, after expiration of the sentence imposed in Berks County.

The applicant is thirty-six years of age, a native-born citizen of the United States. By occupation he is a skilled mechanic, but at the time of his arrest in Berks County he was unemployed. He is a widower and his proper place of residence is with his mother in the City of Philadelphia.

In the month of July, 1922, the applicant was arrested in Reading for the larceny of an automobile. The automobile was removed about three blocks from the place where it was stolen and was recovered uninjured and restored to the owner. There being circumstantial evidence against him, he pleaded guilty, but has always maintained his innocence. Accompanying the application for pardon was an affidavit from the then Chief of Police of Reading in which he states, inter alia, as a result of an investigation made by him, that "there exists in my mind a serious doubt," as to the guilt of the applicant. While the applicant was awaiting trial in the Reading Prison for larceny he attempted to break jail. He obtained possession of a loaded revolver. He fired all the cartridges in his revolver at the door of his prison cell, outside of which there was a prison guard at the time, but did not shoot the guard. His purpose was to frighten him and this he accomplished. He then made a break for the outer door, at which was another prison guard. Meanwhile, the applicant had reloaded his revolver. When he approached the guard the latter fired. The applicant did not return the fire but clinched the guard and in the ensuing struggle disarmed him. The guard fought valiantly and it became impossible for the applicant to escape without shooting the guard or seriously injuring him with the butt of one of the revolvers in his possession. The applicant refused to do this, threw away the revolvers, gave up his chance of escape and submitted to arrest. Accompanying the application for pardon is an affidavit from the last-mentioned guard in which he states that he never felt that his life was in danger from the applicant, although the latter had the opportunity to take it. He further states that he will gladly do anything he can to help the applicant in his effort to obtain pardon.

On July 4, 1923, the applicant, without inflicting physical violence, escaped from the Eastern Penitentiary. He remained

at large about six months, until he was apprehended in Honolulu and returned to the Penitentiary.

The applicant has now served six years and five months of his term of imprisonment imposed by the Berks County Court, less six months, while he was at large. His former record was not good. He was sentenced to the Florida State Penitentiary in 1921 but was subsequently pardoned. In October, 1916, he was sentenced by the District of Columbia Court to serve one year and six months in the Federal Penitentiary at Atlanta, Georgia, for house-breaking, but escaped while waiting to be transferred to Atlanta. The Federal authorities have a detainer lodged against him at the Eastern Penitentiary which will necessitate his serving at Atlanta the unexpired term of said sentence.

The applicant is tubercular. Dr. Heckman, Chief Resident Physician of the Penitentiary, has filed with the Board a letter in which he states that he is suffering from pulmonary tuberculosis; that during the past year he has grown worse, and that further imprisonment may materially shorten his life. Dr. Gorman, Medical Director of the Hamburg State Sanitorium, under instructions from Dr. Appel, Secretary of Health, recently made a physical examination of the applicant. Dr. Gorman informs the Board that the applicant is tubercular; that his condition shows a slow but progressive tendency; that he requires modern treatment; and that in his present environment an arrest of the disease or cure cannot be hoped for.

The Berks County trial Judge, is physically and mentally incapacitated from communicating with the Board. President Judge Schaeffer informs the Board that he has conferred with his colleagues on the bench (one of whom was the Trial District Attorney) and that as a result thereof he alleges that he has learned facts concerning the applicant which have inevitably lead him to the conclusion that "the public welfare does not require further incarceration."

The Board of Trustees of the Penitentiary, by formal resolution, recommend pardon, and the President and the Vice President of the Board have filed individual letters recommending clemency. Allen M. Matthews, President of the Aldine Trust Company, Colonel John C. Groome, former Warden of the Penitentiary, Herbert Smith, present Warden, and Elmer Leitheiser, assistant Warden, in letters filed also recommend pardon. The present District Attorney of Berks County indicates that he is not opposed to a pardon. A representative of the District Attorney's Office in Philadelphia, present at the oral hearing of the case, declared that they were not unfavorable to clemency.

In consideration of all the circumstances of this case; the term of imprisonment already served; because of the favorable attitude of the Berks County Court; because of the recommendation of the Board of Trustees of the Eastern Penitentiary; and the recommendations of individual members of the Board; because of the recommendations of the former Warden, the present Warden and Assistant Warden of the Penitentiary, and further, because of the statements of Drs. Heckman and Gorman relative to the seriously impaired physical condition of the applicant, we have concluded that he has been sufficiently punished and should now be liberated, at least so far as the present charges are concerned.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Lewis Edwards, alias James E. Sanders.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 814 September Sessions, 1921, in the Court of Oyer and Terminer, in and for the County of Philadelphia. Annunzio Caronia was convicted of voluntary manslaughter, and

on January 12, 1922 was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than eleven years nor more than twelve years.

The applicant is thirty-one years of age, an Italian by birth and at the time of his arrest was employed as a cabinet maker by the Victor Talking Machine Company, Camden, New Jersey. He has a wife and child 8 years of age, and a widowed mother 55 years of age, who resided with him in the city of Philadelphia.

In 1920, Vincenzo Nicoletti, the stepfather of the applicant, was living with him at his home in Philadelphia, the mother at that time being in Italy. She subsequently came to this country and upon inquiry as to why she had not come to America sooner, she stated that her husband did not send her sufficient money for the purpose and that she was compelled to borrow money from friends. She also stated that she desired to remain in Italy until one of her daughters was married. Later the applicant overheard an argument between his mother and stepfather with respect to the repayment of the borrowed money. The stepfather refusing to furnish the money, the applicant sold certain real estate owned by him in Italy and out of the proceeds paid the obligation of his mother. When the stepfather learned this he became angry and he and the applicant's mother moved from the applicant's home to a home of their own. Later, while on a visit to his mother, he overheard an argument between the latter and his stepfather, the latter appearing to be very angry. The applicant questioned his mother as to why she had not come to America sooner. She told him that she remained in Italy to marry her youngest daughter so that she would feel safer in coming to this country, as she had not forgotten that her husband had ravished her oldest daughter in Italy when she was only thirteen years of age. The applicant asked his stepfather to treat his mother right and that everything would be forgiven. The stepfather called the applicant vile names, ordered him out of the house, threatening to blow out his brains and as the applicant was leaving the house, called after him, "The first time I meet you, I am going to get you and shoot you in the head." The applicant, after he returned home, worried over this threat knowing that his stepfather had killed a policeman while in Italy and had always been harsh and cruel toward the applicant's mother and children. Being alarmed concerning his safety he carried a weapon for self protection. On August 11, 1921, about 6.40 A. M., at the corner of Fourth and Locust Street, Philadelphia, as he was walking to his work, he suddenly felt a hand on his shoulder and turning around he saw his stepfather, who said, "Well, I have been looking for you for sometime and I have my chance now." The stepfather then struck him in the face with his fist and reached toward his hip pocket. The applicant recollecting what his stepfather had said about blowing his head off, pulled a revolver, which he had upon his person, and shot him in self defense.

The applicant has now served seven years and one month of his term of imprisonment. He was never before charged with or convicted of crime. The Deputy Warden of the Penitentiary certifies to his excellent prison record.

The applicant's mother and eight-year old child are in destitute circumstances and require support.

There was filed with the Board a number of letters recommending clemency. An affidavit of the wife was filed with the Board alleging that the applicant was a kind and dutiful husband and maintained his home and provided all the necessities of life and that while in prison he has at various times sent her money for the support of herself and child. The mother of the applicant also filed an affidavit in which she alleges that the contents of the application for pardon are true and correct; that her husband treated her brutally, many times striking her with his fist and on one occasion with a stick whereby she was so badly injured that it was necessary to call in a physician. She avers that he distinctly remembers that her husband said that he would some day get her son and blow his brains out; that her husband had actually outraged her thirteen year old daughter in Italy and that her son (the applicant) had sold real estate owned by him in Italy and out of the proceeds repaid the money that she had borrowed in order to come to this country. She further states that her son was dutiful, had never been in trouble and had contributed to her support and had assisted other members of the family.



A representative of the District Attorney's office, present at the oral hearing of the case, did not actively oppose the application.

In consideration of all the circumstances of this case; the term of imprisonment already served; the prior good record of the applicant; his excellent prison record; because his mother, wife and child require support; because of the recommendations of many persons who know the applicant; because of the affidavits of his wife and mother, and because the District Attorney's office did not actively oppose the application, we have concluded that the applicant has been sufficiently punished and if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Annunzio Caronia.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 87 February Sessions 1927, in the Court of Oyer and Terminer, in and for the County of Luzerne, Oresto Buttafoga was convicted of manslaughter with a recommendation of the mercy of the Court, and on April 9, 1927 he was sentenced to pay a fine of \$500.00, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five and one-half years nor more than eleven years.

The applicant is forty-six years of age, a native of Italy but an American citizen by naturalization. He is a miner by occupation and at the time of his arrest was employed by the Erie Coal Company in Pittston Township, Luzerne County, in which township he resided with his wife and six children, the oldest of whom is 18 years of age.

The applicant on October 8, 1926, shot and killed Julian Melvina, under the following circumstances: Two men were neighbors and worked together in the mines. For sometime immediately before the crime, Melvina became threatening and abusive toward the applicant, whereby the latter was in fear of his life. This fear overmastered him and he gave up his position in the mine in order to be away from Melvina, and sought employment elsewhere. Rumors came to him that Melvina was going to kill him, and he remained in his home for several days preceding the shooting. On the date mentioned, the applicant was walking in front of his home when Melvina appeared, grappled with him, threw him on the ground and immediately jumped on top of him, caught him by the throat, pushing his head in the ground. While trying to choke the applicant, Melvina made a motion with his left hand to reach his hip pocket as though reaching for a revolver, mean-while saying, "I am going to kill you." The applicant, flat on his back with the throat in the grip of Melvina, in great fear and helplessness, reached for his revolver and fired. One of the bullets struck Melvina, killing him instantly. It is apparent from the jury's verdict that his story was partly believed because in their verdict they recommended him to the mercy of the court. At the trial his story was uncontradicted. Several witnesses testified as to the threats made by Melvina on the petitioner's life and the great fear under which the applicant was laboring. At the time, the verdict on its face appeared to be a compromise verdict.

The applicant has now served one year and ten months of his term of imprisonment. He was never before charged with or convicted of crime. His family, consisting of a wife and six children, are in destitute circumstances and require support. Nine members of the jury which convicted him have

led with the Board a petition in which they recommend clemency on the ground that the applicant according to their information has been a model prisoner and because his family is in need of his support.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because his family is in destitute circumstances and requires his support; and because nine of the jurors who convicted him recommend clemency, we have concluded that he has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Oresto Buttafoga.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 29,331, December Term, 1925, in the Court of Oyer and Terminer, in and for the County of Fayette, Herman Jacobs was convicted of felonious arson and firing with intent to defraud insurance (two counts), and on July 13, 1926, was sentenced in the aggregate to pay a fine of six cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years nor more than ten years.

The applicant is thirty-one years of age, a native of Austria but a citizen of the United States. He is a merchant by occupation and at the time of his arrest he was the owner and manager of an Army and Navy store situated on Main Street, Fayette City, Pennsylvania. He is unmarried. His proper place of residence was Aubrey Road, West Brownsville, Pennsylvania, not far distant from Fayette City.

On October 1, 1925, the applicant was conducting an Army and Navy store in Fayette City. He left the store shortly after ten o'clock in the evening. The next morning Robert Roy, a miner residing directly behind the store of the applicant, was awakened at 5:45 A. M. by his wife, who told him there was a fire which seemed to be near Mrs. Watkins, who resided in the rooms above the store in question. His son sounded the alarm and Roy went up the back way to the store where he forced open a door. Upon gaining entrance he discovered a tin bucket about five feet from the door, nearly in the center of the room, ablaze, and he and one Sam Hamer obtained an extinguisher and put out the fire.

From the testimony it appeared that the applicant was in bed at the place where he resided in West Brownsville, and at the time of the fire he was awakened by two men who came to his lodging place for him and told him that his store was on fire. He dressed and went immediately to Fayette City with them. He was subsequently arrested charged with arson.

The applicant has now served two years and seven months of his term of imprisonment. He was never before charged with or convicted of crime. The applicant was convicted mainly on the testimony of one Jesse King, a State policeman. Since the trial King has been convicted in the Federal Courts on the charge of conspiracy to violate the Federal Prohibition Act, and was sentenced to serve a year and a day in the Federal Penitentiary at Atlanta, Georgia.

The applicant since his trial has been operated on for appendicitis and requires freedom so that he may obtain the better treatment which his condition requires.

There were filed with the Board two letters: one from the trial Judge and one from the trial District Attorney, in which both recommended pardon, because of doubt as to the truth-

fulness of the testimony of the Commonwealth's main witness and because of the term of imprisonment already served by the applicant.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of grave doubt as to the reliability of the testimony of the Commonwealth's main witness; and because his impaired health requires better treatment than the prison affords; and, above all, because of the recommendations of the trial Judge and the trial District Attorneys, we have conducted that the applicant has been sufficiently punished, and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session", recommend that a pardon be now granted to the said Herman Jacobs.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1 June Term 1923, in the Court of Oyer and Terminer in and for the County of McKean, Tony Mussare was convicted of murder in the second degree and on June 9, 1923 was sentenced by the Court to pay costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than fifteen years nor more than twenty years.

The applicant is twenty-seven years of age, a native-born citizen of the Kingdom of Italy, a cheese-maker by occupation and unemployed as such at Kasson, McKean County, at the time of his arrest. He is unmarried and reside in the City of Bradford.

On November 3, 1922, Joe Murphy, alias Joe Feracci, in company with John Catoni, came to Bradford, about 11 o'clock in the morning. They met a friend, one August Asconi and shortly after Fred Mussare and his brother, the applicant. At this meeting, Murphy and the Mussare brothers shook hands and appeared friendly. The five men then went together to the business section of the town, traveling along Main Street. Subsequently Asconi left the party. The four men then proceeded westwardly to Davis Street. Immediately before the shooting, the four men were observed on the pavement about twenty feet from the corner of Davis and Main Streets. They were somewhat excited and all talking. Eight or nine revolver shots were then fired at Murphy and Catoni by the applicant. One witness testified that Fred Mussare was seen with a revolver in his hand pointing toward Murphy and Catoni. Another witness testified that he saw the said Fred Mussare leave immediately after the shooting with a revolver in his hand. The shooting occurred about 3.00 P. M. when there were many people in the business section of Bradford. The witnesses were attracted by the rapid firing of the revolver and when they observed the parties, the Mussare Brothers were on the one side and Murphy and Catoni were on the other, facing each other. The latter were holding their hands and arms before them as if to shield themselves from the shots that were being fired; at the same time the two couples were separating, each couple moving backward. After the shooting was over the Mussare Brothers fled.

The applicant was apprehended within a few minutes. Upon being accused by the police, he admitted that he had done the shooting and when asked about his gun, showed the officer where he had placed it. Fred Mussare fled across the State line where he was arrested several days later. After the shooting, Murphy and Catoni went to Main Street and into the store of Meyer Brauser. They remained there but a short time. They came out and were placed in an automobile and

taken to a hospital. Catoni recovered but Murphy died later from the effects of the wounds.

The Mussare Brothers claimed that Murphy and Catoni had demanded money from them and that on a former occasion they had held up the applicant and took \$20.00 from him. The applicant claimed that when he saw Murphy reach for his pocket, fearing that he was about to be shot, he drew his gun and shot Murphy and then shot Catoni who attempted to pull a gun from his pocket. The defense at the trial offered no testimony because at the time they were unable to discover corroborating evidence.

After the trial the depositions of seven witnesses were taken and presented to the Board. Affiants were not witnesses at the trial because the defense attorney had no knowledge of them. The substance of their testimony was that immediately after the shooting Murphy and Catoni went into Neyer Brauser's store and left their revolvers there, which were that night removed by two friends who came to the store for that purpose. Murphy's gun was given to his widow. It was also shown that Catoni asked the Mussare Brothers for money to be permitted to work in Bradford. Two witnesses deposed that they observed the Mussare Brothers and Murphy and Catoni facing one another and that Murphy placed his right hand to his waist line, whereupon Tony Mussare drew a pistol and rapidly fired seven or eight shots toward Murphy and Catoni. The chief counsel for the Mussares deposed that he never heard of this after-discovered evidence until after the trial.

Fred Mussare and the applicant were jointly indicted, tried and convicted. Fred Mussare received an indeterminate sentence of twelve to eighteen years and after serving four years and nine months of his term of imprisonment, was pardoned by the Board in March, 1928.

The applicant has now served five years and eight months of his term of imprisonment. He was never before charged with or convicted of crime.

If the after-discovered testimony is to be believed, neither Fred Mussare nor the applicant are guilty of any crime that would rise higher than voluntary manslaughter.

In consideration of all the circumstances of this case; the prior good record of the applicant; because of the grave doubt as to the applicant's guilt of the crime of which he was convicted; because of the term of imprisonment already served; and because of the fact that Fred Mussare, his brother, who was jointly convicted with the applicant, was pardoned by this Board eleven months ago, we have concluded that he has been sufficiently punished and if now released will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Tony Mussare.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 390 November Sessions 1925, in the Court of Oyer and Terminer in and for the County of Philadelphia, Fred Thorpe pleaded guilty to an indictment charging him with murder, the degree of which, after hearing, was fixed by the Court at murder in the second degree. On November 20, 1925 he was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than six years nor more than twelve years.

The present application for pardon is filed by E. M. Hackney, Chief Probation Officer of the Quarter Sessions Court of Philadelphia, by direction of the President Judge of said court,



The applicant is a colored man, thirty years of age and a native-born citizen of the United States. He is by occupation an automobile-mechanic and chauffeur. He is married and the father of four small children, the oldest being seven years of age. He resided with his wife and family in Philadelphia.

The applicant is charged with having caused the death of three persons, namely: Isadore Herman, Mary Herman and their child, Roslyn Herman, on Sunday evening, October 25, 1925, by striking them with an automobile at 54th and Oxford Streets, Philadelphia. On the morning of that day, he went to the home of Harry Haimowitz, residing on Gaynor Road, for whom he did repair work on the three cars owned by the Haimowitz family. On this occasion the applicant took away the Marmon car in order to repair the lights. He took the car to his work-shop and after completing the work, he and a friend, Justin Manning, got into the car and presumable started from the garage for the Haimowitz home. At the hill at 54th and Oxford Streets, where the accident occurred, Mr. Herman, his wife and child were crossing the street when they were struck and killed by the automobile driven by the applicant. The car continued on its way and was later found down town and identified by the owner. The applicant, in order to account for the car not being in his possession, telephoned to the owner that it had been stolen. The applicant later was arrested in his home and held for the death of the three persons.

The applicant has now served three years and two months of his term of imprisonment. His prior record was good with one exception. In June 1925, he was fined \$3.50 by a magistrate, for reckless driving.

In support of them application for pardon there was filed with the Board a letter from President Judge Finletter in which he states that his colleague, Judge Audenried had imposed the sentence on the applicant. He continues: "the facts were identical with those of the case of Commonwealth vs Brock upon whom a like sentence was imposed by the same judge. I have consulted with Judge Audenried (who has retired) and my colleague, Judge McCullen, and we know of no fact that would distinguish one case from the other.

"We, therefore, recommend that a pardon be granted to Thorpe when he has undergone imprisonment equal to that suffered by Brock."

The defendant in the Brock case referred to, Was Henry G. Brock, a wealthy broker and clubman, who was pardoned in June 1926, after having served three years for a similar offense.

In consideration of all the circumstances of this case; the prior good record of the applicant (with a minor exception) the term of imprisonment already served; because of the recommendation of the three Judges of the Court which sentenced the applicant; and because Henry G. Brock, who was sentenced for a similar offense under similar circumstances, was pardoned by this Board more than two and one-half years ago, we have concluded that the applicant has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Fred Thorpe.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 20, 46, and 47 and November Session 1927, in the Court of Quarter Sessions of the Peace, in and for the

County of Crawford, Raymond Kaltenbaugh pleaded guilty to three indictments charging him with forgery, and on November 28, 1927, was sentenced in the aggregate to pay a fine of \$25.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years nor more than four years.

The applicant is now twenty-nine years of age, a native-born citizen of the United States, a laborer by occupation, but was not employed at the time of his arrest. He resided near Meadville, Pa. He has a wife and three small children. His wife and one child are now in the County Home of Lawrence County and the other two children are in the Margaret Henry Home, a charitable institution, in New Castle, Pa.

During the months of June and July, 1927, the applicant forged three checks for the sum of \$14.05, \$9.25, and \$13.00, respectively, on three banks in Crawford County, and received and used the proceeds of the forged checks. Upon his arrest he immediately confessed the crimes.

The applicant claimed that during the year 1927, he was unable to obtain steady work and that in order to support his wife and three small children, he resorted to forgery. His entire family is now maintained by charity.

The applicant has now served one year and three months of his term of imprisonment. He was never before charged with nor convicted of crime. The deputy warden of the Penitentiary certifies to his good prison record. His wife and small children are objects of charity.

A number of letters were filed with the Board recommending clemency, among others, from a former employer and the Sheriff of the County.

In consideration of all the circumstances of this case; the term of imprisonment already served; his prior good record; his excellent prison record; because his wife and three small children are destitute and objects of charity; because of the recommendations of his former employer and others, we have concluded that he has been sufficiently punished, and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Raymond Kaltenbaugh.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 4, September Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Northumberland, Edward Wojciechowski pleaded guilty to voluntary manslaughter on an indictment charging him with murder, and on December 7, 1925, was sentenced by the Court to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is now twenty years of age, a native of Northumberland County and of Polish parentage. He attended the public schools until he reached the fifth grade. At the time of his arrest he was employed by Sharp and Sons, Ice Cream Manufacturers, Shamokin, Pa., as a helper on their delivery trucks and resided in Shamokin.

On August 15, 1924, he was married to Ruth Bower at Hagerstown, Maryland. He was then sixteen and his wife fourteen years of age. After the marriage the applicant lived with his parents for a time while his wife lived with her mother. They later went to housekeeping in Shamokin in a small apartment. On December 28, 1924, they were burned out,

completely. The applicant then took his wife to the home of his parents in Shamokin where they lived for about five months. He then rented a dwelling house with the intention of going to housekeeping, but his wife insisted on living in an apartment in the center of the city. She then left his home and returned to her mother. Later he learned that his wife was associating with women of bad reputation. When he called at her mother's home he was informed that his wife was away. He learned that she had left her mother's home and none of her friends knew where she was. Subsequently he found that she was frequenting a bawdy house in Shamokin. On September 2, 1925, the applicant went into the neighborhood of this alleged bawdy house and upon inquiry learned that his wife was a notorious woman. When it became known that he was in the neighborhood, his wife, with another woman of bad reputation, a young man named Arthur Purcell, and one Clem Shelskies (who was pointed out to the applicant as his wife's lover), left in an automobile for a "joy ride." Later the same day, the applicant procured a car and drove on the State Highway toward Sunbury. While passing through the village of Uniontown, about one mile from Shamokin, the applicant met his wife and the persons above-mentioned, returning to Shamokin. He endeavored to stop the car when Shelskies made an insulting remark to the applicant, placing his thumb to his nose and making what was understood to be an insulting gesture. The four joy-riders were laughing at the applicant, taunting him, and Shelskies refused to stop the car but drove on toward Shamokin at a high rate of speed. The applicant having become greatly incensed turned his car and followed the car and overtook it near the outskirts of Shamokin. He called to them to stop the car, but the car continued on its way. Then the applicant fired a shot at Shelskies, the ball striking him on the face, but it proved to be only a flesh wound. The second shot fired at Shelskies struck the applicant's wife, who sat beside Shelskies in the front seat of the automobile, and proved fatal. The applicant immediately took his wife to the hospital and surrendered himself to the authorities. He was indicted, convicted and sentenced as above-stated. About June, 1926, he was transferred from the Eastern Penitentiary to the Northumberland County Jail. The applicant has now served three years and two months of his term of imprisonment. He was never before charged with or convicted of crime. He was only seventeen years of age when this crime was committed.

A number of letters were filed with the Board recommending clemency. The Warden of the jail in which he is now confined certifies that his prison record is excellent, and that if released he will doubtless become a good citizen. His former employers have filed a letter with the board in which they certify to his honesty and industry, and express their belief that if released he will prove himself a good citizen.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of his excellent prison record; because of the statements from his former employers and the Warden we have concluded that he has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Edward Wojciechowski.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 50, May Sessions, 1927, in the Court of Quarter Sessions of the Peace in and for the County of Cumberland, Guy Bitner, was convicted of fornication and bastardy, carnally knowing and abusing a woman child under sixteen years of age, and incestuous fornication, and on May 14, 1927, he was sentenced on the charges of statutory rape and incestuous fornication to pay a fine of \$200.00, costs, and to undergo imprisonment in the County jail for a period of not less than three years nor more than seven years, and on the same day he was sentenced on the charge of bastardy to pay the sum of \$25.00 for lying-in expenses and to pay through the Probation Officer for the support of the child from the time of its birth until it reaches the age of sixteen years, the sum of \$2.50 per week.

The applicant is a native-born citizen of the United States, twenty-four years of age, and at the time of his arrest was employed by the Newville Knitting Company, Newville, Pa., as repairman and maintainer of machinery and equipment. He resided in the Borough of Newville with his wife and young son.

Mabel Ludwig, the daughter of Velma Bitner Walker (who is a sister of the applicant) gave birth to a male bastard child, on February 20, 1927, and accused her uncle (the applicant) of being the father as the result of sexual intercourse with her, on or about May 20, 1926, (she being at that time under sixteen years of age). When the child was born, and for some days after, Mabel Ludwig claimed that the father of the child was one Paul Stoner and so stated to the attending physician. On the certificate of birth the name Paul Stoner appears as the father of the child. When the officers of the law investigated the case, Mabel Ludwig told them that Paul Stoner, the father of the child, was a soldier at the Military Post at Carlisle. They went to the Post to arrest Stoner, but could not find anyone of that name. She then changed her accusation and named her uncle (the applicant) as the father of the child. This charge the applicant has always denied.

The applicant has now served one year and nine months of his term of imprisonment. He was never before charged with or convicted of crime. His wife and small child require his support.

Mabel Ludwig was the sole and only direct witness against the applicant. On August 2, 1928, she gave birth to a second male bastard child. Certified copies of the certificates of birth of both children were filed with the Board. On the first certificate, Paul Stoner is named as the father of the bastard child. The date of birth is given as February 20, 1927, and the age of the mother at her last birthday is given as sixteen years. The second birth certificate shows the birth of a male bastard child on August 2, 1928, and the age of the mother is there given as eighteen years. If the age of Mabel Ludwig as set forth in the second certificate is correct, then she was more than sixteen years of age at the time of the alleged crime and conception of the first child.

There was filed with the Board a letter from Clarence Walker, the prosecutor and stepfather of Mabel Ludwig, in which he desires a pardon to be granted. There was also filed with the Board the affidavit of the applicant in which he states that in the month of April, 1927, the said Clarence Walker, came to his home in the Borough of Newville and told him in the presence of his mother, Elizabeth Bitner, that a child had been born to Mabel Ludwig and that if the applicant would not assume the parentage of the child that he (Walker) would be sent to the Penitentiary; but that if the applicant would assume the parentage of the child, he (Walker) as prosecutor would see that the case would be settled for a nominal sum and any order of support would be met by Walker, who would furnish the money and relieve the applicant from all expense. The applicant refused and he was arrested on the same day. Elizabeth Bitner, the mother of the applicant, fully corroborates the statement of her son in an affidavit filed. There was also filed with the Board the affidavit of Mrs. Jean Wennell, in which she states that Mabel Ludwig during the summer of 1925 took her small son,

\*After the above recommendation had been fully written, the trial District Attorney sent a letter to the Board in which he referred to the applicant as follows: "In view of his deranged, excited, jealous mind at the time, coupled with his extreme youth, I feel that he has been punished sufficiently."



six years old, and acted improperly with him; that her neighbors witnessed this improper conduct and warned her against allowing Mabel Ludwig to play with her little son. She further states that Mabel Ludwig had such a bad reputation that it was not safe to let her alone with little boys. She concluded by saying that while she was present at the trial, intending to testify as to the facts set forth in the affidavit, she was prevented from so doing because she fainted. At the trial, Pearl Bitner, sister-in-law of the applicant, testified that while in attendance upon Mabel Ludwig after the birth of the first child, she told her that if she were to say that Clarence Walker was the father of the child, she would be without a home.

In consideration of all the circumstances of this case, because of the vicious character and bad reputation of Mabel Ludwig; because of the prior good record of the applicant; because of the term of imprisonment already served; because the wife and child of the applicant are in destitute circumstances and require support; because of the grave doubt as to the guilt of the applicant on the charge of statutory rape, we have concluded that he has been sufficiently punished insofar as this particular offense is concerned.

It is expressly declared and understood, however, that a pardon is not to operate as a release from the sentence imposed on the charge of bastardy.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Guy Bitner on the charge of statutory rape and incestuous fornication only—for which a fine, costs, and an intermediate term of imprisonment of from three to seven years were imposed by the Court.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 45, April Sessions, 1923, in the Court of Oyer and Terminer, in and for the County of Allegheny, William Cavell, pleaded guilty to the charge of voluntary manslaughter, and at No. 74 April Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the same county, the said William Cavell pleaded guilty to a charge of Misdemeanor (Escaping from the Western Penitentiary) and on November 2, 1923, was sentenced on the Manslaughter charge to pay a fine of six and one-fourths cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years nor more than ten years. On the misdemeanor charge he was sentenced to pay a fine of six and one-fourth cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than one year nor more than two years, to take effect at the expiration of the first sentence.

The applicant had been a citizen of Pittsburgh for the past thirty years and had resided with his mother in that city for many years. He was by occupation a chauffeur, and at the time of his arrest maintained his aged mother and an invalid sister.

The applicant and one Florence Lewis—also known as Florence Cavell—co-habited at No. 2461 Fifth Avenue, Pittsburgh, for a period of about two years prior to the commission of the crime for which the applicant seeks release. On the morning of February 8, 1923, police officers were called to the premises and upon arriving there found Florence Lewis on the floor of a room on the second floor—a physician being present in the room. The woman died in the hospital about noon of the same day from the effect of a gun shot wound.

The body showed a bullet wound extending from the mouth to the upper lobe of the left lung. The applicant was arrested, indicted and brought to trial for murder, and, upon his pleading guilty of voluntary manslaughter the murder charge was nolle prossed.

The applicant became a "trustee" at the Western Penitentiary and on December 18, 1924, while working on the outside, walked away from the Penitentiary. Upon being arrested a short time thereafter he pleaded guilty to the charge of misdemeanor and for the latter offense received an intermediate sentence of not less than one year nor more than two years.

The applicant has now served five years and three months of his aggregate sentences. He was never before charged with nor convicted of crime. His aged mother and invalid sister are in destitute circumstances and require his support.

The trial District Attorney has filed with the Board a letter in which it is stated on his behalf, "we have no objection to granting a pardon to the above applicant." The trial Judge in a letter filed, said, "I see no reason why I should object to it" (pardon).

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because the aged mother and invalid sister of the applicant are in destitute circumstances and require support; in further consideration of the fact that the trial District Attorney and trial Judge have no objection to a pardon in this case, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William Cavell.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 290 and 291, February Sessions, 1927, in the Court of Quarter Sessions of the Peace in and for the County of Luzerne, Arthur Houck pleaded guilty to two indictments charging him with breaking and entering and larceny, and on March 10, 1927, was sentenced by the Court to pay a fine of Five Hundred Dollars, costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than ten years. Sentence was suspended by the Court in No. 291.

The applicant is twenty-seven years of age, a native-born citizen of the United States and an electrician by occupation. He resided in Plymouth Borough, Luzerne County. He is married and has two children, aged four and two years, respectively. The oldest child at present is in the Home for Friendless Children, Wilkes-Barre. The other child is with his mother at the home of John Wagner, father of the applicant's wife.

On January 18, 1927, the store of Dominick Barome, located in Breslau, Hanover Township, Luzerne County, was burglarized and shoes to the value of \$120.00 were carried away by the burglars. On January 9, 1927, the store of Hyman Quint, located in Plymouth Borough, was burglarized and five sheepskin-lined overcoats, valued at \$60.00, were carried away. Carl Naugle, Alfred Houck and the applicant were arrested and charged with the offenses. All pleaded guilty. Naugle and Alfred Houck were sentenced to the Huntingdon Reformatory. The applicant has made full restitution for the goods taken from Barome and Quint, the prosecutors, as shown by receipts filed with the Board.

The applicant has now served one year and eleven months of his term of imprisonment. The Deputy Warden of the Penitentiary certifies that his conduct in prison has been excellent.

A number of letters were filed with the Board recommending clemency. The trial Judge states: "I have no objection to whatever action you may take upon the application of Arthur Houck for pardon." Hyman Quint, one of the prosecutors in the case, asks clemency. Senator Sordoni asks for pardon. The trial District Attorney also recommends clemency. One of the controlling reasons is the fact that the applicant's wife and children are dependent for support on the father of the applicant's wife, who is out of work, and whose wife is an invalid, and consequently, the wife's family are not in a position to support the applicant's family.

In consideration of all the circumstances of this case; the term of imprisonment already served; the applicant's excellent prison record; because of the fact that the trial Judge is not opposed to a pardon; because of the fact that the trial District Attorney, Quint, one of the prosecutors in the case, Senator Sordoni, and others recommend clemency; because the applicant has made full restitution for the goods taken; because his wife and children are dependent on others for support; we have concluded that he has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Arthur Houck.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 56-57-58-59-60 and 61, December Term, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Beaver, A. C. Osburn pleaded guilty to six indictments charging him with perjury, false entry (seventeen counts), and embezzlement (nineteen counts), and on December 9, 1925, was sentenced in the aggregate to pay a fine of six dollars (\$6.00), costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than fifteen nor more than thirty years.

The applicant is forty-seven years of age, a native-born citizen of the United States, and a banker by profession. At the time of his arrest he was Vice-President and Secretary of the Woodlawn Trust Company, Woodlawn, Beaver County, and resided in that borough with his wife and two daughters, aged eighteen and twelve years respectively. He was a book-keeper in the employ of the Burgettstown National Bank at Burgettstown, from 1901 to 1907, and Cashier of the First National Bank at Aliquippa from 1907 until 1910. He then took an active part in the organization of the Woodlawn Trust Company and upon its organization was made Secretary and Treasurer, and in 1927 was promoted to the position of Vice-President and Secretary, which offices he held at the time of his arrest.

The funds embezzled by him were used almost entirely in an effort to recoup losses he had incurred in unfortunate investments. During the time that he was embezzling the funds of the Trust Company and committing other criminal acts in order to cover up his shortage, he was living entirely within his income while supporting his wife and two children. When charged with the various offenses for which he was indicted and sentenced the applicant freely acknowledged his guilt, turned over to the Trust Company everything he owned, including his home, and assisted the company and the State

Banking Department in every way to protect the Trust Company from loss. Full and complete restitution has now been made and there has been no loss either to the stockholders or depositors.

The applicant has now served three years and two months of his term of imprisonment. He was never before charged with or convicted of crime. His wife and children require his support. A responsible position has been offered him, if released, by Boggs and Buhl, leading drygoods merchants of Pittsburgh, as appears by a letter filed.

The trial District Attorney, who had previously filed a letter with the Board opposing a pardon, subsequently wired the Board as follows: "Banking Department not protesting please withdraw objection to pardon of A. C. Osburn." The trial Judge has filed with the Board a letter in which he states that inasmuch as neither the State Banking Department nor the Trust Company oppose a pardon, and because the applicant's family require his support, "he has no objection to the granting of a pardon."

The President of the Woodlawn Trust Company during the time the embezzlements in question occurred has filed with the Board a letter in which he refers to the high character of the applicant and the successful manner in which he, as the active executive officer of the Trust Company, conducted its affairs, prior to his downfall. He states that the Trust Company and its stockholders have been fully reimbursed for their loss, and asks favorable consideration for the application so that the applicant may return to his family which needs him.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; in consideration of the fact that the applicant's family requires his support; because a responsible position has been offered him, if released, by well known Pittsburgh merchants; in view of the fact that no opposition has been expressed to the granting of a pardon in this case; in consideration of the fact that the trial Judge and trial District Attorney are favorable thereto, and that the president of the Trust Company which was looted desires clemency, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said A. C. Osburn.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 18A and 18B, March Sessions, 1925, in the Court of Quarter Sessions of the Peace in and for the County of Lawrence, Frank L. Clinefelter pleaded guilty to two indictments charging him with embezzlement by officer and employe of a corporation; keeping and making fraudulent accounts by officer and employe of a corporation; destroying and mutilating books of a corporation by officer and employe; embezzlement by officer and employe of Title Insurance Company; and forgery of written instrument by officer and employe of a corporation, and on February 7, 1925 was sentenced in the aggregate to pay a fine of \$100.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than six years nor more than twelve years.

The applicant is thirty-eight years of age and a native-born citizen of the United States. At the time of his arrest he was cashier of the People's National Bank of Farrell, Pa., and resided in Farrell with his wife and one child, aged nine years.



The applicant in February, 1925, was bank cashier as above stated. Previously, he had resided in New Castle, and was employed by the Lawrence Savings and Trust Company and had been in their employ for a number of years. He was arrested and charged with the embezzling of \$15,000.00, together with other charges under the statute, to all which charges he pleaded guilty. He and his wife made restitution in so far as they could by turning over to the Bonding Company their entire property. He was sentenced as above stated.

The applicant has now served four years of his term of imprisonment. He was never before charged with or convicted of crime. The Warden of the Western Penitentiary certifies to the Board that the applicant is, "one of the outstanding inmates of the institution."

The applicant is in bad health as shown by a letter filed with the Board by Doctor Perry, his family physician, and by the physician of the Western Penitentiary.

There were filed with the Board a number of letters recommending clemency and also a petition signed by three hundred citizens.

The trial Judge in a letter filed with the Board, recommends clemency because the sentence imposed by him was too severe and because, on account of the impaired health of the applicant, serving the maximum term of imprisonment imposed would result fatally. The trial District Attorney, who is now the President Judge, has also filed a letter recommending clemency. He states that the sentence in this case was, "more than double that of any of several others, who pleaded guilty to, or were convicted of, similar offenses about the same time, in Lawrence County. Additional Law Judge Chambers in a letter filed, states that the sentence was, "in this case very severe." He further states that other bank officers guilty of similar offenses did not receive sentences nearly as severe as the one imposed upon the applicant. There were also filed with the Board letters recommending clemency from the present District Attorney of Lawrence County; the present Mayor of the City of New Castle; Senator Weingartner; Charles H. Young, member of The Public Service Commission; O. H. J. Hartsuff, General Superintendent of Carnegie Steel Company of Braddock, Pa.; Harry B. McDowell of the McDowell National Bank, Sharon, Pa.; W. A. Eakin, Assistant Trust Officer of the Peoples Savings and Trust Company, New Castle, Pa., and others.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because he endeavored to make restitution; because his wife and child require his support; because of his impaired health; because of the undue severity of the sentence; because of the recommendations of the trial Judge, the trial District Attorney, Additional Law Judge, present District Attorney, and many other prominent citizens, we have concluded that he has been sufficiently punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frank L. Clinefelter.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 27, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 43 May Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Somerset, George

Milhouse was convicted of a felony; injury by explosive substances, and conspiracy, and on May 3, 1922, was sentenced to pay a fine of \$1.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years and nine months nor more than three years, this sentence not to begin to run until the sentence at No. 111, May Sessions, 1922, has been complied with. The sentence in No. 111 has been completed.

The applicant is forty-five years of age, a native-born citizen of the United States, and a blacksmith by occupation. At the time of his arrest he had his own shop and resided in Berlin, Somerset County. He is married and has four children, one being of age.

On the night of January 21, 1922, a building, equipped as a pool room, bowling alley and barber shop, located at McDonaldton, Somerset County, was blown-up with a charge of dynamite. As a result the building was wrecked, and two men, who were inside the building at the time of the explosion (which was about 8 p. m.) were injured. The actual dynamiting of the building was done by one John Kapusta, according to his own confession, but in his testimony he implicated the applicant by stating that he had received from the latter, the dynamite used in causing the explosion. On the statement of Kapusta, the applicant was indicted, tried and convicted, not only on the charge of conspiracy, but also on the charge of assault and battery in having caused injury to the two men.

The applicant has always contended that he did not know of any plot to dynamite the building aforesaid, until after its commission and the knowledge had become general. Kapusta, in his testimony, specifically stated that the applicant did not know that he, Kapusta, intended to blow-up the pool room with the dynamite obtained from him. Kapusta was the actual perpetrator of the crime and the main witness against the applicant. The former received an indeterminate sentence of not less than two years and nine months nor more than three years, which minimum sentence has been served and he was then paroled.

It would seem that the conviction of the applicant was due in large measure because of the fact that the jurors empanelled in the case had previously heard the testimony in a former trial in which the applicant was charged with furnishing dynamite by means of which the house of one George Ragle, situated in Berlin, was dynamited and three persons injured. In the latter case the applicant was convicted largely on the testimony of John O'Brien, who said that the applicant had furnished the dynamite with which the building was blown-up. O'Brien has since declared that he committed perjury in stating that the applicant knew for what purpose the dynamite was to be used.

The applicant in the latter case received an indeterminate sentence from six years to six years and nine months.

The applicant has now served the maximum term in No. 111 and has begun to serve his sentence in No. 43. His family requires his support. He was never before charged with or convicted of crime, except that in 1903, on a trial for receiving stolen goods, he was acquitted and the prosecutor ordered to pay the costs.

A number of letters were filed with the Board recommending clemency. The trial Judge, the trial District Attorney, the present District Attorney, the County Detective, and the private counsel for the Commonwealth in the prosecution of the applicant have filed letters with the Board recommending clemency. The Warden and the Deputy Warden of the Penitentiary certify to the applicant's excellent prison record.

In consideration of all the circumstances of the case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because the actual dynamiter in the one case only served two years and nine months and the main witness in the other case admitted that the applicant did not know for what purpose the dynamite was to have been used; and in consideration of the recommendations of the trial Judge, the trial District Attorney, the present District Attorney and the Warden, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice

and in open session," recommend that a pardon be now granted to the said George Milhouse.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 5, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 142, February Term, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Westmoreland, Elmer Swain, pleaded guilty to an indictment charging him with larceny, and on December 17, 1926, was sentenced by the court to pay a fine of \$1.00, costs, and to be confined in the Allegheny County Workhouse for and during the period of one to two years. This sentence was afterward modified by the Court and the period of imprisonment increased to not less than four years nor more than eight years, sentence to begin at the expiration of the sentence imposed at No. 58 August Term, 1925, and the place of confinement was also changed from the Allegheny County Workhouse to the Western Penitentiary.

The applicant is a native-born American citizen, twenty-one years old. By occupation he was a plumber's helper and was last employed by A. W. Hitchman of Mt. Pleasant, Westmoreland County, and resided with his father in the same place. On November 8, 1926, when nineteen years of age, he was married to one Margaret Levoy, aged sixteen years, who is now living with her parents. His mother is dead. His father is in the last stages of pulmonary tuberculosis.

In December, 1924, the applicant, then seventeen years of age, and another boy, took a ride for a few miles in an automobile that was parked along the street in Mt. Pleasant. When returning to the parking place to restore the car, they were arrested and held for court. They pleaded guilty to using the car and were paroled but charged with the Court costs. Being unable to pay his share, the applicant served four months in the County Jail in satisfaction of the costs.

On June 30, 1925, the applicant, almost eighteen years of age, and three other boys, entered a butcher shop in Mt. Pleasant through an open window and took the butcher's registered bill file and hid it. All were arrested but the Chief of Police promised that the prosecution would be dropped upon the recovery of the property. After the file was returned the case was sent to Court and the applicant entered a plea of guilty on assurance that the sentence would be suspended. He, however, was sentenced to serve an indeterminate term of two years to four years in the Workhouse. After serving one year, two months and three days, he was paroled.

On February 12, 1927, while confined in the Workhouse, the applicant was induced by another inmate, ten years his senior, to escape with him. Both were quickly apprehended and indicted for escaping. The applicant pleaded guilty to the charge and the Allegheny County Court imposed a sentence of six months in the Workhouse to begin at the expiration of the sentence imposed by the Judge of Westmoreland County. This sentence is filed at the Western Penitentiary as a detainer against the applicant.

On November 8, 1926, while on parole from the Allegheny County Workhouse, the applicant was married as above stated. The newly-married pair lived with his wife's parents until December 1, 1926, when they went to the home of the applicant's father. They wished to take a honeymoon trip but were unable to do so on account of the expense.

On the evening of December 4, the applicant and his wife were walking down the street in Mt. Pleasant when they came to a Chrysler coach parked along the curb. Prompted by the desire to take a trip, they took the car and drove to

a friend's house in Calridge. The following day they drove to Cleveland, Ohio, remaining there over night. The applicant then drove back to Claridge and the next morning started to return the car to the place from which he took it. In passing through Greensburg on the way back, the coach was recognized by two automobile men from Mt. Pleasant, who were looking for it. The men followed the car in their automobile, for a number of miles. They then took possession of it and delivered it to the owner. The applicant was arrested and indicted for the larceny of the coach.

The applicant pleaded guilty to the charge of larceny before Judge Whitten and was given a sentence of one to two years in the Allegheny County Workhouse. A few days later Judge Dom sentenced the applicant to be returned to the Workhouse, from which he had been paroled, to serve the remainder of the two year sentence. The applicant was recommitted to the Workhouse on December 21, 1926, and discharged on November 8, 1927. He was then committed to the Western Penitentiary to begin his present sentence and has now served one year and three months thereof.

A number of letters were filed with the Board recommending clemency. The school teachers of Mt. Pleasant Borough unite in such request for the applicant who was a former student. The Postmaster of Mt. Pleasant, the Superintendent of Schools, the Vice-President of the First National Bank, and the Mercantile Appraiser of the County in letters filed with the Board ask pardon. The owner of the car which was taken and for the larceny of which the applicant is now imprisoned also asks clemency. The trial Judge has filed with the Board a letter in which, because of the destitute condition of the applicant's family, and because of the punishment he has already received, he recommends clemency. Employment in a glass factory has been offered him if released. The father of the applicant with whom he resided at the time of his arrest, is in a precarious condition of health and requires the support of his son.

In consideration of all the circumstances of this case; the comparative youth of the applicant when the crime was committed; the term of imprisonment already served; because employment has been offered him if released; because his family is in destitute circumstances and requires his support; because of the many recommendations filed urging pardon, and largely because of the recommendation of the trial Judge, we have concluded that he has been sufficiently punished, and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that pardon be now granted to the said Elmer Swain.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 192, June Sessions, 1923, in the Court of Quarter Sessions of the Peace in and for the County of Fayette, Camel Rossi pleaded guilty to an indictment charging him with assault and battery, aggravated assault and battery, assault and battery with intent to rob, assault and battery with intent to kill and murder; and on June 6, 1923, was sentenced by the Court to pay a fine of six cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than seven years nor more than ten years.

The applicant is about thirty-one years of age, of Italian descent, and at the time of his arrest was employed in the company store of the East Bethlehem Coal Company, Cokesburg, Washington County. He is unmarried and was the



sole support of an aged father and mother and two minor brothers.

In March, 1923, one of the employees of the coal company had a feud with one Charles Panola, who lived on the Fayette side of the Monongahela River approximately ten miles from Brownsville. On or about March 15, 1923, while in Brownsville with several residents of Cokesburg, the applicant was induced to go into the neighborhood of the home of the said Charles Panola. He, with the others, accompanied the man who had the feud with Panola to the home of the latter. A general fight ensued, in which several of the participants were badly wounded. The applicant suffered two very serious and painful wounds and was rendered unconscious. While unconscious, he was placed in an automobile and taken to Wheeling, West Virginia, where he was confined in the hospital for several days. Subsequently, he was arrested and returned to the county jail at Uniontown and indicted for having shot the said Panola with a revolver with the intent to rob and murder him. When questioned by the County Detective he disclosed all the facts of the case and, when arraigned in Court, pleaded guilty. He made no effort to resist transfer from West Virginia to Pennsylvania.

The man, who induced the applicant and the others to accompany him to the Panola house, was killed by Panola and his friends and no one was injured except the leader (his name unknown) and the applicant.

The applicant has now served five years and nine months of his term of imprisonment. He was never before charged with or convicted of crime. His mother (now a widow) and two small brothers require his support.

There was filed with the Board a petition of citizens recommending clemency. The Register of Wills of Fayette County also filed with the Board a letter to the same effect. The trial District Attorney has filed a letter in which he states that the applicant, when arrested, gave full and complete information concerning the crime and assisted the Commonwealth in fastening the guilt on his companions, one of whom was killed. He concludes: "I understand his record has been very good at the prison and, if a pardon were granted, I believe Rossi (the applicant) would observe the trust placed in him."

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; the prior good record of the applicant; the term of imprisonment already served; because his widowed mother and small brothers require his support; because of his excellent prison record as shown by letters from the Penitentiary authorities; in consideration of the petition of citizens recommending clemency; the letter of the Register of Wills and the favorable recommendation of the trial District Attorney, we have concluded that he has been sufficiently punished and that, if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Camel Rossi.

ARTHUR H. JAMES,  
Lieutenant Governor,  
CHARLES JOHNSON,  
Secretary of the Commonwealth,  
CYRUS E. WOODS,  
Attorney General,  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 782, June Sessions, 1922, in the Court of Oyer and Terminer in and for the County of Philadelphia, Jacob Forbes, alias Big Yonick was convicted of murder in the second degree and on December 1, 1922, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term not less than nineteen years nor more than twenty years.

The applicant is thirty-three years of age, a native of Russia but a naturalized citizen of the United States. His occu-

pation at the time of his arrest was that of carpenter. He resided in the City of Philadelphia with his father and mother. He was unmarried.

On May 1, 1921, the applicant, after eating his supper, went out for a walk and went to the restaurant of Pinkus Feldman, situated at 722 South Fifth Street, Philadelphia. A number of persons were engaged in a gambling game with cards and were seated at a table in the rear of the pool-room, which was conducted in connection with the restaurant business. About 9:00 o'clock a man, known by the name of New York Louie, entered the restaurant and walked up to the table where the cards were being played, pulled out a revolver and ordered the players to hold up their hands. In the meantime the game broke up and a number of the people moved toward the front door and stood there. Shortly thereafter New York Louie re-entered the place and one, Udowitz, who had acted as banker for the gamblers, asked him what he meant by drawing a revolver and telling the players to hold up their hands. New York Louie replied that he was only joking. Words then ensued between them whereupon Udowitz punched New York Louie and knocked him against the wall. Then one of the gamblers, Harry Hirsch, who has been described as a prize fighter, started to beat up New York Louie and the confusion attracted the attention of the applicant who, at the time, was standing on the pavement in front of the restaurant. When the applicant came into the restaurant advancing in a threatening manner, some of the witnesses testified that he had a gun in his hand. There was a general scramble to get out of the rear of the place and Hirsch ran with the others but stumbled over a table or chair and while lying in this position was shot and killed. Several of the witnesses testified that the applicant shot Hirsch. The applicant denied that he had a gun or fired the shot and there was conflicting testimony as to whether the defendant was shot in the back or in the front. The theory of the Commonwealth was that the decedent had fallen and was lying with his face downward when he was shot, but Dr. Klopp the surgeon who attended him in the hospital testified that he was shot from the front, which would contradict the theory of the Commonwealth.

The applicant has now served approximately six years and four months of his term of imprisonment. His prior record was good, with the exception of one offense committed in Canada.

Colonel Groome, warden of the State Penitentiary, has filed with the board a letter in which he certifies to the applicant's excellent prison record, stating that he was industrious and had conducted a carpenter shop in which ship models were constructed and that employment was thus given to a number of prisoners and the morale of the institution advanced. The President of the Board of Trustees (now deceased) and individual Trustees strongly recommend pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant (with but one exception); the term of imprisonment already served, and because of the recommendations of the Warden and those of the Penitentiary Trustees, we have concluded that he has been sufficiently punished and if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Jacob Forbes, alias Gig Yonick.

ARTHUR H. JAMES,  
Lieutenant Governor,  
CHARLES JOHNSON,  
Secretary of the Commonwealth,  
CYRUS E. WOODS,  
Attorney General,  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 7 and 8, February Term, 1921, in the Court of Oyer and Terminer, in and for the County of Washington,

Art Yeater, alias Arthur Davis, pleaded guilty to two indictments charging him with felonious assault and battery with intent to commit murder, and on February 14, 1921, was sentenced by the Court in the aggregate to pay a fine of two dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than ten years nor more than thirteen years.

The applicant is forty-four years of age, a native-born citizen of the United States, married, a glass-blower by occupation, and was working at his trade and living with his wife at Wellsburg, West Virginia, at the time of his arrest.

The applicant was married in February, 1919. Frequently his wife went to Washington, Pennsylvania, to visit her mother, Mary Ward. On returning from a certain trip she told the applicant that Mary Ward was conducting a house of prostitution. The applicant told his wife that he did not want her to go to Washington but later, when she said she wanted to go, he permitted it. She left on a Friday, promising to return on Sunday, but did not come back until Tuesday. Sometime later, on December 10, 1920, she left home while the applicant was at work. When he returned to his home he found her gone. He telephoned to Washington and asked her to come back. She promised to return, but did not do so. He telephoned several times and wrote several letters, asking her to return. She told him in one conversation over the phone that she did not have the money to return and that if he would send her the money she would come. The applicant forwarded the money, but she did not return.

On New Year's day the applicant went to Washington to visit his sister. The following day he went to Mary Ward's house and asked to see his wife. He was allowed to see her, but Mary Ward did not let them see each other alone. The applicant told his wife to be ready the following evening at 6.30 as he was coming to take her back with him to Wellsburg, and then left the house. The following evening when he called for his wife, Mary Ward informed him in vile terms that neither he nor anyone else would take his wife from her house. The applicant became excited and angry and demanded that his wife leave with him immediately, but Mary Ward interfered and would not allow her to go. The applicant lost his head and fired several shots, meaning to frighten them, but he was so angry and excited that he did not know what he was doing. As a result, he wounded both Mary Ward and his wife, though neither one was seriously injured. He remained in Washington that night and on the following morning started back to Wellsburg. When he reached Wheeling he was arrested and brought back to Washington. He desired to stand trial, knowing that the real cause of his trouble would be disclosed and he felt that he would receive mercy at the hands of the Court, but the Chief of Police advised him to plead guilty, that by so doing he would save the county the expense of a trial and would receive a lighter sentence. Desiring to do what was best, he pleaded guilty and received the sentence hereinbefore set forth.

In this connection, it may be noted that Mary Ward was subsequently arrested for keeping a disorderly house and that the applicant's wife, whom he endeavored to assist after the shooting, disappeared and her present whereabouts is unknown.

The applicant has now served eight years and one month of his term of imprisonment. His prior record was good with one exception. At the age of seventeen years he was sent to the Huntingdon Reformatory for the larceny of chewing gum. The Warden of the Penitentiary certified to his excellent prison record.

There was filed with the Board a letter from Margaret Way, sister of the applicant, residing in Ohio, in which she offers her brother permanent employment and a home if he is liberated. The Chief of Police of Washington and the foreman of the Grand Jury which indicted him, recommend clemency. There is also filed with the Board, a letter from the present District Attorney, who was the first assistant of the trial District Attorney, in which he states that after a conference with the latter they believe that the applicant should receive favorable consideration from the Board. The trial Judge asks clemency, if the Board: "finds the petitioner's conduct during the years of his confinement was commendable."

In consideration of all the circumstances of this case; the prior good record of the applicant with a single exception;

the term of imprisonment already served; because of his excellent prison record; because employment and a home have been offered him if released; and in further consideration of the recommendations of the trial Judge, trial District Attorney and present District Attorney, and others, we have concluded that the applicant has been sufficiently punished and that, if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Art Yeater, alias Arthur Davis.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, October Term, 1927, in the Court of Oyer and Terminer, in and for the County of Mifflin, Leonard R. Arnold, pleaded guilty to an indictment charging him with statutory rape and on November 4, 1927, was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years nor more than four years.

The applicant is twenty-nine years of age, a native-born citizen of the United States, married, and at the time of his arrest was engaged in selling and installing electrical appliances and resided in the Borough of Lewistown.

On August 2, 1927, the applicant, accompanied by one Merle Quay, was driving from Lewistown to Port Royal on business connected with the applicant's work. The motor of the car became overheated, they stopped at the top of a hill near Mifflintown. While waiting for the motor to cool two girls, Edna Shugarts and Mildred Crimmel, aged fifteen and sixteen years, respectively, came walking down the road and asked the applicant if he would drive them to Orbesonia. The applicant informed them that he was going to Port Royal but, when they told him that Orbesonia was only a few miles beyond, he consented to take them. They arrived at Orbesonia about 5 p. m. The Shugarts girl left the car, returning in about twenty minutes with the information that the people she and the Crimmel girl came to visit were not at home. The applicant then agreed to take the girls back to Mifflintown. Upon being informed that they could avoid a muddy road by returning to Mifflintown via Mount Union, they returned by the improved highway. The two men informed the girls that they were both married and that they did not want to drive them around the country at night and offered to lend them money to return home by train. The girls refused to accept the money. They had tire trouble and did not reach Lewistown until 10 p. m. The men told the girls that they wished to return to their respective homes and asked the girls to accept money to go home on the train. The girls again refused and threatened that if they were taken home they would tell the wives of Quay and the applicant stories that would cause trouble. The girls refused to go home and, being in a quandry as to what to do, the applicant drove around Mifflin County until 3 a. m., when they stopped at a vacant hunting camp near Milroy where the remainder of the night was passed. They then drove around the country during the day, the girls refusing to go home. In the evening they returned to the hunting camp. Leaving the girls in the camp, the men went into the woods to try to devise a plan to get rid of the girls. They finally determined to return them to their homes, whether they wished to go or not. Returning to the camp to execute their plan, the applicant and Quay found that the girls had undressed and washed their clothes.



Being unable to leave because the girls had no clothes to wear, the applicant and Quay slept in the car and the girls in the hunting camp for the night.

The next morning, forcing the girls into the car, the applicant started to take them to their homes in Mifflintown, but before reaching the town they were stopped by a man in a car, whom the applicant knew, and the former informed the applicant that the police were looking for the girls. Wishing to avoid trouble, the applicant decided to take the girls to the place he first met them and when he arrived there the Sheriff drove up and arrested the two men and took the four of them to the girls' homes. The girls informed the Sheriff that they did not want to go home.

The applicant and Quay were first charged with "Enticing" the girls, but they were subsequently released on this charge, re-arrested and charged with statutory rape. The information in the latter charge was sworn to by a man who had served a sentence in the Penitentiary on a statutory charge preferred by his own daughter.

The applicant has now served one year and four months of his term of imprisonment. He was never before charged with or convicted of crime. Merle Quay, his accomplice, who received a heavier sentence, was at the January sessions pardoned by this Board. The applicant's wife requires his support.

A number of letters were filed with the Board, recommending clemency. Harry Burkett, United States Commissioner; George Rickard, Vice-President of the Mifflin County Bank; H. H. Laub, Passenger Agent, Pennsylvania Railroad Company; and others ask pardon. The trial District Attorney, in a letter filed with the Board, indicates a favorable attitude and the trial Judge recommends a pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because the applicant's wife requires his support; because his accomplice, who received a heavier sentence, was pardoned by this Board in January, 1929, after having served less time than the applicant; in consideration of the recommendations of prominent citizens of Lewistown; the favorable attitude of the trial District Attorney and the recommendation of the trial Judge, we have concluded that the applicant has been sufficiently punished and, if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Leonard R. Arnold.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 11 December Sessions, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Somerset, Samuel De Angelo waived the finding of a true bill by the Grand Jury and pleaded guilty to an indictment charging him with breaking and entering with intent to commit a felony and larceny, and on December 16, 1927, was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than three years nor more than six years.

The applicant is twenty years of age and a native-born American citizen. His occupation at the time of his arrest was that of clerk. He resided in the City of Pittsburgh with his parents. He is unmarried.

On Sunday morning, April 3, 1927, the applicant, Harry Honadle and Richard Dick drove from Pittsburgh to Windber,

Pennsylvania, for the purpose of visiting the applicant's sister who resided there. On the evening of the same day the three boys visited a roadhouse near Windber. They arrived there about midnight and remained until about 2 A. M. of the following day. While at the roadhouse they drank and when they left they were quite intoxicated. They intended to drive to Pittsburgh that same night. The applicant was at the wheel. After going a mile one of the tires became flat and the boys, in their intoxication, drove on the flat tire to the garage of J. C. Kern in the Borough of Windber, intending when they got there to have the flat tire repaired. The garage was not open and the applicant, in his drunken condition, drove the automobile through the door, breaking it down. His companion removed the tire from the automobile. The applicant was too intoxicated to participate in the proceedings and was asleep at the wheel, during which time the other boys were in the garage, entered the accessory room, took tires, tubes and accessories and loaded them into the machine. They then resumed their drive to Pittsburgh, but on the way the machine broke down and they were towed into Homewood, Pittsburgh. During the same week the articles thus taken were given to one John Russo, who lived in Pittsburgh.

On or about November 18, 1927, the applicant was arrested. Honadle had already been arrested, but Dick has never been apprehended. At the hearing before the Justice of the Peace in Windber, both men acknowledged their guilt. Honadle, who at the time was more than twenty-one years of age, was sentenced to the Huntingdon Reformatory for a period of one year and one day and has since been discharged, while the applicant, who was actually nineteen but claimed to be twenty-three years of age, was sent to the Western Penitentiary for the indeterminate period of not less than three years nor more than six years.

The applicant has now served one year and three months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from J. C. Kern, whose garage was robbed, in which he asks clemency for the applicant because he has paid all damage and costs, is in poor health and has been sufficiently punished. The Chief of Police of Windber, the prosecutor in the case, also recommends clemency. The resident physician of the Western Penitentiary, in a letter filed, states that the applicant is in poor health. The trial Judge asks the Board for clemency because the applicant has made restitution to the owner of the goods, has served a considerable portion of his sentence, and is in ill health.

In consideration of all the circumstances of this case; the comparative youth of the applicant; his prior good record; the term of imprisonment already served; because of his impaired health; because restitution has been made to the owner of the goods taken; because his accomplice, who received a lighter sentence, has been discharged from the Huntingdon Reformatory; in consideration of the recommendations of the prosecutor in the case, the owner of the garage which was robbed, and the trial Judge, we have concluded that the applicant has been sufficiently punished and, if now released, he will prove himself a useful law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Samuel De Angelo.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 363, 363½ and 363¾, November Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for

the County of Luzerne, Elmer Houger alias Fred Lambert pleaded guilty to three indictments charging him with robbery, larceny, receiving stolen goods and the larceny of a motor vehicle, and on December 12, 1924, was sentenced to pay a fine of one hundred dollars (\$100.00), costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is twenty-two years of age, a native-born citizen of the United States, a laborer by occupation, and at the time of his arrest was employed as a bell boy at the Marquette Hotel, Scranton. He is unmarried.

The applicant, at the age of eleven years, was forced to earn his own living by doing chores on farms in Minnesota. At seventeen he enlisted in the United States Army, but was discharged shortly thereafter on account of being under age. While in the Army he made the acquaintance of one Thomas Evans, alias Thomas Foley, who was indicted and sentenced on the same charge as the applicant.

While in Scranton, Pennsylvania, the applicant received a letter from his sister, giving the address of an older brother whom he had not seen for five years. He had a longing to see him and started west on foot in company with Evans, hoping to get "lifts" on passing cars. On December 6, 1924, while in Moosic, about ten miles from their starting place, Evans and the applicant stole a Ford touring car out of a garage and drove it as far as Nescopeck, Pennsylvania, where a tire blew out. They were not arrested for this offense. In Nescopeck, Evans and the applicant took a Gardner touring car, belonging to Preston Gearhart, from his private garage and, while driving it through the lane, the owner of the car appeared. They forced him to go along with them and drive the car out of town, Evans holding a car tool against Mr. Gearhart's back and ordering him to keep quiet. About two miles beyond Nescopeck, Evans and the applicant left Mr. Gearhart on the road, after taking from him his gold watch and approximately nine dollars in cash, and drove on towards Lewistown, where a State Trooper stopped them, arrested them and brought them back to Wilkes-Barre for trial. The automobile was recovered the following day and was not damaged. No bodily injuries were inflicted upon the owner of the car and his watch and money were returned to him. The applicant was only eighteen years of age when this crime was committed.

The applicant has now served four years and three months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from Preston Gearhart, the owner of the car and goods taken, in which he recommends clemency. He states: "the automobile that he (the applicant) took from my garage was recovered the next day and, since it was not damaged in any way, I think he (the applicant) has been sufficiently punished for this offense." The trial Judge also, by letter filed, recommends clemency.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of the fact that the automobile and goods taken were restored to the owner; and because of the recommendations of the Prosecutor in the case (the man who was wronged), and the trial Judge, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Elmer Houger alias Fred Lambert.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 128, March Sessions, 1918, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Luigi Quattramano, pleaded guilty to an indictment charging him with murder, the degree of which was subsequently fixed by the Court at murder in the second degree, and on April 29, 1918, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than fifteen years nor more than twenty years.

The applicant is forty-one years of age, and owes allegiance to the Kingdom of Italy. He is unmarried. At the time of his arrest he was unemployed. He is by occupation a laborer. His father (a widower) and another brother, who is incapacitated from work on account of serious illness, reside in Italy.

The applicant was charged with having shot and killed one Palmo Gervasi early in the evening of January 28, 1918. The two men had been friends for many years. On the day of the murder, the applicant went to the home of Gervasi and cleaned the snow from the pavement as an act of friendship. A card game was suggested for the afternoon. There were five men playing. During the game wine was served in unlimited quantity. An altercation arose between the applicant and another player over some point in the game. During the altercation a blow was struck by the applicant. Gervasi took up the quarrel, cursed the applicant and threatened to kill him. There is some dispute as to what actually happened, but the applicant, seeing Gervasi arising from his chair, and believing that he was about to be attacked, fired one shot, in self-defense, he alleges, which shot resulted in the death of Gervasi.

The applicant has now served approximately ten years and eleven months of his term of imprisonment. He was never before charged with or convicted of crime. Employment has been offered him if released. The father of the applicant is in dire distress and needs the support of his son, which is shown by the affidavits of three persons who have recently returned from Italy. They represent that the father is about seventy years of age, almost blind, and that his only son, residing in Italy, is in an advanced stage of pulmonary tuberculosis and unable to assist his parent.

The District Attorney's office, at a former hearing, in June, 1928, opposed a pardon. A representative of the office present at the oral hearing of this case, while not joining in the application, indicated a favorable attitude.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the destitute condition of the applicant's father; because of the fact that employment has been offered him if released; and in consideration of the favorable attitude of the District Attorney's office, we have concluded that he has been sufficiently punished and, if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that pardon be now granted to the said Luigi Quattramano.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, September Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Erie, Norman



C. Schrader who was indicted for murder, was convicted of manslaughter, and on September 21, 1926, was sentenced to pay a fine of two hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three years and nine months nor more than eight years.

The applicant is thirty-two years of age, a native-born American citizen, and is by occupation a marine and locomotive fireman. He was employed at the time of his arrest by the Great Lakes Transportation Company, of Buffalo, New York, as a fireman on the Steamship "W. W. Atterbury." He is married and has a wife and child, but their present whereabouts are unknown.

About noon on May 10, 1926, Joseph Hughes, a member of the crew of the Steamer "W. W. Atterbury," was found dead aboard ship. It was alleged that an altercation had occurred between Hughes and the applicant, during which a knife wound was inflicted on the body of Hughes, which resulted in death.

Hughes and the applicant worked together as firemen on the same watch, roomed together and were always on the most friendly terms. Throughout the night preceding the day of the tragedy they were drinking together and in the morning, at about six o'clock, an argument arose between Hughes and another member of the crew called "Dutch," which, however was quelled before any fighting was done. The applicant and Hughes then went ashore and spent the morning drinking together in different places in Erie. About noon they returned to the ship, both being in an intoxicated condition. The applicant remembers that Hughes climbed up the ship's ladder and was aboard, but he was too intoxicated to make the attempt and sat on a "niggerhead" to which the ship was tied. He remembers falling off the "niggerhead" and recalls nothing further until he was stopped by a flagman in the yards of the Nickel Plate Railroad at Dunkirk, New York. Shortly thereafter he was arrested and placed in jail. The knife which caused the injury belonged to the deceased and was in his possession. The applicant's conviction was based entirely on circumstantial evidence, largely developed on cross-examination. There were no witnesses to the crime and no motive established.

The applicant has now served two years and six months of his term of imprisonment. His prior record is good with a single exception. In 1920 he was sentenced to the Elmira, New York, Reformatory for larceny. The Penitentiary authorities certify that his prison record is excellent. The Secretary and Treasurer of the Lake Carriers' Association, a former employer, in a letter filed with the Board, offers the applicant employment if released.

There were filed with the Board the affidavit of Dr. Hickock, acting medical director of the Penitentiary at Rockview, in which he states that the applicant is suffering with tubercular laryngitis and that, in his opinion, he cannot recover without "immediate and radical change of climate."

A number of letters were filed with the Board, recommending clemency. The trial Judge and trial District Attorney, by letters, indicate a favorable attitude toward a pardon, owing to the applicant's impaired physical condition.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant, his prior good record, with a single exception; the term of imprisonment already served; because of his excellent prison record; because employment has been offered him if liberated; in consideration of the applicant's critical condition, as shown by the affidavit of Dr. Hickock; and because of the favorable attitude of the trial District Attorney and trial Judge, we have concluded that he has been sufficiently punished and that, if now released, he will prove himself a peaceful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Norman C. Schrader.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, March Session, 1915, in the Court of Oyer and Terminer, in and for the County of Lycoming, Paul Van Horn, alias Buffalo Sears, pleaded guilty to an indictment charging him with murder, the degree of which was subsequently fixed as murder in the second degree, and on June 1, 1915, he was sentenced to pay a fine of ten dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nineteen years nor more than twenty years.

The applicant is a native-born citizen of the United States, thirty-nine years of age. He lost his father at the age of two years and his mother died when he was sixteen years of age. He was unemployed at the time of the murder, but prior thereto had been employed by the Shimer Manufacturing Company, Milton, as a nut presser.

The applicant as a young man was tubercular and unable to work steadily. While idle he became addicted to using whiskey. On two occasions he committed petty larceny in order to secure money to purchase liquor. In 1914, upon his release from jail, he married one Anna Stroup and they resided with her father, John Stroup, who was a veteran of the Civil War and addicted to the use of liquor. They resided in a house owned by a Mrs. John Fullmer, an elderly widow, who lived across the street. On the evening of January 20, 1915, the applicant returned home in an intoxicated condition. A quarrel ensued between him and his wife. About 6 o'clock he went across the street to Mrs. Fullmer's residence in order to telephone to his mother-in-law, who lived apart from her husband. After he had used the telephone, and was hanging up the receiver, Mrs. Fullmer approached him through the hallway, carrying a lighted lamp. On a sudden impulse he grabbed her around the waist and put his hand across her mouth. She fainted and he put her on the floor setting the lamp beside her. He then tied a small towel over her mouth, tied her hands with an apron and went through the house to see what he could find of value. He got about \$20.00 in money, a watch, a ring and a pin. He then returned to the Stroup home and with the money he had stolen, went with his father-in-law and got more whiskey. He bought a pint bottle in addition to what was consumed at the saloon. He then returned to his home and told his wife that he was going out of town and ordered her to go with him. They walked around Williamsport for awhile, then took a trolley to Montoursville. They then went to Shamokin, from Shamokin to Sunbury, to Harrisburg, and then started back to Shamokin but got off the train at Millersburg and returned to Harrisburg. The applicant sold the watch, ring, and pin to a pawnbroker in Harrisburg and spent the proceeds for liquor. On the Saturday following, the applicant learned for the first time from the newspaper that Mrs. Fullmer had died. He was arrested in Harrisburg, and he and his wife were charged with murder. He pleaded guilty as before stated and received his sentence. The Court in fixing the degree of the crime said, "Five physicians, all of excellent standing, were called, two upon part of the Commonwealth and three for the defendant and of this number, four of the physicians testified positively that the defendant was mentally incapable of reflecting upon and weighing the nature of his act, and that because of his mental condition, he was incapable of realizing the seriousness of the crime such as has been charged in this case."

The applicant has now served thirteen years and ten months of his term of imprisonment.

There was filed with the Board a letter from the present District Attorney which strongly recommends a pardon. The trial District Attorney has also filed with the Board a letter in which he recommends a pardon, stating that while the applicant was a bad boy before his present incarceration, he believes he has improved and that he will be a useful and law-abiding citizen if given his freedom. There was filed with the Board a letter from the trial Judge addressed to the applicant in which, among other things, he states, "I have no objection, whatever, to your being pardoned, but I cannot request such action by the Pardon Board as I think that is entirely up to said Board under the law." The applicant's grandmother, eighty-six years of age, is without a home, and with-

out means of support. She requires the assistance of the applicant who will aid her if released. At the hearing it was stated deceased was choked to death by artificial teeth.

In consideration of all the circumstances of this case; the term of imprisonment already served; because his aged grandmother requires his support; because the present District Attorney strongly recommends pardon; because the trial District Attorney also favors pardon, and the trial Judge is not opposed thereto; we have concluded that he has been sufficiently punished, and if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Paul Van Horn, alias Buffalo Sears.

ARTHUR H. JAMES.  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 549, September Sessions, 1924, in the Court of Oyer and Terminer in and for the County of Philadelphia, Albert Egar pleaded guilty to an indictment charging him with assault, being armed with an offensive weapon with an attempt to rob, assault together with other persons with an attempt to rob, robbery, being armed with an offensive weapon, robbery together with other persons, robbery and at commission thereof beating, striking and ill-using, and on September 19, 1924, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than nine years nor more than twenty years.

The applicant is a native-born citizen of the United States, twenty-seven years of age. His occupation at the time of his arrest was that of janitor. He resided in the City of Philadelphia with his mother, brothers and sister. He is unmarried.

On September 14, 1924, about 4.00 A. M., William Weintraub, a taxicab driver, was instructed to go to Eighty-Second and Tinicum Avenue to pick up a party and when he arrived there found seven men who asked him to drive them to Fort Mifflin. When they reached their destination, two got out of the taxicab. The remaining five requested him to drive them about the City. When he reached Broad and Oregon Avenue, they asked him to drive them to Eleventh and Filbert Streets where all went into a restaurant. After they finished eating, the driver took them to Broad and Oregon Avenue and three men left the cab, telling the driver that the other two would pay the bill when they reached their destination, which was Port Mifflin. On the Port Mifflin Road, about three squares from the Arsenal, the two men asked the driver to stop the car for a few minutes. When the driver opened the door of the cab the applicant grabbed him by the throat and the other man, James G. Joyce, hit him on the head rendering him unconscious. The two men then took the cab and drove away leaving the driver lying on the street. Shortly thereafter a supervisor of the Yellow Cab Company noticed the Yellow Cab approaching at a rapid rate of speed, without light. He gave chase and at Twelfth and Oregon Avenue overtook the driver (the applicant) as he was leaving the cab.

When the taxi driver regained consciousness, he called the police and reported what had happened. Two officers were sent from the station house in a bandit-chasing car and they took Weintraub to the station house where the applicant was being detained. The latter was immediately identified as one of the men who had beaten him and robbed him of twenty-six dollars and his watch. The applicant confessed and implicated Joyce. Weintraub's watch was found in Joyce's room

and returned to the owner. When arrested, the applicant was intoxicated and did not appear to know where he had gotten the taxicab. He had no driver's license.

The applicant has now served four years and seven months of his term of imprisonment. He was never before charged with or convicted of crime. His mother, sixty-six years of age, is unable to support herself by reason of old age and illness and requires his assistance. His accomplice, Joyce, was pardoned by this Board December, 1928, after serving less time than the applicant.

A representative of the District Attorney's office, who was present at the oral hearing, did not actively oppose the application for pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; the fact that his accomplice has already been pardoned; because his mother, sixty-six years of age, in feeble health, requires his support; in consideration of the fact that the district attorney's office does not oppose the present application, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Albert Egar.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 3, 7, 8, 9, and 72 September Sessions, 1924, in the Court of Oyer and Terminer, in and for the County of Allegheny Harry Smith alias Harry Schmidt, alias "Huzzie" Burns, alias Anthony Schmidt, pleaded guilty to five indictments charging him with larceny and receiving stolen goods, and breaking and entering, and on September 11, 1924, was sentenced in the aggregate to pay a fine of 37½ cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than nine years nor more than eighteen years.

The applicant is a German-American, twenty-six years of age, and owes allegiance to the United States. He is by occupation a roofer's helper. At the time of his arrest he was temporarily out of employment. Prior thereto, he was employed for three years as a roofer's helper, and been employed by the United States Shipping Board as a deck hand, and also as a helper in the produce yards in Pittsburgh. He is married and has one child aged seven years who resides with his mother in Pittsburgh. His wife deserted him about six years ago. His residence was in the City of Pittsburgh with his aged parents.

The applicant, who was unemployed at the time of the commission of the crimes, met an old schoolmate named Ort who inquired if he desired to make easy money. He introduced him to one Clarence Hosek. A meeting was arranged by Hosek in his dental laboratory in Pittsburgh where the applicant was introduced to Robert Barnhart, Louis Eskra, alias "Eutch Louie," Thomas O'Brien, Jacob Finegold, alias Jack Green, and George S. Weigand. They met on several occasions planning to rob the Pittsburgh Natatorium. Nosek suggested that in order to stimulate their courage, several minor robberies should be committed. As a result, the crimes hereinafter described, were committed. At a meeting in the Hosek laboratory they had their guns given them. Of all the crimes to which the applicant pleaded guilty, the only crime netting any considerable sum of money, was the hold-up of the Pittsburgh Natatorium. About June 1, 1924, at midnight, at the point of a gun, Walter B. Alston, the night clerk in charge of the Nata-



torium, delivered to the robbers approximately \$1800.00 in cash and 31 watches. The criminals then drove to the Hosek home where they divided the loot.

Several days thereafter the applicant was approached along with the others who participated in the crime. Subsequently, most of the watches were found in the Hosek place of business and the money which was not spent, was taken from the criminals, at the time of their arrest.

The applicant has now served four years and seven months of his term of imprisonment. He was never before charged with or convicted of crime.

Clarence Hosek, who appears to have been the ringleader in the criminal enterprises, was pardoned by this Board in March, 1928. The applicant's mother is fifty-seven years of age and is in poor health. His seven-year-old son, who is now being supported by his grandparents, is a financial burden on them and requires the assistance of the father.

There was filed with the Board a letter from the present District Attorney in which he states that after consultation with the trial District Attorney, he believes that the applicant has been sufficiently punished. He recommends a pardon. The trial District Attorney has also filed with the Board a letter in which he recommends a pardon on the ground that several of the applicant's accomplices, who were equally guilty with him, have been pardoned. The trial Judge has since died.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the fact that the ringleader in the depredations has been pardoned and other accomplices, equally guilty with the applicant; because his aged parents and 7-year-old son require his support and in further consideration of the fact that the present District Attorney and the trial District Attorney both recommend pardon; we have concluded that he has been sufficiently punished and if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Harry Smith, alias Harry Schmidt, alias "Huzzie" Burns, alias Anthony Schmidt.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 367, 368, 369, 370, 371, 372, and 373, January Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Dauphin, Daniel Carmichall pleaded guilty to seven acts of forgery, and on February 25, 1924, was sentenced in the aggregate to pay a fine of \$7.00, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than six years nor more than eighteen years.

The applicant is 62 years of age, a native-born citizen of America, a widower, and a laborer by occupation. His proper place of residence is Harrisburg. He was unemployed at the time of his arrest.

The applicant in the past has been greatly addicted to the use of liquor. When intoxicated, he frequently forged checks for small amounts on various shopkeepers. He was readily apprehended and pleaded guilty to the charges made against him. The amounts involved in the seven charges, covered by the present sentence, do not aggregate \$100.00. The applicant after having served five years in prison believes that he is cured of the drink habit. During his incarceration he has learned the trade of barber and will be self-supporting. During his imprisonment he has saved money from his earnings as a barber.

The applicant has now served five years and two months of his term of imprisonment.

There was filed with the Board a letter from Jacob Carmichall, a brother of the applicant, the owner of a farm, in which he offers the applicant a home if he is liberated. There was also filed with the Board a letter from the prison physician in which he states that the applicant's heart is in bad condition and that further confinement will aggregate his condition to such an extent that it will terminate in fatty degeneration which will probably prove fatal to a man of his age.

The trial Judge verbally informed the Attorney General, a member of this Board, that he desires the applicant pardoned because he now believes that the sentence imposed was too severe. He has filed no written recommendation because it has not been the custom of the Dauphin County Court to recommend pardons to the Board. The Attorney General has caused a memorandum to be made of this conversation, and filed the same with the Board.

In consideration of all the circumstances of this case; the age of the applicant; the severe sentence imposed by the Court; the term of imprisonment already served; because of the letter of the prison physician with regard to the applicant's physical condition; because of the fact that a brother of the applicant has offered him a home, and because of the recommendation of the trial Judge, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Daniel Carmichall.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 26, December Sessions, 1928, in the Court of Oyer and Terminer in and for the County of Philadelphia, Richard McAlis pleaded guilty to an indictment charging him with assault, being armed with an offensive weapon, with an attempt to rob; robbery, being armed with an offensive weapon; robbery, and at commission thereof, beating, striking, and ill using, and on December 5, 1928 was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than one year nor more than ten years.

The applicant is nineteen years of age, a native American of Lithuanian parentage. He is a member of the Pennsylvania National Guard and was employed from June, 1928, to November, 1928, as a helper in a grocery and produce house. At the time of his arrest he had been out of employment for several weeks.

Henry Staller, residing in Philadelphia, a huckster by trade, had been selling fruits and vegetables in the neighborhood of 905 North 8th Street, Philadelphia, at which number the applicant resided in the first floor apartment, occupied by his mother and stepfather. On November 28, 1928, about 3 P. M. while the applicant was standing in the doorway of the apartment house, he beckoned Staller and requested him to bring some apples to their apartment. Staller claimed that when he reached the room the applicant closed the door, threw a towel over his head, held him up at the point of a gun and robbed him of five dollars. Subsequent investigation disclosed the fact that the applicant did not have a gun, but stuck his finger in the back of Staller to make the latter think he had one. The amount taken was \$1.09. Staller left the rooms with the applicant and when they came to the street the latter asked Staller for his address so that he could return the money the next day. The applicant then went to a cigar store at

the corner, where he was indebted to the extent of sixty cents, and paid this bill out of the money taken from Staller, so that his stepfather would not be aware of his indebtedness, and then proceeded to his home. The boy being out of work feared to incur the displeasure of his stepfather. Later in the day detectives called at the home of the applicant and made inquiries as to whether or not any other young men of his age lived there. He promptly admitted that he was the only one. The following day detectives returned with Staller and the applicant was identified and arrested.

The applicant has now served four months of his term of imprisonment. He was never before charged with or convicted of crime. He was only nineteen years old at the time of this occurrence. A former employer certifies to his prior good conduct. A number of letters were filed with the Board recommending clemency.

A representative of the District Attorney's office who was present at the oral hearing, did not actively oppose the present application.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of the fact that the applicant was innocent of the charge of assault and robbery being armed with an offensive weapon (the offense with which he was charged); because of the letters recommending clemency filed with the Board by a number of persons who were personally acquainted with the applicant, and in further consideration of the fact that the District Attorney's office did not oppose the application, we have concluded that he has been sufficiently punished and if now liberated will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Richard McAlis.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 573 and 578, January Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Norman Murdock pleaded guilty to two indictments charging him with larceny and receiving stolen goods, and on February 1, 1924, was sentenced in the aggregate to pay costs and to undergo imprisonment in the Eastern Penitentiary, for a period of not less than ten years nor more than twenty years.

The applicant is twenty-four years of age, and a native-born American citizen. His occupation was that of automobile mechanic. At the time of his arrest, he was employed by the American Ice Company as a truck driver. He is unmarried, and resided with his mother in the City of Philadelphia.

The applicant was convicted of stealing a Lincoln touring automobile, the property of Samuel Rudolph, and a Lincoln phaeton automobile, the property of John A. Brown. Both offenses were committed in the month of December, 1923. Prior to these thefts, the applicant was engaged in the hauling and delivering of ice and while so employed certain young men living in the neighborhood of his residence, urged him to take part with them in the stealing of automobiles, with the plea that he would not have to do as hard work as he was then doing, that he would have a larger income, would be able to wear better clothing and would have an easier time if he would do so. At first he declined to listen to their suggestions, but after the lapse of considerable time, finally yielded, with the result that he has now served more than five years' imprisonment in expiation of his offenses. He was only nineteen

years of age when these crimes were committed.

The applicant has now served five years and two months of his term of imprisonment. He was never before charged with or convicted of crime.

A number of letters were filed with the Board recommending clemency, also a petition of citizens to the same effect. Employment has been offered him, if released, by his uncle, a responsible citizen of Philadelphia. There was filed with the Board, a letter to this effect.

In consideration of all the circumstances of this case; the youth of the applicant when these crimes were committed; the prior good record of the applicant, the term of imprisonment already served; because employment has been offered him if released; and because of the recommendation of citizens contained in letters and the petition filed, we have concluded that he has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session", recommend that a pardon be now granted to the said Norman Murdock.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 3 and 5 May Sessions 1926, in the Court of Quarter Sessions of the Peace, in and for the County of Montour, Norman Starr pleaded guilty to two indictments charging him with the breaking and entering and larceny, and on March 26, 1926, was sentenced in the aggregate to pay a fine of one hundred dollars, costs and to undergo imprisonment in the Eastern Penitentiary, for a period of not less than five years nor more than ten years.

The applicant is twenty-three years of age, a native-born citizen of the United States, a laborer by occupation, unmarried, and at the time of his arrest, resided with his mother in Danville, Pa.

The applicant, together with his brother, Chester Starr and George Mason, was arrested on February 27, 1926, on an information made by Frank N. Sandels of Valley Township, Montour County for breaking and entering his store and stealing cigarettes and other articles to the value of ten dollars. All pleaded guilty to this charge and also to the charge of the larceny of seventeen chickens taken from the residence of Cora Diehl in Mahoning Township, Montour County, to the value of nineteen dollars. He was only twenty years old when these crimes were committed.

The applicant has now served three years and one month of his term of imprisonment. His prior record was good with a single exception. While a school boy, he was sent to Glen Mills Reformatory for the commission of some minor offenses. His prison record is good as shown by a letter from the warden of the Penitentiary filed with the Board. The applicant's brother, Chester Starr, an accomplice, was pardoned by this Board in October, 1928, after serving two and one-half years in the Eastern Penitentiary. An older brother, who participated in these crimes, has never been apprehended.

Fred Doane, a responsible citizen of Elmira, New York, engaged in the trucking business, has offered to employ the applicant if released.

Frank N. Sandels, the store keeper, who was robbed, has filed with the Board, a letter, in which he recommends pardon. The trial District Attorney has also filed a letter with the Board, which, while not recommending clemency, evinces a favorable attitude. The trial Judge, in a letter to the applicant now on file, states, that he has no objection to a pardon



being granted the applicant, but that he cannot request the same.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record (with a minor exception); the term of imprisonment already served; because his brother, Chester Starr, an accomplice, has already been pardoned by this Board; because of his excellent prison record; because employment has been offered him if released, by a responsible citizen of New York; because of the recommendation of Sandels, one of the prosecutors, and in consideration of the favorable attitude of the trial Judge and trial District Attorney, we have concluded that he has been sufficiently punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session", recommend that a pardon be now granted to the said Norman Starr.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney-General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 596, April Sessions, 1923, in the Court of Oyer and Terminer in and for the County of Philadelphia, Salvatore Geraci pleaded guilty to an indictment charging him with murder, the degree of which was adjudged by the Court to be murder in the second degree, and on December 20, 1923 was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years nor more than twelve years.

The applicant is an Italian by birth and owes allegiance to the Kingdom of Italy. He is thirty-seven years of age, has a wife and two children, is a tailor by occupation and was steadily employed at his trade until near the time of his arrest. He resided in the City of Philadelphia.

The applicant was sentenced for the killing of Vincenzo Inpronta, at the corner of 10th and Commerce Streets, Philadelphia, at the hour of noon, March 20, 1923. Inpronta was the manager of a cloak-making business located on the fourth floor of No. 27 North 10th Street, where the applicant had been an employe for some time prior to this occurrence. A few weeks before the shooting the applicant was laid off on account of the scarcity of work, and through no fault of his own. At that time there was a balance still due him for labor, and there seems to have been considerable dispute as to the amount due. He had called at the office several times to settle this claim and on the day of the tragedy he called again for that purpose. At the trial it was established that the applicant refused to accept a check for the amount finally agreed upon as due him, and the employer was unable to settle on account of not having the right amount of change in the cash drawer. An argument ensued and the testimony clearly shows that the applicant was badly beaten about the face by someone, and came out on the street with black eyes, a bloody nose, and all the appearance of a man who had received a severe drubbing. About this time there had been a number of labor disturbances in the cloak-making trade and for this reason the applicant carried a revolver, and because of having worked as a strike-breaker, although he made no attempt to use the weapon while he was being beaten. Two firemen who were in the firehouse in the neighborhood saw the applicant come out of the building wiping the blood off his face, and about ten minutes later they saw Inpronta come out with a policeman. When the latter saw the applicant Inpronta walked away after pointing him out to the officer, and the applicant, while Inpronta was in the street, shot and

killed him. The applicant admitted the shooting. A number of character witnesses testified to his excellent reputation both in Italy and in America. His army record was also produced, showing that he had served for forty-one months in active fighting during the World War and had received the Cross of Honor signed by the General of the Division in the Italian Army in which he had served.

The applicant has now served five years and four months of his term of imprisonment. He was never before charged with or convicted of crime. His wife and two children are dependent upon him for support.

A number of letters were filed with the Board recommending clemency, also a petition of citizen to the same effect.

A representative of the District Attorney's office, present at the oral hearing, stated that he was satisfied to leave the entire matter of clemency to the Board.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served, because his wife and two children are dependent upon him for support; because of the recommendations of clemency contained in letters and in the petition filed; and in consideration of the fact that the District Attorney's office is satisfied to leave the entire matter with the Board, we have concluded that he has been sufficiently punished, and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Salvatore Geraci.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 3 and 5, May Sessions, 1926, in the Court of Quarter Sessions of the Peace in and for the County of Montour, George Mason pleaded guilty to two indictments charging him with larceny, breaking and entering and larceny, and on March 26, 1926, was sentenced in the aggregate to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, twenty-nine years of age, unmarried, a laborer by occupation and was working in the Magill Coal Yards, Danville, at the time of his arrest.

The applicant, on February 27, 1926, together with Chester Starr and Norman Starr, brothers, was arrested on information of Frank N. Sandels of Valley Township, Montour County, for breaking and entering his store and for the larceny of cigarettes and other articles to the value of ten dollars. All pleaded guilty to this charge as well as to the additional charge of the larceny of seventeen chickens taken from the residence of Cora Diehl in Mahoning Township, Montour County, to the value of nineteen dollars.

The applicant has now served three years and one month of his term of imprisonment. His prison record is good as shown by a letter from the warden of the Penitentiary. Employment has been offered to him if released, by Mr. Magill, a former employer, as shown by a letter on file with the Board.

Chester Starr, an accomplice, was pardoned by this Board in October, 1928. Another Starr, an older brother of Chester and Norman Starr, who participated in these crimes has never been apprehended.

The applicant has served three years and one month of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is good.

There was filed with the Board, a letter from the trial District Attorney in which, while not recommending clemency, he evinces a favorable attitude.

Frank N. Sandels, the prosecutor in one of these cases, has filed with the Board, a letter recommending clemency. The trial Judge in a note addressed to the applicant, states that he has no objection to his being granted a pardon, but cannot request the same.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because of the fact that employment has been offered to him if released; because of the fact that Chester Starr, an accomplice, has already been pardoned by this Board, because of the favorable attitude of the trial Judge and trial District Attorney, we have concluded that he has been sufficiently punished, and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session", recommend that a pardon be now granted to the said George Mason.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 16, November Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Susquehanna, Paul Patelunis pleaded guilty to an indictment charging him with robbery, and on November 12, 1926 was sentenced to pay a fine of two hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of seven years; which sentence was subsequently modified to the indeterminate period of three years and six months to seven years.

The applicant is twenty-three years of age and a native-born citizen of the United States. At the time of his arrest he was employed as a miner in the City of Scranton.

On or about September 24, 1926, the applicant, together with his brother, John Patelunis, while driving through the town of Hallstead on their return from Binghamton, N. Y., entered a restaurant and demanded from H. C. Homan, the restaurant keeper, that he deliver to them the contents of the cash register. The two brothers covered, with their revolvers, Homan and his wife, the latter being present at the time, and Homan complied with their demand. They obtained the sum of fifty-five dollars. The brothers had been drinking and the crime was committed on the spur of the moment and under the influence and excitement caused by the liquor. They were not apprehended but a few days later, on the advice of counsel, voluntarily surrendered themselves. Restitution was made for the full amount of the money taken. The applicant was twenty-one years of age when this crime was committed.

The applicant has now served two years and five months of his term of imprisonment; he was never before charged with or convicted of crime; his prison record is excellent, as shown by a letter from the Deputy Warden of the Penitentiary; A. J. Reiley, Captain of Detectives, Scranton, testifies to the prior good record of the applicant. This is concurred in by a letter from Samuel K. Newton, Lieutenant of Police, Third Precinct, Scranton, who recommends clemency. E. J. Mirtz, Chief Deputy Sheriff, Scranton, also recommends clemency, certifying to the applicant's prior good record.

In consideration of all the circumstances of this case, the youth of the applicant when the crime was committed; his prior good record; his excellent prison record; because the applicant's family, consisting of a father, mother and three young children, require his support; because of the recommen-

dations of the Captain of Detectives and Lieutenant of Police of Scranton, and the recommendation of the Chief Deputy Sheriff of Lackawanna County, we have concluded that the applicant has been sufficiently punished and if now released will prove himself a peaceful and law-abiding citizen.

We, therefore, "after hearing upon due public notice and in open session", recommend that a pardon be now granted to the said Paul Patelunis.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 16, November Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Susquehanna, John Patelunis pleaded guilty of an indictment charging him robbery, and on November 12, 1926 was sentenced to pay a fine of two hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of eight years, which sentence was subsequently modified to an indeterminate sentence of from four to eight years.

The applicant is twenty-five years of age and a native-born citizen of the United States, unmarried, and at the time of his arrest he was employed as a miner in the City of Scranton.

On or about September 24, 1926, the applicant, together with his brother, Paul Patelunis, while driving through the town of Hallstead on their return from Binghamton, N. Y., entered a restaurant and demanded from H. C. Homan, the restaurant keeper, that he deliver to them the contents of the cash register. The two brothers covered, with their revolvers, Homan and his wife, the latter being present at the time, and Homan complied with their demand. They obtained the sum of fifty-five dollars. The brothers had been drinking and the crime was committed on the spur of the moment and under the influence and excitement caused by the liquor. They were not apprehended but a few days later, on the advice of counsel, voluntarily surrendered themselves. Restitution was made for the full amount of the money taken.

The applicant has now served two years and five months of his term of imprisonment; he was never before charged with or convicted of crime; his prison record is excellent, as shown by a letter from the Deputy Warden of the Penitentiary; A. J. Reiley, Captain of Detectives, Scranton, testifies to the prior good record of the applicant. This is concurred in by a letter from Samuel K. Newton, Lieutenant of Police, Third Precinct, Scranton who recommends clemency. E. J. Mirtz, Chief Deputy Sheriff, Scranton, also recommends clemency, certifying to the applicant's prior good record.

In consideration of all the circumstances of this case; the applicant's prior record; his excellent prison record; because the applicant's family, consisting of a father, mother and three young children, require his support; because of the recommendations of the Captain of Detectives and Lieutenant of Police of Scranton, and the recommendation of the Chief Deputy Sheriff of Lackawanna County, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceful and law-abiding citizen.

We, therefore, "after hearing upon due public notice and in open session", recommend that a pardon be now granted to the said John Patelunis.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.



## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 808 and 809, February Sessions, 1919, in the Court of Oyer and Terminer in and for the County of Philadelphia, Herman Heft pleaded guilty to two indictments charging him with robbery, and on March 3, 1919, on first indictment, he was sentenced to pay costs and undergo imprisonment in the Eastern Penitentiary for a period of not less than nine years and nine months nor more than ten years, and, on the same day, on the second indictment, was sentenced to serve a term in the same institution for a period of not less than five years nor more than ten years, to begin at the expiration of the first sentence. The applicant has now served the full sentence imposed in No. 808.

The applicant is thirty-four years of age a native-born citizen of the United States, unmarried, and at the time of his arrest resided with his parents in the City of Philadelphia. He is a machinist by occupation.

About the middle of February, 1919, the applicant with one, Joseph Howard, went into a drinking saloon at 22nd and Market Streets, Philadelphia, and while they were all drinking together robbed a man by the name of McGraft, of the sum of one hundred and sixty dollars. A few days later they went into another drinking saloon, and while they were drinking together robbed one Patrick Dillon of the sum of one hundred eighty dollars. Howard, being ten years older than the applicant, planned both robberies.

The applicant does not know how much money was obtained, did not have any offensive weapon, nor was such weapon found on his person at the time of his arrest. He was not given time to send for his parents or friends. Banditry was rife in the City of Philadelphia, and because of this fact the trial Judge gave him a very severe sentence, probably as an example to others.

The applicant has now served ten years and one month of his term of imprisonment. He was never before charged with or convicted of a crime, except that on one occasion about four years prior to the commission of this crime he was charged with stealing a bicycle and given a suspended sentence.

The applicant has now served the maximum sentence in the first indictment. Had he been sentenced under the present law he would now be entitled to liberty, as he has served more than one-half of his total maximum sentence. Howard, his accomplice, has altogether escaped punishment for his share in the present offenses. During his imprisonment the applicant has learned the trade of carpenter, and employment has been offered him, if released, by one, James Gitomer of New York, whose letter is filed with the Board. His aged parents require his support; his prison record is excellent, as appears from a letter filed by the Deputy Warden of the Penitentiary.

A representative of the District Attorney's office, present at the oral hearing, did not oppose the present application.

In consideration of all the circumstances of this case; the severe sentence; the previous record of the applicant (with a minor exception); the term of imprisonment already served; because of his excellent prison record; because his accomplice has escaped punishment for the present offense; because his aged parents need his support; because employment has been offered him if released, and because the District Attorney's office has not opposed the present application, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Herman Heft.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., April 17, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 54, September Term, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Greene, Homer Prinkey, was convicted of receiving stolen goods, with a recommendation to the mercy of the Court, and on September 8, 1929, was sentenced to pay a fine of five dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than one year nor more than two years.

The applicant is a native-born American citizen, twenty-four years of age and a coal miner by occupation. At the time of his arrest he was employed in the Mather Collieries at Mather, Greene County, and resided with his wife and five children aged ten, eight, five and three years, and six months, respectively. Another child is shortly expected.

On the night of May 17, 1928, the applicant was arrested by a Corporal of the State Police on a warrant charging him with breaking and entering, larceny and receiving stolen goods, the alleged offense having been committed in Fayette County, adjoining Greene County. The applicant was acquitted of this charge by a jury in Fayette County and three days later an information was made against him in Greene County on the charge of receiving stolen goods, under the same state of facts as shown on the former trial.

The prosecutor in the case testified that he found large quantities of merchandise, which had been stolen from certain storekeepers at Carmichaels, in the house occupied by the applicant. The latter claimed that the goods had been brought to the house while he was at work and absent from home, by one Carl Keene a boarder who was convicted of the offense of breaking and entering, larceny and receiving stolen goods in Fayette County, in June 1928. The applicant claimed that he did not know where the goods came from, denied stealing them and also denied all knowledge of their having been stolen.

In this he was corroborated not only by his wife, but also by Keene, who was brought from the Western Penitentiary in order to testify in his behalf.

The applicant has now served seven months of his term of imprisonment. His wife and five small children are in destitute circumstances and require his support. They now reside with the wife's parents who are aged, poverty-stricken and receive aid from the Poor Board of Greene County. Employment has been offered the applicant, if released, by the Superintendent of the Mather Collieries, in which he was formerly employed. The prison authorities certify to his excellent prison record.

There was filed with the Board a letter from the trial Judge in which he recommends pardon because of the destitution of the applicant's family.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; the term of imprisonment already served; his good prison record; because of the destitute condition of his wife and small children; because employment has been offered him if released, and because of the recommendation of the trial Judge, we have concluded that he has been sufficiently punished and if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Homer Prinkey.

ARTHUR H. JAMES,  
Lieutenant Governor.

CHARLES JOHNSON,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 838, September Sessions, 1922, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, James Miller was convicted of larceny and receiving stolen goods and on October 13, 1922, was sentenced by the Court to pay a fine of one thousand dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nine years nor more than ten years.

The applicant is thirty-six years of age and a native-born citizen of the United States. He had been employed both as a delivery man and as a horseshoer and at the time of his arrest was employed by one, John P. Sullivan, in Philadelphia, in which city he resided. He has two minor children aged eight and nine years respectively, who reside with their grandmother, their mother having recently died.

On September 21, 1922, about 12 o'clock, the applicant was arrested near Front and Bainbridge Streets, Philadelphia, charged with the larceny of a Studebaker automobile, the property of one, Jacob Kalman. It appears that the automobile in question was being operated northward on Second Street and came to a stop at Second and Lombard Streets, because the street was torn up for repairs. The driver of the car got out, walked to the rear of the car and then went southward on Second Street. Officer Young chased the man but lost track of him. He later arrested the applicant in an alley on Front Street near Bainbridge Street. During the trial the applicant was identified as the driver of the automobile by Officer Young, but the former denied having anything to do with the larceny of the car, and claimed that he was employed in that vicinity.

The applicant has now served six years and seven months of his term of imprisonment. His two small children require his support. Employment has been offered him if released, by two responsible parties whose letters are on file with the Board. There were also filed with the Board a number of letters recommending clemency.

In consideration of all the circumstances of this case; the term of imprisonment already served; because of the need which the applicant's children have of support; because employment has been offered him if released, and in further consideration of the recommendation of persons who are personally acquainted with him, we have concluded that he has been sufficiently punished, and that if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said James Miller.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 164, September Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Luzerne, Joseph Klem was convicted of assault and battery with attempt to commit rape, and on September 14, 1928, was sentenced by the court to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than fifteen months nor more than thirty months. This sentence, twelve days later, was modified,

and the term of imprisonment was reduced to a minimum of fourteen months and a maximum of twenty-eight months.

The applicant is twenty-one years of age, a native-born citizen of the United States, a laborer by occupation, and at the time of his arrest resided with his parents in Warrior Run, Luzerne County. He is the eldest of five children and is unmarried.

About seven P. M. on May 20, 1928, the applicant in company with Frank Ptakowski was driving his own car on the highway near Kirmar in Newport Township when they met two girls, Clara Byorick and Anna Rish. The girls asked the boys to give them a ride. Before the girls entered the car, Clara Byorick, who was unacquainted with the applicant, demanded his name and was shown his driver's license. During the course of the ride, they passed through the City of Nanticoke, Warrior Run, Sugar Notch, Ashley, and thence up the Ashley Plains to a point in the vicinity of Mountain Top, where the alleged offense occurred. Twenty-two days later Clara Byorick had the applicant arrested for attempt rape. During the drive Clara Byorick and the applicant occupied the front seat of the car, and Ptakowski and Anna Rish the rear seat. The occupants of the rear seat did not leave the car and both testify that the applicant did not assault the prosecutrix in the car and in their presence, as alleged by her. The applicant left the car, alone for about five minutes, in response to a call of nature, and when he returned Clara Byorick had gone and did not return to the car.

The girl was seventeen years of age and the applicant twenty years of age when this alleged crime was committed.

The applicant has now served approximately eight months of his term of imprisonment. He was never before charged with or convicted of crime. He was found guilty on the evidence of the prosecutrix alone, which was flatly contradicted by the testimony of two persons who occupied the rear seat of the car when the alleged crime was committed.

Clara Byorick, the prosecutrix in the case, has filed a letter with the Board in which she states, that she does not object to the granting of a pardon, believing that he has been adequately punished. There was also filed with the Board letters from the Burgess of Warrior Run, President of Town Council, Chief of Police, and the President of the School Board, and others, in which they recommended clemency.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the favorable attitude of the prosecutrix, and the recommendations of the officials of the town in which the applicant resided, we have concluded that the applicant has been sufficiently punished, and if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Joseph Klem.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, December Sessions, 1924, in the Court of Oyer and Terminer, in and for the County of Lawrence, Nick Manos was convicted of robbery, larceny from the person, and assault and battery, and on December 20, 1924, was sentenced by the Court to pay a fine of fifty dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than seven and one-half years nor more than fifteen years.

The applicant is a native of the Kingdom of Greece and is thirty-eight years of age. He came to America in 1909. He is



unmarried. The applicant worked for the American Sheet and Tin Plate Company at Shenango for a period of twelve years prior to his arrest, at which time he was boarding at New Castle.

On November 22, 1924, the applicant was sitting in a restaurant drinking coffee, when the County detective and a man by the name of Mike Solot came in and sat down. The latter pointed to the applicant and told the detective that the former was the man who had held him up. The applicant was then arrested, charged with having held up Mike Solot and Philip Salka on November 16, 1924, on a Sunday morning, about 2.15 o'clock, and robbed Solot of \$92.00. At the trial the applicant produced witnesses, among them the lady with whom he boarded. She swore on the witness stand that he was at home on the morning of November 16, as she had talked to him at 1.00 o'clock and saw him go to his room and knew that he was not out of the house until morning.

The applicant has now served four years and five months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is good as shown by a letter from the Warden of the Penitentiary.

There was filed with the Board a letter from the Manager of the American Sheet and Tin Plate Company at New Castle, a former employer, in which he expresses a willingness to employ the applicant if he is liberated. There was also filed with the Board a letter from the President Judge, who was the trial District Attorney in this case, which evidences a favorable attitude toward the applicant. He states that the latter had been working in New Castle for a number of years, and that his prior record was good. He further adds, "Viewing his crime as a first offense, I am of the opinion that his sentence was rather severe and that your Honorable Board should now extend him clemency by granting him a pardon without detriment to the public welfare." He concludes his letter by saying that the sentence imposed upon the applicant was the most severe for this particular offense that had been imposed in Lawrence County, within his recollection.

In consideration of all the circumstances of this case: the prior good record of the applicant; the term of imprisonment already served; because of his excellent prison record; because of the severity of the sentence; because employment has been offered him if released, and because of the favorable attitude of the trial District Attorney, who is now the President Judge, we have concluded that the applicant has been sufficiently punished and if now released will prove himself a peaceful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Nick Manos.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 10, March Session, 1923, in the Court of Oyer and Terminer, in and for the County of Armstrong, Martin Heath pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the second degree, and on March 24, 1923 was sentenced to pay a fine of one hundred (\$100.00) dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than nine nor more than twelve years.

The applicant is forty-four years of age and a native-born American citizen. He is a coal miner by occupation and at the time of his arrest was employed in the mines in Kiskiminetus Township, Armstrong County, and resided in Avonmore, Pa. He had a wife but no children.

On the evening of January 11, 1923 the applicant entered the house where John Nebesky was boarding. The applicant with others engaged in a poker game, Nebesky being one of the players. There had been drinking, and during the course of the game a dispute arose concerning the ownership of some money. A fight followed and the applicant shot Nebesky with fatal results. The former was found lying semi-conscious in a corner of the room where the shooting had occurred. The witnesses for the Commonwealth claimed that the applicant had been the aggressor, while the latter claimed that the deceased had been the aggressor. Notes of the testimony taken at the trial were lost and were never transcribed.

The applicant has now served five years and eleven months of his term of imprisonment. He was never before charged with or convicted of a crime.

There was filed with the Board a letter from the prosecutor in which he recommends pardon on the ground that the applicant has been sufficiently punished. The trial Judge, the trial District Attorney and the private counsel for the Commonwealth in a joint communication to the Board recommend clemency, for the same reason.

In consideration of all the circumstances of this case: the prior good record of the applicant; the term of imprisonment already served; because of the recommendations of the prosecutor in the case, the private counsel for the Commonwealth, the trial District Attorney and the trial Judge, we have concluded that the applicant has been sufficiently punished, and if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Martin Heath.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 26, 27, 28, 29 and 30, February Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Allegheny, Fred G. Wipf, alias Fred R. Wipf was convicted of unlawfully entering a building with intent to commit larceny, aggravated assault and battery, pointing a revolver, attempted extortion and carrying concealed deadly weapons, and on February 17, 1928 was sentenced in the aggregate to pay a fine of \$3.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two and one-half nor more than five years.

The applicant is forty-four years of age. He is a native of Switzerland and owes allegiance to that country. He is an accountant by profession. At the time of his arrest he was out of employment and had been looking for a position for four months. He was the office manager for the Peerless Biscuit Company from 1923 to 1927, at a salary of \$89.00 per week. In 1927 he lost his position as the result of his company selling out to another company. He was subsequently offered and accepted a position at \$250.00 a month with the Alpha Sign Company, but was unable to take the position because of trouble with his eyes. The applicant is married and lived with his wife in Pittsburgh from 1923 to 1927, when she returned to Switzerland. At that time he had one son who is now six years old. During his imprisonment a second son has been born. The children are with the mother in Switzerland.

After the applicant lost his position he was worried and endeavored to secure employment. His family were dependent upon him. He became somewhat deranged. In October, and November, 1927, he saw items in the newspaper to the effect that Mrs. Mary Copley Thaw was being sued for a very large

sum of money and becoming desperate, as the time of his wife's second confinement approached, he conceived the wild scheme of obtaining \$5,000.00 from Mrs. Thaw, believing that she could part with that sum without missing it. In his deranged mind he thought that if he could frighten Mrs. Thaw she would part with the money more readily. About this time a revolver came into his hands as part payment for a piece of furniture he sold. He took this revolver and went to the home of Mrs. William Thaw, Jr., supposing that she was Mrs. Mary Copley Thaw. It was not until after his arrest that he learned he had made an error in identity. The applicant claims that the revolver was not loaded when he went to the home of Mrs. Thaw and that he carried cartridges in his hand and purposely dropped them on the floor to increase her fear and so cause the money to be paid him. He did not fire the revolver. After thoroughly frightening Mrs. Thaw and her servants, he left the house and later sent a letter to Mrs. Thaw, demanding that she answer through the newspapers under a personal ad. After consulting the police, Mrs. Thaw inserted the personal, as demanded, and applicant sent another letter describing how the money was to be paid, the route the automobile was to follow and how it was to be marked so that he could identify it. This wild scheme resulted from the deranged mind of a man who was desperately in need of money. The applicant was duly arrested by a detective stationed on the indicated route. The numerous indictments, trial and conviction duly followed.

The applicant has now served one year and three months of his term of imprisonment. He was never before charged with or convicted of crime. His wife and two small children in Switzerland require his support and it is his intention to return there if liberated.

There was filed with the Board a letter from James M. Clark, Director of Public Safety, Pittsburgh, in which he recommends clemency if the applicant is deported. The Deputy Warden of the Penitentiary certifies to the applicant's excellent prison record. Frank W. Main, a member of the firm of Main and Company, well-known Accountants of Pittsburgh, who is personally acquainted with the applicant, also recommends clemency. There was also filed with the Board a letter from the trial District Attorney in which he recommends pardon and also a letter from the trial Judge in which he recommends clemency upon condition that the applicant immediately returns to Switzerland.

There was also filed with the Board a letter from the Swiss Consul at Philadelphia, in which he certifies that the applicant's record in Switzerland was good and that his family and immediate relatives there are held in the highest esteem. The Consul offers to assist in arranging for the applicant's return to Switzerland.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because his wife and two small sons residing in Switzerland are dependent upon him for support; because of the recommendation of the Director of Public Safety, Pittsburgh, and the recommendations of the trial District Attorney and trial Judge, and in further consideration of the fact that the Swiss Consulate in Philadelphia will assist in deporting the applicant if released, we have concluded that an appeal for clemency shall be granted on the express condition that he be immediately deported to Switzerland under the direction of the Swiss Consulate at Philadelphia.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Fred G. Wipf, alias Fred H. Wipf.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 69, 70, 71 and 72, December Sessions, 1921, in the Court of Quarter Sessions of the Peace, in and for the County of Armstrong, William J. Kelley pleaded guilty to indictments charging him with feloniously breaking and entering, conspiracy, larceny and receiving stolen goods, and, on December 31, 1921, was sentenced in the aggregate to pay a fine of \$400.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than ten years nor more than twelve years.

The applicant is thirty-one years of age, a native-born citizen of the United States. He is by occupation a stationary engineer and, prior to his arrest, was employed by the Kittanning Coal and Fire Brick Company at Kittanning, Pennsylvania. He resided at Dayton, Armstrong County, and he has two children who reside with his divorced wife.

The applicant, together with James Kelley, was charged with the larceny of a Ford touring car, a blanket, and a pair of chairs from A. M. Ash. He was also charged, together with said James Kelley and others, with having broken and entered the storeroom of the Johnston-Beyer Hardware Company and taking therefrom certain merchandise belonging to said company. He was also charged, together with said James Kelley and R. S. Kelley, with having taken a certain Hudson automobile, the property of J. J. Hout, knowing the same to have been stolen. He was also charged, together with James Kelley, with breaking and entering the store building of J. C. Ellenberger and carrying away certain merchandise, the property of said Ellenberger. These offenses were committed during the month of October, 1921.

The applicant admits that, at the request of James Kelley, he changed the serial numbers on a Hudson car belonging to Hout, but was no party to the theft and did not know that the car had been stolen. He admits guilt in burglarizing the Johnston-Beyer Hardware Store. He admits having unwittingly driven the man who robbed the Ellenberger Store, but was not a party to the crime. He admits taking the Ford car belonging to A. M. Ash (his own car being out of service) and that he used the Ash car to take him to Butler, Pennsylvania, where he abandoned it.

The applicant has now served approximately seven years and five months of his term of imprisonment. His prior record is good, with the single exception that at the age of sixteen he was sent to the Huntingdon Reformatory on a charge of felonious assault and battery. One of his accomplices, R. S. Kelley (his father) was acquitted on all the charges, and his cousin, James Kelley, another accomplice, has never been apprehended.

The prosecutors in three of the four cases recommend clemency in communications filed with the Board. The trial District Attorney and trial Judge have both filed letters with the Board in which they recommend clemency. The deputy Sheriff of Armstrong County, also recommends pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant (with a single exception) the term of imprisonment already served; because one of his accomplices was acquitted on all charges and the other accomplice has never been apprehended, whereby the applicant alone was forced to suffer punishment for these offenses; in consideration of the fact that the trial Judge and trial District Attorney both recommend clemency and that the prosecutors in three of the four cases ask pardon, we have concluded that he has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William J. Kelley.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.



Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 31, Jun. Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Warren, L. P. Foster was convicted of passing a forged instrument and obtaining money under false pretenses, and on June 11, 1928, was sentenced by the Court to pay a fine of four hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two and one-half years nor more than five years.

The applicant is thirty-one years of age, a native-born citizen of the United States, and is by occupation a steam-shovel operator and boiler fireman. At the time of his arrest he was employed at Torrence, California, in the capacity of drag line operator. His legal residence was at Salamanca, New York, where he resided with his parents. He was married but his wife deserted him. He has one child eight years of age who is residing with his parents. When he was arrested in California, in February, 1928, the applicant waived extradition.

It was shown during the trial that on January 24, 1928, some person had cashed a check of the General Concrete Products Corporation at the clothing store of George O'Dell in Warren, Pennsylvania. Said check was dated January 24, 1928, and was made payable to the order of J. T. Brown for the sum of sixty-two dollars and fifty-four cents. It purported to have been signed by F. J. Haggerty and F. W. Chaffee, president and treasurer of said corporation, respectively. The applicant, a former employe of the company, was convicted of passing said check and with obtaining money by false pretenses on account of the forged check, but was acquitted on the first count charging forgery.

The applicant has now served eleven months of his term of imprisonment. He does not appear to have had a criminal record, and his prison record has been good.

There was filed with the Board letters from the trial District Attorney and trial Judge which evince a favorable attitude toward the present applicant. Both refer to the fact that his identification as the person who passed the forged check was "weak." There were also filed with the Board a number of letters from prominent citizens of Salamanca, the former home of the applicant, in which they refer to the excellent record of the applicant in that community. Among them are letters from the present Mayor of Salamanca, a former Mayor, Postmaster, City Controller, Chief of Police, Secretary of the Chamber of Commerce and from the District Attorney of Cattaraugus County, New York.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; the term of imprisonment already served; the former good record of the applicant; because of the favorable attitude of the trial Judge and trial District Attorney; and because of the favorable statements from prominent citizens of Salamanca, New York, the former home of the applicant, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said L. P. Foster.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 8 December Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Cambria, Murray

Rodkey was convicted of robbery and receiving stolen goods, and on February 21, 1927, was sentenced to pay costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three years nor more than six years.

The applicant is twenty-eight years of age, a native-born citizen of the United States, married, is a laborer and truck driver by occupation, and at the time of his arrest resided with his mother at Bolivar, Pennsylvania.

In July, 1925, the applicant and his wife and two small children moved to a house in the country about one mile from Boniface, Pennsylvania, and about three miles from Hastings, Pennsylvania. Mrs. Oliver, the applicant's wife's mother and Charles Layman, the applicant's sister's husband, lived under the same roof. Layman was the lawful husband of the applicant's sister and the father of her five small children, yet he lived with Mrs. Oliver and she bore children to him. This condition of affairs irritated the applicant as he knew his sister and her family were in need. The applicant's wages were insufficient to meet the store bills. Layman worked occasionally. The applicant tried to induce his wife to leave her mother's home but she refused to do so. He then left his wife and went to Bolivar to stay with his mother. Shortly thereafter he returned and again in June, 1926, left his wife—she refusing to leave her mother. On September 21, 1926, the applicant was arrested at Bolivar, charged with having assaulted and robbed Mrs. Anna O'Rourke of Hastings, on March 19, 1926, at which time the applicant was at Bolivar, sixty miles distant. The amount taken from Mrs. O'Rourke was \$12.25. She could not identify the applicant as the robber, but he was convicted on the testimony of Mrs. Oliver and Layman, although they were not present at the alleged robbery.

The applicant has now served two years and three months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is good.

A number of letters were filed with the Board recommending clemency. There was also filed with the Board a communication from the trial judge in which he states that, "if after considering the facts in this case the Pardon Board has any doubts as to the guilt of Murray Rodkey, I would recommend a pardon."

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his former good record; the term of imprisonment already served; his good prison record; because of letter filed with the Board recommending clemency, and in further consideration of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Murray Rodkey.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 132, February Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Erie, Robert G. Coates pleaded guilty to an indictment charging him with robbery, and on April 8, 1925, was sentenced to pay a fine of \$300.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than six years, nor more than twelve years.

The applicant is thirty-four years of age, a native-born American citizen, a railroader by occupation, but was out of employment at the time of his arrest. He resided in the

city of Erie with his mother. He had previously been married but was divorced. His only child lives with its grandmother.

On March 25, 1925, the applicant, a man named Pie, and Churcher, the prosecutor in the case, were carousing about the city of Erie, going from one "speakeasy" to another, in Churcher's automobile, and finally set out for a roadhouse on the outskirts of Erie and there continued their drinking, apparently on friendly terms. They left the road house together, got into the automobile operated as a taxicab by Churcher and proceeded westwardly. A few miles from the city the automobile was ditched. The applicant returned to the city of Erie and on the next day was arrested for being drunk and disorderly. Churcher did not make immediate information but within a short time thereafter complained that Pie and the applicant, robbed him, stole his automobile and ditched it. The applicant was arrested and claimed that he was drunk and asleep until the car was ditched and knew nothing of what happened after leaving the roadhouse. Acting on the advice of his brother, he pleaded guilty to the indictment. This same brother urged the imposition of a short sentence as a lesson, although he did not expect so severe a sentence for a first offense.

The applicant has now served four years and one month of his term of imprisonment. He was never before charged with or convicted of crime.

A number of letters were filed with the Board recommending clemency, and also several petitions to the same effect. The Mayor of the city, the Prothonotary, Senator Kitts, Representative Schilling, the Managing Editor of the Erie Daily Times and others recommend clemency. The present District Attorney and the trial District Attorney in letters filed with the Board, also recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the doubt as to the guilt of the applicant; because of the severity of the sentence; because of the recommendations of the present District Attorney, trial District Attorney, Mayor of the city and others, we have concluded that the applicant has been sufficiently punished and if now released will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Robert G. Coates.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth,

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 13, March Term, 1926, in the Court of Oyer and Terminer, in and for the County of Cambria, James Donnelly was convicted of robbery and receiving stolen goods and recommended to the mercy of the Court, and on March 29, 1926, was sentenced to pay costs and to undergo imprisonment in the Western Penitentiary for a term of not less than three years nor more than six years; sentence to begin at the expiration of sentences imposed at Nos. 167 and 183, December Term, 1925.

The applicant is now twenty-four years of age, a native-born citizen of the United States, and at the time of his arrest was employed as an electrician by the Bethlehem Steel Company at Johnstown, Pennsylvania. He is unmarried, and at the time of his arrest resided with his parents in Johnstown.

While working as bartender in the clubhouse of Gordon Hoffman at Geistown, Pennsylvania, the place was raided by State troopers and the applicant arrested. Released on bail, the applicant was employed by the Bethlehem Steel Company. The trial on the charge of the illegal sale of liquor was set for

December 16, 1925. The night before the trial the applicant, Paul Henger and George Gigliotti went on a spree. While drinking in a saloon the three men met one Thomas Rhoads, who joined them in their celebration. Rhoads was a co-worker of Henger and known to all concerned. After having taken numerous drinks they decided to go to a restaurant. During the meal a drunken argument started among the four men and was continued on the street. After Rhoads went home the applicant, Henger and Gigliotti went again to a saloon and after the place closed the brawl of this drunken trio on the street attracted the attention of the police and they were arrested for disorderly conduct and locked up. In the meantime, Rhoads reported the loss of his watch and money (\$18.00 in cash). When brought face to face with the three men already named in order to identify them as the guilty ones, Rhoads for a considerable time was unable to declare that they were the robbers. The applicant claimed, and still claims, that he knows nothing about the robbery, nor anything as to the whereabouts of the stolen goods.

The applicant had pleaded guilty to an indictment charging him with selling and possessing liquor for beverage purposes, and on March 9, 1926, at No. 183, December Sessions, 1925, in the Quarter Sessions Court of Cambria County, was sentenced to pay a fine of \$300.00, costs, and undergo an imprisonment in the county jail for a period of three months. At No. 167, December Sessions, 1925, in the same court, he was convicted of keeping a disorderly house and sentenced to pay a fine of six and one-quarter cents, costs, and undergo imprisonment in the county jail for a period of six months—the latter sentence to begin at the expiration of the sentences entered at No. 183.

The applicant has served in the County Jail the two sentences aggregating nine months, for violating the liquor laws and keeping a disorderly house, and has also served two years and five months of three minimum sentence of three years imposed for robbery and receiving stolen goods. Prior to his conviction for violating the liquor laws he had no criminal record. His accomplices, Henger and Gigliotti, have served their minimum sentence of three years each in the Western Penitentiary and have been discharged.

The trial District Attorney has filed with the Board a letter in which he reviews the criminal record of the applicant, and in it he states that the applicant's accomplices have served their minimum sentences and are discharged from imprisonment and that the applicant "was equally guilty with them." The trial Judge in a letter to the applicant, which was filed with the Board, states that he has no objections to a pardon and that if the applicant's prison record is good he should receive favorable consideration from the Board.

In consideration of all the circumstances of this case; the prior good record of the applicant, with the exception of nine months in the county jail; the term of imprisonment already served because of the fact that his accomplices have been released from the Penitentiary, and in further consideration of the favorable attitude of the trial Judge and trial District Attorney, we have concluded that he has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said James Donnelly.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 34, April Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Allegheny, and at



No. 278, April Sessions, 1926, in the Court of Quarter Sessions of the Peace in and for the same County, Fred Rodgers pleaded guilty to two indictments charging him with robbery and receiving stolen goods, and on January 12, 1927, was sentenced in No. 34 to pay a fine of six and one-quarter cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than four, nor more than eight years. In No. 278, sentence was suspended by the Court.

The applicant is twenty-five years of age, a native-born citizen of the United States. Prior to the commission of the crime charged against him he was employed by the Package Delivery Company of the City of McKeesport and resided in said city with his mother and grandmother, whose sole support he was. After the commission of the crime, the applicant went to Detroit, Michigan, where he was employed by the Ladd Boiler and Construction Company for a period of six months, and was subsequently transferred to New York City where he had been employed about six weeks prior to his arrest.

At or about midnight, February 17, 1926, the applicant, in company with one, Fred Satis, held up and robbed Thomas J. Judge on Grandview Avenue in the City of McKeesport. There was taken from Judge \$95.00 in cash and a watch and chain. The applicant at the time was under the influence of liquor and claims that by reason of his condition he cannot recall the circumstances surrounding the robbery. The applicant is informed and believes that on the afternoon of the following day, about 3:00 o'clock, while in an intoxicated condition, he was taken by his brother, David Rodgers, to the latter's home on a farm in Somerset County. The following day he was informed that the police were looking for him and, fearing arrest, he fled to Detroit. He was not addicted to the use of strong drink, but at the time of the commission of the crime and for one day thereafter he was in an intoxicated condition.

The applicant has now served two years and four months of his term of imprisonment. He was previously charged with the crime of entering a building in company with a number of others and stealing knives and other implements from a store in the City of McKeesport, and on said charge was paroled for a period of one year, which parole was not violated.

The applicant is the sole support of his mother and grandmother, with whom he resided before his imprisonment. This home has since been broken up, and the mother and grandmother separated.

There was filed with the Board a number of letters from persons personally acquainted with the applicant recommending clemency.

In consideration of all the circumstances of this case; his prior good record, with a single exception; the term of imprisonment already served; because of the fact that the applicant is the sole support of his mother and grandmother; in consideration of the letters filed with the Board recommending clemency, we have concluded the applicant has been sufficiently punished and if now released will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Fred Rodgers.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General,

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 38, March Session, 1924, in the Court of Oyer and Terminer, in and for the County of Warren, Clyde

Rand pleaded guilty to an indictment charging him with forgery, passing a forged instrument and false pretense and on March 6, 1924, was sentenced by the Court to pay a fine of \$200.00, costs, and to undergo imprisonment in the Western Penitentiary, for a period of not less than two years nor more than four years.

The applicant is a native-born citizen of the United States and is by occupation a pharmacist. At the time of his arrest he was traveling in various cities, engaged in the selling of used automobiles. He has a wife and one son, aged five years.

During the winter of 1923-1924, the applicant had been traveling to various cities promoting used car sales for automobile dealers. He went to Warren, Pennsylvania, for this purpose, in February, 1924. For several days prior to his arrest the applicant had been drinking and while in this condition attempted to purchase an automobile from a dealer, giving a worthless check therefor on a Warren bank. For this offense he was arrested, tried and convicted. The applicant claims that he has no recollection of the transaction. On March 7, 1926, upon the completion of his minimum sentence, he was released from the penitentiary on parole. After his release he went to Altoona, Pennsylvania, where he secured two positions.

During the applicant's period of parole a former inmate of Rockview Penitentiary made several calls upon him, levying blackmail for small sums, as the price of his keeping quiet about the applicant's prison record. Finally the applicant refused to contribute further blackmail. The blackmailer informed a deputy Constable named Kearns, who called upon the applicant at his place of employment and demanded that he be allowed to use an automobile for a few days to attend to some business, and when the applicant refused his request Kearns said: "All right Mr. Convict, I will get you for this: who do you think you are, you jailbird?" About two months later this deputy Constable stopped the applicant while he was driving a car on one of the city streets of Altoona and placed him under arrest on the charge of driving a car while intoxicated, and he was taken to the office of a physician who without making any physical examination pronounced him intoxicated. The applicant protested but was not allowed to have any other physician for an examination, and was taken to the Alton Police Station. While awaiting a hearing Deputy Constable Kearns came to the cell and said to the applicant: "Well Mr. Convict, you will be smart with me, will you? If you have got one hundred dollars I will drop the charges against you when you are arraigned for hearing before the alderman, if not, back to the Pen for you."

At the next term of court the applicant pleaded guilty to the charge upon the advice of an attorney who said: "If the doctor pronounced you intoxicated, you won't have a chance in the world." The applicant was sentenced to six months in the Blair County Jail, which term he served. While in jail the applicant filled out and sent his parole papers each month to the parole clerk at the Western Penitentiary, but did not inform the parole clerk that he was in the County Jail. March 8, 1928, on the expiration of the applicant's parole, he received his final discharge from the Parole Clerk. On July 18, 1928, the applicant was taken into custody by the Parole Field Officer and returned to the Western Penitentiary as a parole violator.

The applicant served six months in the Blair County Jail for driving a car while intoxicated, two years, his minimum term, for forging, and is now by reason of his being returned as a parole violator compelled to serve his maximum sentence of four years for forgery. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial District Attorney in which he asks clemency. The trial Judge in a letter to the applicant states that he will not oppose a pardon and that he knows of no reason why the Board should not grant clemency upon his statement of the facts in the case.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because the applicant's wife and small son require his support; in further consideration of the recommendation of the trial District Attorney and the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice

and in open session," recommend that a pardon be now granted to the said Clyde Rand.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 15, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 430, February Term, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Westmoreland, William F. Hevner pleaded guilty to an indictment charging him with robbery, and on January 28, 1927, was sentenced to pay a fine of six and one-quarter cents, costs and to undergo imprisonment in the Western Penitentiary for a period of not less than five years nor more than ten years.

The applicant is twenty-four years of age, a native-born citizen of the United States, and is by occupation an automobile mechanic. At the time of his arrest he was so employed by A. J. List of Tyrone. He lived in Tyrone with his wife.

On January 12, 1927, the applicant boarded the Keystone Express, having previously purchased a ticket for Pittsburgh. The train stopped at Johnstown and a man boarded it who claimed he was from the Soldiers' and Sailors' Home. He occupied the same seat with the applicant. The applicant had been drinking during the day and had liquor with him. The ex-soldier or sailor also had liquor in his possession and the two men consumed a considerable quantity of liquor together while on the train. When the train was west of Irwin, Westmoreland County, the applicant, for reasons unknown to himself or to anyone else, suddenly stood up with a revolver in his hand and held up a few of the passengers. He was overpowered by the train crew and taken to Pittsburgh. Later he was confined in the Westmoreland County Jail. At the time of the sentence the applicant did not say anything, and the Court was unaware that friends and relatives to the number of twenty were in court to testify to the good reputation of the applicant. These witnesses were sent to the office of the applicant's attorney but for some reason they did not reach there until after the applicant had been sentenced.

The applicant has now served two years and four months of his term of imprisonment. He was never before charged with or convicted of crime.

A number of letters were filed with the Board recommending clemency and also petitions signed by persons who knew him. The trial Judge filed a letter with the Board in which he states that he has never before written to the Board, and adds, "Had all of the facts of this case been presented to the Court, at the time of the sentence, we would not have passed the sentence we did, but would have sent the defendant to the Pennsylvania Industrial Training School, Huntingdon. We believe now, as we did at the time the petition for re-sentence was presented that the young man is not a criminal and that he got into this trouble because he was crazed with drinking bad liquor. Our personal investigation has convinced us that up to the time of this trouble, the defendant had been sober and industrious, and a very likeable person. The period he served in jail for more than a year is all the punishment he deserved."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the recommendations contained in letters and petitions filed with the Board; and particularly in consideration of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William F. Hevner.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 67 and 94, September Term, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Erie, Carl Mueller alias Carl Miller, pleaded guilty to two indictments charging him with rape and enticing a female child under the age of sixteen years for the purpose of prostitution, and on September 2, 1924, was sentenced in the aggregate to pay a fine of \$600.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than fifteen years, nor more than thirty years.

Applicant is forty-three years of age and a native-born citizen of the United States. He is by profession a bandmaster and was last employed by the Colonial Theatre of Erie as a member of its orchestra. He resided in that city. He is unmarried at the present time, but had a wife who divorced him twelve years ago.

In the early part of 1924, two young girls of foreign parentage, Louise Groschulka and Helen Nejman, whose ages were said to be thirteen years and fifteen years, respectively, walked the streets of Erie soliciting money from various men and offering the use of their bodies as recompense. Their immoral traffic was finally brought to the attention of the District Attorney of the County who after investigation and from information obtained from the girls had nine men, including the applicant, arrested on statutory charges. The applicant was one of the last of the men to be arrested. Without sufficient funds to employ an attorney and anxious to avoid publicity as much as possible, he decided to plead guilty to the charges. After the plea was entered, a hearing was held in the Judges' chambers at which the girls admitted that the applicant was not the first person to violate them; that he did not entice them to his rooms or elsewhere, but that they had gone voluntarily to his establishment to ply their trade. Upon the conclusion of the hearing, the applicant was sentenced. All of the other defendants involved in these cases were financially able to hire counsel. Some of the defendants escaped penalties altogether and the others were indicted and got off with much lighter sentences than the applicant. One of the defendants after having his case postponed from term to term, for a year and a half, on account of ill health, succeeded in having the charges against him quashed.

The testimony at the trials, established the bad character and reputation of the two girls and showed that they practiced prostitution regularly for money, visiting men's places to ply their trade. Although alleged to be under sixteen years of age, they were fully matured and apparently above that age. All of the men sentenced in these cases, with the exception of the applicant, have been released for several years.

The applicant has now served four years and nine months of his term of imprisonment. The prior record of the applicant is good with one exception. He pleaded guilty to the charge of robbery and served fourteen months in the Huntingdon Reformatory.

There was filed with the Board a letter from the present District Attorney, in which he strongly recommends a pardon. He states that he is familiar with the details of the cases and that the other defendants in the cases involving the same girls, received small penalties for the reason that at the trial



the evidence disclosed the bad character and reputation of the girls. The Chief of Police of Erie has filed with the Board a letter in which he strongly recommends a pardon because of the bad character of the girls and because of the fact that the applicant has already been sufficiently punished. The trial Judge has also filed with the Board a letter which evinces a neutral attitude. J. Reed Craig, prominent member of the Erie Bar, has also filed with the Board a letter in which he strongly recommends clemency. He states that while the two girls were of tender age, they were common prostitutes.

In consideration of all the circumstances of this case; the prior good record of the applicant, with a single exception; the term of imprisonment already served; because of the bad character and reputation of the two girls; because eight other men involved in similar offenses with the same girls are at liberty; because of the strong recommendations of the present District Attorney and the Chief of Police of Erie, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Carl Mueller alias Carl Miller.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 20, December Sessions, 1927, in the Court of Oyer and Terminer, in and for the County of Beaver Oscar Reed pleaded nolo contendere to an indictment charging him with breaking and entering, and on January 2, 1928, was sentenced to pay a fine of \$100.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two years nor more than four years.

The applicant is a native-born American citizen, twenty-three years of age, and his occupation is that of painter, decorator, and paper hanger. At the time of his arrest, he resided with his wife and one child in the Borough of New Brighton, Beaver County.

The applicant came from work on the evening of October 25, 1927, and after eating his evening meal, went to a party at a friend's home. Leaving there about eleven P. M., under the influence of liquor, he stopped for a drink of water at a pump located in the rear of the building of the Order of Moose, at the corner of Fifth Street and Third Avenue, New Brighton. According to information received from the police officers who arrested him, the applicant was later found by the night watchman in a semi-unconscious condition in the hallway leading to the Moose home. The door to the Moose Club was broken and the applicant's head was bruised and injured. Nothing was disturbed or taken from the building or from the Moose Home. No property of any kind belonging to anyone in the building was found in the possession of the applicant. The latter has no recollection of breaking into the building or of attempting to commit any crime.

The applicant has now served one year of his term of imprisonment. He was never before charged with or convicted of crime. His wife is a cripple and has no earning power. In addition to his wife, he now has two small children dependent upon him.

The applicant is in a critical condition. He has been confined in the hospital at the Penitentiary since the middle of December, 1928, suffering from heart trouble, lung infection, high blood pressure, and his weight has been reduced from 169 pounds to 124 pounds. His general physical condition is bad which further confinement will augment. These facts appear from a letter or report from Doctor Newcomb, Resident Physician of the Penitentiary.

There were filed with the Board letters from the trial District Attorney, and from certain other county officials, recommending clemency. Favorable letters of recommendation from a number of prominent citizens were also filed, and a large petition to the same effect.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the seriously impaired physical condition of the applicant; because of the fact that his crippled wife and two small children require his support; because of the recommendation of the District Attorney, other county officials, and the petition and letters of prominent citizens, we have concluded that he has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Oscar Reed.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1516, 1517, and 1518, September Sessions, 1924, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, Walter Geib pleaded guilty to three indictments charging him with entering buildings and dwellings with intent to steal and on October 6, 1924, was sentenced in the aggregate to imprisonment in the Eastern Penitentiary for a period of not less than ten years nor more than twenty-five years.

The applicant is thirty-four years of age, a native-born citizen of the United States, and a resident of the City of Philadelphia. He is a painter and inside decorator by occupation. At the time of his arrest he was employed as a night watchman. He is unmarried.

The applicant was indicted and sentenced for entering three different buildings with intent to steal. In the first indictment he is charged with having taken one suitcase, ladies' silk coat, and ladies' undergarments, valued at \$270.00. In the second indictment, he was charged with having taken one electric sewing machine to the value of \$105.00; in the third indictment, he was charged with having taken one ladies' wrist watch and a ladies' gold watch to the value of \$85.00. The value of all of the articles as fixed by the indictments, totaled \$460.00, for which full restitution has been made.

The applicant married a woman who sought amusement and craved luxuries. He loved his wife and during the two years that they resided together, was led into habits of drink and modes of life beyond his means, and in trying to gratify his wife's extravagance, resorted to theft. He entered the buildings in the day-time and did not arm himself in preparation for these crimes. His father has pledged himself to take the applicant into his own home and to provide him with employment, if released.

The applicant has now served four years and eight months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent as shown by a letter from the Master Mechanic of the Eastern Penitentiary.

A representative of the District Attorney's office present at the oral hearing of the application for pardon did not strongly oppose clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because a home and employment have been offered him, if released; and because of the fact that the District Attorney's office is not unfavorable to the pardon, we have concluded that the applicant

has been sufficiently punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Walter Geib.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 50, May Term, 1916, in the Court of Oyer and Terminer in and for the County of Clearfield, W. M. Dennery, alias Mike Dennery, was convicted of murder in the first degree and on May 11, 1917, was sentenced to be electrocuted. Subsequently, on February 20, 1918, the death sentence was commuted to life imprisonment.

The applicant is forty years of age, and a native-born citizen of the United States. He is unmarried and a marine fireman by occupation. At the time of his arrest he was working on lake boats and his place of residence was at Lost Creek, Pennsylvania.

The applicant had come to Cleveland, Ohio, from a lake boat on August 19, 1916, and remained at a hotel over the week-end. On Monday morning he was arrested on the street and told that he was wanted for a murder that he had no knowledge of. He was taken from Cleveland to Clearfield County and lodged in the county jail to await trial. He was charged with having killed one, John Rowles, on January 31, 1916. On the day of the alleged shooting of Rowles at about 9:00 A. M., the applicant had been drinking with Thomas Shade, Patrick Kelley and the said Rowles at a small club house. The applicant left the club house about 10:00 A. M., at which time he met James Wilson and James Allen and they had drinks together. He left them and in the evening had drinks with other men. He had not seen Rowles since morning. He was subsequently informed that the latter was shot about 6:45 P. M., of the same day, under the following circumstances: Shade, Patrick Kelley, John Rowles and Mike Brawley were drinking in Shade's shanty, consisting of two rooms. Kelley and Brawley left the one room to go to the kitchen to tap beer, leaving Rowles and Shade behind. As Kelley and Brawley reached the beer keg, masked men appeared at the kitchen door and held them up. They were compelled to face the wall while their pockets were rifled by the intruders who were armed. About the same time a scuffle was in progress in the front room where a masked man also appeared. Rowles was shot with a revolver and killed. The robbers disappeared.

The applicant went to work on the lake boats as was his custom, not attempting to hide from anyone. He did not know that the murder had been committed, until after his arrest eight months later. Wilson and Allen were also arrested. Both were convicted of second degree murder, and in June, 1928, both completed their sentences and were discharged from prison. The applicant was tried after them and they were witnesses against him and threw the blame of the murder on him. Wilson and Allen were both former convicts with long prison records and their testimony was largely responsible for the verdict of the jury.

The applicant has now been in prison since August, 1916, a period of 12 years and 10 months. He was never before charged with or convicted of crime. His prison record is excellent as shown by letters on file from the Prison authorities, including the Warden and deputy Warden.

There were filed with the Board several letters from the trial District Attorney in which he strongly recommends clemency. In one of his letters he states: "Have been convinced that Dennery was an unfortunate sailor who fell into the hands of two professional yeggs and through them and under the influence of alcohol, was prevailed upon to join in the robbery

resulting in the killing of Rowles. I am also now convinced that he was not in the building at the time the killing took place and I am of the firm conviction that Dennery is sufficiently punished and that his petition is worthy of due consideration," etc.

He adds: "I might further add, that of the twenty-three homicide cases in which I engaged, this is only the second that I have felt justified in recommending a pardon." In another letter to the Board he states, "The other two men in this murder case, James Wilson and James Allen, I am convinced were the men who conceived the crime and carried it out, have served their sentences and were released about a year ago. Assuming that Dennery was guilty and being convinced now that his connection with the crime was at the worst more passive than active and taking into consideration the contrast in the former records of the men, I believe that he should not be required to suffer more than the others." The trial Judge has also filed with the Board a letter in which he recommends clemency. John F. Short, editor of the Clearfield Republican, has filed with the Board a letter in which he strongly recommends clemency. He states, inter alia, that he was present in Court during the trial and heard the evidence submitted by the Commonwealth, not only in the applicant's case, but in the cases tried previously in which Wilson and Allen, his accomplices, were convicted of second degree murder and given indeterminate sentences of from ten to twenty years. He states that both men are now free, and that in his opinion the real murderers were Wilson and Allen, both criminals with records.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment served; because of grave doubt as to the guilt of the applicant; because of the fact that his two accomplices, men with criminal records who engineered the crime and were convicted and sentenced for murder in the second degree, are now at liberty; because of the recommendations of the trial Judge and particularly the recommendations of the trial District Attorney and Editor Short, we have concluded that the applicant has been sufficiently punished and if now released will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said W. M. Dennery, alias Mike Dennery.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 493, November Sessions, 1922, in the Court of Oyer and Terminer in and for the County of Luzerne, Chester Dodd pleaded guilty, without an indictment being found, to the charge of robbery, and on January 22, 1923, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nine and one-half years nor more than ten years.

The applicant is twenty-six years of age and a native-born citizen of the United States. At the time of his arrest he was employed as a laborer by the Kingston Coal Company, Edwardsville, Pennsylvania, and at that time resided in Laketown, Luzerne County. He is unmarried.

On the fourth of January, 1923, about four P. M., the applicant in company with Theodore Durland, Hugh Lynch and Theodore Reilswick, riding in a Jordan car which had been previously stolen by them, went to the store of John Cragle at Hemlock's Creek, Luzerne County, where Durland and the applicant entered the store. When Cragle came into the store, he was commanded to hold up his hands and to deliver what money he had. The command was accompanied by the drawing of a revolver by the applicant. Cragle resisted, whereupon



the applicant fired one shot to the floor. Cragle kicked the gun from the hand of the applicant and the men becoming alarmed ran away. The applicant was twenty years of age when this crime was committed. Lynch, having been sentenced to the County Jail for a period of three years for his part in the affair, was paroled after serving nine months. Durland was sentenced to the Penitentiary for a period of not less than five years and not more than ten years. Reisswick, later, stood trial, and, in the absence of the other three, was acquitted by the jury.

The applicant has now served six years and five months of his term of imprisonment. His prior record is good with the exception that at one time he was confined in the Luzerne County jail for the theft of a tire.

There was filed with the Board a letter from the trial Judge which is noncommittal. Dr. Linn Bowman, Moral Instructor in the Eastern Penitentiary, in a letter addressed to J. Justin Lewitt, of Pittston, and filed with the Board, states that the applicant's record in the Penitentiary has been exceptionally good; that he is a master mechanic in the tin shop; that he is an industrious man and gives promise of good citizenship if released. There were also filed with the Board a number of letters recommending clemency. Among them was one from the Chief Burgess of Pringle, the Tax Collector, and others, and also a petition of neighbors who are personally acquainted with the applicant.

In consideration of all the circumstances of this case; the comparative youth of the applicant when the crime was committed; his prior good record, with a single exception; the term of imprisonment already served; his excellent prison record; because one of his accomplices is out on parole and another one was acquitted by the jury; because of the strong letter from Dr. Bowman, Moral Instructor of the Penitentiary, and numerous letters recommending clemency by the Chief Burgess of Pringle and others; and the petition of neighbors to the same effect, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Chester Dodd.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1148 and 1149, February Sessions, 1929, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, Thomas Smith was convicted of robbery, assault and battery with intent to ravish and rape, and on March 1, 1929, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seven and one-half years nor more than fifteen years.

The applicant is a native-born citizen of the United States, thirty years of age, a textile worker by occupation, but for six months prior to his arrest, had been unlawfully selling liquor at No. 26 Collom Street, Philadelphia, the address at which the alleged rape and robbery occurred. The applicant is a married man, separated from his wife. He resides in that city.

On February 20, 1929, Lucy De Petro, aged eighteen years, a married woman, complained to the police authorities that she had been robbed and raped. She accompanied the police officials to No. 26 Collom Street and there identified the applicant and one Frank Watson as the two men who on the previous day had committed these crimes. She stated that while walking past the said number at about 3:00 P. M., on her way to do shopping, the applicant and the said Watson seized her, the applicant taking her by the head and placing his hand over her mouth and Watson seizing her by the feet; that they then

carried her into 13, 26 Collom Street, into the front room, where they robbed her of twenty-five dollars which she had in her possession; that the applicant then ravished her and Watson attempted to ravish her but didn't succeed; that she then escaped and informed her husband and the next day they reported the matter to the police authorities with the resulting arrest.

The applicant has now served three months of his term of imprisonment. He was never before charged with or convicted of crime except that he was indicted at No. 990, January Sessions, 1929, Quarter Sessions of Philadelphia County, on the charge of possessing intoxicating liquor.

The applicant contends that Mrs. De Petro's story is improbable. She testified that in broad day-light, the middle of the afternoon, in a busy street, within one-half square of Germantown Avenue, she was seized on the streets, immediately opposite the very busy offices of the Keystone Telephone Company, was carried into the front room of the house and there robbed and raped. He points to the fact that the prosecutrix was a sturdily built, good-sized girl, whereas both defendants are cripples and weak physically. No one heard any outcry. The applicant produced disinterested witnesses to prove that he was in the center of the city at or about the time of the alleged crimes. Subsequent investigation made by the County Detectives attached to the District Attorney's office showed that the prosecutrix in her testimony had perjured herself in some respects, and that her story was highly improbable.

The representative of the District Attorney's office present at the oral hearing of the application made no active opposition to pardon. A number of letters from men and women recommending clemency were filed with the Board.

In consideration of all the circumstances of this case; the numerous letters filed with the Board recommending clemency; the grave doubt as to the guilt of the applicant; his prior good record, with one exception; the term of imprisonment already served; because of the fact that the District Attorney's office at the oral hearing, did not actively oppose the application for pardon, we have concluded that the applicant has been sufficiently punished, and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Thomas Smith.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 13, January Term, 1922, in the Court of Oyer and Terminer, in and for the County of Lackawanna, Alexander Micks pleaded guilty to an indictment charging him with murder, the degree of which was subsequently adjudged by the Court to be murder in the second degree, and on February 6, 1922 was sentenced to pay costs, to undergo imprisonment in the Eastern Penitentiary for a period of not less than twelve years nor more than twenty years.

The applicant is thirty-four years of age and owes allegiance to the Republic of Poland. He is a miner by occupation and was so employed at the time of his arrest. He resided in the city of Scranton with his wife and two children.

It appears from the Statement of Facts agreed to by the trial District Attorney and the attorney for the defendant, which was filed with the Board, that Louis Rauff and the applicant were friends and had been friends for some time prior to November 16, 1921. That on the afternoon of that day, Rauff went to the house of the applicant. They had a gallon of "hooch" and Rauff sent one of the Micks children to a corner drug store to buy some Hoffman Drops to put

into the "hooch." They then continued their drinking and during the afternoon an argument arose between them. They then went outside and when there, the applicant grabbed a mine drill about three feet long and hit Rauff over the head with it, fracturing his skull and causing his death.

The applicant has now served seven years and four months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial District Attorney in which he states, inter alia: "The sentence of 12 to 20 years seemed like a severe one in view of the subsequent change in the law which would have limited it to 10 to 20 years. In view of all the facts in the case, I have no objection to his being pardoned."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; and because of the favorable attitude of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Alexander Micks.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1148 and 1149, February Sessions, 1929, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, Frank Watson was convicted of robbery, assault and battery with intent to ravish and rape, and on March 1, 1929 was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seven and one-half years nor more than fifteen years.

The applicant is twenty-eight years of age and a native-born citizen of the United States. He is a brick liner by occupation but for the past eight years has not been employed having been permanently injured at his trade in 1921. He is unmarried and resided with his mother, at the time of his arrest, in the city of Philadelphia.

On February 20, 1929, Lucy De Petro aged eighteen years, a married woman, complained to the police authorities that she had been robbed and raped. She accompanied the police officials to No. 26 Collom Street, Philadelphia, and there identified the applicant and one Thomas Smith as the two men who on the previous day had committed these crimes. She stated that while walking past the said number at about 3:00 P. M., on her way to do shopping, the applicant and the said Smith seized her,—the applicant seizing her by the feet and Smith taking her by the head and placing his hand over her mouth; that they then carried her into No. 26 Collom Street, into the front room, where they robbed her of twenty-five dollars which she had in her possession; that Smith then ravished her, and the applicant attempted to ravish her but didn't succeed; that she then escaped and informed her husband and the next day they reported the matter to the police authorities with the resulting arrest.

The applicant has now served three months of his term of imprisonment. He was never before charged with or convicted of crime.

The applicant contends that Mrs. De Petro's story is highly improbable. She testified that in broad daylight, in the middle of the afternoon, in a busy street, within one-half square of Germantown Avenue, she was seized on the street, immediately opposite the very busy offices of the Keystone Telephone Company; was carried into the front room of the house and there robbed and raped. He points to the fact that the prosecutrix was a sturdily built, good-sized girl, whereas both defendants are cripples and weak physically. No one heard

any outcry. The applicant produced disinterested witnesses to prove that he was in the center of the city at or about the time of the alleged crimes. Subsequent investigation made by the County Detectives attached to the District Attorney's office showed that the prosecutrix in her testimony had perjured herself in some respects, and that her story was highly improbable.

The representative of the District Attorney's office present at the oral hearing of the application made no active opposition to pardon.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the fact that the District Attorney's office at the oral hearing did not oppose the application for pardon, we have concluded that the applicant has been severely punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frank Watson.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 17, August Sessions, 1926, in the Court of Oyer and Terminer in and for the County of Philadelphia, Luther Willard alias Arthur Willard, was convicted of burglary, and on September 16, 1926 was sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than ten years.

The applicant is thirty-eight years of age, and a native-born citizen of the United States. He is a grain handler by occupation and at the time of his arrest was so employed by the Pennsylvania Railroad Company. The applicant had been married but has been divorced from his wife. He has one daughter, sixteen years of age, who is attending school in Kentucky. His residence is Philadelphia.

On the night of May 22, 1926, the applicant had been out with a party of friends and spent the evening in revelry. He started for home in his drunken condition and due to this fact his sense of direction and judgment was not good, and instead of choosing the proper street on which he lived, he chose the next one running in a parallel direction, and due to the similarity of the houses on these streets, he entered what he believed to be his own home, but which proved to be the residence of Ernest Grant. The houses in this district are all of the same construction and could easily be mistaken particularly in the condition under which the applicant was laboring. The house was not forcibly entered. The applicant opened the front door and proceeded upstairs to what he believed to be his own bedroom. As he entered the room he was hit on the head with a chair, breaking a blood vessel over one eye. A fight then ensued in which the applicant defended himself, believing he was in the right. Ernest Grant was cut several times on the arm. Both men were taken to the St. Agnes Hospital where they received treatment and remained for a number of days. Nothing was taken from the home of Grant and no damage was done to his house or its furnishings.

The applicant has now served two years and nine months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the Deputy Warden of the Penitentiary in which he certified to the applicant's excellent prison record. It is contended on behalf of the applicant that he was not a drinking man until he engaged in the work of grain handling, and then he used liquor to keep his throat from being infected by the grain dust.



A representative of the District Attorney's office, present at the oral hearing, did not actively oppose the application.

In consideration of all the circumstances of this case; the grave doubt as to the guilty of the applicant as to the crime charged in the indictment; the term of imprisonment already served; his prior good record and his excellent prison record; because of the fact that a representative of the District Attorney's office, present at the oral hearing, did not strongly oppose the application, we have concluded that the applicant has been sufficiently punished, and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Luther Willard alias Arthur Willard.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 16, December Term, 1925, in the Court of Quarter Sessions of the Peace in and for the County of Fayette, Robert Lilley was convicted of assault and battery with intent to ravish and incestuous fornication, and on January 23, 1926, was sentenced to pay a fine of six cents and costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than seven years nor more than fifteen years.

The applicant is a native-born citizen of the United States, forty-five years of age and a coal miner by occupation. At the time of his arrest, he was employed by the Rainey Company at Allison, Pa., and resided with his wife in Uniontown, Pa. The wife, shortly after his conviction, divorced him and remarried a man of Polish origin.

Applicant, as before stated, was married, and raised a family of six children. He invested his savings in a home. When the children grew older, the wife began running around and keeping company with people of whom the applicant did not approve. The applicant was employed in a colliery about 12 miles distant from his home, and during the week, he boarded with his sister-in-law at Allison and returned to his family every Saturday night and turned over his wages to his wife who gave him enough money to pay his board and transportation for the coming week. This condition lasted for several months. One week before his arrest, the applicant returned home on Saturday evening as usual, gave his wife \$38.00 with the remark that in all probabilities he would not come home the following Saturday since that day was not pay day. His wife replied that it would be better for him to show up and come home, or else he would not find her any more when he came back, and handed him \$1.00 for the expense of transportation. When he finally returned home and entered the house, his eleven-year-old daughter left the house to notify her uncle (a brother of the applicant) of his return and the brother went with the girl down town to join the applicant's wife who was in a picture show. During this time the applicant waited in his home and was surprised when an officer in company with his brother and the applicant's wife entered the room and arrested him on the serious charge above mentioned. He did not know the cause of his arrest until he was in the County Jail, where he remained three months awaiting trial. During this period, different people were sent to him by his brother (who was the prosecutor in the case) to persuade him to plead guilty. This he refused to do, because he has always maintained his innocence.

The applicant claims that his wife planned the arrest in order to have him put away and in support of this contention, points to the fact that a few weeks after his arrest, she obtained a divorce and remarried. The applicant was convicted of the crime charged, mainly on the testimony of his eleven-year-old daughter.

The applicant has now served three years and five months of his imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board, a letter from the Assistant Trial District Attorney, in which he recommends a pardon. In it he states: "I have always been of the opinion that the sentence imposed on him (the applicant) was too much as the main witness of the Commonwealth was a young girl of immature years whose testimony was not of the most convincing character."

There was also filed, a letter from the first Assistant District Attorney, now in office, in which he states: "I have made an investigation of this case and am of the opinion that the petitioner is deserving of any leniency that your Honorable Board may deem proper to extend."

The brother of the applicant who was the prosecutor of the case has written the Board, that he did not make the information on the strength of his knowledge of the case, but solely upon the information which he received from the witnesses who appeared at the trial, the principal one being the applicant's daughter, eleven years of age. He further states: "shortly after Robert Lilley was convicted and sentenced, his wife obtained a divorce and remarried. She was active at the time of the trial in obtaining evidence against him and urging everything to the front in order to obtain a conviction in the case. I am unable to say however, that what she did was from an improper motive, but it all taken together looks suspicious at this time."

The trial Judge has also filed with the Board, a letter in which he states: "I do not wish to interpose any objection whatsoever to the granting of the application." He also states that if the Board received the impression that the sentence imposed was too severe, that it will act accordingly.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; the prior good record of the applicant; the term of imprisonment already served; because of the severity of the sentence; because of the fact that the chief witness against him was his eleven-year-old daughter who appeared to be under the domination of the mother, who shortly after the applicant's sentence obtained a divorce and remarried, and because of the favorable attitude of the trial Judge and the recommendations of the Assistant Trial District Attorney, the Prosecutor and the present Assistant District Attorney, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Robert Lilley.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 54, September Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Crawford, Thomas Stanberry was convicted of assault with intent to ravish, and assault and battery, and on December 8, 1928, was sentenced to pay a fine of \$50.00, costs and to undergo imprisonment in the Western Penitentiary for a period of not less than one year nor more than two years.

The applicant is a native-born American citizen, colored, and forty-nine years of age. He is by occupation a laborer, but for the last eight years has been engaged as a preacher and exhorter of the Holiness Church, conducting services on the street corners as well as in the church. At the time of his arrest he was employed as a laborer in Meadville and resided there with his wife.

On July 6, 1928, the father of Bessie Roseberry (a colored girl, under sixteen years of age), made information against the

applicant charging him with assaulting his daughter with intent to commit rape. The alleged assault was committed about 7:30 o'clock P. M. the previous day, in the woods near the homes of both the applicant and the complainant. Upon trial, the applicant denied the commission of the crime and offered testimony to establish an alibi, which the trial Judge, in a letter filed with the Board, pronounced as complete an alibi as is usually presented in court, nevertheless the jury convicted him. The story that the girl told at the preliminary hearing before the Magistrate, differed materially from her testimony in court.

There had been had feeling between Roseberry, the prosecutor, and the applicant. Each had had the other arrested prior to the present conviction and they had trouble over a land deal.

The applicant has now served six months of his term of imprisonment. He was never before convicted of crime. Three or four years ago, Roseberry had him arrested on a charge of disorderly conduct, because he claimed that a nuisance was created by the applicant conducting religious services at his home. He testified that "they prayed and sang too long, too loud and too late at night." The applicant was discharged. He was arrested about November, 1928, upon complaint that he had aided another man in defrauding the United States Post Office Department out of one hundred dollars. The applicant identified the man at the post office in Meadville as being the man to whom a certain post office money order was payable. The applicant had met this man a number of times and had been told his name. He believed it to be his real name and did identify him as the payee of the money order. The applicant did this innocently, and without any intention to defraud the Government. He has never had a hearing upon this charge and is advised by his attorney that he is simply being held as a Government witness. He also has made restitution by paying to the postmaster at Meadville the amount that was paid upon the stolen post office money order.

There was filed with the Board a letter from the trial Judge in which he strongly urges a pardon. In his letter, *inter alia*, he states that at the recent May Sessions of the court a case involving the same girl and charging one, Elton Newbold with statutory rape, was tried. Newbold was acquitted of rape and convicted of fornication only. The letter continues: "by evidence introduced at this trial, it was clearly established that this prosecuting witness for a considerable time past, as early as the Spring of 1927 had a bad reputation for chastity." The Judge concludes by saying that the bad reputation of the girl, having been clearly established by the verdict of the latter jury, this fact in connection with other facts showing bad feeling between the Roseberrys and the applicant, leads him to believe that he committed an error in denying the applicant a new trial and in sentencing him as above stated. The trial District Attorney has also filed a letter with the Board in which he strongly recommends clemency and emphasizes particularly the bad character of this girl as disclosed by the evidence in the Newbold trial.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the grave doubt as to the guilt of the applicant; because of the bad character and reputation of the chief prosecuting witness, and because of the strong recommendations of the trial Judge and trial District Attorney, we have concluded that he has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Thomas Stanberry.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 99, February Sessions, 1922, in the Court of Oyer and Terminer in and for the County of Luzerne, Jacob Kroshina, alias Jacob Krum, pleaded guilty to an indictment charging him with murder, the degree of which was subsequently adjudged to be murder in the second degree, and on February 6, 1922, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than nineteen years nor more than twenty years.

The applicant is twenty-nine years of age and a native-born citizen of the United States. He is by occupation a laborer and at the time of his arrest was employed by the Hudson Coal Company at Parsons, Pennsylvania. He was married but his wife has since divorced him.

When the crime hereinafter described was committed, the applicant was twenty-one years of age and had been married a little more than one year. His wife at that time was twenty years old. They lived together about five months when his wife left him. Just before the shooting they planned to resume living together, and the applicant had stayed at his mother-in-law's home with his wife for four days. On Monday, November 28, 1921, the applicant went to his mother's house, only a short distance away, and had dinner. Before dinner he drank a pint of homemade moonshine whiskey. He then went back to his wife and took her downtown to buy her a pair of shoes. She refused to let him go into the store with her, and he refused to buy the shoes unless he was permitted to accompany her. They quarreled and returned to his mother-in-law's house. Standing together at the gate quarreling, she told him that she did not want anything more to do with him; she also told him never to speak to her again and never to come near her. The applicant had a revolver which he had purchased several days before and which he was carrying in a holster. He drew this and fired three shots. He claims and has always claimed that he fired his revolver in order to scare his wife and that he pointed the revolver toward the ground. His wife had an umbrella in her hand and threw out her hand and was struck by one of the bullets. His mother-in-law ran out on the porch and was struck by two of the bullets and was killed. One bullet had glanced toward her and the other was a direct hit. He was so close to his wife that he could have put the revolver against her had he intended to kill her. There was no animosity between the applicant and his mother-in-law. He testified that the revolver had been bought for use in shooting at mark. He brought it with him when he came to see his wife and showed it to her and to his mother-in-law. After the shooting the applicant hid in a nearby mine where he was apprehended the next morning by the State police and taken to the County Jail.

The applicant has now served seven years and four months of his term of imprisonment. His prior record is good with the exception that when he was sixteen years of age, he was sent to Glen Mills for the larceny of a bicycle, and served eighteen months. When he was twenty years of age, he served two months in the Luzerne County Jail for assault and battery. He was twenty-one years of age when the present crime was committed. His prison record has been good.

There was filed with the Board a letter from the trial Judge in which he strongly recommends clemency. There was also filed with the Board a letter from the superintendent of the shoe department of the Eastern Penitentiary in which he certifies to his excellent prison record. He also states that the applicant has been so efficient in his work that he is qualified to hold a similar position in the outside world at a salary of at least \$40.00 a week. Richard Powell, Chief of the County Detectives of Luzerne County, who was the prosecutor in the case, has filed a letter with the Board in which he states among other things: "I do not believe that he (the applicant) intended to kill anyone. It was the result of moonshine." He further states that he has investigated the conduct and progress of the applicant since his imprisonment and believes that if released he will become a useful citizen. He recommends clemency.



In consideration of all the circumstances of this case; the absence of any design to kill anyone; the comparative youth of the applicant when the crime was committed; his prior good record with minor exceptions; the term of imprisonment already served; his excellent prison record; because of the strong recommendations from the Chief of the County Detectives of Luzerne County, who was the prosecutor in the case; and particularly because of the strong letter of recommendation from the trial Judge, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Jacob Kroshina, alias Jacob Krum.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, April Term, 1927, in the Court of Oyer and Terminer, in and for the County of Bedford, Orville Harbaugh was convicted of rape, and on April 20, 1927 was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than four years nor more than eight years.

The applicant is twenty-four years of age, unmarried, and a native-born citizen of the United States. His occupation is that of a farm laborer, but at the time of his arrest he was employed as a truck driver for a hotel in Pleasantville Borough, Bedford County. His residence at that time was in West St. Clair Township, Bedford County.

On the evening of March 12, 1927, at Pleasantville Borough, Agnes Bowden aged 15 years, was upon the streets of said borough in the company of five or six boys of apparently her own age. The applicant appeared upon the scene. There was disorderly conduct progressing between Agnes Bowden and the boys, such as hugging, kissing and fondling, and the former requested the applicant to take her way, which he did. The applicant and the girl separated from the boys and later entered an alley, where it is alleged by Agnes Bowden that that applicant committed forcible rape. The applicant denies the use of force, but admits the act of fornication which was voluntary on her part. After they emerged from the alley, Agnes Bowden conversed with persons on the street, but made no complaint, neither did she make any outcry, although the crime is alleged to have been committed about 9:00 o'clock near residences where lights were burning. Subsequently, the girl went to the home of her uncle, with whom she resided, and had him secure a warrant charging forcible rape against the applicant who had returned to his place of abode. He was arrested the same night.

The applicant has now served two years and two months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a petition signed by one hundred and sixty-two citizens of Pleasantville Borough, including two ministers of the gospel and the Justice of the Peace, recommending pardon. There was also filed with the Board a communication from the two Associate Judges of Bedford County joining in the recommendation for clemency, which communication was approved by the trial Judge. A letter was filed with the Board from the trial District Attorney in which he states, that the only evidence that force was employed was the testimony of the girl herself; that the occurrence took place about 9:00 o'clock in the evening and that no outcry was made by her; that since the conviction the girl ran away from her aunt's home, that she admitted to the District Attorney that her testimony at the trial with regard to the use of force was untrue. He concludes by recommending clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the grave doubt as to the applicant's guilt of the crime charged; because of the recommendation of the citizens, the recommendation of the trial Judge and two associate Judges, and the strong recommendation of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Orville Harbaugh.

ARTHUR H. JAMES,  
Lieutenant Governor

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 912 and 914, June Sessions, 1926, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, William A. Gallagher was convicted of entering to steal, and on June 28, 1926 (in No. 912) was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years. No sentence was imposed in No. 914.

The applicant is a native-born citizen of the United States, twenty-eight years of age, a chauffeur by occupation, and is unmarried. He was unemployed at the time of his arrest and resided in the City of Philadelphia.

The applicant at the age of eighteen years enlisted in the United States Army, became a private in the 4th Cavalry, and was honorably discharge in August 1921. He was a chauffeur by occupation and later re-enlisted, in June, 1922, in the United States Marine Corps, from which he was honorably discharged at Quantico, Va., three years later, and his character designated as excellent. The recommendation endorsed on his certificate stated he was to be reinstated as sergeant upon re-enlistment, his service having been honest and faithful. He was unable to get satisfactory employment, fell into bad company, and was subsequently indicted on four bills on the charge of entering to steal, and convicted on two bills.

In No. 912, the indictment on which he was sentenced, he was charged with having taken, on June 10, 1926, one wrist watch, one cigarette case, one string of beads, and two bracelets, valued at eight dollars, the property of Marjorie E. Vaughn. In No. 914, the indictment on which he was not sentenced, he was charged with having taken, on the same day, one overcoat and other clothing and articles, the property of Vincent Reckefus, valued at \$350.00. These articles were taken from adjoining apartments.

The applicant has now served approximately three years of his term of imprisonment. He was never before charged with or convicted of crime.

A representative of the District Attorney's Office present at the oral hearing of the application intimated that the sentence was severe and did not oppose the application for pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the fact that the District Attorney's Office did not oppose the application for pardon, we have concluded that the applicant has been severely punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William A. Gallagher.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 18, March Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Beaver, Wade Hickey pleaded guilty to an indictment for breaking and entering and on May 29, 1926, was sentenced to pay a fine of \$1.00, costs and to undergo imprisonment in the Western Penitentiary for a period of not less than four years, nor more than eight years.

The applicant is a native-born American citizen; unmarried; twenty-eight years of age; a railroad worker by occupation, and at the time of his arrest was employed by the Pennsylvania Railroad Company at Conway Yards, Beaver County, and resided at Rochester, Pennsylvania.

The applicant as before stated, was a Pennsylvania Railroad Company employe and worked as a brakeman for a conductor by the name of Clayton Miller. On or about December 12, 1925, the applicant together with Clayton Miller broke into the unoccupied home of Minnie Musser in Patterson Heights Borough, Beaver County, and stole some furniture consisting of a dresser, bed and rug. In the dresser drawers, Miller discovered some credit checks or coins, entitling the bearer to secure goods on credit at Boggs and Buhl, Pittsburgh. Miller attempted to secure credit and was apprehended by the Pittsburgh police. He was arrested and later paroled by the Allegheny County Court. When arrested he informed the police that the applicant was also involved in the crime which also led to his arrest in Beaver County on the charge of breaking and entering.

The applicant has now served approximately three years and one month of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent, as shown by a letter from the deputy warden of the Penitentiary. The applicant's father, Wade Hickey, is suffering from chronic fibroid tuberculosis and his mother is in poor health, as appears from physician's certificates attached to the application. The applicant is the only child and should support his parents. There was filed with the Board a letter from the Homer Laughlin China Company, offering employment to the applicant if released.

There were filed with the Board a number of letters recommending clemency. One from Congressman Swick of the 26th District, one from the Chief of Police of East Liverpool, Ohio, and others. The trial Judge and trial District Attorney have both filed letters with the Board in which both state in the same terms that it has not been their policy to make recommendations in pardon cases but that in the present case they have "no hesitation in saying that we have no objection to the pardon being granted."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because his parents are in impaired health and require the support of the applicant who is an only child; because employment has been offered him if released; because his accomplice is at liberty; because of the recommendation of Congressman Swick and others; and because of the favorable attitude of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Wade Hickey.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, March Term, 1923, in the Court of Oyer and Terminer, in and for the County of Cambria, Marion Hunter pleaded guilty to an indictment charging him with murder, the degree of which was subsequently adjudged to be murder in the second degree, and on March 16, 1923, was sentenced to pay costs and to undergo imprisonment in the Western Penitentiary for a term of not less than ten years nor more than twenty years.

The applicant is forty-six years of age; a native-born citizen of the United States and colored. At the time of his arrest he was employed by the Cambria Steel Company at Johnstown. He is married.

The applicant conducted a boarding house in the Borough of Franklin, Cambria County. He did not live at the boarding house himself, but lived in the next block. On December 16, 1922, about 1:30 in the morning, the applicant was aroused from his bed and was told: "Someone is fighting down at your boarding house." He got out of bed, dressed himself and went to his boarding house to find out who was causing the disturbance. When he entered his boarding house no one was there but one of his boarders who told him: "some man had been there and started a fight with them, but he did not know the man by name, but knew him by sight," and told the applicant to ask James Ross, the next door neighbor. The applicant then went over to Ross' and at that moment one, Eddie Black, a negro was walking in the door and heard the applicant ask James Ross who the man was who caused the disturbance in applicant's boarding house. Black spoke up and said, "It was me. I won't only cause trouble in your house, but will start trouble with you" etc., ending with an opprobrious epithet. Black then reached in his pocket and brought out a knife and started towards the applicant. Black was between the applicant and the doorway so that the latter jumped behind one, Eddie Peters, snatched a gun out of Peters' hand and fired one shot in the direction of Black for the purpose of scaring him, but the bullet lodged in the body of the latter and caused death. The applicant knew Black prior to this occurrence and knew him to be a dangerous man, and that on two prior occasions he had cut and seriously injured two other men.

The applicant has now served six years and three months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial District Attorney which neither advocates nor opposes pardon. He states that the applicant maintained that Black rushed at him with a knife in his hand and that he then grabbed a revolver from the hand of a by-stander and shot Black. There were two eye witnesses, but their testimony was rather vague as to who made the first attack. The Sheriff of Cambria County has filed with the Board a letter in which he recommends pardon. He states that he knew the applicant before the commission of the crime and knew him to be a peaceable and law-abiding citizen, and that he also knew Black who had the reputation of being a bad negro who had been implicated in several cutting affairs.

In consideration of all the circumstances of this case; the term of imprisonment already served; his prior good record; because of the letter from the trial District Attorney and the recommendation of the Sheriff of Cambria County, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Marion Hunter.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.



Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, December Sessions, 1920, in the Court of Oyer and Terminer, in and for the county of Lawrence, Roy E. Phillips pleaded guilty to an indictment charging him with murder, the degree of which was subsequently adjudged by the Court to be murder in the second degree, and on December 24, 1920 was sentenced to pay a fine of \$50.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than twelve years nor more than fifteen years.

The applicant is forty-two years of age and a native-born American citizen. At the time of his arrest he was employed by the Baltimore and Ohio Railroad Company at the round-house at New Castle Junction, Lawrence County, as a boiler-maker. He resided in the city of New Castle with his wife.

Sometime after dark on the evening of September 3, 1920, the automobile, of one, John C. Abraham was standing on a side road some distance east of the New Castle-Wilmington Improved Road, at a point about two miles south of the Borough of New Wilmington, Lawrence County. Some distance down the road lay the dead body of John C. Abraham. The applicant who was in a badly intoxicated condition lay near by. No weapons were found and an examination of the body of Abraham showed that no weapon had been used. The applicant very drunk, was taken into custody by the police at about 10:00 o'clock the same evening at the place where the crime was committed. About 3:00 o'clock the following morning the applicant told police officers his story of the crime. Investigation corroborated his story as to the following facts: Abraham and the applicant had been accompanied to the scene of the crime by Mrs. Hattie Olds, a sister of the applicant, and Mrs. Ada McIntyre. They left New Castle sometime before the commission of the crime, the scene of the crime being about seven miles from the latter city. Mrs. Olds was in company with Abraham and the applicant in company with Mrs. McIntyre. The automobile was owned and driven by Abraham. Both men had been drinking considerably. Phillips was decidedly intoxicated. After turning into the side road where the crime was committed, an altercation arose between Abraham and the applicant in relation to Mrs. Olds and the applicant had kicked Abraham on the head while Abraham was lying down, causing death, at the place where the body was found. From the position of the body of Abraham and the state of his clothing, it was evident that when killed he had been having carnal connection with Mrs. Olds. The two women fled and were taken to New Castle by automobile. The liquor and wine which had been consumed by Abraham and the applicant, had been provided by Abraham. Both women were held as material witnesses to testify at the trial.

The applicant claims that he was badly intoxicated when the crime was committed, such intoxication having been induced by wine and liquor furnished by the deceased and that the crime was provoked by the conduct of Abraham towards his sister and that the kicking was done on the spur of the moment without any previous malice toward Abraham, who was practically a stranger to the applicant. Their association that evening resulted casually because of his acquaintance with the applicant's sister. The applicant has now served eight years and six months, approximately, of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a number of letters recommending clemency. Among others, letters from the present and former County Detective. The trial District Attorney has also filed with the Board a letter in which he recommends clemency. The trial Judge is dead.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record as shown by a letter from the Deputy Warden of the Penitentiary; because the murder was the result of a drunken brawl without any intention to take life; and in further consideration of the recommendations of the two County Detectives and the trial District Attorney, we have concluded that the applicant has been

sufficiently punished and if now released he will prove himself, a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Roy E. Phillips.

ARTHUR H. JAMES,  
Lieutenant Governor.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 138, May Sessions, 1915, in the Court of Oyer and Terminer in and for the County of Philadelphia, Robert Lawson was convicted of murder in the second degree, and on June 30, 1916, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nineteen years, nor more than twenty years.

The applicant is a native-born citizen of the United States; colored; forty years of age; a widower; a laborer by occupation and has resided in Philadelphia for the past twenty-one years.

On March 13, 1913, the applicant was married, and after the wedding the couple took up housekeeping in the neighborhood of 56th and Chestnut Streets, Philadelphia. Their married relations were very congenial. Eventually a child was born. Some time after the birth of the child, the wife began to neglect her home and her family and began a series of pleasure jaunts which often brought her home about two o'clock in the morning. She was remonstrated with by her husband and finally after consulting an attorney, they decided to separate and did so. During the period of separation, about seven months, the applicant continued to support his wife and baby. Finally the child died. After this he tried to effect a reconciliation with his wife, and his efforts had reached the stage where they were meeting regularly and had arranged to live together. Finally, on April 17, 1915, he went to call on his wife and saw one, Jesse Ladner walking with her down the street. The applicant remonstrated with Ladner and blows were struck. Later his wife came out of the house where she had been living and an altercation ensued. He had spent the preceding night prior to the shooting with his wife. There was no preceding quarrel. He was in love with her and the fact that his wife received attentions from other men aroused his jealousy and virtually deprived him of all reason, with the result that he shot and killed her.

The applicant has now served approximately fourteen years of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent, as shown by letters from the warden and assistant warden of the Penitentiary. These officials as well as Dr. Linn Bowman, Moral Instructor, and Courtland Butler, Parole Officer of the Penitentiary, recommend clemency. If released, Dr. Bowman will become responsible for his future good conduct, and he will be taken into the home of Dr. Bowman's daughter, at Merion, Pennsylvania, in the capacity of butler. The aged mother of the applicant requires his support.

The sentencing Judge is dead. A representative of the District Attorney's office, present at the oral hearing, did not actively oppose the application for pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because of the recommendations of the Penitentiary officials; because of the fact that Dr. Linn Bowman, Moral Instructor in the Penitentiary will become responsible for his future good conduct and will provide a home and employment for the applicant; because his aged mother requires support and in further consideration of the fact that the District Attorney's office does not actively oppose his application, we have concluded that the applicant has been sufficiently punished, and if now

released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon now be granted to the said Robert Lawson.

ARTHUR H. JAMES,  
Lieutenant Governor.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 162 and 264, March Sessions, 1923, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Thomas McCafferty, was convicted of assault, being armed with an offensive weapon and robbery, and on April 27, 1923, in No. 162, was sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nine and one-half years nor more than ten years.

The applicant is twenty-seven years of age; a native-born citizen of the United States, unmarried, a driver by occupation, and was born and resided in the City of Philadelphia all his life.

The applicant was arrested shortly after midnight, February 25, 1923, in a raid on a restaurant at No. 1307 Columbia Avenue, Philadelphia. The applicant was sitting at the same table with one, John Cahill, who was known to the police. Both men were arrested on suspicion and subsequently two charges of robbery were brought against them. The first case involved the hold-up of an auto truck belonging to the American Transportation Company, driven by one, Wilfred Patterson, who testified that he was driving a six-ton truck containing a load of sugar consigned to a merchant in Bangor, Pennsylvania. The driver noticed that he was being followed out Broad Street by a touring car containing several men and when he stopped for gas at Broad and Huntingdon Streets, four men with revolvers walked over from the touring car and inspected the contents of the truck. After satisfying themselves that the truck did not contain liquor, the men departed. The driver was not positive that the applicant was one of the four men, and he probably would never have been convicted and sentenced on the testimony, if he had not also been charged together with Cahill, with the robbery of one, George Page, which occurred on the street during the early part of preceding month. Page was relieved of \$48.00.

The applicant has now served six years, and two months of his term of imprisonment. He was never before charged with or convicted of crime.

A number of letters were filed with the Board recommending clemency. Jack Kinkade who is engaged in the business of roofing, has offered employment to the applicant if released.

A representative of the District Attorney's office present at the oral hearing of the application for a pardon, did not actively oppose the application.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the recommendations of many men and women; because employment has been offered the applicant if released, and because of the additional fact that the District Attorney's office did not actively oppose the present application, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Thomas McCafferty.

ARTHUR H. JAMES,  
Lieutenant Governor.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 19, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 26, December Sessions, 1916, in the Court of Oyer and Terminer, in and for the County of Allegheny, Salvatore Cardomone, was convicted of murder in the first degree, and on February 27, 1918, was sentenced to be electrocuted. Subsequently, on June 28, 1918, the death sentence was commuted to life imprisonment.

The applicant is thirty-eight years of age, of Italian nationality and his occupation at the time of his conviction was that of laborer. He was employed by the Carnegie Steel Company in its mills in the City of Duquesne and resided in that city. At the time of his conviction he was married but his wife has since obtained a divorce.

The best account of the double tragedy (which occurred on Sunday evening, October 8, 1916) is contained in the letter of Peter M. Cancelliere, who was the trial Assistant District Attorney, which letter was filed with the Board. He states, inter alia, that one, Sam Perri, was unquestionably the instigator of the affair. He continues: "On this Sunday afternoon, Sam Perri, Ralph Perri, Frank Cero, Burno Cuda and Salvatore Cardomone were together walking down Patterson Avenue, Duquesne, Pennsylvania. Behind them, walking together, were John Vesh and his nephew, Frank Vesh; both groups were close together when they reached the corner of Patterson Avenue and Elm Street.

"Sam Perri singled out John Vesh and invited him to walk down to an alley to talk to him some hundred feet distant. Both disappeared into this alley, etc. \*\*\*\*\*"

"Sam Perri and John Vesh got into a quarrel, shooting followed and the remaining five from different direction, ran down to the alley to see what was going on, \*\*\*\*\* It was a general fight and shooting affair, resulting in the death of John Vesh, who was invited into the alley, and in the death of Sam Perri, who invited John Vesh into the alley."

"The Commonwealth elected to try Salvatore Cardomone first on the charge of murder for the reason that the Commonwealth's testimony was clearer as to his participation in the killing of John Vesh, than the others, excepting Sam Perri, who was killed almost instantly; and undoubtedly, because of Salvatore Cardomone chasing John Vesh through a yard of one Kohut between the alley and Patterson Avenue, and following him up onto a porch, where it was evidenced that both fought each other, bit each other and revolvers were in the hands of each, and because of the manner and circumstances of the shooting that occurred on that porch, although John Vesh had already been shot several times, anyone of which gun shot wounds would have been fatal with the exception of one received in the leg, the jury brought in a verdict of murder in the first degree, swayed undoubtedly, by the circumstances that occurred on the said porch."

"The remaining defendants, Ralph Perri and Frank Cero, pleaded guilty and, although Salvatore Cardomone's participation in what occurred that afternoon was no greater than that of Ralph Perri and Frank Cero, with the exception of the subsequent altercation on the porch with John Vesh, who already was wounded, the guilt of those two defendants was fixed at murder in the second degree.

"Bruno Cuda, of course, was found not guilty. Had Salvatore Cardomone not elected to go to trial and had he pleaded guilty to murder as Ralph Perri and Frank Cero did, it is my strong impression and conviction that his degree of guilt would have been fixed by the Court at murder of the second degree, as they were all equally guilty of what occurred that afternoon in the killing of the two men, in the same degree."

Mr. Cancelliere makes no recommendation to the Pardon Board. The present District Attorney has filed with the Board a letter in which he states that he has carefully read the letter above referred to and that he concurs in the statements made therein.

There were filed with the Board, four affidavits: One from the father of the applicant, in which he avers that his son was industrious and peaceable, had never been in trouble before, and that he believes him innocent of the crime. The second affidavit by Louis Roman is from an eye witness. He



was on the street and saw Sam Perri fall. He afterwards saw John Vesh with a large revolver in his hand, go upon the Kohut porch. The applicant was on the porch yelling at Vesh in Italian to stop. The latter did not stop and they grabbed each other. Vesh pulled his gun on the applicant and in the struggle seemed to be shooting. The applicant had a smaller revolver in his hand, and he too appeared to be shooting. The affiant was not a witness at the trial because he was afraid to testify. The remaining affidavits are by Ralph Perri and Frank Cero, and both are to the same effect: Both saw Sam Perri lying on the ground apparently dead. Both saw the applicant come on the scene and saw John Vesh begin shooting at the applicant who ran into a vacant lot followed by Vesh who was shooting at him. Both aver that the applicant fired one shot at Vesh when he was being pursued into the alley and vacant lot. Both declare that the applicant was not present when the shooting started, was not in any way responsible for it, and did not shoot except in his own defense when pursued by Vesh. Both aver that Sam Perri, and not the applicant, shot Vesh.

The applicant has been in prison since October 8, 1916, a period of twelve years and eight months. He was never before charged with or convicted of crime. Of the men involved in this double killing, Sam Perri and John Vesh are dead, Ralph Perri and Frank Cero both served their minimum sentences for second degree murder and were released on March 30, 1924. The others were acquitted. The applicant seeks pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; because of his long imprisonment; in consideration of the statements made by three eye witnesses of the shooting affray embodied in affidavits filed with the Board and particularly because of the letter of the trial Assistant District Attorney and the fact that all of the living men involved in these murders (except the applicant) are at liberty, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Salvatore Cardomone.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 13, December Sessions, 1914, in the Court of Oyer and Terminer in and for the County of Cambria, Tony Toronto pleaded guilty to an indictment charging him with murder and manslaughter, the degree of which was determined to be murder in the second degree, and on June 15, 1915, was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than eighteen years nor more than twenty years.

The applicant is thirty-seven years of age, a native of the Kingdom of Italy and subject thereto. He is a farmer by occupation. At the time of his arrest he was employed as a laborer by the Cambria Steel Company, Johnstown, and lived in the Borough of Conemaugh, adjoining that city.

The applicant was sentenced for having killed Tony Toronto, his father-in-law, on November 4, 1914, under the following circumstances.

On October 29, 1914, the applicant was married to Mary Toronto, daughter of the deceased. Shortly thereafter he ascertained that she was not a virgin. He asked her who

was responsible for her condition and she refused to disclose his identity. The following day he told her he would allow her three days' time in which to inform him who was the guilty person, otherwise, he would leave her and absent himself for all time. Finally she told him that her father had seduced her. The applicant disbelieving his wife's statement, it was arranged that he should have the opportunity to verify her statement by witnessing the conduct of the father towards her. The applicant secreted himself in the house. The father went to the room occupied by the wife of applicant, and the latter witnessed their criminal conduct. Angry words ensued. Applicant demanded back the money he had paid in consideration of the hand of Mary Toronto, expressing his intention of leaving his wife with her parents. The deceased refused to return the money, stating that he would force the applicant to live with Mary Toronto. Angry and insulting words were exchanged and the deceased threatened the life of the applicant. At the height of the turmoil, the deceased stepped into another room and returned brandishing a revolver. A struggle for the possession of the weapon ensued, in the course of which, the applicant shot and killed Tony Toronto. The tragedy occurred six days after the marriage of Mary Toronto to the applicant. The above is the applicant's version of the tragedy.

The applicant has now served fourteen years and three months of his term of imprisonment. He was never before charged with or convicted of crime. He was twenty-two years of age at the time of the tragedy. His prison record is excellent as shown by the fact that he is at present employed as a night watchman at the dairy farm which is outside the prison enclosure.

In consideration of all the circumstances of this case; the comparative youth of the applicant when the crime was committed; his prior good record; the long term of imprisonment already served; his excellent prison record, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence heretofore imposed by the court shall be commuted to fourteen years' imprisonment, expiring on June 15, 1929.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence heretofore imposed on applicant, be commuted to fourteen years' imprisonment, expiring on June 15, 1929.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: On No. 59, October Sessions, 1927, in the Court of Quarter Sessions of the Peace in and for the County of McKean, Robert E. Cramisie was convicted of burglary and felonious entry, and on October 4, 1927, was sentenced by the court to pay a fine of six and one-quarter cents, costs and to undergo an imprisonment in the Western Penitentiary for a term of not less than four years nor more than eight years.

The applicant is a native-born citizen of the United States, thirty-seven years of age, unmarried, and a carpenter by occupation. He was last employed as a foreman by the Catherine Construction Company of Bradford, Pa. At the time of his arrest he resided with his father, seventy-eight years of age, in Smethport, Pa.

In September, 1927, the applicant went to the home of his father at Smethport, intending to work there and remain with his aged father. On the morning of September 26, 1927, the applicant was arrested at his father's home by County

Detective Allison of McKean County and was informed that he was charged with having broken by night into the home of Father Donohue, a priest of the Roman Catholic Church. The applicant asked him to take him to the home of the priest. He talked with the priest and endeavored to convince him that he had not broken into his house. The priest offered to drop the charge if the applicant would admit he had entered the house. This the applicant would not do and was taken to jail. The applicant was taken on two occasions on the same day to the home of the priest who told him that if he would sign a paper the priest had prepared the charge would be dropped and the applicant released. Detective Allison offered to go before the Justice of the Peace and say there was insufficient evidence to warrant the detention of the applicant. The applicant was steadfast in his refusal to sign the paper until the third trip to the priest's home, when, at the request of his father, the applicant finally signed the paper without reading it. He was immediately released. On the following morning he was rearrested on the same charge and placed in jail. When arraigned the applicant pleaded not guilty, but the paper he had previously signed was presented to the court as an alleged confession. The priest testified that during the night he was aroused from sleep, and that while he had not seen the face of the burglar, he had identified the applicant by his back. The applicant's father testified that the applicant had not left the house during the night, until six o'clock in the morning.

The applicant has now served almost two years of his term of imprisonment. The applicant's father, seventy-eight years of age, requires his support.

There was filed with the Board a letter from the trial Judge which is non-committal; also a letter from the trial District Attorney in which he states he has no objection to a pardon and believes that the applicant has been sufficiently punished; also a letter from the present District Attorney in which he states that he has no objection to clemency. County Detective Allison, who made the information against the applicant, has filed a letter with the Board in which he refers to the case as follows: "Since his (applicant's) conviction, information has been brought to me which causes a serious doubt as to whether or not he actually committed this offense and without solicitation, I would recommend that he be granted a pardon, both under the circumstances by which he was convicted, and the need of him to care for his aged father who is alone."

In consideration of all the circumstances of this case; the term of imprisonment already served; the need of his aged father for support; in consideration of the recommendations of the trial District Attorney and the County Detective, and because of the statement of the Trial Judge and present District Attorney, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence heretofore imposed by the court shall be commuted to two years' imprisonment, expiring on October 4, 1929.

We, therefore, "after full hearing, upon due public notice and in open session", recommend that the minimum sentence heretofore imposed on applicant be commuted to two years' imprisonment, expiring on October 4, 1929.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 245 and 247, February Sessions, 1920, in the Court of Oyer and Terminer, and at No. 246, February Sessions, 1920, and No. 11, February Sessions, 1921, in the Court

of Quarter Sessions of the Peace, in and for the County of Philadelphia, Frank M. Brown, alias "George," pleaded guilty to four indictments charging him with robbery, entering with intent to steal, aggravated assault and battery and assault and battery with intent to kill, and on March 28, 1921 was sentenced in the aggregate to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than eleven years nor more than thirteen years.

The applicant is a native-born American citizen, fifty-five years of age, and a skilled tool maker by occupation. At the time of his arrest, and for a year and a half prior thereto, he was employed as a skilled tool maker at the Naval Torpedo Plant, Alexandria, Virginia. The applicant is married and has two sons.

On or about December 31, 1919, the applicant was induced to participate in the robbery of a jewelry store in the City of Philadelphia, owned by Samuel S. Weissman. The robbery was planned in order to aid David Stern who had been released from the Eastern Penitentiary a few days before. The robbery was participated in by Stern, who was the ring-leader, William Bergman, who drove the automobile which was waiting outside the store, Joseph Abele, and the applicant, who did the actual taking or stealing of the goods. The proprietor and a female employe were frightened and both were injured. The applicant grabbed two trays of jewelry and ran out of the store, but on arriving outside found that the automobile had gone. The applicant then went into a side street and on examining the jewelry on the trays, found that the same consisted of signet rings which would retail at about \$219.00. The applicant received an aggregate sentence of from eleven to thirteen years as a first offender. All of the other participants in the robbery, who have past prison records, are at the present time enjoying their liberty. Stern pleaded guilty and was imprisoned from two to three years. Abele was convicted, secured a new trial and on the second trial was acquitted. Bergman was also acquitted.

The applicant has now served eight years and six months of his term of imprisonment. In 1919 he was tried and acquitted on the charge of stealing an automobile. Beyond this his record has been clear.

The wife of the applicant has filed with the Board an affidavit in which she states that before his imprisonment the applicant supported her and their two sons, and that during his incarceration he has contributed to their support.

The trial Judge is dead. There was filed with the Board a letter from S. S. Weissman, the prosecutor in the case, in which he states his belief that the applicant has been sufficiently punished and feels certain that if he is pardoned he will become a useful citizen. There was also filed with the Board a letter from Morrison and Dietz, Plumbers of Philadelphia, in which they offer to employ the applicant if released. There was also filed with the Board a letter from Doctor Edward E. Quayle of Washington, D. C., where the applicant's family now reside, in which he states that the eldest son of the applicant is undergoing treatment, suffering from an advanced case of pulmonary tuberculosis; that his condition is such that he will have to be sent to a warmer climate. He further states that this son aided materially in the support of the family and that since his illness their financial circumstances have become embarrassing.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; because employment has been offered him if released; because of the dire need of his family for support; because the prosecutor in the case believes that he has been sufficiently punished and that he will become a useful citizen if released, we have concluded that he has been sufficiently punished and that if now released he will become a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frank M. Brown, alias "George."

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs



## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 26, March Sessions, 1928, in the Court of Quarter Sessions of the Peace in and for the County of Butler, V. F. Thomas, was convicted of abortion, and on July 9, 1928, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years nor more than four years.

The applicant is sixty-eight years of age, a native-born citizen of the United States, and has been a qualified doctor of medicine since 1889. At the time of his arrest he was practicing his profession in the Borough of Evansburg (Evans City) Butler County, where he resided with his wife, one son, twenty-three years of age, and a grandson, twelve years of age.

On January 22, 1928, Violet McNany, aged about sixteen years, died at the Presbyterian Hospital, in the City of Pittsburgh, as a result of a criminal operation performed on her body sometime previously. On the following day the applicant was arrested charged with having performed the abortion. At the trial he was convicted mainly upon the ante-mortem statement of the girl, together with the testimony of Ray Davison, a married man, the acknowledged cause of her misfortune, who alleged that he brought the girl from her home to the front of the applicant's residence, on the night of January 12, 1928, at which time the operation is supposed to have been performed. Davison made the arrangements for taking the girl to the applicant's office. The latter absolutely denied performing any operation and stated that after having made a digital examination he told her that from appearance she was about to have a miscarriage and advised her to go home and go to bed. Davison later returned and asked the applicant to relieve the girl of her trouble, which the applicant declined to do. The parties were unknown to the physician and after the examination, which occupied from ten to fifteen minutes, he dismissed her and never saw her again.

The applicant has now served one year and two months of his term of imprisonment; he was never before charged with or convicted of crime; he is sixty-eight years of age; his heart and kidneys are seriously affected, as shown by a letter filed with the Board by the Resident Physician of the Penitentiary. There was also filed with the Board an elaborate report from Doctor Broecker, Assistant Psychologist, in which he reviewed the entire case. He states that since the trial it was learned that the victim had a distant relative, a trained nurse, who had acquired a reputation for performing operations of this sort. It was also learned that the father of the deceased child purchased a hard rubber catheter at a local drug store shortly before the time when the operation was probably committed. Before the death of the girl another physician, Doctor Stepp, was called in to attend her, whose reputation in matters of this kind was not good.

There was filed with the Board a letter from W. H. Martin, who assisted the District Attorney in the trial of the case, in which he states that from information received since the trial, he has "grave doubts of the defendant's guilt," and on account of the age of the applicant and his former excellent standing in his profession he recommends a pardon. The President of the Citizens National Bank of Evans City also recommends a pardon. There was also filed with the Board a large petition of citizens recommending clemency, and a petition of thirty-five members of the medical profession in Butler County, to the same effect.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; his advanced years; his impaired health; because of the term of imprisonment already served and because of the recommendations of the Assistant Prosecuting Attorney, the President of the Citizens National Bank, the numerous signed petitions of citizens and of the medical profession, we have concluded that the applicant has been sufficiently punished, and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice

and in open session," recommend that a pardon be now granted to the said V. F. Thomas.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1154, December Sessions, 1925, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, William Higgins pleaded guilty to an indictment charging him with the unlawful possession of liquor, and on November 9, 1926, was sentenced by the court to be on probation for the period of one year.

The applicant is thirty-two years of age, a native-born citizen of the United States and at the present time is employed by Gimbel Brothers, Philadelphia, as a checker, earning twenty-two dollars per week. At the time of his arrest the applicant was employed by his brother who is in the real estate business in Philadelphia and resided in that city with his wife and two children.

In the month of December, 1925, a unit of the Philadelphia Police force entered No. 2501 East Allegheny Avenue, Philadelphia, by virtue of a warrant issued for the seizure of liquor alleged to be on the premises. At one time the mother of the applicant conducted a saloon in that locality, but for six months prior to the raid the saloon had been closed and boarded up, and the upper floors of the house rented. The applicant did not reside on the raided premises but at the time of the raid he happened to be there inspecting the premises upon a request of the tenants for repairs. He opened the door of the house and permitted the police to search the house. As a result of the search they found three gallons of liquor in the back kitchen and arrested the applicant on the charge above-named.

It is now two years and ten months since the applicant was placed on probation and during that period he has kept within the law. Prior to his present conviction he had never before been charged with or convicted of crime. He now desires a pardon because he has passed with high marks examinations conducted by the Civil Service Commission for aspirants to the police force, but is unable, because of his plea of guilty, to be placed on the eligible list which is used by the Director of Public Safety of Philadelphia in appointing policemen. His offense did not involve moral turpitude, but was merely a statutory offense.

There was filed with the Board two letters from Roman Catholic clergymen which certify to the applicant's excellent character and to his sobriety and industry.

In consideration of all the circumstances of this case, we have concluded that the applicant should be relieved from the stigma placed on him by reason of his plea of guilty to a statutory offense, and that he should be rehabilitated and restored to all the rights, duties and privileges of citizenship.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William Higgins.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 12, 32, 33 and 36 May Term, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Mifflin, John Ehrenzeller pleaded guilty to four indictments charging him with larceny, receiving stolen goods and escape from prison, and on May 2, 1927, was sentenced in the aggregate to pay a fine of seventy-five dollars, costs and to undergo imprisonment in the Western Penitentiary for a term of not less than three years nor more than six years. Sentence was suspended on the last indictment, charging escape from prison.

The applicant is twenty-six years of age, a native-born citizen of the United States, a mill-worker by occupation, and, at the time of his arrest, had been employed as a mill-worker by the Logan Iron and Steel Company in Mifflin County for a period of ten years. He has a wife and one child.

On the evening of November 20, 1926, Arthur Foltz drove a car to the applicant's home and had supper with him and his wife. After supper Foltz asked the applicant to take a ride with him and they then drove to Middleburg, a distance of about seventy-five miles, and then returned to the applicant's home. Foltz drove away in the car the following morning, and the applicant went to work as usual, and worked steadily until February 8, 1927, eighty days after the automobile ride, when he was arrested and charged with having stolen this car and others. The car had been abandoned by Foltz the morning after the ride. It subsequently appeared that Foltz had stolen several cars, and that he enjoyed a bad reputation, which, however, the applicant did not know at the time, and when he took the ride he went with Foltz as a passenger, and did not know that the car had been stolen. The stolen cars belonged to Dr. O. M. Weaver and Charles C. Huffman, respectively, and the charge of receiving stolen goods grew out of the theft of the first automobile.

The charge of escaping from jail, on which sentence was suspended by the court, is based on the following circumstances: The applicant walked away from the jail for the purpose of securing witnesses in the trial and made no attempt to break jail.

The applicant has now served two years and four months of his term of imprisonment; he was never before charged with nor convicted of crime; he has a wife and child dependent on him for support; employment has been offered him if released; Foltz, the actual perpetrator of the thefts, was discharged from the Huntingdon Reformatory (to which he was sentenced, more than a year ago) after having served but one year.

The prosecutors in three of the cases have filed letters with the Board in which they recommend pardon on the ground that the applicant has been sufficiently punished; that his wife and child require support, and that Foltz, his associate, who had been sentenced to the Huntingdon Reformatory, was discharged more than one year ago.

The trial District Attorney has filed with the Board a letter in which he states that he has no objection to a pardon in this case. The trial Judge has also filed a letter in which, while not recommending a pardon, he states that the applicant, "has been sufficiently punished." The Sheriff of the County has also filed a letter in which he recommends pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because Foltz, his associate, who led him into trouble, was discharged from the Huntingdon Reformatory more than a year ago after serving but a single year; because his wife and child require his support, and in consideration of the recommendation of the prosecutors in three of the cases and the favorable attitude of the trial District Attorney and trial Judge, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice

and in open session," recommend that a pardon be now granted to the said John Ehrenzeller.

ARTHUR H. JAMES.  
Lieutenant Governor.

ROBERT R. LEWIS.  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD.  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 3, 4, 5, 6, 7, 8, 9, 72, 73, 100, 101 and 102 September Sessions, 1924, in the Courts of Oyer and Terminer and Quarter Sessions of the Peace, in and for the County of Allegheny, Thomas O'Brien pleaded guilty to indictments charging him with robbery and receiving stolen goods and larceny and receiving stolen goods, and on September 11, 1924 was sentenced in the aggregate to pay a fine of sixty-eight and three quarter cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than eleven and one-half years nor more than twenty-three years.

The applicant is twenty-four years of age, a native-born citizen of the United States, unmarried, and his occupation is that of chauffeur. At the time of his arrest he was so employed by the Pittsburgh Transportation Company, operators of the Green Cab, in Pittsburgh.

On or about June 1, 1924, at one thirty o'clock A. M., Louis Eskra, Jacob Finegold, alias Jack Green, George Wiggins, Harry Smith, Bobby Barnhard, Clarence Hosek and the applicant met at Hosek's home, located on the North Side of Pittsburgh. They drove over the Sixth Street Bridge to a point within about twenty feet of the Pittsburgh Natatorium, located on Duquesne Way, Pittsburgh. Six of the gang alighted from the car while Wiggins remained in it. Barnhard left the gang as the car approached the Natatorium and the other five men went into the Natatorium. Eskra held up the cashier, Smith and the applicant entered the cashier's cage, while Finegold, alias Jack Green, and Hosek covered the elevator operator. The night clerk in charge was compelled to turn over about eighteen hundred dollars in cash and thirty-one watches valued at twenty-five dollars each, and all other articles found on deposit belonging to the patrons. The men drove back to Hosek's residence where the loot was divided. Finegold, alias Jack Green, Hosek and Barnhard were arrested in Pittsburgh, Eskra, Wiggins and the applicant, in Cleveland, several days after the robbery. The applicant made the acquaintance of Hosek some time prior to 1924. The plans for the holdup were made in Hosek's dental office. At the trial all of the men pleaded guilty and were duly sentenced. Hosek, the ring-leader of the gang, was pardoned by this Board in March, 1928, Smith, an associate, in April, 1929, and Finegold, alias Jack Green, was this day pardoned by the Board.

The applicant has now served five years of his term of imprisonment. His prior record was good with a single exception. In 1923 he pleaded guilty to the larceny of a car and was sentenced to the Allegheny County Workhouse and liberated at the expiration of six months. He is now twenty-four years of age. He was only nineteen years of age when he participated in these crimes.

In consideration of all the circumstances of this case; the youth of the applicant when the crimes were committed; because of his prior good record, with a single exception; because of the term of imprisonment already served, and in consideration of the further fact that Hosek, the ring-leader of the gang, in whose office the holdup was planned, and from whose home the robbers went forth to plunder the Natatorium, and Smith and Finegold, alias Jack Green, two accomplices, have already been pardoned by this Board, we have concluded that the applicant has been sufficiently punished and that if now released will prove himself a peaceable and law-abiding citizen.



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We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Thomas O'Brien.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 6, February Sessions, 1910, in the Court of Oyer and Terminer in and for the County of Erie, Eugene Tallman was convicted of murder in the second degree, and on October 10, 1910, was sentenced by the court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years nor more than twenty years.

The applicant is a native-born citizen of the United States, fifty-three years of age, and at the time of his arrest, he was by occupation a farmer, working upon the farm belonging to his mother. He is unmarried. His proper place of residence is Francis, Erie County.

The applicant has been afflicted from birth with ephasia of the nose and right side of the face. On December 1, 1909, a farmer by the name of John May, a man whom the applicant had never seen and did not know, was shot and killed near Girard, Erie County. The applicant was arrested, tried, convicted and sentenced for the said killing, entirely upon circumstantial evidence and largely by reason of the fact that he had been before convicted of the crime of larceny. The applicant denies he committed the murder and avers that he has no knowledge of the crime other than the testimony given by the widow of the murdered man who distinctly refused upon the stand to identify him as the murderer even though she testified that the man who committed the murder stood within four or five feet of her. It occurred on a bright moonlight night, and on account of the facial deformity of the applicant it would seem to have been an easy matter to identify him at such a short distance.

The applicant, after serving five years, the minimum term of imprisonment, was released on parole, October, 1915, and one year later was arrested for breaking and entering and larceny, and on February 19, 1917, was sentenced to pay a fine, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years and one month, nor more than ten years, to be computed from the expiration of the sentence for murder imposed in October, 1910, as above stated.

There was filed with the Board, a letter from the Resident Physician of the Penitentiary. He states that the applicant has had two operations performed on his nose and face for a deformity which he has had since birth, the operations having been performed not only to improve his physical appearance, but also to improve his physical condition. He further states that the results up to the time have been fairly good and that another operation in the future would further improve his condition and ends by saying: "It would be well for him to be under the observation and treatment of a competent physician."

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; the physical condition of the applicant requiring special treatment; and the long term of imprisonment already served, we have concluded that he has been sufficiently punished and that if liberated, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice

and in open session," recommend that a pardon be now granted to the said Eugene Tallman.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 33, February Sessions, 1917, in the Court of Quarter Sessions of the Peace in and for the County of Erie, Eugene Tallman, pleaded nolo contendere to the first and second counts of an indictment charging him with breaking and entering a building in the night time with intent to commit a felony and larceny, and on February 19, 1917, was sentenced by the court to pay a fine of twenty-five dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years, one month, nor more than ten years; to be computed from the expiration of the sentence imposed October 10, 1910, at No. 6 February Sessions, 1910, on the charge of murder in the second degree.

The applicant is fifty-three years of age, a native-born citizen of the United States, unmarried, and at the time of his arrest, his occupation was that of farming. He resides with his mother and assisted her with the work of the farm at Francis, Pennsylvania.

During the summer or fall of 1916, the applicant who had been serving a term in the Western Penitentiary on a charge of murder in the second degree, was released on parole. He came to his home in Erie County and became friendly with a man by the name of George Riley. In October, 1916, the two men were on their way to Erie with a load of poultry. Complaints had been made by various persons who had lost poultry and other property. The two men were arrested by an officer. Some of the poultry they had in their wagon was identified by certain persons as their property. They also had in their possession a horse collar and one set of hames, which were identified by Benjamin F. Chambers as having been taken from his barn. An information was made against them by the said Chambers and they were indicted. Riley pleaded guilty while the applicant pleaded nolo contendere. The applicant claims that he did not steal the property mentioned in the indictment, but knew that other property consisting of poultry which was in the possession of Riley and himself, had been stolen. The applicant desired to raise a certain sum of money to pay a detective to ascertain the facts surrounding his former trial for murder and Riley said that if the applicant would help him dispose of the poultry, he (Riley) would help the applicant raise the money to pay the detective.

The applicant has now served continuously in the Penitentiary since February 19, 1917, a period of twelve years and seven months, including the remainder of the sentence for murder by reason of the parole violation. The value of the property taken from Chambers, as laid in the indictment, was only three dollars.

In consideration of all the circumstances of this case; the trifling value of the property as laid in the indictment, and the long term of imprisonment already served, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice

and in open session," recommend that a pardon be now granted to the said Eugene Tallman.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 3, 4, 5, 6, 7, 8, 9, 72 and 101, September Sessions, 1924, in the Courts of Oyer and Terminer and Quarter Sessions of the Peace, in and for the County of Allegheny, Jacob Finegold, alias Jack Green, pleaded guilty to nine indictments charging him with robbery and receiving stolen goods, entering a building with intent to commit a felony and larceny, and on September 9, 1924, was sentenced in the aggregate to pay a fine of fifty-six and one-quarter cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than eleven years nor more than twenty-two years.

The applicant is twenty-seven years of age, a native-born American citizen, unmarried, a salesman by occupation and at the time of his arrest was employed as manager of the Pittsburgh Curb Market, a fruit store, located at the corner of Euclid and Penn Avenues, Pittsburgh, Pa. At that time he resided in the City of Pittsburgh with his father, aged fifty-four, who is afflicted with an incurable disease, and his mother.

On or about June 1, 1924, shortly after midnight, seven men, including the applicant, met at the home of Clarence Hosek, located on the North Side of the City of Pittsburgh. The seven men then drove from Hosek's home through the North Side, over the Sixth Street Bridge, to the Pittsburgh Natatorium, located on Duquesne Way, Pittsburgh. Barnhard, one of the number, left the crowd when they arrived at the Natatorium. Five of the men went into the Natatorium, while Wiggins, one of the crowd, remained in the car. Eskra, one of the number, held up the cashier. Smith and O'Brien then entered the cashier's cage while Hosek and the applicant covered the elevator operator. The night clerk in charge was compelled to turn over to Eskra about eighteen hundred dollars in cash and thirty-one watches valued at about twenty-five dollars each, and all of the articles contained in the deposit wallets of the patrons. The applicant, with Hosek, who held the elevator operator, when the rest of the men had gone out of the building, followed them and entered the machine. They then drove to the home of Hosek where they divided the loot. Shortly thereafter all of the men were apprehended. The applicant had made the acquaintance of Hosek some time prior to 1924, and the plans for the Natatorium holdup were made in Hosek's dental office.

The six men all pleaded guilty and were duly sentenced. Hosek, the ring-leader of the gang, from whose home they went to the place of robbery, was pardoned by this Board in March, 1928. Harry Smith, another member of the gang, was pardoned in April, 1929, and Thomas O'Brien, another gangster, was this day pardoned by the Board.

The applicant has now served five years of his term of imprisonment. His prior record is good with a single exception; he pleaded guilty to the larceny of a car and was paroled for one year. His prison record is excellent, as shown by a letter from the Warden.

The trial District Attorney has filed with the Board a letter in which he states that inasmuch as Clarence Hosek has been pardoned, "it would seem only fair that Finegold (the applicant) be treated in like manner." The applicant's father, fifty-four years of age, is an incurable invalid, and his parents require his support.

In consideration of all the circumstances of this case, the prior good record of the applicant, with a single exception, the term of imprisonment already served, because his aged parents require his support, because of the statement of the trial District Attorney, and in consideration of the fact that the ring-leader of the gang and two of the applicant's accomplices have already been pardoned, we conclude that the applicant has been sufficiently punished and if now released will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Jacob Finegold, alias Jack Green.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 200 February Sessions, 1915, in the Court of Oyer and Terminer, in and for the County of Luzerne, Joseph Kamecz was convicted of murder in the second degree, and on April 29, 1915, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nineteen years, eleven months and twenty-nine days nor more than twenty years.

The applicant is a native of Russian Poland, and at the time of his conviction he owed allegiance to the Czar of Russia. He is fifty years old and at the time of his arrest was employed as a blacksmith by the Sheldon Axle and Spring Company of Wilkes-Barre, and resided in that city.

The applicant and his wife had been married about six months. At the time of their marriage she was about eighteen years old and he was twice her age. Their married life proved unhappy and they frequently quarreled. On November 16, 1914, the day of the tragedy, the wife had expressed her intention to leave the applicant and had requested him to purchase beer that they might have a parting drink together. His refusal led to a quarrel in which she was evidently the aggressor. In the struggle which ensued the applicant knocked her to the floor and while she was in this position picked up an axe which was close at hand in the room in which they were, and struck her across the neck, almost separating her head from her body.

The applicant has now served fourteen years and five months of his term of imprisonment; he was never before charged with or convicted of crime; his prison record is excellent, as shown by a letter from the Chief Parole Officer of the Penitentiary.

There was filed with the Board a recommendation for clemency signed by the ten surviving members of the jury which convicted him. The trial District Attorney and his two assistants, who prosecuted the case, filed a joint letter with the Board in which they recommend a pardon for a crime which they certify, "seemed to have been the result of a sudden outburst of passion, brought about by his wife's attack on him." The present District Attorney has also filed a letter with the Board which evinces a favorable attitude; the trial Judge is non-committal.

In consideration of all the circumstances of this case; the prior good record of the applicant; his long term of imprisonment; because of his excellent prison record and the recommendations of the surviving members of the jury which convicted him, the trial District Attorney and his two assistants and the present District Attorney; we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and



## APPENDIX TO THE

in open session," recommend that a pardon be granted to the said Joseph Kamecz.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 17, May Session, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Clarion, John Greece was convicted of aggravated assault and battery and felonious assault and battery, and on September 8, 1928, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Clarion County jail, for a period of two years.

The applicant is of Italian descent, a naturalized citizen of the United States, thirty-one years of age, a coal miner by occupation, and at the time of his arrest resided in Rimersburg, Clarion County, with his wife and five children.

On April 19, 1928, the applicant was visiting at the home of his father-in-law, Joseph Montana, in Rimersburg. At that time the applicant's family was staying with his father-in-law and the applicant was working in a coal mine near Pittston. Joseph Salvo, a brother-in-law, appeared at the home and words passed between him and the applicant. The next morning, about seven o'clock, the applicant appeared at the store of Salvo, on the Main Street of Rimersburg, and while Salvo was washing his hands the applicant spoke to him and words passed, whereupon the men began to fight. They fought from the rear end of the store, up along the counter to the center of the store, where they were found. Salvo was on his back and the applicant on top of him. Salvo had a revolver in his hand. The applicant had been shot twice, through the face and through the chest. The Commonwealth maintained that the applicant came into the store, made insulting remarks to Salvo, leaped upon him, biting and choking him, and that Salvo, during the struggle, secured the revolver and shot the applicant. The applicant maintained that the night before he had been invited to the store by Salvo to talk over some matters, and that during the talk Salvo, before any blows were struck, seized the revolver and before the applicant in the face, whereupon the applicant lunged towards him, seized him, was shot through the chest and the fight continued until the applicant finally got Salvo down where he could not shoot any more.

There had been bad blood between them for several years and Salvo had attempted to shoot the applicant two years prior to the present offense.

The applicant has now served one year of his term of imprisonment. His prison record is excellent, as shown by a letter from the Sheriff of the county.

Pardon is strongly recommended in this case. The trial Judge has filed two letters with the Board strongly recommending clemency; the first one is concurred in by the Clerk of the Courts, the County Commissioners, the Sheriff and the Register and Recorder. Justice of the Peace Sloan and former Sheriff Corbin also recommend clemency. The District Attorney has filed with the Board a statement of the facts of this case, in which he refers to the bad feeling existing between the two men, who were brothers-in-law. He neither recommends nor objects to pardon and concludes by saying, "A pardon may be all right providing that these parties can be kept apart."

In consideration of all the circumstances of this case; the term of imprisonment already served; and because of the strong recommendations of the trial Judge and other county officials who know the applicant and are acquainted with the circumstances surrounding the case, we have concluded that

the applicant has been sufficiently punished and if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said John Greece.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor:

Sir: At Nos. 1033 and 1034, October Sessions, 1921, in the Court of Oyer and Terminer in and for the County of Philadelphia, Samuel Fleming Andrews, alias Samuel Anderson, alias Samuel Johnson, pleaded guilty to indictments charging him with robbery and entering with intent to steal, and on November 1, 1921, was sentenced in the aggregate to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than nineteen years and ten months nor more than twenty years.

The applicant is a native-born citizen of the United States, forty-five years of age, colored, and is by occupation a barber. He is unmarried.

The applicant as before stated is a barber. Several times he established a business of his own, but the ventures proved unsuccessful. In 1913, he formed a partnership with another negro and went into business in Brooklyn, New York. After six months' experience, the applicant found himself without a partner and possessed of an enterprise with no assets and many liabilities. After paying all his creditors in full, the applicant applied himself diligently to his business and accumulated sufficient funds to purchase "The Cuban-American Barber Shop," at Brooklyn, New York. This was in 1920. In the beginning he prospered. In 1921 he took in other negroes as partners, but the business declined and the applicant was left to close out the business and pay the debts. He grew despondent. He became a journeyman barber and went from one job to another. One week before the commission of the present offense, he left Brooklyn and came to Philadelphia, his native city. About noon on November 29, 1921, he entered the store of Abraham Simon, 135 S. 13th Street, and engaged the attention of a salesman. When certain designated articles of jewelry had been placed on the counter before him, the applicant attempted to get away with them. The proprietor of the shop and his salesman rushed towards him and in the struggle, the applicant was severely wounded in the head. The police arrested him there, together with a co-defendant, sending the applicant to the hospital.

The applicant has now served seven years and ten months of his term of imprisonment. He was never before charged or convicted of crime. His prison record is excellent.

After entering the Penitentiary, he became a dispensary orderly and rose to the highest position of responsibility and trust, viz: that of Chief Assistant to the Pharmacist. For over three years, he has had sole charge of preparing and distributing the prescriptions of the doctor under the direction of the pharmacist, and his work has been such as to merit the unqualified approbation of his chief as well as of the Warden and Board of Trustees of this institution, as shown by letters on file with the Board.

There was filed with the Board, a letter from the prosecutor in the case in which he recommends clemency. The Board of Trustees of the Penitentiary have taken official action on the present application and by resolution of the Board, regularly passed, signed by the President and the members of the Board of Trustees, ask for clemency. There was also filed with the Board letters from the two resident physicians of the

Penitentiary and other persons in authority connected with the medical and drug departments of the institution.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the strong recommendations of the Board of Trustees, Resident Physicians and others in authority connected with the institution, we have concluded that the applicant has been sufficiently punished, and that if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Samuel Fleming Andrews, alias Samuel Anderson, alias Samuel Johnson.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor:

Sir: At No. 576, February Sessions, 1929, in the Court of Oyer and Terminer in and for the County of Luzerne, Carmel Maranca, pleaded guilty to an indictment charging him with statutory rape, and on March 14, 1929, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than two and one-half years, nor more than five years.

The applicant is a native of the Kingdom of Italy, and owes allegiance thereto. He is twenty-five years of age, a mine laborer by occupation and at the time of his arrest, was employed as such by the Pennsylvania Coal Company in Jenkins Township, Luzerne County. He resided in Pittston with his aged widowed mother, who is in ill health.

The crime charged was said to have been committed in Plains Township, Luzerne County, sometime after midnight on March 9, 1929, on the person of Theresa Molinaro, who lacked nine weeks of being sixteen years of age. Subsequent to the imposition of the sentence, the trial Judge on application made, permitted counsel for the applicant to recall for cross-examination, Theresa Molinaro, when she admitted that she had been confined by her father in the Home of the Good Shepherd, at Reading, from April, 1928, to October, 1928, for running away from home. She admitted that she began the practice of prostitution about a year and a half prior to the commission of the present offense; that one month prior thereto, she took up her residence in a bawdy house in Pittston, and that at the time of the alleged commission of the crime of statutory rape upon her by the applicant, she consented to the act. It further appeared that when the applicant entered his plea of guilty, neither the District Attorney or any of his assistants were aware of the bad repute of Theresa Molinaro. It was further shown that the bawdy house in which she was an inmate was raided, subsequent to the commission of the present offense, and that the proprietor is now serving a term of imprisonment in the Eastern Penitentiary for maintaining a bawdy house.

The above facts are taken from the Agreed Statement of Facts prepared by the District Attorney and counsel for the applicant.

The applicant has now served six months of his term of imprisonment. He was never before charged with nor convicted of crime. The Chief of Police of Pittston certifies to his prior good record by letter filed with the Board.

A number of letters were filed with the Board recommending clemency and a petition of citizens to the same effect.

Among others, the Vice-President of the Dime Bank and Trust Company of Pittston, recommends pardon.

In consideration of all the circumstances of this case; the applicant's prior good record; the term of imprisonment already served; because of the recommendations and petition of citizens of Pittston, and vicinity who are personally acquainted with the applicant, we have concluded that he has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Carmel Maranca.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons

Harrisburg, September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 577 February Sessions 1929, in the Court of Oyer and Terminer in and for the County of Luzerne, Paul Cumbo pleaded guilty to an indictment charging him with statutory rape, and on March 14, 1929, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than two and one-half years, nor more than five years.

The applicant is of Italian descent, but a citizen of the United States, twenty-one years of age, a mine laborer by occupation, and at the time of his arrest, was employed as such by the Pennsylvania Coal Company in Jenkins Township, Luzerne County. He resided with his parents in the City of Pittston.

The crime was said to have been committed in Plains Township, Luzerne County, sometime after midnight on March 9, 1929, on the person of Theresa Molinaro, who lacked nine weeks of being sixteen years of age. Subsequent to the imposition of the sentence, the trial Judge on application made, permitted counsel for the applicant to recall for cross-examination, Theresa Molinaro, when she admitted that she had been confined by her father in the Home of the Good Shepherd, at Reading, from April, 1928, to October, 1928, for running away from home. She admitted that she began the practice of prostitution about a year and a half prior to the commission of the present offense; that one month prior thereto she took up her residence in a bawdy house in Pittston, and that at the time of the alleged commission of the crime of statutory rape upon her by the applicant, she consented to the act. It further appeared, that when the applicant entered his plea of guilty, neither the District Attorney nor any of his assistants were aware of the bad repute of Theresa Molinaro. It was further shown that the bawdy house in which she was an inmate was raided, subsequent to the commission of the present offense, and that the proprietor is now serving a term of imprisonment in the Eastern Penitentiary for maintaining a bawdy house.

The above facts are taken from the Agreed Statement of Facts prepared by the District Attorney and counsel for the applicant.

The applicant has now served six months of his term of imprisonment. He was never before charged with nor convicted of crime. The Chief of Police of Pittston certifies to his prior good record by letter filed with the Board. The applicant was only twenty-one years of age when this alleged crime was committed.

A number of letters were filed with the Board recommending clemency and a petition of citizens to the same effect. Among others, the President of the First National Bank of Pittston, and the Vice-President of the Dime Bank and Trust Company of Pittston, recommend pardon.



In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of the recommendations and petition of citizens of Pittston and vicinity who are personally acquainted with the applicant, we have concluded that he has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Paul Cimbo.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 50, February Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Clearfield, Thomas Reed being without the advice of counsel, pleaded guilty to an indictment charging him with breaking and entering a dwelling in the night time with intent to steal, and on February 16, 1928, was sentenced by the Court to pay a fine of two hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years, nor more than four years.

The applicant was twenty-three years of age, a native-born citizen of the United States. At the time of his arrest he was employed as a coal miner by the Northwestern Mining and Exchange Company and resided in the City of DuBois, Clearfield County. He has a wife and two small children, aged two and three years, respectively.

The applicant was charged with entering the dwelling house of D. J. Heath on December 23, 1927, at about 1.30 o'clock in the morning with intent to commit robbery.

At the time he was out of work on account of slack work in the mines where he was employed. On the evening of the day in question he became intoxicated to such an extent that he could not remember what occurred or what happened from about 11.30 o'clock that night until he awoke in the DuBois city jail the following morning. He was informed by police officers and the prosecutor, Heath, that some time after midnight he while in an extremely drunken condition jumped or fell through the front window of the home of the said Heath, breaking the glass and making a loud noise by his fall to the floor in the interior of the house. He was further informed that he had walked around the interior of the house until the owner awakened and came down stairs and that the applicant then ran out of the house and was found several blocks distant lying on the ground in a condition of extreme intoxication. It appeared that the applicant took nothing while in the house, nor so far as anyone known, did he attempt to take anything. About an hour previous to the occurrence in the Heath house, the applicant wandered into the dwelling house of Thomas Delaney, on a nearby street, and in the house of Delaney stated he was searching for his father-in-law's house and was directed elsewhere by the said Delaney.

The applicant has now served one year and six months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is good as shown by a letter from the Deputy Warden of the Penitentiary, filed with the Board.

There was filed with the Board a letter from Don J. Heath the prosecutor in the case, in which he asks pardon. There was also filed with the Board a letter from the general superintendent of the Northwestern Mining and Exchange Company, the former employer, in which he certifies that the

applicant was in his employ for a number of years, and was a good, reliable workman. He recommends clemency and offers to furnish the applicant employment if released. The Chief of Police of DuBois also filed with the Board a letter in which he refers to the applicant's intoxication and states his opinion that he was guilty of nothing greater than drunk and disorderly conduct. There was also filed with the Board a numerously-signed petition of citizens of DuBois, headed by the Mayor and Chief of Police, signed by the cashier of the DuBois National Bank and other prominent citizens.

In consideration of all the circumstances of this case; the comparative youth of the applicant; the need which his family has of support; because employment has been offered him if released; the prior good record of the applicant; the term of imprisonment already served; because of the recommendation of the prosecutor in the case; the Mayor of the city, Chief of Police and other prominent citizens of DuBois, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Thomas Reed.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 25, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 84, January Term, 1927, in the Court of Oyer and Terminer, in and for the County of Chester, Antonio Mento pleaded guilty to an indictment charging him with voluntary manslaughter, and on February 2, 1927, was sentenced by the court to pay a fine of one thousand dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years, nor more than ten years.

The applicant is fifty-seven years of age, and a subject to the King of Italy. He is a paper maker by trade and at the time of his arrest, he was so employed by the Downingtown Paper Company. He resided in that borough with his wife and family.

The applicant was charged with having killed one, Elmer Clark, a colored man, on the night of November 15, 1926, under the following circumstances:

Clark came to the home of the applicant about 2:00 o'clock in the morning and in an effort to get into the house to obtain strong drink, aroused the applicant first by calling out to him and then by throwing a stone or stones through a second story window. The applicant with his son-in-law, Secundo Gnaro, who resided with him, sought to drive him away from the house and upon his refusal to go, the applicant obtained a gun and as the deceased who was abusive and threatening in his language, stood across the street about to throw a stone, fired at him with a shot-gun, one or more shots taking effect in the decedent's lungs, and he died as a result thereof. The applicant frankly admitted the occurrence, and on the advice of counsel, pleaded guilty to voluntary manslaughter.

The applicant has now served two years and seven months of his term of imprisonment. He was never before charged with or convicted of crime. He has a wife and three minor children, who reside with him, dependent upon him for support.

There was filed with the Board a numerously-signed petition of citizens of Downingtown, asking clemency. The petition is headed by the Chief Burgess, Chief of Police, two police officers, and two constables.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; and in further consideration of the petition of citizens of Downingtown, headed by the Chief Burgess and police officers of that borough, we have concluded that the applicant has been sufficiently punished and if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Antonio Mento.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, January Term, 1929, in the Court of Oyer and Terminer in and for the County of Bedford, Harvey Feathers pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the first degree, and on April 18, 1929, was sentenced by the Court to be electrocuted.

The applicant was seventeen years of age just one week ago. He was born in the United States and has no occupation or profession. At the time of his arrest he resided with his father (a farmer) in Greenfield Township, Blair County. His mother died when he was twelve or thirteen years of age. There were twelve children in the family, of whom five are deaf mutes. The applicant is the youngest child. He went to school very little and can scarcely read or write. After the death of his mother he was permitted to roam as he pleased and received no moral training.

On January 10, 1929, at about 5:15 in the evening, Huston B. Croyle returned from his employment at the Sproul Brick Plant, Sproul, Blair County, and drove his roadster into his barn which he used as a garage. As he got out of the car he was shot down from above by two shots from a shotgun, one shot going through the body and heart and the other shot literally blowing out his brains. The blood-stained shot-gun was found in a manger covered with hay. Tracks were discovered leading from a broken window and a pouch of tobacco was found along these tracks. With these clues, the State Police investigated the case and arrested and obtained confessions from the two brothers, Willis Feathers and the applicant, Willis Feathers is a deaf mute. The applicant did the shooting and Willis waited nearby. The crime had been deliberately planned by the two brothers. Their purpose was to kill Croyle and then rob him. After the shooting the applicant, without stopping to secure the money, fled to his home and later went to Claysburg and did not return to his home until 10:00 o'clock that night. When the applicant was arraigned he entered a plea of guilty, the degree of which was fixed by the court at first degree murder. Willis Feathers, the brother, stood trial and was convicted by a jury with penalty fixed at life imprisonment.

The applicant was never before charged with or convicted of crime. There was filed with the Board a letter from one trial Judge, in which he states that there seems to be a mental weakness in the Feathers family, and that, "in view of his age and his environment and his family history, I feel satisfied that justice will be done by commuting his (the applicant's) sentence of death to a sentence of life imprisonment." Associate Judge McKee also filed with the Board a letter in which he makes a similar recommendation because of the lack of moral or religious training afforded the applicant, because of his environment and because of his defective mentality. Taylor L. Dively, a school teacher, whose school the applicant attended, has filed with the Board a letter in which

he states his observation of the applicant's intelligence. He states that the latter did not advance beyond the fourth grade, and that he, on account of his undeveloped mind, did not realize the serious nature of the crime which he committed. John M. Reynolds, former Lieutenant Governor, has also filed with the Board a letter in which he also asks for a commutation of the sentence to life imprisonment, on account of the deficient mentality of the applicant. Other letters were filed recommending clemency and also an extensively-signed petition of citizens to the same effect.

Doctor William C. Sandy, Director of the Bureau of Mental Health in the State Department of Welfare, at the request of the Board, made a mental examination of the applicant. In his report of the result of the examination he states, "from the examination as above recorded, no evidence of mental disease (insanity) was found. While he is sufficiently intelligent to have some appreciation of right and wrong, this however, is decidedly limited. There is every evidence of inferior intelligence confirmed by a formal psychological test, the findings of which place him in the moron grade of mental deficiency (feeble-mindedness) he cannot therefore be regarded as fully responsible." Doctor Sandy recommends that the sentence of death be commuted to life imprisonment and suggests that he should be committed to the New Cumberland Valley Institution for Defective Delinquents, when completed.

In consideration of all the circumstances of this case; the extreme youth of the applicant; his mental and moral deficiency; in consideration of his family history and environment; because of the recommendations of the trial Judge, Associate Judge McKee; the recommendations of former Lieutenant Governor Reynolds, and other citizens; because the brother and co-defendant of the applicant has been sentenced to life imprisonment, we have concluded that the sentence of death heretofore imposed on the applicant should be commuted to life imprisonment.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the sentence of death heretofore imposed on the said Harvey Feathers be commuted to life imprisonment.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 239, 209, 210, 211 and 212, September Sessions, 1920, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Charles M. Toomey pleaded guilty to five indictments charging him with embezzlement by an employee and officer of a Trust Company, and on October 23, 1920, was sentenced in the aggregate to pay a fine of five thousand dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years or more than thirty years.

The applicant is fifty-eight years of age, a native-born citizen of the United States, and by occupation a clerk. At the time of his arrest he was employed as an assistant secretary of the Fidelity Trust Company of Philadelphia, and resided in that city with his wife and an invalid sister, both of whom are dependent upon him for support.

The applicant's crimes consisted of a series of embezzlements from the Fidelity Trust Company of Philadelphia, to the amount of three hundred and thirty thousand dollars, which he accomplished by means of forgery. These pecuniations covered a period extending from June 19, 1916, to August 11, 1920, and comprised some thirty-five items. The indictments were confined to cover only five of the larger thefts.

In the exercise of his authority as assistant secretary, the applicant drew certain sums from the Trust Department,



purporting to be payments that he was making to Clarence Sinnott, one of the heirs of the Joseph F. Sinnott estate. He deposited these amounts in the Banking Department of the Trust Company, and furnished that Department with a signature card purporting to be signed by the beneficiary, who was living outside of the State. The signature on the card was a forgery, having been written by the applicant himself. After drawing the money from the Trust account on checks to the order of the beneficiary, the applicant deposited them in the account mentioned and then drew checks on that account to the order of the beneficiary, forging the latter's signature and endorsement. Thus the checks were drawn to the order of the beneficiary, apparently signed by the beneficiary, apparently endorsed by him, and were presented to the Banking Department of the Trust Company to be drawn from the beneficiary's banking account. The checks when presented to the Paying Teller were always paid in cash to the applicant, who was known to the teller as the officer attending to the details of the estate and as being on intimate terms with the members of the Sinnott family.

Through excessive drinking in saloons, the applicant became associated with crooked gamblers, who learned of his connection with a banking institution and thus began his downfall. He was the weak victim of unscrupulous men and the entire amount of the funds embezzled by him was dissipated in a wild orgy of horse race gambling. During his vacation in August, 1920, the shortage was discovered through Clarence Sinnott, calling upon the Fidelity Trust Company for a payment on account of the legacy of twenty-five thousand dollars bequeathed to him under his father's will, and upon the applicant's return from his vacation he was placed under arrest, pleaded guilty, and received the sentence which he is now serving.

The applicant has now served nine years of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent, as shown by letters from the Warden of the Penitentiary and from the Warden of the York County Jail.

The applicant's health is seriously impaired, as shown by letters from two physicians, to wit, Doctor Bacon and Doctor Cohen, the physician at the York County Jail. The applicant's wife and sister are dependent on him for support and require assistance. George A. Ansley, a realtor, and John E. Kearney, a contracting builder, both of Philadelphia, responsible citizens, in letters filed with the Board, offer the applicant employment if released. Albert W. Johnson, the trial Judge, who is now Judge of the United States District Court, in a letter filed with the Board recommends pardon. Mayor Mackey, of Philadelphia, and Mrs. Sinnamon, Assistant Director of the Department of Public Welfare, in letters filed, also recommend clemency. John Sinnott, one of the executors of the looted Sinnott estate, also recommends pardon.

There was also filed with the Board affidavits by Walter G. Stilwell, Sergeant of the State Police, and Eugene Fry, former County Commissioner, which contain statements of fact in connection with the applicant which would justify clemency. Major Adams, Superintendent of the State Police, President Judge Niles and Judge Ross, of York, and District Attorney Hermann, in letters filed with the Board, adduce strong reasons why the applicant should receive clemency. A representative of the District Attorney's office present at the oral hearing, while not recommending pardon, expressed sentiments favorable thereto.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because of the impaired health of the applicant; because of the need of his wife and aged sister for support; because employment has been offered him if released by several responsible persons; because of the recommendations of the trial Judge, Mayor Mackey of Philadelphia, Judges Niles and Ross, and District Attorney Hermann, of York; because of the letter of Major Adams and the affidavits of Walter Stilwell and former Commissioner Fry, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court shall be commuted to nine years' imprisonment, expiring on October 28, 1929.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Charles F. Toomey be commuted to nine years' imprisonment, expiring on October 28, 1929.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 112, 113, 114, 115 and 116, May Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, John Hanranhan, pleaded guilty to indictments charging him with burglary and entering to steal, and on May 10, 1928, was sentenced on Nos. 112, 114 and 115, in the aggregate, to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years nor more than twenty years.

The applicant is now seventeen years of age and a native of the United States. At the time of his arrest he was learning the trade of plasterer in the employment of William Seka, Chestnut Hill, Philadelphia, and resided in Chestnut Hill with his parents, who have six children dependent upon them for support.

In February, 1927, at the time of the applicant's fifteenth birthday, he and another boy on two different occasions forced their way into a grocery store and moving picture theatre in Chestnut Hill. In the grocery store they stole forty dollars from the till, with which they purchased four rifles from Sears, Roebuck and Company. From the moving picture theatre they took less than one dollar from a drinking cup holder, and stole flash lights and tickets. They also burglarized another grocery store, but were unable to find anything they wanted. For these offenses, the applicant was sentenced to the Catholic Protectory by Judge Glass of the Juvenile Division of the Municipal Court of Philadelphia, on February 28, 1927, for three months, and served three months and three weeks. From this institution he was paroled in June, 1927. Immediately following his discharge from the Protectory, he engaged with John J. Cimorelli, a boy older than himself, in a series of burglaries in the neighborhood of Chestnut Hill, the burglaries being of the following character:

They stole some golf clubs and gloves from the residence of Chase Tatnall, after entering by removing a pane of glass from a window. They jimmied a window of John Bono's delicatessen store and took a small amount of change out of the till and some crackers. They forced open the hardware store of F. C. Goodwin Hardware Company, Germantown, and stole six knives, four watches and other small articles. They entered the open door of the garage of Stephen Noyes and stole a shotgun and pistol. They also entered the store of Charles Gable and took certain articles therefrom. These burglaries all took place in the summer and early fall of 1927. The applicant then forsook his evil courses and went to the parochial school in Chestnut Hill until his sixteenth birthday, when he started his apprenticeship with William Seka.

On May 3, 1928, Cimorelli and the applicant were arrested for the offenses above described and Cimorelli made a full confession.

The applicant has now served one year and five months of his term of imprisonment. All of the offenses enumerated above, were committed before he was sixteen years of age. His parents require his assistance in the support of the family.

A representative of the District Attorney's office present at the time of the oral hearing did not strongly oppose the application.

In consideration of all the circumstances of this case; the extreme youth of the applicant when these crimes were com-

mitted; the term of imprisonment already served; the need of his parents for assistance in supporting the family; in consideration of the further fact that the District Attorney did not strongly oppose the present application, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court, shall be commuted to one and one-half years' imprisonment, expiring November 10, 1929.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said John Hanranhan be commuted to one and one-half years' imprisonment, expiring on November 10, 1929.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1110, 1111, 1112, October Session, 1926, 1687, 1689, 1690, 1691, 1692, 1693, November Sessions, 1926, 146, 147, and 295, December Sessions, 1926, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, William L. Weinberg pleaded guilty to indictments charging him with forgery, embezzlement, fraudulent conversion, fraudulently making written instruments and publishing the same, and on December 17, 1926, he was sentenced, on Nos. 1689 and 1690 November Sessions 1926, in the aggregate to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than four years nor more than twelve years.

The applicant is a native-born citizen of the United States, thirty-three years of age. His occupation at the time of his arrest was that of a real estate and insurance broker. At that time he resided in the City of Philadelphia, with his wife, who since his imprisonment has obtained an absolute divorce from him on the ground that he was convicted on a criminal charge which carried with it an imprisonment of two years and upwards. He has one daughter six years of age.

The applicant in the conduct of his business, was connected with a number of building and loan associations. In order to assist home-buyers he would apply for mortgage loans to the associations and very often the funds were not available. In many instances he would arrange for temporary loans by David Levin to these building and loan associations in order to complete the settlement, with the expectation of repaying the said David Levin from the future collections of dues and interest in the association. In connection with these loans he would personally pay Levin both interest and bonus charges. He finally became financially involved as a consequence of trying to finance the purchasers of real estate, and in his desperation resorted to the forgery of notes, resolutions and certificates of the building and loan associations and others, and the conversion of moneys received through these forgeries and in the using and converting moneys which one, Mary E. Rich, gave him for the purpose of investing in mortgages; all of which resulted in his trial and conviction as above stated.

The applicant has now served two years and ten months of his term of imprisonment. Prior thereto, he served four months in the county prison while awaiting trial. He was never before charged with or convicted of crime.

There was filed with the Board a number of letters recommending clemency, including one from Mary E. Rich, a widow, who he defrauded of sixteen thousand dollars; a letter from her brother George H. Belzer who had a financial interest in his transactions with Mrs. Rich; a letter from David Levin

who was the chief prosecutor and from the officials of two of the building and loan associations which he defrauded. Michael Levin, one of the prosecutors, also recommend clemency. In his letter he states that the applicant's wife was responsible for his financial downfall; that she had very extravagant tastes which caused him to live far beyond his income, and that this was the cause of his ruin. Henry R. Roberts, President of the Commonwealth Title Company of Philadelphia, who was President of the People's Bank and Trust Company which met financial losses through the applicant's business transactions, has also filed with the Board a letter recommending clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because his minor child, six years of age, requires his support; because of the recommendation of the prosecutors in many of the cases, particularly, the recommendations of David Levin, Michael Levin and Mary E. Rich, who suffered the greatest losses through the applicant's financial transactions, we have concluded that he has been sufficiently punished, and that if now liberated, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William L. Weinberg.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 62, June Sessions, 1928, in the Court of Oyer and Terminer, in and for the County of Mercer, Philip Restituto was convicted of murder in the second degree, and on June 27, 1928, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two years nor more than four years.

The applicant is thirty-three years of age, a native of Italy, but a naturalized citizen of the United States. He is a boiler fireman by occupation and at the time of his arrest he was so employed by the American Sheet and Tin Plate Company at Farrell, Pennsylvania, and resided in that borough. He has a wife and child seven years of age in Italy.

On or about May 29, 1928, Paul Polenol of Jamestown, New York, telegraphed to Tony Nicastro and Sam Mareno, of Cleveland, Ohio, to meet him at the home of Angelo Nicastro in Sharon, Pennsylvania, to celebrate Decoration Day. Tony Nicastro, Mareno and Mrs. Mareno drove to Sharon on Decoration Day, where they were met by Mr. and Mrs. Polenol, at the home of Angelo Nicastro. They had dinner at seven o'clock, followed by dancing, the party breaking up about midnight. After midnight, Tony Nicastro, Polenol and Mareno drove to Farrell, a distance of about two miles, to call on a fellow Italian, whom they had known before. They decided to stop at the home of Sara Messina, whom Tony Nicastro had known in Italy as a child and with whom Polenol had cohabited prior to his marriage. They knocked on the door. Mrs. Messina, with whom the applicant was then cohabiting, admitted them. She warmed coffee for them, got them wine, and conversed with Tony Nicastro about the Old Country. A quarrel was begun by Polenol. Mrs. Messina called him "a louse." Polenol struck her and she struck back, whereupon he grabbed a meat cleaver hanging upon the wall and struck her with it on the head. Tony Nicastro, stood by but Sam Mareno intervened to stop the quarrel and to prevent injury to Mrs. Messina. The applicant, hearing his mistress screaming came down to the landing, witnessed the quarrel, reappeared with a shot gun and a forty-four calibre revolver.



From a distance of twelve feet at the foot of the stairs he shot Polenol in the head, scattering his brains about the kitchen. Mareno was trying to separate Polenol and Sara Messina, facing the applicant, when the latter emptied the second shell into Mareno. The latter fell writhing and lived until the next day. Tony Nicastro started to run through a side room to the front, was intercepted by the applicant and was shot twice, once in the leg and once in the hand. The police were called by a neighbor who heard the shooting and when they came they found the applicant and Tony Nicastro struggling for possession of the revolver. The meat cleaver used by Polenol had formerly belonged to Angelo Nicastro. When Nicastro retired from meat marketing, the applicant assisted him in moving his utensils, including the cleaver, to the Nicastro home, where it was kept on the wall and where Polenol found it when he fought with Sara Messina.

The applicant was first tried for the murder of Sara Messina and convicted of murder in the second degree. He was then tried for the murder of Polenol and acquitted. Polenol had a reputation as a blackhand, was a bad man and was using the meat cleaver on the head of Sara Messina at the time he was shot.

The applicant has now served approximately one year and four months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board letters from the Chief of Police of Farrell, the Sheriff of the County, Assemblyman Stevenson, the President of the Board of Poor Directors, Alderman Thomas, Deputy Clerk of the Quarter Sessions Court, Squire Frank, the County Treasurer and from the Editors of the Sharon Herald, the Record-Argus, of Greenville, Pennsylvania, and the News-Telegraph, Sharon, Pennsylvania, all recommending clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the recommendations of the Chief of Police of Farrell, the Sheriff, and other county and local officials, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Philip Restituto.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 30 and 31, December Sessions, 1926, in the Court of Quarter Sessions of the Peace, in and for the County of Cumberland, Earl Huber pleaded nolo contendere to two indictments charging him with sodomy and buggery and assault and battery, and on June 1, 1929, was sentenced in the aggregate to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the County jail for a period of not less than eight months nor more than four years.

The applicant is forty-two years of age, a native-born American citizen, unmarried, and for a period of twenty-one years had been employed as a clerk in the Bureau of Foods and Chemistry, Department of Agriculture, State of Pennsylvania. He resided with his parents in the Borough of Mechanicsburg.

On or about September 24, 1926, the applicant received a letter signed "The Hawk," in which he was directed to place one hundred dollars in a designated spot or the writer would reveal to the police the writer's improper conduct with four boys named in the letter. The applicant immediately sub-

mitted this letter to the police, who later apprehended and caused the conviction of the youth who wrote the letter. They brought the four boys mentioned in the letter to the office of the District Attorney, where they were questioned and admitted the improper relations with the applicant. At the direction of the District Attorney the Chief of Police of Mechanicsburg made two informations against the applicant, charging sodomy upon one Roy Dougherty and upon one Fred Higgins, two boys about sixteen years of age. The boys admitted improper conduct with the applicant, such as to constitute the crime of sodomy. The applicant has always denied his guilt.

The applicant has now served five months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a number of letters recommending clemency. James W. Kellogg, Director-in-Chief of the Bureau of Foods and Chemistry, in the Department of Agriculture, in which the applicant served twenty-one years, has filed with the Board a letter in which he strongly recommends pardon. The Chief Burgess of Mechanicsburg, the Chief of Police and prosecutor in the case, the Justice of the Peace, who acted as the committing magistrate, the parents of one of the boys who was debauched, the Postmaster of Mechanicsburg, the Treasurer of the First Bank and Trust Company, and others, have filed letters with the Board recommending pardon. Employment has been offered the applicant, if released, by the Dairy Products Laboratory, Pittsburgh.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because employment has been offered him if released; because of his impaired health, as shown by a letter from the president of the Carlisle Board of Health; because of the recommendations of Dr. Kellogg, his employer for many years, the Burgess of Mechanicsburg, and other prominent citizens, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Earl Huber.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 149, March Sessions, 1927, in the Court of Quarter Sessions of the Peace in and for the County of Cambria, W. W. Grove was convicted of an attempt to procure an abortion, and on September 5, 1927, was sentenced to pay a fine of five hundred dollars (\$500.00), costs, and to undergo imprisonment in the Cambria County jail for a period of not less than eighteen months nor more than three years.

The applicant is fifty-seven years of age, a native-born American citizen, and at the time of his arrest was engaged in the general practice of medicine in the City of Johnstown, Pennsylvania, where he resided with his wife and one son, who is also a physician.

The matter which lead to the arrest of the applicant was a declaration or statement made by Luna Kelly, a patient in the Memorial Hospital at Johnstown, to John M. Gross, a County Detective, and other officers, to the effect that the applicant and the husband of the said Luna Kelly, had, on September 6, 1926, administered certain medicines to her, and that thereafter the applicant, in the presence of her husband, had used an instrument upon her for the purpose of bringing

about an abortion. Luna Kelly having afterwards died, the applicant and Sam Kelly, the husband, were arrested and charged in separate indictments with:

(1) Administering drugs with intent to procure a miscarriage, resulting in death.

(2) The use of instruments with like intent, resulting in death.

Both the applicant and the husband of the deceased denied all knowledge of the offenses charged, and set up an alibi. The only direct testimony produced by the Commonwealth against either of them consisted of the above mentioned declaration of Luna Kelly, which was admitted as a dying declaration. At the trial the jury returned a verdict finding both men guilty of attempt to procure an abortion, and recommended them to the "extreme mercy of the Court."

The applicant has now served more than his minimum term of imprisonment, to wit, two years and one month, and is out on parole. The object of the present application is to make him eligible for reinstatement as a practitioner of medicine, his license having been taken away by reason of his conviction.

In 1910 the applicant was tried for a similar offense and convicted, but, after the Court had granted him a new trial, the case was nol-prossed, on motion of the District Attorney.

There were filed with the Board a large number of letters recommending clemency. The trial Judge, the Judge of the Orphans' Court, and two additional law Judges recommend clemency. The trial District Attorney, the Warden of the County Jail, Representatives Harkins and James, Judges Berkey of Somerset and Harvey of Clarion, Congressman Leech, Senator Baumer, Assemblyman Griffith, of Indiana County, two of the County Commissioners, the County Treasurer, County Controller, Sheriff, Clerk of the Courts, Register of Wills, Recorder of Deeds, and many physicians, lawyers and other business men recommend pardon.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the recommendations of the trial Judge and trial District Attorney, the two Additional Law Judges, the Judge of the Orphans' Court, County Officials, and others, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said W. W. Grove.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, December Term, 1924, in the Court of Oyer and Terminer, in and for the County of Somerset, Dory Hann, pleaded guilty to an indictment charging him with arson and on May 16, 1925, was sentenced to pay a fine of six cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than four years, nor more than eight years, to be computed from the expiration of the workhouse sentences imposed in No. 152, September Session, 1924, and No. 6, September Term, 1924.

The applicant is twenty-six years of age and a native-born citizen of the United States. He is a farmer and auto mechanic by occupation. At the time of his arrest he resided with an aunt who reared him from childhood.

On a certain evening in September, 1923, William Flook came to the applicant's home and asked the applicant to take

him for a ride. They then drove to Corgansville, Maryland, to visit two brothers by the name of Vogel. Flook asked Clarence and Clifford Vogel to accompany the applicant and himself to James R. Rinker's to obtain moonshine whisky. One-half gallon of liquor was purchased from Rinker and the entire quantity drunk until they were intoxicated. Rinker and Flook suggested that they go out and get some chickens and have a party. The applicant then drove near the Charles Krause farm. They stopped a short distance away from the farm house. They then walked to the Krause barn for the purpose of getting chickens. The applicant walked through the storm shed and sat down at the far end of the barn until Flook called to him to "come on." Flook and the two brothers had been in the barn. As Flook called "come on," the applicant looked up and saw lights flashing through the cracks of the barn. Flook and Clarence Vogel had chickens in a sack. Seeing the barn was afire, the applicant ran to his car, drove to Barreilville, Maryland, to Flook's home and left the chickens. The applicant returned home the following day.

He surrendered to the authorities on the charge of breaking and entering and larceny, and on September 17, 1924, was sentenced to serve two years in the workhouse. In May, 1925, the applicant was brought back for trial on the charge of arson. After hearing the testimony of those who accompanied him on the night of the fire, he pleaded guilty to the charge and was sentenced as before stated.

The applicant has now served three years of his term of imprisonment. Aside from his sentence to the workhouse, he was never before charged with or convicted of crime. The aunt with whom he resided at the time of his arrest, requires his support.

There was filed with the Board a letter from the trial District Attorney in which he recommends pardon. The trial Judge has also filed with the Board a letter in which, while not recommending clemency, he evinces a favorable attitude. Mr. and Mrs. Krause, the prosecutors in this case have filed with the Board a letter in which they recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant, with a single exception; the term of imprisonment already served; because of the fact that the applicant's aunt who reared him requires his assistance in operating her farm; because of the recommendations of the prosecutors in this case, the trial District Attorney, and the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Dory Hann.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 34, August Sessions, 1926, in the Court of Quarter Sessions of the Peace in and for the County of York, Harry Brown, was convicted of assault and battery with intent to rob, aggravated assault and battery, assault and battery, and on January 21, 1927, was sentenced to pay a fine of One Hundred Dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than three years, nor more than six years.

The applicant is twenty-eight years of age, a native-born American citizen and a resident of West Manchester Township, York County. He is by occupation a silk weaver. At



the time of his arrest, he was unemployed for the reason that he had given up a position in Plainfield, New Jersey, in obedience to his doctor's orders, and was at his home in order to recoup his health. He is unmarried and resided with his parents.

On the evening of March 3, 1926, about eight o'clock, an attempt was made to rob the home of John Melhorn in West Manchester Township, York County, where a sale of farm goods had been held on the afternoon of that day. This attempt was made by two men, one with his hat pulled down over his ears and a mask on his face; the other with a handkerchief over his mouth and a cap pulled down over his eyes. When these men entered the Melhorn home, they demanded the money derived from the sale. They were refused the money and then left. One of the men lost his hat on leaving the premises, which hat was recovered by Melhorn and produced at the trial of the case. This hat bore the trade mark of a Plainfield, New Jersey, merchant. It was brought out at the trial that the applicant had worked at Plainfield, New Jersey, and his identity and conviction were based largely on the hat incident, although on behalf of the applicant, it was shown that he was at his home from five o'clock in the evening of March 3, 1926, until the morning of March 5, 1926.

The applicant at the trial was requested to try on the hat and proof was offered that he wears a hat size seven and one-half, whereas the size of the hat exhibited by Melhorn was six and three-quarters and the latter in no wise fitted the applicant. His conviction was based exclusively on the circumstantial evidence offered by the Commonwealth. On a motion for a new trial, one Samuel Weakley, who, after the trial, had confessed to being an accomplice of William Shoop (who was jointly indicted with the applicant), admitted that he was actually present at the Melhorn home with Shoop. At the hearing for a motion for a new trial, the applicant was shown to be an accessory before the fact instead of as a principal.

The applicant has now served approximately two years and nine months of his term of imprisonment. His father, more than seventy years old, is unable to perform physical labor, is tax collector of the Township and as such is forced to employ a man to attend to many of the duties devolving on him as tax collector. He requires the assistance of his son.

There was filed with the Board, letters from the trial Judge and trial District Attorney in which they strongly recommend pardon.

In consideration of the circumstances of this case; the doubt as to the guilt of the applicant; the need which his father has of his assistance; the term of imprisonment already served, and because of the strong recommendations of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished, and if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Harry Brown.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 77, September Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Northumberland, Wally Dardzinski was convicted of larceny,

and on September 26, 1928, was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Northumberland County jail for a period of not less than one and one-half years nor more than three years.

The applicant is a native of Poland and owes allegiance to the Republic of Poland. He is thirty-five years of age and came to the United States in January, 1928. He went directly to Johnson City in Northumberland County, Pennsylvania, where he boarded with a brother. He was a minor by occupation and employed by the Enterprise Colliery, Excelsior, Pennsylvania, at the time of his arrest. Shortly after his arrival his brother was killed, and the applicant remained as a boarder with the surviving widow. A few months after his brother's death, the widow suggested marriage with the applicant. The latter was not in accord with the suggestion and changed his boarding house. About the time he was arranging to leave the home of his brother's widow, she accused him of taking five hundred and fifty dollars from her pocketbook and had him arrested, charging larceny. At the trial he was convicted on the testimony of the widow and two of her female friends. The conviction brought about by testimony that the applicant knew to be untrue, and his confinement in prison, weighed upon his mind to such an extent that on the fourteenth day of February, 1929, the applicant was declared to be insane and removed to the State Hospital for the Insane at Danville. He was discharged from said hospital on April 26, 1929, and returned to the county jail. On May 22, 1929, the applicant presented a petition to the trial Judge, asking to be paroled, whereupon the Court ordered his release from prison and that he be paroled in the custody of the parole officer for the balance of his sentence.

On August 2, 1929, a warrant was issued against the applicant by the officials of the Department of Labor of the United States Government in proceeding for his deportation, he being an alien, who had been sentenced to imprisonment for a year or more because of conviction of a crime involving moral turpitude. The present application is made in order that the order of deportation may be rescinded, and the applicant permitted to remain in this Country.

The testimony in the case discloses no evidence that any portion of the money alleged to have been stolen was found in the possession of the applicant, nor was there any testimony tending to show that he had made use of any large or unusual sum of money at the time of the alleged larceny.

The applicant served less than eight months of his term of imprisonment when he was paroled by the Court. He was never before charged with or convicted of crime.

The trial Judge has led with the Board a letter in which he states that the applicant at the trial strenuously denied his guilt; that it was chiefly on the testimony of his sister-in-law that he was convicted; that this same woman was recently tried before him on the charge of taking One Hundred and Forty Dollars from an old man in Lewisburg with whom she was living; that he learned that she is an adventuress, a harlot and generally disreputable. He concludes: "I am now inclined to believe she lied about Wally Dardzinski (the applicant) and that he was wrongfully convicted and sentenced."

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; the term of imprisonment already served; his prior good record; because of the statement of the trial Judge and his recommendation of clemency, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Wally Dardzinski.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 23, October Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Lackawanna, Arthur Howey pleaded guilty to an indictment charging him with robbery, and on September 4, 1926, was sentenced to pay a fine of One Dollar, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years nor more than twenty years.

The applicant is a native-born American citizen, thirty-three years of age and a professional baseball player by occupation. At the time of his arrest he resided in Dickson City, Lackawanna County, with his mother, seventy-six years of age, who is in feeble health and dependent on the applicant for support.

The applicant, after playing a game of baseball, went to a drinking place where he drank in company with Edward Hemphill and another friend. After imbibing freely, a fight ensued in which the applicant assaulted Hemphill and took from his person the sum of forty-seven dollars. Technically this crime was robbery, but the money was taken by the applicant while under the influence of drink.

The applicant has now served three years and one month of his term of imprisonment. He was never before charged with or convicted of crime. He is the only support of his mother, who is seventy-six years of age.

There was filed with the Board a letter from the trial District Attorney in which he states that while technically the crime committed was robbery, it appeared to him that the end of justice would have been met if the applicant had been convicted of assault and battery or of larceny from the person. He continues: "The defendant entered a plea of guilty to the charge of robbery and received a very severe sentence. I am inclined to think that the sentence was more than the actual facts warranted, and believe that the defendant has served a sufficient sentence in this case." He adds: "I am of the opinion that this is a proper case for clemency."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the fact that the applicant's aged mother requires his support; in consideration of the recommendation of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Arthur Howey.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, August Term, 1927, in the Court of Oyer and Terminer, in and for the County of Mifflin, Anthony Fisher was convicted of statutory rape and recommended to the mercy of the Court. On August 30, 1927, he was sentenced to pay a fine of one hundred dollars (\$100.00) costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than five years nor more than ten years.

The applicant is thirty-eight years of age, a native-born citizen of the United States, and a laborer by occupation. At

the time of his arrest, he was employed in the Viscose Silk Mill at Lewistown and resided there with his wife, two children and an adopted daughter.

Julia Fisher, the foster child, became sixteen years of age on December 30, 1927. On June 20, 1927, the applicant was arrested and charged with the offense of statutory rape committed on the person of his adopted daughter several weeks previously. The girl was placed in the Salvation Army Headquarters, then in the Carlisle Catholic Home, and her present whereabouts are unknown. The applicant was convicted largely on the testimony of Julia Fisher. At the trial she stated that she had been whipped by her foster father (the applicant) on several occasions for going out with fellows. She confessed to improper relations with one shaver. The applicant denied his guilt and alleged that the reason for the prosecution was the frequent whippings and scoldings that were administered to the girl by him for her misconduct with three or four young men, that the girl and her mother wanted one hundred dollars (\$100.00) to settle the case; that the girl had threatened, after being whipped, to get square with him; that she was incorrigible; that she was encouraged by her mother, and that the prosecution was "framed" by them.

The applicant has now served approximately two years and two months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent, as shown by a letter from the Warden of the Western Penitentiary.

The trial Judge and trial District Attorney have both filed letters with the Board recommending clemency. The latter states in his letter that he has "serious doubts" as to the guilt of the applicant. The Sheriff of the County, who is the prosecutor in the case, has also filed with the Board a letter recommending pardon.

In consideration of all the circumstances of the case; the doubt as to the guilt of the applicant, his prior good record; the term of imprisonment already served; because of the recommendations of the trial Judge, trial District Attorney, and the prosecutor in the case, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Anthony Fisher.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 30, December Term, 1922, in the Court of Oyer and Terminer, in and for the County of Northampton, John Kovacs pleaded guilty to the charge of voluntary manslaughter based on an indictment for murder, and on January 23, 1923, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than eight years nor more than twelve years.

The applicant is forty-five years of age, of Austrian nationality. He is unmarried. His occupation at the time of his arrest was that of laborer. He was so employed by the Alpha Portland Cement Company at Martins Creek, Northampton County.

The applicant lived in a small house in the village of Martins Creek. On January 22, 1923, at about seven P. M., Steve Tanko, somewhat under the influence of liquor, came to the house of the applicant. He got into the applicant's bed and at about eleven P. M., when requested to leave the bed and house so that the applicant could retire for the night, refused to do so.



An argument and quarrel ensued. The applicant forcibly ejected Tanko from the bed and from the house. In the scuffle, the applicant, fearing that Tanko was armed, grabbed a wooden pick handle and struck Tanko with it. He then put Tanko out of the house, bolted the door, went to bed and slept until morning. Tanko's body was found the following morning in the ice and snow and removed to the morgue. No weapon was used by the applicant except the pick handle. It is not clear whether Tanko's death resulted from hemorrhage, concussion of the brain, or exposure. At the worst the applicant used undue force to eject the intruder.

The applicant has now served six years and nine months of his term of imprisonment. He was never before charged with or convicted of crime. The Board of Prison Inspectors of Northampton County where the applicant is now confined, has filed with the Board a letter in which it recommends clemency. This request is joined in by the Warden of the Jail. The Register of Wills has also filed with the Board a letter recommending clemency. Employment has been offered the applicant if released by the proprietor of the White House Restaurant, at Easton.

In consideration of all the circumstances of this case; the doubt as to the exact cause of the death of the deceased; the prior good record of the applicant; the term of imprisonment already served, because employment has been offered the applicant if released; and because the Board of Prison Inspectors, the Warden of the Northampton County Jail and the Register of Wills recommend clemency, we have concluded that the applicant has been sufficiently punished, and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John Kovacs.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 87, September Sessions, 1926, in the Court of Oyer and Terminer in and for the County of Luzerne, Joseph Pigerilla, was convicted of rape, attempt to rape and assault and battery, and on November 2, 1926, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years, nor more than ten years.

George Petritus, Zigmund Churnetski and the applicant were jointly indicted and convicted of the above-named offenses and all received the same sentence.

The applicant is twenty-six years of age; a native-born citizen of the United States; a laborer by occupation. At the time of his arrest, he was employed by the Lehigh Valley Coal Company in the Borough of Warrior Run, Luzerne County. He is unmarried and resided with his mother, a widow in Ashley, Luzerne County.

On June 30, 1926, between the hours of nine and ten o'clock P. M., Mary Rushkowski, a married woman thirty-nine years of age, with six children, stood on the street corner. An automobile passed her containing four men, who were strangers to her, viz: the two men above mentioned, the applicant, and one, Joseph Bush, who is now a fugitive from justice. She hailed them, and asked them to drive her to Wilkes-Barre from whence she was going to Plains to meet her husband. She got into the automobile, which shortly thereafter turned off the street into Hanover Township. When they reached a stretch of woodland, she was forcibly taken from the automobile into the woods and assaulted and ravished by the four

men in turn. The time of the rape was approximately one-thirty A. M. She was then taken back into the automobile, and subsequently taken out the second time, ran away, went to a farm house, was taken by automobile to a garage in Ashley where the police were summoned as well as a doctor. Sixty dollars which she had on her person was missing, and articles of apparel were also missing. The four men were arrested the same night not far from the place of assault. They were traveling towards Ashley and away from the place of assault when arrested by the Ashley police, on the charge of speeding. Subsequently learning of the assault on Mary Rushkowski, the three men, including the applicant, were re-arrested. The one, Bush, became a fugitive from justice. The defense was an alibi accounting for the four men up to about eleven twenty P. M., on June 30, at which time they were in Sugar Notch and traveled from thence in their automobile to a pool room in Cary's Patch, in Hanover Township. They left the pool room about one o'clock A. M. and were shortly thereafter arrested for speeding.

The applicant has now served almost three years of his term of imprisonment. He was never before charged with or convicted of crime. The applicant's mother is unable to work and requires his support.

There was filed with the Board, three affidavits by Ignatz Gutowski and Harry D. Washick, both Justices of the Peace of Wilkes-Barre Township, and one by Patrick Langan, an Alderman of the city of Wilkes-Barre, all to the same effect. They aver that Mary Rushkowski's reputation in the community in which she resides is bad; that she is a trouble-maker, a common scold, and a habitual drunkard; that she appeared before them on several occasions as a defendant on criminal charges, including assault and battery, disorderly conduct and neglect of children. There was filed with the Board, a letter from the Chief of Police of Hanover Township, who was the prosecutor in the case, in which he recommends clemency. The Chief of Police and Burgess of Warrior Run and other citizens in letters filed with the Board also recommend pardon. A foreman of the Lehigh Valley Coal Company, a former employer, recommends clemency and offers employment to the applicant if released.

George Petritus and Zigmund Churnetski, co-defendants with the applicant have this day been recommended for pardon by the Board. Bush, the fourth defendant is a fugitive from justice.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the need which his mother has of support; because of the fact that his two co-defendants have been recommended for pardon; because of the fact that employment has been offered to him if released; because of the bad character and reputation of Mary Rushkowski, the victim of the alleged rape; because of the recommendations of the prosecutor of the case and the Chief of Police and Burgess of Warrior Run, we have concluded that the applicant has been sufficiently punished, and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Joseph Pigerilla.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 87, September Sessions, 1926, in the Court of Oyer and Terminer in and for the County of Luzerne, George Petritus was convicted of rape, attempt to rape and assault

and battery, and on November 2, 1926, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than ten years.

Joseph Pigerilla, Zigmund Churnetski and the applicant were jointly indicted and convicted of the above-named offenses and all received the same sentence.

The applicant is twenty-four years of age; a native-born citizen of the United States; a bratticeman by occupation. At the time of his arrest, he was employed by the Lehigh and Wilkes-Barre Coal Company at Sugar Notch, Luzerne County. He is unmarried and resides with his stepfather, in Hanover Township.

On June 30, 1926, between the hours of nine and ten o'clock P. M. Mary Rushkowski, a married woman, thirty-nine years of age, with six children, stood on the street corner. An automobile passed her containing four men, who were strangers to her, to wit, the two men above mentioned, the applicant and one Joseph Bush, who is now a fugitive from justice. She hailed them, and asked them to drive her to Wilkes-Barre from whence she was going to Plains to meet her husband. She got into the automobile, which shortly thereafter turned off the street into Hanover Township. When they reached a stretch of woodland, she was forcibly taken from the automobile into the woods and assaulted and ravished by the four men in turn. The time of the rape was approximately one-thirty A. M. She was then taken back into the automobile, and subsequently taken out the second time, ran away, went to a farm house, was taken by automobile to a garage in Ashley where the police were summoned as well as a doctor. Sixty dollars which she had on her person were missing. The four men were arrested the same night not far from the place of assault. They were traveling toward Ashley and away from the place of assault when arrested by the Ashley police, because of excessive speeding. Subsequently hearing of the assault of Mary Rushkowski, the three men including the applicant were rearrested. The one, Bush, became a fugitive from justice. The defense was an alibi accounting for the four men up to about eleven twenty P. M., on June 30, at which time they were in Sugar Notch and traveled from thence in their automobile to a pool room in Cary's Patch, in Hanover Township. They left the pool room about one o'clock A. M. and were shortly thereafter arrested for speeding.

The applicant has now served almost three years of his term of imprisonment. He was never before charged with or convicted of crime. The applicant's stepfather is unable to work and requires his support. The applicant is tubercular and further confinement will impair his health.

There was filed with the Board, three affidavits by Ignatz Gulkowski and Harry D. Washick, both Justices of the Peace, of Wilkes-Barre township and one by Patrick Langan, an Alderman of the city of Wilkes-Barre, all to the same effect. They aver that Mary Rushkowski's reputation in the community in which she resided is bad; that she is a troublemaker, a common scold, and a habitual drunkard; that she appeared before them on several occasions as a defendant on criminal charges, including assault and battery, disorderly conduct and neglect of children. There was filed with the Board, a letter from the Chief of Police of Hanover Township, who was the prosecutor in the case in which he recommends clemency, and letters from citizens to the same effect.

Joseph Pigerilla and Zigmund Churnetski, co-defendants with the applicant have this day been recommended for pardon by the Board. Bush, the fourth defendant is a fugitive from justice.

In consideration of the circumstances of this case; the prior good record of the applicant, the term of imprisonment already served; because of the need which his step-father has of support; because of his impaired health; because of the fact that his two co-defendants have been recommended for pardon; because of the bad reputation of Mary Rushkowski, the victim of the alleged rape; because of the recommendations of the prosecutor of the case, we have concluded that the applicant has been sufficiently punished, and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and

in open session," recommend that a pardon be now granted to the said George Petritus.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 23, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 87, September Sessions 1926, in the Court of Oyer and Terminer in and for the County of Luzerne, Zigmund Churnetski was convicted of rape, attempt to rape and assault and battery, and on November 2, 1926, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than ten years.

Joseph Pigerilla, George Petritus, and the applicant were jointly indicted and convicted of the above named offenses and all received the same sentence.

The applicant is twenty-three years of age; of Polish descent but born in the United States; a bratticeman by occupation. At the time of his arrest, he was employed by the Lehigh and Wilkes-Barre Coal Company at Sugar Notch, Luzerne County. He is unmarried and resided with his parents.

On June 30, 1926, between the hours of nine and ten o'clock P. M. Mary Rushkowski, a married woman, thirty-nine years of age, with six children, stood on the street corner. An automobile passed her containing four men, who were strangers to her, to wit, the two men above mentioned, the applicant and one Joseph Bush, who is a fugitive from justice. She hailed them, and asked them to drive her to Wilkes-Barre, from whence she was going to Plains to meet her husband. She got into the automobile, which shortly thereafter turned off the street into Hanover Township. When they reached a stretch of woodland, she was forcibly taken from the automobile into the woods and assaulted and ravished by the four men in turn. The time of the rape was approximately one-thirty, A. M. She was then taken back into the automobile, and subsequently taken out the second time. She ran away, went to a farm house, and was taken by automobile to a garage in Ashley where the police were summoned as well as a doctor. Sixty dollars which she had on her person was missing, and articles of apparel were also missing. The four men were arrested the same night not far from the place of assault. They were traveling towards Ashley and away from the place of assault when arrested by the Ashley police, because of excessive speeding. Subsequently, hearing of the assault on Mary Rushkowski, the three men including the applicant were rearrested. The one, Bush, became a fugitive from justice. The defense was an alibi accounting for the four men up to about 11.20 P. M., on June 30, at which time they were in Sugar Notch and traveled from thence in their automobile to a pool room in Cary's Patch, in Hanover Township. They left the pool room about one o'clock A. M. and were shortly thereafter arrested for speeding.

The applicant has now served almost three years of his term of imprisonment. He was never before charged with or convicted of crime. He was twenty years of age when the crime was committed.

There was filed with the Board, three affidavits by Ignatz Gulkowski and Harry D. Washick, both Justices of the Peace of Wilkes-Barre Township, and one by Patrick Langan, an alderman of the city of Wilkes-Barre, all to the same effect. They aver that Mary Rushkowski's reputation in the community in which she resides is bad; that she is a troublemaker, a common scold, and a habitual drunkard; that she appeared before them, on several occasions as a defendant on criminal charges, including assault and battery, disorderly conduct and neglect of children. There was filed with the Board a letter from the



Chief of Police of Hanover Township, who was the prosecutor in the case in which he recommends clemency. A numerous signed petition of citizens also recommends clemency.

George Petritus and George Pigerilla, co-defendants with the applicant have this day been recommended for pardon by the Board. Bush, the fourth defendant is a fugitive from justice.

In consideration of the circumstances of this case; the youth of the applicant when the crime was committed; the prior good record of the applicant; the term of imprisonment already served; because of the fact that his two co-defendants have been recommended for pardons; because of the bad reputation of Mary Rushkowski, the victim of the alleged rape; because of the recommendations of the prosecutor of the case, and petition signed by numerous citizens, we have concluded that the applicant has been sufficiently punished, and if now released, he will prove himself a peaceful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Zigmund Churnetski.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 4, 5 and 7, December Sessions 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Bucks, James McGee alias James Joseph Magee pleaded guilty to three indictments charging him with conspiracy, breaking prison and escape, assault and battery with intent to kill, aggravated assault and battery and assault and battery, and on December 12, 1924, was sentenced on Nos. 5 and 7, in the aggregate, to pay a fine of two dollars, costs, and to undergo imprisonment in the Eastern Penitentiary, for a period of not less than six and one-half years, nor more than thirteen years, to be computed from the expiration of the sentence he was then serving on the charge of robbery. Sentence on the conspiracy charge embraced in No. 4, was suspended by the Court.

The applicant is thirty-two years of age, and a native-born citizen of the United States. He enlisted in the United States Navy in June 1915, as an apprentice seaman, and was discharged at the expiration of the enlistment, in December 1918, as an engineman second class. A week later, he went to work for the Sun Shipbuilding Company at Chester, Pennsylvania, where he was employed until the time of his arrest for robbery. He is unmarried and resided in the City of Philadelphia.

The applicant was charged with incorrigibility and was sentenced to the Glenn Mills School for Boys in April 1906, paroled March 3, 1908, resentenced to the same institution on the same charge in January 1912, was paroled in 1914, and finally discharged in 1924. On February 28, 1919, he was arrested in company with one, Joseph Wickersham, and convicted of the crime of robbing Gray's Ferry Meat Market. At the time of the robbery, Wickersham had a gun in his possession, and the applicant was armed. Wickersham claimed that he did not know the latter. Wickersham was a notorious criminal and subsequently became one of the noted "Four Horsemen" of the Eastern State Penitentiary. They were jointly tried and convicted for the robbery. Wickersham was sentenced for a term of not less than twelve years nor more than eighteen years in the Eastern Penitentiary, while the applicant received a sentence of not less than eight years nor more than ten years. While serving this sentence, he was transferred to the Bucks County Prison where, in November 1924, he, in company with two other prisoners, Fred Stetzer and Frank Chance, forcibly took the keys from Grant Myers,

keeper of the prison, and effected their escape. All three were captured by a State policeman within an hour, and all pleaded guilty and were sentenced for breaking and escaping as before stated.

The applicant has now served the full term of ten years, his maximum sentence for robbery, expiring April 4, 1929, and on that date began serving the present sentence imposed by the Bucks County Court as above stated, for breaking prison and escape.

The applicant has a mother, sixty years of age, residing in Philadelphia, who is dependent on her children for support, the only children being a married daughter and the applicant.

There was filed with the Board, a letter from Grant Myers, keeper of the Bucks County Prison, who was assaulted by the applicant in order to obtain the keys of the prison to effect the escape. Mr. Myers states that in his opinion, the applicant has served sufficient time and should have favorable action by the Board. The trial Judge has also filed a letter with the Board, in which he states that he has no objection to a pardon. He adds: "I find that his keepers at Graterford are of the opinion that he will make good if released. He has spent a long time in prison, and I have no desire to add to the time that he must serve to carry out the sentence of the Court." Judge Keller, additional Law Judge, in his letter, addressed to the applicant's counsel, states that he has no objection to the granting of a pardon in this case. The trial District Attorney has filed two letters addressed to the applicant's counsel, in which that official states that the statement of facts contained in the petition for pardon are correct and that he has no objection to favorable action by the Board.

In consideration of all the circumstances of this case; the term of imprisonment already served; the need of his aged mother for support; in consideration of the statements of the trial Judge, additional Law Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court, shall be commuted to eight months' imprisonment, expiring on December 4, 1929. After the last mentioned date the applicant will be on parole until the expiration of his maximum sentence, a parole of twelve years and four months.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said James McGee alias James Joseph Magee, be commuted to eight months' imprisonment expiring on December 4, 1929.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 65, February Session, 1927, in the Court of Oyer and Terminer in and for the County of Allegheny, Peter Martini, was convicted of felonious arson (with a recommendation to the mercy of the Court), and on March 11, 1927 was sentenced to pay a fine of one thousand dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than five years nor more than ten years.

The applicant is forty-seven years of age, and owes allegiance to the Kingdom of Italy. At the time of his arrest he was a laborer for the Duquesne Steel and Foundry Company at Kendall Station. He is married.

On November 19, 1928, at about two A. M., Mrs. Richetta Pacella was awakened by the noise of cracking flames. She immediately awakened her husband and upon looking out they discovered that the rear porch of their home was on fire. They

aroused the Lunn family residing in a frame house adjoining theirs, and an alarm of fire was sent in. The fire was soon extinguished by means of chemicals. The Pacella home had both a front and a rear porch, and the space underneath the rear porch was closed in with lattice work. This lattice work was broken in such a way that one had access to the space underneath the porch through the opening. On the other side of the Pacella home lived the family of the applicant. The Martini home was about ten feet from the Pacella home. Two hundred dollars would cover the damage done by the fire.

Upon investigation immediately after the fire, oil-soaked rags were found under the back porch still aflame, indicating incendiaryism. From the fact that the family of the applicant was not at the scene of the fire, as well as the additional fact that they were not on good terms with the Pacellas, suspicion was directed toward the applicant, and he was immediately taken out of bed, where he was found, and taken into custody.

There is no doubt that the fire was of incendiary origin. There was no eyewitness to the crime. A motive for the crime was sought to be established by reason of the fact that there was ill feeling between the Pacella family and the family of the applicant. Mrs. Pacella and the wife of the applicant are first cousins. On one occasion their differences were aired in the police court. A circumstance negating the idea that the applicant set fire to the Pacella home was the fact that his own home was only ten feet distant, and the applicant and his wife were found in bed immediately after the fire started.

The jury in their verdict of guilty, recommended the applicant to the mercy of the Court. The evidence against the applicant was entirely circumstantial, and not strong. At the trial, four witnesses, all Americans, testified to the applicant's good character, and to his industry and reliability as a workman. The witnesses included his foundry foreman, who had known him for fifteen years; an electric crane operator, who had worked with him for eight years; a Justice of the Peace, who had known him sixteen years, and a fellow-workman, who had known him a like time.

The applicant's wife is in a destitute condition and requires his support.

The applicant has now served two years and eight months of his term of imprisonment; he was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial District Attorney in which he states that there is "great doubt" in his mind concerning the applicant's guilt; that he was never before convicted of crime, and bears a good reputation among Americans and among his employers. He continues: "the evidence in this case was highly circumstantial, with a very weak motive shown, and some prejudicial matters were proven at the trial, which in all probability assisted in bringing about his conviction". He further states: "the applicant has already been incarcerated since March 11, 1927 \* \* \* and I feel this is sufficient punishment for a crime of which there is great doubt as to his guilt. The application is meritorious, and I hereby recommend favorable action upon said application."

In consideration of all the circumstances of this case; the great doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the severe sentence; because his wife is destitute and requires support, and more particularly because of the strong recommendation of the trial District Attorney, we have concluded that the applicant has been sufficiently punished, and if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Peter Martini.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. —, September Sessions, 1920, in the Court of Oyer and Terminer, in and for the County of Bradford, Murray Smith pleaded guilty to an indictment charging him with rape, and on September 20, 1920, was sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years nor more than twelve years.

The applicant is sixty years of age, a native-born citizen of the United States, a widower, and at the time of his arrest was employed by the Lehigh Valley Railroad Company as a switchman and yardman. He had been in their employ for thirty-five years.

The applicant, in 1910, was married to a widow with four children, and resided in the Borough of Sayre, Pennsylvania. On August 11, 1920, the Chief of Police called at his home and asked the applicant's stepson and stepdaughter to go with him to his office at the Town Hall. On their return the girl told the applicant and his wife (her mother) that she had been questioned regarding the applicant's relations with her, adding that neither her stepfather nor her mother would ever "bother" her again. The "bother" referred to was the correction she had received for disobedience and running around late at night's with young men. The following day the applicant was arrested and charged with improper relations with his stepdaughter and on September 20, 1920, was brought before the Court, pleaded guilty to the charge, and was sentenced as before stated. The applicant had no counsel and not a word was spoken in his behalf at the time of the imposition of sentence and, therefore, the salient facts surrounding the case were unknown by the Court. It appears that for more than a year prior to the applicant's arrest his stepdaughter had been head-strong and disobedient, stayed out late at nights, ran around with the young men of the community, was promiscuous in her relations with them and was utterly beyond control. The applicant and the girl's mother remonstrated but to no avail.

The applicant has now served nine years and two months of his term of imprisonment. He was never before charged with nor convicted of crime. Employment has been offered him, if released.

There was filed with the Board a letter from the trial District Attorney addressed to Dr. Linn Bowman, Moral Instructor in the Penitentiary in which he states: "In regard to the matter of a pardon for Murray Smith, (the applicant), I take pleasure in stating to you that I am willing to do anything in my power to see that a pardon is granted. It has been my opinion that the sentence was too severe under the circumstances of this case and I feel that in the interests of justice he should be released from further custody." W. J. Harris and Son, of Athens, in a letter filed with the Board offer employment to the applicant if released.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; the grave doubt as to his guilt; the severity of the sentence imposed; because employment has been offered him if released; and because of the strong recommendation of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Murray Smith.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.



## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 4 and 5, December Term, 1916, in the Court of Over and Terminer, in and for the County of Allegheny, Frank Richardson was convicted of robbery and rape, and on January 3, 1917, was sentenced to pay, in the aggregate, a fine of twelve and one-half cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than twenty-three years nor more than twenty-five years.

The applicant is forty-eight years of age, and a native-born citizen of the United States. He is unmarried. At the time of his arrest he was employed by George Sotis, proprietor of a restaurant at Wylie Street and Sixth Avenue, Pittsburgh, and resided in that city.

During the evening of November 2, 1916, the applicant was at the bake shop used in connection with the restaurant and located several blocks away, in company with Mr. Sotis, the proprietor. When they returned to the restaurant, about 8.45 P. M., a man who had just moved to that part of the city inquired whether there was a plasterer who lived nearby. The applicant said that he was acquainted with one residing about two blocks distant. The man arranged with the applicant to see the plasterer about the work which he desired to have done promptly. The applicant went on this errand about 9.30 P. M., and on his return a half hour later, when within a short distance of the restaurant, was arrested by two policemen and charged with assaulting, robbing and ravishing one Catherine Benzinger, an hour or so previously. The applicant's arrest was made on a vague description of her assailant given by the girl, but when she appeared shortly afterwards at the police station where the applicant had been taken, after scrutinizing the applicant, she said that he was not the man. The policemen took the girl out and after a short time brought her back, when she identified the applicant as the man who had attacked and robbed her.

The applicant after hearing was held for Court and when arraigned pleaded not guilty to the indictment. He had no money to employ an attorney, and the attorney assigned by the Court to represent him took no interest in the case. At the trial the girl identified the applicant as her assailant and testified that he had a gun when he attacked her and that he had robbed her of a pocketbook, a ring, and a small amount of money which she had, and that he had assaulted her when she was entering the gate of her home. When the applicant was searched by the police after his arrest, which was only an hour after the alleged perpetration of the crimes, no gun was found on him nor any of the articles mentioned by the girl.

Her testimony was uncorroborated, while the applicant if given the opportunity could have proven by Mr. Sotis that at the time of the commission of the alleged offenses he was at the restaurant.

The case was called for trial, unexpectedly, a day in advance of the time originally set for trial, and the applicant did not have time to obtain Sotis' presence in Court to testify in his behalf.

The applicant has now served twelve years and ten months of his term of imprisonment. His prior record was good, with the exception that in 1912 he was sentenced to the workhouse for thirty days on account of intoxication and that subsequently he was arrested on suspicion of having attacked a young woman in Pittsburgh, but he was never brought to trial on the latter charge.

There was filed with the Board a letter from the trial Judge in which he states that he has no objection to the granting of a pardon in this case. Homer N. Young, Assistant trial District Attorney, has filed with the Board a letter in which he states, inter alia, "Mr. Coulter, Parole Officer of the Penitentiary, tells me that Richardson (the applicant) has at all times been a very helpful prisoner. I think that he is entitled to a pardon and will respectfully ask that you give it to him".

John Francis, present County Treasurer and former Warden of the Penitentiary, has also filed with the Board a letter in which he speaks of the applicant's excellent prison record and recommends clemency. Scott M. Woods, former Deputy Warden of the Penitentiary, in a letter filed, refers to the appli-

cant's excellent prison record and recommends clemency. Deputy Warden Rucker certifies to his excellent prison record. Buka Brothers, former employes of the applicant, have also filed a letter with the Board recommending pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant, with minor exceptions; the term of imprisonment already served; because of his excellent prison record; because of the grave doubt as to the guilt of the applicant; because of the strong recommendations for clemency on the part of the trial District Attorney, the former Warden and Deputy Warden of the Penitentiary, and other, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frank Richardson.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 76 and 80, February Sessions, 1921, in the Court of Oyer and Terminer, in and for the County of Allegheny, and at No. 64, February Sessions, 1921, in the Court of Quarter Sessions of the Peace, in and for the same county, Thomas C. Hutchinson was convicted of robbery, receiving stolen goods, felonious assault, and pointing fire arms, and on March 19, 1921, was sentenced in the aggregate to pay a fine of eighteen and three-quarters cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than twelve years nor more than twenty-three years.

The applicant is twenty-nine years of age, and a native-born citizen of the United States. He served in the American Army during the World War. He is an electrician by trade, but was out of employment at the time of his arrest. His proper place of residence is in Los Angeles, California, with his parents, who resided there. He is unmarried.

The applicant, being out of employment, went to Pittsburgh, in November, 1920, to make his home with his parents, who at that time resided in that city. Shortly after his arrival in Pittsburgh he called at the home of Mrs. Ida Kramer, a former friend, living on the north side of the city, and finding that she was not at home, for the time being, the applicant sat down to await her return. Shortly thereafter police officers appeared, asked for Mrs. Kramer, and stated that Police Commissioner desired to investigate a disturbance that had occurred at the house earlier in the day. In the absence of the landlady, the officers, searching the premises and finding Lawrence Fisher, a roomer in the house, in his room, took him, together with the applicant, to the station house for questioning. During the apprehension the officers took two guns from Fisher, and later when the applicant took a gun from his pocket, the officer in charge, John Platt, believing that the applicant was going to shoot, grabbed for the gun causing it to be discharged. The bullet entered the floor.

Under questioning at the station house, Fisher admitted his guilt of the offenses charged in Nos. 76 and 80 and implicated the applicant in these charges. Fisher pleaded guilty and was sentenced at the December Term of Court, but the applicant maintained his innocence and was held in the county jail to await trial at the February Term of Court. At this term the applicant was found guilty of the charges of robbery mentioned in Nos. 76 and 80 and pleaded guilty to the charge of felonious assault mentioned in No. 64. Fisher, who pleaded guilty to the charges of robbery, was pardoned in January, 1924, while the applicant who maintained his in-

nocence of the charges of robbery has been imprisoned eight years and eight months. He was never before convicted of crime. He was only twenty-one years of age when he was arrested.

There was filed with the Board a letter from the trial Judge addressed to the applicant which, while not recommending clemency, evinces a favorable attitude. He states that he "has no objections" to the pardon; that he gave him a "pretty stiff sentence," and while he believes that he was correct, he further states that the applicant has served the greater part of his minimum term and that the chances are that the applicant would become a better man if he were relieved of serving the entire minimum sentence. A number of letters were filed with the Board from persons residing in California recommending clemency. If liberated the applicant will return to his parents in Los Angeles, where employment will be provided for him. John Platt, the patrolman who arrested the applicant, and Patrick J. Carroll, a police officer, recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the fact that Fisher who was jointly indicted with the applicant on the charge of robbery and receiving stolen goods was pardoned by this Board almost six years ago; because of the comparative youth of the applicant when the crime was committed; and because of the letters of recommendation filed with the Board, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Thomas C. Hutchinson.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 45 and 46, March Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Blair, Henry A. Sussman, alias Henry Stoltz, alias Henry Mobrey, pleaded guilty to two charges of burglary and larceny and on March 1, 1926, was sentenced in the aggregate to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than six years nor more than twelve years. Henry Grotz was jointly indicted with the applicant and received the same sentence.

The applicant is thirty-four years of age, a naturalized American citizen, a German by birth, and was brought to this country when ten years of age. He is unmarried.

The applicant was educated in the public schools of New Orleans, Louisiana. At the age of fifteen years, he secured a position with the United Fruit Company in Honduras, where he remained three years. He then returned to New Orleans, where he was employed as a Spanish interpreter, and Commission Merchant of Central American Dealers. In June, 1917, he enlisted for the duration of the World War, and served as a radio operator at Camp Jackson until January 1919, when he was honorably discharged, and resumed business in New Orleans until shortly before his arrest.

The applicant and Henry Grotz, left New Orleans in January 1926, to go to New York City via Pittsburgh, where they stopped for a time to purchase a used Deisel motor, and other equipment for the purpose of starting a freight line business between New Orleans and Mexico. They were informed in Pittsburgh that they might find the used equipment desired in Altoona. When they arrived in Altoona, they registered at

a hotel, and after investigation found that there was no second hand Deisel motors for sale, the second hand equipment for sale being principally railroad equipment. On January 31, 1926, they entered the Westfall Company Store of Altoona, opened the safe and took possession of eighteen hundred dollars in cash. The same night, they entered the Irving King Store in Altoona, where they attempted to open a safe, but were discovered and surrendered to the officers who had surrounded the building, and turned over the eighteen hundred dollars cash taken from the Westfall Company Store. They were immediately arrested, held for Court, pleaded guilty and sentenced as above stated.

The applicant has now served three years and eight months of his term of imprisonment.

There was filed with the Board a letter from J. N. Tillard, Chief of Police of the City of Altoona, in which he states as a result of diligent inquiry that the record of the applicant, prior to the safe-blowing episode in Altoona, was clean. He further states that the applicant bears a good reputation in New Orleans and alleges his belief that the applicant was a victim of his association with Grotz, whom he met in a legitimate business transaction, and if it had not been for this chance association, he probably would have never committed the crime. For the reasons mentioned, Tillard states that he has no objection to the application. Two former employers of the applicant residing in New Orleans, have filed with the Board, letters in which they state that the applicant, while working for them, was honest, industrious and efficient.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the fact that the money taken as a result of the safe-blowing was restored; because of the letters of the Chief of Police of Altoona, and two former employers of the applicant, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Henry A. Sussman alias Henry Stoltz alias Henry Mobrey.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth,

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 654, June Term, 1921, in the Court of Oyer and Terminer, in and for the County of Schuylkill, Frederick Pellegrino was convicted of murder in the second degree, and on November 7, 1921, was sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years nor more than fifteen years.

The applicant is a native of Italy, twenty-eight years of age. He came to the United States in 1920. He resided in Girardville, Schuylkill County. He and his father boarded with one Albert Isella. At the time of his arrest, he was working in a coal washery near Girardville.

On June 12, 1921, Frank Pellegrino, the father of the applicant, Albert Isella, the keeper of the boarding house, William Villano, Jimmy Cammerenno, Attilio Diotiauta, and the applicant, ate supper together. After supper, the father of the applicant and Cammerenno engaged in conversation concerning the applicant. Cammerenno used vile and abusive language with reference to Frank Pellegrino. The latter and Cammerenno arose and grabbed one another Isella took Cammerenno away and Villano, who was a cousin of the latter, jumped on the applicant and grabbed him by the nose with his teeth.



Diotiauta assisted Isella to pull Cammerenno away. The latter was a man more powerful and larger than Isella. Cammerenno was in the kitchen when Frederick Pellegrenno, the applicant, heard Diotiauta, his brother-in-law, cry: "Mom, he killed me." The applicant then left the dining room and went into the kitchen. Cammerenno was near the door and had a knife in his right hand. He made three attempts to stab the applicant and on the third attempt, the applicant grabbed a knife from the table and stabbed Cammerenno. He then left for Shenandoah, where he borrowed money from his sister and went by trolley to Mahanoy City, where he was apprehended in the railroad station by the police. While Diotiauta was helping Isella to hold Cammerenno, Cammerenno stabbed Diotiauta in the leg. The body of Cammerenno bore three knife wounds. When the applicant was arraigned, he pleaded not guilty, and at the time of the trial, he stated that he killed Cammerenno in self defense.

The applicant has now served eight years of his term of imprisonment. Prior thereto, he was in the Schuylkill County Jail about five months awaiting trial. He was never before charged with or convicted of crime. He was only nineteen years of age when Cammerenno was killed.

There was filed with the Board, a letter from the trial Judge in which he recommends pardon. The trial District Attorney, in a letter filed, also recommends clemency. The present District Attorney by letter filed, recommends pardon. The private counsel representing the Commonwealth in this case, wrote the Board that he has no objection to a pardon. Joseph Capparel, dealer in meats, groceries and provisions, in Girardville, in a letter filed with the Board, offers to give the applicant employment if released.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; the term of imprisonment already served; because employment has been offered him if released, and particularly because of the recommendations of the trial Judge, trial District Attorney and present District Attorney, and private counsel for the Commonwealth, we have concluded that the applicant has been sufficiently punished, and that if now released, he will prove himself a peaceful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frederick Pellegrenno.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 38, May Sessions, 1929, in the Court of Oyer and Terminer in and for the County of Cumberland, James Bagrosky pleaded guilty to an indictment charging him with carnally knowing and abusing a woman child under sixteen years of age, and on April 15, 1929, was sentenced by the Court to pay a fine of one hundred and fifty dollars, costs, and to undergo imprisonment in the Cumberland County Jail for a term of not less than one and one-half years nor more than four years.

The applicant is a native-born American citizen, twenty-two years of age. At the time of his arrest he resided in Carlisle, Cumberland County, and was employed as a carpet weaver in the plant of C. H. Masland & Sons.

The applicant resided next door to Mervin Penner and his wife and their daughter Helen. The latter and the applicant became unlawfully intimate, and as a result of such intimacy Helen Penner became pregnant. When she informed the applicant of her condition he at once expressed his willingness to marry her and asked Helen to gain the consent of her

parents to the marriage. Helen did not do this, and suggested an elopement, but the applicant insisted upon gaining the consent of her parents. The latter were subsequently informed of the condition of their daughter by an outsider. The father, on February 9, 1929, without seeing the applicant, lodged an information against him charging statutory rape. Penner did not know that the applicant was willing to marry his daughter, and a marriage would have taken place immediately had the mother of the girl consented.

Penner did not cause the warrant to be served upon the applicant because a member of the Penner household and the information that had been lodged with the Justice was allowed to sleep. On the evening of April 5, 1929, a Constable called at the Penner home and asked the applicant to go to the Justice's office to pay the costs in the case, and when they left Penner (who was the prosecutor) told the officer that if the applicant could not raise the necessary money, he, Penner, would help him. In the Justice's office a warrant was served on the applicant and in lieu of bail he was held for a hearing, which took place on the following morning. At the hearing, despite the knowledge of the officers that Penner did not wish to press the case, the hearing was proceeded with and the applicant was bound over for court, and in default of bail was committed to prison to await trial. On April 9, 1919, the applicant pleaded guilty to the charge of statutory rape and while in prison awaiting sentence he and Helen Penner were united in marriage.

The applicant has now served seven months of his term of imprisonment. He was never before charged with or convicted of crime. He has an excellent prison record, as shown by letters from the Sheriff and Warden of the jail. C. H. Masland & Sons, his former employers, offer to re-employ him if released.

There was filed with the Board a petition of citizens of Carlisle recommending clemency, and there was also filed with the Board the affidavits of the father and mother of the girl, in which they verify the statements contained in the foregoing history of the case.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of his excellent prison record; because of the fact that employment has been offered him if released; because of the affidavits of the parents of the girl filed with the Board, and the petition of citizens, we have concluded that the applicant has been sufficiently punished and if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said James Bagrosky.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 22 and 23, April Sessions, 1929, in the Court of Quarter Sessions of the Peace in and for the County of Clinton, Guy W. Crisinger pleaded guilty to two indictments charging him with forgery, and uttering, publishing, and passing forged checks, and on No. 23 was, on April 25, 1929, sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years nor more than four years. There was no sentence in No. 22.

The applicant is twenty-seven years of age, a native-born citizen of the United States, married, and at the time of his arrest was employed as a cook in the Penn Restaurant, Lock Haven, Pennsylvania and resided in that city.

About seven A. M. on March 20, 1929, the applicant's brother-in-law, John Hicks, called on the applicant and asked him to go out with him, which he did. Hicks purchased whiskey and he and the applicant drank the same. When the applicant was under the influence of the liquor, Hicks asked the applicant to fill out and endorse certain checks that he, Hicks, had in his bill fold, the latter claiming that he was unable to write. Hicks, who was night watchman at the plant of the American Amiline Products Company, had extracted about twenty blank checks from the check book of said company. The applicant filled out two of these blank checks writing in the names that Hicks suggested and the necessary words and amounts. Hicks and the applicant then went to the Atlantic and Pacific Store in the city of Lock Haven and applicant waited outside while Hicks entered the store, passed the check, and received thirty-two dollars cash therefor. This is the check referred in the indictment at No. 22. Hicks then gave the applicant the other check in the sum of thirty-three dollars and he had same cashed at the Home Pure Food Store. This money was afterwards restored by the applicant. After both checks had been cashed, the applicant and Hicks returned to the place where they had previously purchased liquor and bought and drank more liquor until about two P. M. of said day, when they took the train for Pittsburgh but were arrested when they reached the city of Altoona and brought back to Lock Haven. The applicant has always admitted the commission of the offenses to which he pleaded guilty but avers that he was at the time under the influence of intoxicating liquor and that the offenses were committed under the immediate prompting and dictation of Hicks.

The applicant has now served seven months of his term of imprisonment. He was never before charged with nor convicted of crime.

There were filed with the Board a letter from the trial Judge in which he strongly recommends pardon. The trial District Attorney has also filed with the Board a letter in which he recommends clemency. H. R. Cramer, Superintendent of the Harbison-Walker Refractories Company, at Monument Centre County, a former employer of the applicant, offers to give the latter employment if released. There was also filed with the Board a numerously-signed petition of citizens recommending pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because employment has been offered him if released; because of the recommendations of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Guy W. Crisinger.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 20, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 690, December Sessions, 1913, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Harry Carey was convicted of larceny and receiving stolen goods, and on January 9, 1914, sentence was suspended by the Court and the applicant was discharged on probation for one year.

The applicant is thirty-five years of age, a native-born citizen of the United States. He is at the present time working as a landscape gardener for the Universal Landscape Gardners, 1341 Marlborough Street, Philadelphia. At the time

of his arrest he was unemployed. He now resides in the City of Philadelphia. He is married but not living with his wife.

On December 18, 1913, the applicant was arrested while walking along the Reading Railway tracks, about 11.00 A. M. The tracks are laid on American Street, which is a public highway, and he took this route for the purpose of visiting his aunt. The applicant noticed two men on the tracks engaged in working upon journals to wit: metal attachments connected with air brake hose. He stopped and watched them, and while so doing was arrested by railroad police. The other two men ran away. The applicant did not know that the two men engaged in the act of stealing the railroad's property, nor did he know the men, never having seen them before.

The applicant was never before charged with nor convicted of crime. As a result of his conviction his record is sullied. He has passed with a high percentage examinations conducted by the Civil Service Commission for aspirants to the Philadelphia Fire Department, but is unable, on account of his conviction, to be placed on the eligible list which is used by the Director of Public Safety of Philadelphia in appointing applicants to the Fire Department. Although arrested and prosecuted by the Reading Railway Company's police, he was subsequently employed by the said company from 1917 to 1922, and again employed by the same from January, 1929, to August, 1929, at which time he resigned on account of failing health. Since his conviction, the applicant served in the United States Navy during the World War and has an honorable discharge. The applicant is now at liberty, but the object of the present application is to qualify him for appointment to the Fire Department of Philadelphia.

There were filed with the Board letters from three former employers of the applicant recommending clemency. One from the President of the Universal Landscape Gardners. Also a letter from the Assistant Train Master of the Reading Company. The Employment Manager of the Pennsylvania Sugar Company, Philadelphia, which employed the applicant from February, 1923, to December, 1928, also recommends pardon.

In consideration of all the circumstances of this case, the prior good record of the applicant, and his excellent record since his conviction, we have concluded that he should be relieved from the stigma of his former conviction, and placed in line for appointment to the position for which he is now qualified in all respects.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Harry Carey.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1167, September Sessions, 1915, in the Court of Oyer and Terminer in and for the County of Schuylkill, Antonio Frolo was convicted of murder in the second degree, and on September 16, 1916, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nineteen years nor more than twenty years.

Joseph Frolo and Dominick Fruscu, were jointly indicted with the applicant and both pleaded guilty to murder and were duly sentenced.

The applicant is thirty-seven years of age and owes allegiance to the Kingdom of Italy. His occupation at the time of his arrest was that of a miner, and he resided near Asnland, Schuylkill County. He was married, but his wife is now dead.

Dominico Futlatutti, alias Joseph Valero, alias Pango'lo, the man who was killed, appears to have made certain threats to kill Joseph Frolo and Dominick Fruscu, the co-defendants of



the applicant. In furtherance of this threat, the man who was killed came upon the said Joseph Froio and Fruscu with a revolver and a stiletto in a threatening manner, and the said Joseph Froio and Fruscu, being in fear of their lives, in self defense, shot and killed the said Futtiatutti, alias Valero, alias Pangollo. These two co-defendants originally charged the applicant with having given them the information of the intention of said Futtiatutti, alias Valero, alias Pangollo, to kill them and that the applicant advised them to be armed and to shoot the said Futtiatutti, alias Valero, alias Pangollo. The only connection that the applicant had with the murder as charged by his co-defendants, is that he warned and advised them to be armed and prepared should the decedent approach them as the latter intended to kill them.

The applicant was not present at the time of the killing, nor was any motive shown on his part to take the life of the decedent, nor to conspire with his co-defendants, and he denies that he advised them to be armed and to protect themselves against the man who was killed.

The co-defendants, Joseph Froio and Fruscu, both pleaded guilty to the murder and were each sentenced to serve from fifteen to twenty years in the Eastern Penitentiary and all three defendants are still confined in that institution.

There was filed with the Board, the affidavits of Dominick Fruscu, Joseph Froio (not the defendant), Joseph Giordiano, an interpreter, and William McDonald, a penitentiary guard, from which it appears that the applicant was not present at the killing, knew nothing about it and was not even acquainted with the deceased; that Joseph Froio and Dominick Fruscu were friends of the deceased, and during the day, had been drinking with the latter; that a quarrel arose and as a result, the murder took place. The revolver with which the deed was committed, was furnished Fruscu by one Joseph Procop'o who appeared as a witness against the three defendants and testified that they all were present at the time of the killing. The affiants aver that the applicant is now serving a sentence for a crime which he did not commit.

These affidavits embody statements which were obtained in October, 1922, in the reception room of the Penitentiary, in the presence of the four affiants.

The applicant has now served thirteen years and three months of his term of imprisonment. He was never before charged with nor convicted of crime.

There was also filed, the affidavit of the applicant himself, in which he denies all connection with the murder and the events which led up to it. He was not present at the killing; was not arrested until six months after the murder, he refused to plead guilty, for the reason that he was not present at the killing; did not know the deceased; and had no grievance against the latter.

There was also filed with the Board, letters from the trial Judge and trial District Attorney, in which, while not recommending clemency, both evince a favorable attitude. There was also filed with the Board, a letter from the Chief of the County Detectives, who was one of the prosecutors in this case, in which he recommends clemency.

In consideration of all the circumstances of the case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served, because of the favorable attitude of the trial Judge, trial District Attorney, and Chief of the County Detectives, we have concluded that the applicant has been sufficiently punished, and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Antonio Froio.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 215, July Sessions, 1920, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Robert Wilder pleaded guilty to an indictment charging him with murder, which was subsequently adjudged to be murder in the second degree and on November 22, 1920, was sentenced to pay costs, and undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years nor more than fifteen years.

The applicant is forty-five years of age; a native-born citizen of the United States; colored. His occupation was that of laborer and at the time of his arrest he was so employed in the city of Philadelphia where he resided. He is a widower.

Applicant left his native city of San Diego, California at the age of eighteen years and came to Philadelphia. His record there for the following seventeen years up until the time of the commission of the crime for which clemency is sought, is an unbroken chain of industry. In 1928 he contracted marriage with a widow who had a son, three years old. For twelve years his domestic affairs ran smoothly. His wife began to neglect her home. She ran about and frequently omitted to prepare the evening meal; often came home at a late hour and sometimes not at all. The applicant remonstrated with her and told her he expected her to prepare the meals when his hard day's work had been completed. The applicant discovered his wife was consorting with a woman of questionable character. He forbade this woman entering his home. The next morning when he awoke, he found his wife had taken her son and (according to the note which she left) had gone to her mother's. Weeks afterwards, one night at ten o'clock, she returned only to notify him that her son had been arrested and was at the House of Detention. The applicant gave his wife the money to pay the boy's fine and took charge of him. He borrowed sufficient money to send the boy to Dover, Delaware, to school, paying his board, tuition and other expenses. The boy wrote his mother stating that he did not like the school, whereupon she wrote to the school officer to send her son home. At this time the applicant began to receive letters signed "Your Master," relating to the applicant and his wife. These letters advised him that the writer was living on money the applicant paid his wife weekly for her support and threatened dire penalties should the applicant speak of the matter to his wife. During this period, the applicant neither saw his wife, nor could he locate her.

In line with his duties where he was employed as assistant on a C. O. D. truck, the applicant carried a revolver, retaining it through the day and taking it to his home every evening. This was due to the fact that one of his employer's trucks had been held up and robbed. On the morning of May 11, 1920, while on his way to work the applicant encountered his wife at the corner of 15th and Pine Streets, Philadelphia. The wife was standing on the street corner and the applicant went over and asked her about the letters he had been receiving. Instead of explaining she began to curse and revile the applicant. She used filthy language and she threatened him with what the author of the letters would do to him if he met him. Seeing that she was in a rage the applicant turned away with the remark that he would see her and talk with her some other time. She seized him and said he would see her then. He said he would be late for work and again started off. His wife followed shouting epithets and created a disturbance. Finally she coupled herself and the author of the letters in no unambiguous terms. The applicant had his hands in his coat pockets. In the right pocket was the revolver which he was in the habit of carrying and his hand was resting on the butt. He drew the pistol and shot his wife with fatal results. Two shots were fired. He wandered about all day and in the evening surrendered himself to the police. The letters referred to were in the hands of his attorneys at the time of the trial.

The applicant has now served nine years, and one month of his term of imprisonment. He was never before charged with or convicted of crime. The meeting with the deceased was accidental, the provocation extreme, and the weapon was in his possession at the time for a legitimate purpose.

There was filed with the Board a letter from the Warden of the Eastern Penitentiary in which he lauds the applicant's prison record and urges the Board to commute the applicant's term of imprisonment so that he may be immediately discharged, promising to secure for him employment and to look after his future welfare.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served and the strong recommendation for clemency by the Warden of the Penitentiary and his offer to care for him if released, we have concluded that the applicant has been sufficiently punished; and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted so that the same will become effective on January 1, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Robert Wilder be commuted so that the same shall become effective on January 1, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 315, October Sessions, 1921, in the Court of Quarter Sessions of the Peace, in and for the County of Lackawanna, Frank Pitroski pleaded guilty to an indictment charging him with discharging firearms with intent to kill, and on December 17, 1921, was sentenced by the Court to pay a fine of two hundred fifty dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than two and one-half years, nor more than three years. This sentence to begin at the expiration of sentence for having broken parole.

The applicant is a native-born citizen of the United States, thirty-five years of age. At the time of his arrest his occupation was that of huckster of fruit and vegetables in the City of Scranton, where he resided with his father. He is unmarried.

In 1918, the applicant was sentenced by the Court of Oyer and Terminer in and for said county, to the Eastern State Penitentiary for a term of not less than three years, nor more than ten years, for the crime of breaking and entering. At the expiration of his minimum sentence, he was paroled. On December 17, 1921, he was sentenced as already stated, on the charge of discharging firearms with intent to kill. The second conviction automatically made the applicant a parole violator, requiring him to serve the remainder of the original sentence before the second sentence began to run.

The circumstances of the crime which led to the second conviction and sentence, were as follows: on May 28, 1921, the applicant arrived home from work and upon entering his father's house, his brother, Joseph, who also resided there, began to quarrel with him. Owing to the fact that the applicant had his left arm amputated in early youth, his brother, Joseph, took advantage of this handicap and became very domineering. His persecutions had extended over a long period of time. On the day in question, an argument arose and a quarrel ensued. The applicant in a rage secured a revolver, drew and pointed the gun at his brother Joseph, which was discharged without injury to either party. No actual assault was perpetrated. The applicant claimed that he did not intend bodily harm, but merely wanted to frighten his brother.

The applicant has now been confined seven years and ten months, to wit: seven years, the remainder of sentence for breaking and entering, and ten months on the present sentence. During his imprisonment he has acquired the trade of weaving, an occupation in which a one-armed person can work and make a livelihood.

The trial Judge has filed two letters with the Board in which he strongly recommends clemency, on the ground that the applicant has been sufficiently punished and that he gives every evidence of becoming a good citizen if liberated.

In consideration of all the circumstances of this case; the term of imprisonment already served; and particularly because of the strong recommendations of the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted so as to become effective on January 1, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Frank Pitroski be commuted so as to become effective on January 1, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 4, September Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Alexander A. Roseman pleaded guilty to an indictment charging him with conspiracy to cheat and defraud. William D. Rodgers, Rudolph C. Bender, Samuel B. Lush and Isidor Criver were jointly indicted with the applicant. All pleaded guilty and all received sentences of varying length. November 6, 1925, the applicant was sentenced to pay costs and undergo imprisonment, Philadelphia County prison for a term of eight years.

The applicant was involved in a long series of indictments as of September Sessions 1925, in the said Court, and was therein charged with conspiracy to cheat and defraud, together with false pretenses and making false statements in writing and obtaining property thereby.

The applicant is forty-seven years of age; a native-born American citizen and at the time of his arrest was engaged in the real estate business in the city of Philadelphia. He is the father of eight children. The oldest being seventeen years of age and the youngest three years.

He was not an officer or director in any of the seventeen building and loan associations which disastrously failed, causing criminal proceedings to be instituted against twenty defendants, including the applicant. About a year and a half after the various associations conducted and operated by the other defendants were in full operation, the applicant was induced to make loans from them. He purchased several hundred properties, all of which were mortgaged to these associations and mortgaged to an extent in excess of the then market value of the properties. The excess amount of money thus received was used in paying bonuses for the obtaining of the loans; and some of the properties were improved with such additional sums.

There were two sets of associations in existence at the time, those controlled by John S. Magee, William D. Rodgers and Jacob Marbin, and the other set controlled by Samuel S. Lush and W. B. Ginsburg, attorneys. Magee and Rodgers were partners in the real estate business and Marbin was an associate of theirs. Lush and Ginsburg were attorneys who organized the associations and represented them. The men involved in



the proceedings were employees of Lush, Ginsburg, Mager and Rodgers.

The State Banking Department in taking over the checks and papers of these seventeen looted associations soon discovered the hopeless financial tangle and caused an investigation to be made which was followed by many arrests. The applicant was an indorser on numerous notes, many of which notes he was not interested in but indorsed them in an endeavor to meet them when due in order to save the situation. For this reason there were numerous indictments against him, as there were separate indictments under the various notes. He only pleaded guilty to the charge of obtaining money under false pretense. He did not plead guilty to the other charges.

The applicant was not an officer or director of any of these associations and therefore was not in a position of trust. He did not embezzle, forge or receive money belonging to anyone for his own personal use. He cooperated in every way with the Banking Department and the District Attorney and assisted in the prosecution. In January, 1928, the home in which his family were living, was sold at Sheriff's sale, and his family, consisting of wife and eight children, are destitute and objects of charity.

The stipulation as to the facts agreed upon by the Commonwealth and counsel for the applicant (which was filed with the Board) makes the applicant appear in a favorable light, although admittedly guilty of crime.

Three of his co-defendants have been paroled, Magee, Lush and Criver, the last two named on December 6, 1929.

There was filed with the Board a letter from William White, who was Chief Examiner for the Department of Banking and the principal witness for the Commonwealth in the prosecution. He recommends clemency for the applicant. He states: "Poseman (the applicant) was really the only man to plead guilty in every sense of the word. He concealed nothing from the Department of Banking or the District Attorney and was a great aid to the prosecution in his endeavor to bring out the true facts in the case including figures, notes, checks, etc."

Many letters were filed with the Board recommending clemency. The applicant's family is destitute and require support.

In consideration of all the circumstances of this case; the prior good record of the applicant with a minor exception; the term of imprisonment already served; because of the fact that three of his co-defendants have been paroled; because of the letter from the principal witness for the Commonwealth in the prosecution, which recommends clemency, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a commutation be now granted to the said Alexander A. Roseman, whereby the sentence of eight years heretofore imposed shall be reduced to four years and one month, expiring on December 6, 1929.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 406 and 409, November Sessions, 1922, in the Court of Quarter Sessions of the Peace in and for the County of Luzerne, Robert Hartley pleaded guilty, without the formality of an indictment, to the charge of robbery, and on December 19, 1922, was sentenced by the Court in the aggregate to pay a fine of ten thousand dollars, costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than fifteen years nor more than forty years. William

Padmowsky was jointly indicted, tried and convicted with the applicant, and received the same sentence.

The applicant is twenty-nine years of age and an American-born citizen of the United States. His occupation is that of laborer. Shortly before his arrest he had been employed by the Lehigh Valley Railroad Company at Coxton Yards, but was laid off about a week before his arrest on account of slackness of work. He resided in the city of Wilkes-Barre, was married and had a boy six months of age.

About seven o'clock on the evening of December 12, 1922, the applicant left his home in Wilkes-Barre and came to the public square, and from there went to Heistand's pool room, located on said square. Here he met John Buckley and William Padmowsky, the co-defendant, who were in the pool room. Buckley and the applicant were well acquainted, having formerly resided in adjoining houses. From the pool room the three men went for a ride, the car supposed to have been owned by Buckley. They drove to No. 65 West Hollenback Avenue, Wilkes-Barre where Adam Goldeniewski conducted a saloon. Buckley and Padmowsky went inside and held up the proprietor, while the applicant stood on guard on the outside. No evidence was adduced showing that the applicant had a gun. From there they went to No. 432 George Avenue, Parsons, where they entered the saloon conducted by Joseph Zima. Again Buckley and Padmowsky entered the place and held up the bar-tender while the applicant remained outside. It was not shown that the applicant received any of the spoils, nor was there any money found on him when arrested. Padmowsky and the applicant were apprehended that same evening and placed under arrest. Buckley fled to Scranton and became a fugitive. Padmowsky and the applicant pleaded guilty without the form presentation of an indictment, and were sentenced as above stated.

The applicant has now served seven years of his term of imprisonment; he was never before charged with or convicted of crime.

Since his incarceration his wife has divorced him, and his aged mother requires his support. Buckley, the master-mind in the perpetration of the crime is a fugitive and has never been punished.

There was filed with the Board a number of letters recommending clemency; there was a petition of citizens of Wilkes-Barre to the same effect. There was filed with the Board a letter from the trial Judge addressed to the applicant which does not recommend clemency, but evidences a favorable attitude.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the letters and petition of citizens filed which recommended clemency; because of the favorable attitude of the trial Judge; and because the applicant's mother requires support, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to seven years imprisonment, expiring on December 19, 1929.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Robert Hartley be commuted to seven years imprisonment, expiring on December 19, 1929.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: Nos. 1020, 1022 and 1024, March Sessions, 1914, in the Court of Quarter Sessions of the Peace, in and for the County

of Philadelphia, Joseph Strank pleaded guilty to three indictments charging him with assault, being armed with an offensive weapon and robbery, and on April 11, 1924, was sentenced in the aggregate to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than twenty-five years, nor more than sixty years.

The applicant is of good family; a native-born citizen of the United States; twenty-six years of age; unmarried; is a clerk by occupation and resided with his family in the city of Philadelphia.

Edward Wouters, alias Edward Wonter, Robert Hallman and the applicant were jointly indicted for robbery. The crimes were recommitted during the early part of March, 1924, in the northeastern section of Philadelphia, known as Logan. The amounts taken in the three robberies aggregated eighty-five dollars.

The applicant has now served five years, eight months of his term of imprisonment. His prior record is good with a single exception. He once served a sentence of six months in the Philadelphia County Prison, for having received stolen goods.

Dr. Keegan, of Philadelphia, who is a surgeon for three hospitals, for the Coroner of Philadelphia County and the Eastern Penitentiary, appeared at the oral hearing and stated to the Board that he would take the applicant into his home and become sponsor for his future good conduct.

In consideration of all the circumstances of this case; the prior good record of the applicant with a single exception; the excessive sentence imposed; the term of imprisonment already served; and because of the fact that Dr. Keegan, a prominent and reputable surgeon of Philadelphia, will take the applicant into his home and become sponsor for his future welfare, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Joseph Strank.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 54, September Sessions, 1928, in the Court of Quarter Sessions of the Peace in and for the County of Lehigh, Joseph Ogrydziak was convicted of the larceny of an automobile, receiving stolen goods and tampering with a motor vehicle, and on September 27, 1928, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two and one-half years, nor more than five years.

The applicant is thirty-one years of age, a native-born citizen of the United States. He is a laborer by occupation, but for the past fifteen years, due to the complete loss of his right arm, he was engaged as a salesman for different concerns, and at the time of the commission of the crime in question, was employed by the Four-In-One Rod Company of Hazleton, Pennsylvania. He is unmarried, and resided in the City of Hazleton with his mother.

The applicant was in the city of Allentown on August 7, 1928. On the evening of that day, he met a man by the name of Brogan and later a man by the name of Schekels, both of the city of Wilkes-Barre. He had met Brogan before, and understood that he was the chauffeur for one Julius Schwartz, alias Yankee Schwartz, whose home was in Atlantic City, New Jersey, but who was in Allentown at that time. The

three men went to a pool room in the central part of the town. After playing cards for an hour, Brogan suggested that they take a ride. The applicant accompanied Schekels and Brogan in the Chevrolet automobile of Schwartz to Bethlehem. On the return to Allentown, the applicant fell asleep, and while asleep, they met with an accident, the nature of which he cannot describe. The result of the accident was the destruction of the car and the applicant received a compound fracture of the skull. He was taken to the hospital in an unconscious condition, where he remained for some time. Neither of his companions were injured and they made their escape. Schwartz, the owner of the car, maintained that the car was stolen, that it had been taken without his knowledge or consent. He collected theft insurance on the car. Brogan the driver of the car was never arrested. After the applicant's recovery, he was arrested for the theft of the car, although there was no evidence to connect him with the felonious taking of the car. The applicant had no license to drive an automobile, and never did drive a car on account of his crippled condition. He was merely a passenger and was in the car by invitation of the chauffeur.

The applicant has now served one year and three months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board, a petition of citizens of the City of Hazleton requesting clemency. There was also filed with the Board, affidavits showing that Brogan and Schwartz, owner of the car, were close personal friends; that the former drove the car in question on many occasions with the consent of the owner; that the owner of the car on the night of August 6, 1929, stated that he had loaned his car to Brogan, his "lieutenant" and that Brogan had the keys to Schwartz's car.

In consideration of all the circumstances of the case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the petition of citizens filed with the Board recommending clemency and letters from citizens to the same effect, we have concluded that the applicant has been sufficiently punished, and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Joseph Ogrydziak.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 26, October Sessions, 1923, in the Court of Oyer and Terminer in and for the County of Chester, John H. Conway pleaded guilty to murder in the second degree and on October 4, 1923, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than eight years nor more than sixteen years.

The applicant is forty-nine years of age, a native-born citizen of the United States, a cabinet maker by occupation, but at the time of his arrest, he was Chief of Police in the Borough of Malvern, Chester County. He had a wife and three children, at the time of his arrest.

While on duty as Chief of Police, about midnight on April 29, 1923, the applicant noticed two colored men trying to open a door of a restaurant on King Street, Malvern, owned and operated by a man named Downs. Inasmuch as the restaurant was closed at that hour, he questioned the young men as to what they were doing and asked who they were, as he did not



know them. The answers were not satisfactory and the applicant placed them under arrest, as suspicious characters. On the way to jail, two other young men ran up behind the applicant, and he believing that he was about to be attacked from the rear, drew his revolver and in so doing, the revolver was discharged, the bullet striking William Mitchell, one of the men who was under arrest. It was midnight, and the applicant was surrounded by four young men and with no assistance near at hand, and naturally feared attack. The applicant surrendered to the proper authorities and was placed under arrest to await the result of Mitchell's injuries. Mitchell died three days later of peritonitis. The applicant was indicted for murder. After the trial had continued two days, upon the advice of counsel, he pleaded guilty to murder in the second degree.

The applicant has now served six years and two months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent as appears from a letter from the Deputy Warden of the Penitentiary.

There were filed with the Board, letters from the resident physician of the Penitentiary at Rockview; a letter from Dr. Newcomb, medical director, Dr. Sheldon and J. Bruce McCreery, Deputy Secretary of Health, to the effect that the applicant is suffering from pulmonary tuberculosis; that this condition is aggravated by his environment, and that it is possible with a change of climate and proper care and treatment in favorable surroundings, his life might be prolonged.

There were also filed with the Board a petition of citizens and a number of letters recommending clemency, from the President of the National Bank of Malvern, Chief Burgess and others. The present District Attorney, who was one of counsel for the applicant at the time of his trial, in a letter filed with the Board recommends clemency. Butler Windle, who was trial District Attorney and who is now one of the Judges of Chester County, has filed with the Board, a letter which evinces a favorable attitude towards the applicant.

In consideration of all the circumstances of this case, the prior good record of the applicant; the term of imprisonment already served; because of the favorable attitude of the trial District Attorney and the present District Attorney, and because of the recommendation of the Chief Burgess, the President of the National Bank of Malvern, and others, but in particular, because of the reports of three physicians who have examined the applicant and pronounce him a victim of pulmonary tuberculosis, we have concluded that the applicant has been sufficiently punished, and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John H. Conway.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 310, April Sessions, 1922, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Bernard Sauers alias Bernard Benton pleaded guilty to an indictment charging him with entering with intent to steal and larceny, and on April 19, 1922, was sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than eight years, nor more than ten years.

The applicant is fifty-two years of age; a native-born citizen of the United States. He was married and has two children, aged sixteen and eleven years respectively. He is a

house painter by occupation and at the time of his arrest resided in the city of Philadelphia, but was separated from his family.

On the afternoon of April 4, 1922, the applicant entered the apartment of Mrs. Evans at 1527 Spruce Street, Philadelphia, and there stole jewelry valued at twenty-five hundred dollars. Four days later he entered the apartment of Mrs. Margaret Baruth, 1633 Girard Avenue, Philadelphia, and stole money and jewelry to the amount of five hundred forty-one dollars. About the same time he attempted to enter the apartment of Mrs. Charles Fell, 1506 Green Street, but withdrew upon the approach of another tenant in the apartment. There was no one at home in any of the apartments entered by the applicant and each apartment was entered by means of a false key. None of the offenses of which he was guilty had been accomplished by violence. While he was indicted on four bills, the indictment to No. 310 above-stated, covered the robbery of Mrs. Baruth and it was on this indictment he was sentenced. The three other indictments were nolle prossed.

Shortly after the applicant was confined in the Eastern Penitentiary on the present charge he developed pulmonary tuberculosis accompanied with hemorrhages which became progressively worse and he was advised it would result in death, unless he was transferred to a different climate. On April 1, 1929, he was transferred to the Rockview Farm, but he is growing weaker and has spent the last several months in the hospital of that institution.

Doctor McLaughlin, resident physician at Rockview, has filed a letter with the Board in which he states that the applicant is suffering from pulmonary tuberculosis; that his general condition is poor; and that he has a constant cough and progressive loss of weight. Doctor Charles W. Sheldon, of Tioga County, medical director, on November 6 last, by direction of the State Department of Health, made a physical examination of the applicant as a result of which he states that the applicant is suffering with chronic tuberculosis, both lungs being involved. That he has had frequent hemorrhages and that his weight has diminished from 178 pounds to 145 pounds.

The applicant has now served seven years, eight months of his term of imprisonment. His prior record was not good. It appears that he is suffering from advanced chronic tuberculosis and that there is no hope of recovery unless he is taken to where he can receive special institutional care. Rebecca Garber, aunt of the applicant, has filed with the Board a letter in which she states that she is financially able and will defray all necessary expenses involved in sending the applicant, if released, to his mother who resides in California. She states that the latter has sufficient means to care for him for the balance of his life.

In consideration of all the circumstance of this case; the term of imprisonment already served; because of the grave physical condition of the applicant with no hope of recovery unless released from prison; because of the fact that his relatives, who are financially able to do so, will send him to California to his mother where he will be cared for, for the remainder of his life; we have concluded that the applicant has been sufficiently punished and if now released, not only will his life be prolonged but he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Bernard Sauers alias Bernard Benton.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 827 and 828, March Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of

Philadelphia. Richard L. Raleigh together with one Walter Cooper were jointly convicted of conspiracy, and on December 11, 1925, the Court made the following order: "Defendants to enter their own bond in the sum of one thousand dollars (\$1,000.00), to appear for sentence when required." No sentence has been imposed, nor any further action taken since that time.

The applicant is now twenty-eight years of age; a native-born citizen of the United States; a mechanic by occupation; unmarried, and at the time of his arrest he was a member of the Police Force of the City of Philadelphia.

The applicant joined the Police Force in January, 1924, and was assigned to special duty in connection with the enforcement of Prohibition. His work as a policeman was good and he had the confidence of the police officials and was detailed to work in the Special Vice Squad under Lieutenant Charles Lee, operating from the City Hall in Philadelphia. In March, 1925, in company with other officers, he went to the saloon of Croasdale Knott in Germantown, Philadelphia, made a purchase of whiskey and arrested William Knott, son of the proprietor. Croasdale Knott was given a hearing before a magistrate and held under five hundred dollars bail for Court, on the testimony given by the applicant, on the charge of unlawful possession and sale of intoxicating liquor. The saloon keeper and his son, shortly after the hearing, brought a charge of extortion and conspiracy against the officers, which charges were embodied in the indictments on which the applicant was convicted. The applicant and Cooper contended that Croasdale Knott attempted to bribe them.

The character of the Knotts is shown by a brief recital of facts: William Knott, the son, was indicted on two bills of indictment but both indictments were nolle prossed by the District Attorney in March, 1926. Croasdale Knott had pleaded guilty to the illegal possession of intoxicating liquor in the Court of Quarter Sessions of Montgomery County on September 11, 1924, and had then been placed under probation by the Court.

The applicant was convicted on the testimony of Croasdale Knott and Lieutenant Krag of the Police Department, in whose District the raid was made. Croasdale Knott, the prosecutor, on June 24, 1928, and his bartender were held for Court after many quarts of whiskey were confiscated in his saloon. Krag who appeared as witness against the applicant, was subsequently twice discharged from the Police Department.

The applicant, although at liberty, can obtain no relief from the suspended sentence, except through a pardon, the trial Judge having since died.

In consideration of all the circumstances of this case; the prior good record of the applicant; the grave doubt as to his guilt; because during the past four years, while under a suspended sentence, no charges have been made affecting his good conduct; because he can obtain no relief from the suspended sentence except through a pardon, we have concluded that if now relieved from the stigma of his conviction he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Richard L. Raleigh.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1519, October Session, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Harry Krawonch, alias Harry Kriwonis, was convicted

of breaking with intent to commit a felony and on November 7, 1927, was sentenced to pay costs, and undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, nineteen years of age. He resided in the City of Philadelphia with his father, who is a cobbler and has a small shoe repair shop. The applicant's mother is dead. He had no regular occupation.

On the night of October 19, 1927, the applicant was on his way home and stopped in an alley at Eleventh and Porter Streets, Philadelphia, for no improper purpose. He was seen entering the alley by a police officer who followed him and arrested him. The said officer has since been discharged from the Police force of the city. A search revealed that the defendant had a screw-driver in his possession which the police contended could be used as an implement for "breaking" and that it was intended for such use. The applicant occasionally worked in his father's cobbling shop and often carried tools from the shop to his home. In view of the fact that several robberies had been reported in that vicinity at that time, and that the time of the incident was late at night, and the applicant had the screw-driver in his possession, resulted in an unfavorable atmosphere during the trial and the applicant was unable to overcome the unfavorable impression. If released, employment has been offered him by H. Kurtzman & Son, 133 North Third Street, Philadelphia, where he will work under the direct supervision of his older brother.

The applicant has now served two years and one month of his term of imprisonment. He was never before convicted of crime. The present application is made by E. M. Hackney, Probation Officer of the Court of Quarter Sessions, of Philadelphia County, by direction of the trial Judge.

Mr. Hackney has filed with the Board a letter in which he states that he has made a thorough investigation of the case by direction of the Court and finds mitigating circumstances and also doubt as to the applicant's criminal intentions. The trial Judge has filed with the Board a letter in which he states that he believes that the sentence imposed was too severe; that he had directed the parole officer of the Court, Mr. Hackney, to prepare a petition for a pardon and that he recommends favorable action thereon by the Board.

In consideration of all the circumstances of this case; the youth of the applicant when the alleged crime was committed; the doubt as to his guilt; his prior good record; the term of imprisonment already served; because employment has been offered him if released; because of the favorable attitude of the trial Judge and the Probation Officer of the Court, we have concluded that the applicant has been sufficiently punished, and if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Harry Krawonch, alias Harry Kriwonis.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 182, March Sessions, 1926, in the Court of Quarter Sessions of the Peace, in and for the County of Beaver, Harry McClermon pleaded guilty to an indictment charging him with assault and intent to rape and on May 17, 1926, was sentenced to pay a fine of five dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years, nor more than ten years.



The applicant is a native-born citizen of the United States; thirty-three years of age. By occupation he is a locomotive fireman for the Pennsylvania Railroad Company. He is married and has a wife and a four-year old child.

On Sunday afternoon, May 9, 1926, about 2.00 o'clock, the applicant was very much under the influence of intoxicating liquor, in the town of Conway, Beaver County, from which town he started his trips as a locomotive fireman for the Pennsylvania Railroad Company. He walked to the outskirts of Conway to try to locate some of his associates for a game of cards. On the way he was accosted by an Italian girl, Lucy Lodovic, under sixteen years of age, who asked him for money to buy candy. Being of a generous disposition, especially while under the influence of liquor, he complied with her request and went to his destination. Not finding his associates, he went into a shack back of the Y. M. C. A. building, to take a rest in order to get into condition to go to work at midnight. After going upstairs and being sound asleep for about half an hour, the girl came up, aroused him and wanted more money. The applicant tried to persuade her to go away, but she still clamored for more money. Suddenly her father and brother came upon the scene, with about forty foreigners. The girl started to cry. The applicant battled his way through the crowd and escaped. On the following morning he was arrested at Rochester by the State Police. He was taken to the Barracks where the girl's father appeared. He was not sure of the identification, and applicant was then persuaded to sign a statement acknowledging assault with intent to rape. No evidence was introduced in Court that the girl had been outraged, but due to the circumstances surrounding the case, State Trooper Bush now deceased, advised the applicant to plead guilty to the charge with the understanding that the applicant would receive a light sentence.

The applicant has now served three years and seven months of his term of imprisonment. He was never before charged with or convicted of crime.

The applicant is a veteran of the foreign wars and during the service contracted typhoid pneumonia which left him mentally deranged. The U. S. Veterans Bureau in April, 1927, made an examination and pronounced him forty per cent. mentally incapacitated. In October, 1928, two specialists of the United States Bureau, made another examination and confirmed the report of the first examination. According to letters on file with the Board, the applicant has now fully recovered his mental health. It is not free from doubt whether the applicant at the time of the alleged offense had sufficient mentality, due to intoxication and enfeebled mind, to form a specific intent to commit crime. The applicant's wife and small child are in Arizona. The wife is a victim of tuberculosis and both require the support of the applicant.

There was filed with the Board a letter from the trial District Attorney in which he refers to the prior good record of the applicant and to the need which his family has for his assistance. He concludes by saying, "I have talked this matter over with Honorable Frank E. Reader, the Judge who heard this plea, and we are of the opinion that the demands of justice have been met in this case and we will raise no objection to the granting of a pardon by your Honorable Board." The County Judge and Surrogate of Sullivan County, New York, has filed with the Board a letter in which he states that the applicant belongs to a good family identified with that village, and that when the applicant returned from the World War, his mental condition was bad and that for a time he was in the Middletown State Hospital; that he comes of good family and he would like to have his application receive favorable consideration.

In consideration of all the circumstance of this case; the prior good record of the applicant; the term of imprisonment already served; because of the doubt as to the mental capacity of the applicant when the crime was committed and doubt as to his guilt; because of the need which his wife and child have of support; and because of the favorable attitude of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and

in open session," recommend that a pardon be now granted to the said Harry McClernon.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 435, August Sessions, 1928, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Harry Diddlebock pleaded guilty to an indictment charging him with assault, being armed with an offensive weapon (two counts), and robbery (two counts), and on August 21, 1928, was sentenced by the Court to pay costs, and to undergo imprisonment in the Philadelphia County Prison for a period of not less than three years nor more than ten years. He was subsequently transferred to Rockview Penitentiary.

The applicant is a native-born citizen of the United States; twenty-nine years of age; he is married, has a wife and two children and resided in the City of Philadelphia.

On or about August 8, 1928, the applicant appeared at the Detective Bureau in the City Hall, about noon, and said that he wanted to clear his conscience. He stated that on the night of June 11, 1928, he and two other men, Claude Wasson and one, Ryan, were in an automobile which had been previously stolen by Wasson in the section of the city where he resided. He stated that all three had been drinking and that he was very much under the influence of liquor and sick. They stopped at Twenty-third and Chestnut Streets and the two men left the automobile (in which he occupied the back seat), and went into the restaurant kept by one John Karabinas, the applicant feeling too ill to accompany them. The two men came out of the restaurant shortly after and while they were driving away they aroused the applicant and told him they had held up the proprietor of the restaurant. An investigation of the matter was made, which proved the facts to be as stated. The stolen automobile was recovered. The restaurant keeper identified Wasson as one of the men who had held him up at the point of a gun and robbed him of thirteen dollars, but he could not identify the applicant. It was only through the confession of the latter that it was learned who had committed this crime. The third man was never apprehended.

The applicant has now served one year and four months of his term of imprisonment. He was never before charged with nor convicted of crime; he has a wife and two children who are dependent upon him for support. The applicant's conduct in the County Prison was so good that he was transferred to the Rockview Penitentiary more than seven months ago.

There was filed with the Board a letter from John Karabinas, the man who was robbed, who is the prosecutor in the case, in which he recommends clemency. Among other things he states, "It was purely a case of too much drink, for the boys did not harm anyone, although they could have done so." He further states that the defendant has a wife and two children dependent upon him for support, and that his prior record was good, and that he also had a splendid war record.

In consideration of the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the fact that his wife and two children are dependent upon him for support and because of the recommendation of the prosecutor in this case, we have concluded that the applicant has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Harry Diddlebock.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 40 and 41, February Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Crawford, Earl Hunt pleaded guilty to two indictments, charging him with forgery and on February 27, 1928, was sentenced in the aggregate to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two and one-half years, nor more than five years.

The applicant is a native-born American citizen, thirty-eight years of age and a farmer by occupation. He was unemployed at the time of his arrest. He has a wife and child dependent upon him for support.

In December, 1927, the applicant made a trip to Titusville, Pennsylvania, in order to seek employment and to settle up his father's estate. While there, the tires on his car went bad and being about seventy-five miles from his home, in New York State, he forged two checks aggregating in amount forty dollars. After buying one tire he sent twenty dollars to his wife for her support and the support of their four-year-old daughter. They knew nothing about the crime until his arrest in February, 1928.

The applicant has now served approximately one year and ten months of his term of imprisonment. He was never before charged with nor convicted of crime. His prison record is excellent as appears from a letter from the trial Judge. His wife and four-year-old child are in destitute circumstances and require his support. While in prison he completed a course of instruction in agriculture and kindred topics at the Pennsylvania State College.

There was filed with the Board a letter from the trial Judge in which he recommends clemency because of the applicant's excellent prison record; because of the fact that he has completed a course of instruction at the Pennsylvania State College and because his wife and child are in destitute circumstances. The trial District Attorney has also filed a letter with the Board in which he strongly recommends clemency. There was also filed with the Board a number of letters to the same effect from citizens of New York State, including one from the City Editor of the Jamestown Journal and from others who have known the applicant for many years. Four of the writers served with him in the National Guard of New York on the Mexican Border during the years 1916 and 1917.

In consideration of all the circumstances of this case; the prior good record of the applicant; his excellent prison record; the term of imprisonment already served; because the applicant's wife and child are in destitute circumstances and require his support, and particularly because of the strong recommendations of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and

in open session," recommend that a pardon be now granted to the said Earl Hunt.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 40, April Sessions, 1929, in the Court of Oyer and Terminer in and for the County of Lehigh, Raymond J. Whitehead was convicted of burglary and on April 8, 1929, was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Lehigh County Prison for a period of not less than one year, nor more than two years.

The applicant is twenty-nine years of age and a native-born American citizen. He is a truck driver by occupation and at the time of his arrest was so employed in the city of Allentown, where he resided with his wife and four children, aged eight, six, four and three, respectively.

On January 27, 1929, at about 11.00 o'clock P. M. the house of George Mest, located in Alburtis, Lehigh County, was entered by three men who started to shoot. Mest jumped out of the window and went to his father's house in the village of Alburtis. When he returned to his home, the men had gone and there was missing the sum of five hundred seventeen dollars which he had in a coat hanging behind the door. At the trial of the applicant Mest testified to the above facts and further stated that when the men broke into the house he ran into another room and jumped out of the window and when asked if the applicant was one of the men in the house that night, he said that he "looked like him." Ten days after the occurrence, the applicant was arrested and indicted. Mest was the only witness. The applicant did not testify nor were any witnesses called in his behalf. There were filed with the Board five affidavits of persons who spent the evening at the Whitehead home on night when the alleged crime was committed. They all aver that the applicant was at his home continuously until midnight, about which time he took two of the affiants, women, to their homes and returned to his own home within half an hour thereafter.

There was filed with the Board a letter from the assistant trial District Attorney in which he states that in his judgment the applicant is innocent of the commission of this crime; that the prosecutor has been a flagrant violator of the criminal laws and that his testimony is not worthy of belief; that the prosecutor was the only witness against the applicant and failed to positively identify him as one of the men who entered his place that night, but stated that he "looked like the man." Both the trial District Attorney and assistant recommended clemency. The trial Judge has also filed with the Board a letter in which he states that there may have been a miscarriage of justice in this case and that he would parole the applicant if within his power, and that the present application for pardon was made at his suggestion. The Warden of the Lehigh County Prison has filed a letter in which he states that the applicant's prison record is good and he recommends clemency.

The applicant has now served eight months of his term of imprisonment. He was never before charged with or convicted of crime.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; his excellent prison record; because the applicant's family requires his support; because of the favorable attitude of the trial District Attorney and assistant, and the trial Judge and because of the affidavits filed which practically establish an alibi on behalf of the applicant, we have concluded that he has been suffi-



ciently punished and if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Raymond J. Whitehead.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 15, June Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Luzerne, Joseph Osiecki pleaded non vult contendere on the charge of attempt to rob, and on May 28, 1928, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two years, nor more than four years. Peter Fiume and Nicholas Osticco were jointly indicted with him and received the same sentence.

The applicant is twenty-one years of age; a native-born citizen of the United States; a miner by occupation and was so employed at the time of his arrest by the Pennsylvania Coal Company. He resided in Pittston, Pennsylvania, with his mother, a widow, aged about fifty years, who is now a cripple and unable to work. The applicant is the oldest of the family.

On the morning of March 16, 1928, at about 6.00 o'clock A. M., Harry H. Hower, of Bloomsburg, while driving a truck which contained a load of paper, was held up on South Main Street, Pittston, by three men, Peter Fiume, Nicholas Osticco, and the applicant, who came alongside him in a car. Two of the defendants got on his running board and pointing a pistol, brought him to a stop. After investigating the contents of the truck, the three men left. All of the above facts were admitted by the intending robbers, except that they deny pointing a gun, although one of them admitted having a gun in his possession. All of the men admit that they were out that morning to hold up a beer truck, if one came along, and help themselves to the beer, but not to the truck. They mistook Hower's truck for a beer truck and therefore held him up. Finding that the contents of the truck was paper instead of beer, they got into their own car and drove away.

The applicant has now served one year and seven months of his term of imprisonment. He was never before charged with nor convicted of crime. He was only twenty years of age when this crime was committed. He has a widowed mother, who is crippled and unable to work, dependent upon him for support.

There were filed with the Board, three letters recommending clemency; one from F. L. Coursen of the Coursen Hardware Company, Pittston; one from Representative Hefferon; and one from F. L. Scrudato, Notary Public. All of them refer to the good reputation of the applicant and his co-defendants and recommend pardon so that these men, if released, can support their families.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; the need of his widowed mother, who is crippled and unable to work and dependent upon him for support, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and

in open session," recommend that a pardon be now granted to the said Joseph Osiecki.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 15, June Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Luzerne, Nicholas Osticco pleaded non vult contendere on the charge of attempt to rob, and on May 28, 1928, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two years, nor more than four years. Peter Fiume and Joseph Osiecki were jointly indicted with him and received the same sentence.

The applicant is nineteen years of age, a native-born American of Italian parentage, and by occupation a miner, employed by the Pennsylvania Coal Company. He resided in Pittston with his mother, a widow.

On the morning of March 16, 1928, at about 6:00 A. M., Harry H. Hower, of Bloomsburg, while driving a truck which contained a load of paper, was held up on South Main Street, Pittston, by three men, Peter Fiume, Joseph Osiecki, and the applicant, who came alongside him in a car. Two of the defendants got on his running board and pointing a pistol, brought him to a stop. After investigating the contents of the truck, the three men left. All of the above facts were admitted by the intending robbers, except that they deny pointing a gun, although one of them admitted having a gun in his possession. All of the men admit that they were out that morning to hold up a beer truck, if one come along, and help themselves to the beer, but not to the truck. They mistook Hower's truck for a beer truck and therefore held him up. Finding that the contents of the truck was paper instead of beer, they got into their own car and drove away.

The applicant has now served one year and seven months of his term of imprisonment. He was never before charged with nor convicted of crime. He was only eighteen years of age when this crime was committed. He has a widowed mother dependent upon him for support.

There were filed with the Board, three letters recommending clemency. One from F. L. Coursen of the Coursen Hardware Company, Pittston; one from Representative Hefferon; and one from F. L. Scrudato, Notary Public. All of them refer to the good reputation of the applicant and his co-defendants and recommend pardon so that these men, if released, can support their families.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; the need of his widowed mother for his support, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Nicholas Osticco.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 18, 1929.

His Excellency, John S. Fisher, Governor.

Sir: At No. 15, June Sessions, 1928, in the Court of Quarter Sessions of the Peace in and for the County of Luzerne, Peter Fiume pleaded non vult contendere to the charge of attempt to rob, and on May 28, 1928 was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two years, nor more than four years. Nicholas Osticco and Joseph Osiecki were jointly indicted with him and received the same sentence.

The applicant is nineteen years of age, a native of the United States but of Italian parentage, and by occupation a truck driver. He resided in Pittston with his father-in-law. He was married eight months before the commission of this crime.

On the morning of March 16, 1928, at about 6:00 o'clock Harry H. Hower of Bloomsburg, while driving a truck which contained a load of paper, was held up on South Main Street, Pittston by three men, Nicholas Osticco, Joseph Osiecki and the applicant, who came alongside him in a car. Two of the defendants got on his running board and pointing a pistol, brought him to a stop. After investigating the contents of the truck, the three men left. All of the above facts were admitted by the intending robbers, except that they deny pointing a gun, although one of them admitted having a gun in his possession. All of the men admit that they were out that morning to hold up a beer truck, if one came along, and help themselves to the beer but not to the truck. They mistook Hower's truck for a beer truck and therefore held him up. Finding that the contents of the truck was paper instead of beer, they got into their own car and drove away.

The applicant has now served one year and seven months of his term of imprisonment. He was never before charged with or convicted of crime. He was only eighteen years of age when this crime was committed. He has a wife dependent upon him for support.

There were filed with the Board, three letters recommending clemency. One from F. L. Coursen of the Coursen Hardware Company, Pittston. One from Representative Heffernan and one from F. L. Scrudato, Notary Public. All of them refer to the good reputation of the applicant and his co-defendants and recommend pardon so that these men, if released, can support their families.

In consideration of all the circumstances of this case; his prior good record; the youth of the applicant when the crime was committed; the term of imprisonment already served; the need which his wife has for support, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Peter Fiume.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 52, June Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Indiana, Raymond McCloskey pleaded guilty to an indictment charg-

ing him with larceny, and on July 2, 1929, was sentenced to pay costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years nor more than four years. Francis Skelly was jointly indicted with the applicant and received a like sentence.

The applicant is twenty-two years of age, a native-born citizen of the United States, a laborer by occupation, and at the time of his arrest was employed by Pelliccioni and Wise, of Gallitzin, in the cutting and manufacturing of paper wood. He is unmarried and resided with his mother, a widow, in Gallitzin.

On the evening of June 25, 1929, the applicant with one, Skelly, while in the borough of Gallitzin, drank a quantity of moonshine liquor. While under the influence of the beverage, they went across the street and sat in a Nash sedan, and while there discovered that the car was not locked. Skelly suggested that they go for a ride and asked the applicant if he could drive. When the applicant replied in the affirmative, he said, "Let's go," after which they left Gallitzin in the automobile and drove to Blairsville. Upon arriving at the latter place they discovered that a bearing in the car had burned out so they placed the car in a garage for repair. By this time, realizing that they had committed a serious offense, they decided that they must find some way out of it. Seeing an automobile standing on the street with a key in it they decided to take the car. They drove this automobile almost to Washington, Pennsylvania, where it crashed into a train. The applicant and his companion were arrested on suspicion and were in the Washington jail for about a week, and then taken to Indiana, where they entered pleas of guilty.

The applicant has now served six months of his term of imprisonment. He was never before charged with nor convicted of crime. He carries two honorable discharges from the United States Army.

There was filed with the Board a letter from the trial Judge in which he states that the applicant had appeared in open court without counsel and pleaded guilty to the charge; that the applicant had a good reputation and that his offense was caused by intoxication. He further states that the applicant's mother requires his help and that he believes that he would lead an honest life if he were paroled, and that had the Court been conversant with all of the facts, which have since been disclosed, the sentence would not have been so severe. There was also filed with the Board a letter from Colonel Reynolds, Commandant of the Medical Field Service School at Carlisle, in which he pronounces the applicant honest and reliable, and states that his offense was a boyish prank, the result of an error of judgment, rather than criminal intent. The trial District Attorney has filed with the Board a letter which evinces a favorable attitude toward the present application. He states that the applicant is young, that his offense was a boyish prank rather than the act of a hardened criminal, and that it was committed while under the influence of liquor. The cashier of the First National Bank of Gallitzin, in a letter filed, also recommends clemency.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; the recommendations of the trial Judge and others, and the favorable attitude of the trial District Attorney, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment imposed by the Court should be commuted to one year, effective July 2, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum term of imprisonment heretofore imposed on the said Raymond McCloskey, be commuted to one year, expiring on July 2, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.



## Commonwealth of Pennsylvania

## Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 40, October Term, 1921, in the Court of Oyer and Terminer in and for the County of Lackawanna, Max Klim, alias Max Klem, was convicted of murder in the second degree, and on February 4, 1922, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years nor more than fourteen years.

The applicant is a native of Russia, thirty-three years of age. He is a coal miner by occupation and at the time of his arrest was employed as such by the Delaware and Hudson Coal Company, at Carbondale, Pennsylvania. He is unmarried. At the time of his arrest he resided in Simpson, Lackawanna County.

On Labor Day, September 5, 1921, a party of about twenty men and women were gathered in the home of one Narkovitch in Simpson. All of the members of the party (including the applicant and three other men who were later charged with causing the death of Alexander Sahosky), were drinking and playing the accordion and dancing. An altercation arose between some of the members of the party, the men dividing themselves into opposing groups and a free-for-all battle ensued in a vacant lot adjoining the Narkovitch home. During the melee Sahosky received fatal injuries. The quarrel which resulted in his death took place about the middle of the afternoon. He died in the evening. Four men, including the applicant, were arrested and taken to the Lackawanna County Jail and held for trial. Narkovitch, at whose home the quarrel took place, and who had furnished the liquor for the crowd, was permitted to enter bail, and after turning State's evidence, was never brought to trial. The four defendants, including the applicant, were represented by counsel appointed by the Court.

The applicant has now served almost eight years of his term of imprisonment. He was never before charged with nor convicted of crime. Theodore Sedora, a co-defendant, was pardoned by this Board in September, 1926, having served but little more than four years. The applicant alone is in prison, the others are freed.

The trial Judge and trial District Attorney have filed letters with the Board in which they neither recommend nor oppose pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; because of the fact that all of his co-defendants are at liberty (Sedora, one of the number having served little more than four years), we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to eight years' imprisonment, effective on February 4, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum term of imprisonment heretofore imposed on the said Max Klim, alias Max Klem, be commuted to eight years' imprisonment, effective February 4, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor,

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 170, September Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Centre,

James S. Lee, alias James Lees, pleaded guilty to an indictment charging him with breaking and escaping penitentiary, and on November 28, 1925, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two and one-half nor more than five years; sentence to compute after the completion of a former sentence from Philadelphia County for the larceny of an automobile.

Prior to the above-mentioned sentence, the applicant was convicted in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, at No. 275, November Sessions, 1924, of the larceny of an automobile, and sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than two and one-half years nor more than five years.

The applicant, is twenty-eight years of age, a native-born citizen of the United States, and a printer by occupation. At the time of his first arrest in 1924 he was an employee of a junk dealer and resided in the City of Philadelphia. He has a wife and one son, four and one-half years old.

The applicant was married in 1924, and received his first sentence in January, 1925, prior to the birth of his infant son. Upon his escape from Rockview, he went directly to his wife and child in the City of Philadelphia, and it was there he was retaken into custody, returned to Centre County, and sentenced by the Court of that County for his escape. From the letter of the wife, now on file with the Board, and all the attendant circumstances, it would seem that the sole reason for the escape, was his desire to see his wife and new-born child.

The applicant has now served four years and two months of his term of imprisonment imposed for breaking and escaping. The Judge who sentenced him appeared before the Board as his counsel.

In consideration of all the circumstances of this case; the need which his family has of support; and the term of imprisonment already served, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the maximum sentence if imprisonment heretofore imposed by the Court should be commuted to four years and one month of imprisonment, effective on December 28, 1929.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the maximum sentence of imprisonment heretofore imposed on the said James S. Lee, alias James Lees, be commuted to four years and one month's imprisonment, effective December 28, 1929.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 128, September Sessions, 1925, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, Jacob Marbin pleaded nolo contendere to an indictment charging him with conspiracy to cheat and defraud. William D. Rodgers, Rudolph C. Bender, Isidor Griver, Alfred Scarlett, Samuel B. Lush, and Alexander A. Roseman, were jointly indicted with the applicant. All defendants either pleaded guilty or nolo contendere and received sentences of varying lengths. On November 6, 1925, the applicant on the indictment above mentioned was sentenced to pay costs, and to undergo imprisonment in the Philadelphia County Prison for a term of seven years. The applicant was also convicted under two other indictments and pleaded nolo contendere to certain other indictments, but sentence was only imposed on the one charge above stated.

The applicant was involved in a long series of indictments, as of September Sessions, 1925, in the said Court and was therein charged with conspiracy to cheat and defraud, obtaining money under false pretenses, and making false statements in writing and obtaining property thereby.

The applicant is a naturalized citizen of the United States, sixty years of age, and at the time of his arrest was engaged in the real estate business in the City of Philadelphia. He has a wife, one son, and two daughters.

The applicant was not an officer or director in any of the group of seventeen building and loan associations which disastrously failed, causing criminal proceedings to be instituted against twenty defendants, including himself. The State Banking Department in taking over the books and papers of these looted associations, discovering the hopeless financial tangle there, caused an investigation to be made, which was followed by many arrests, including that of the applicant, who was an endorser on numerous notes issued by the said building and loan associations for the securing of loans from trust companies and also persons engaged in the business of loaning money for large bonuses. Some time prior to the charges being made, the applicant resigned from all of these associations involved in the indictments and entered into a written agreement with Lush, one of his co-defendants, whereby he transferred to Lush free stock in the associations which had cost him approximately fourteen thousand dollars and Lush agreed to indemnify the applicant against any loss. The applicant avers that he did not make any false statements and did not embezzle any moneys belonging to said associations and states that he did not have sufficient education to prepare statements of the financial condition, did not prepare them and had no knowledge of the contents of the statements used to secure loans upon notes of the associations. After the trials, the applicant under a plan of rehabilitation turned over to the persons in charge of said plan equities in real estate, full-paid stocks and notes at a cost value to him of one hundred fifty thousands dollars which was his entire estate.

The applicant has now served four years and two months of his term of imprisonment. He was never before charged with nor convicted of crime. Two of his co-defendants, Lush and Griver, were paroled on December 6, 1929, and the sentence of Roseman another co-defendant was, in December, 1929, commuted by this Board, and the term of imprisonment reduced to four years and one month, expiring December 6, 1929. The said Roseman is now also at liberty.

There were filed with the Board a number of letters recommending clemency. The applicant's wife is an invalid, and has for many months past been confined in a sanatorium. His son, who has a wife and three children, is in bad health and is unable to contribute to the support of his mother, who is in destitute circumstances.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because he surrendered his entire estate to satisfy his creditors; because his wife, an invalid, requires his support; because of the fact that two of his co-defendants have been paroled and a third one, Roseman, has already been released by this Board, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the sentence of imprisonment heretofore imposed by the Court should be commuted to four years and two months' imprisonment effective January 6, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the term of imprisonment heretofore imposed on the said Jacob Marbin, be commuted to four years and two months imprisonment, effective January 6, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 539 and 540, August Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Philadelphia, David Goldman was convicted of arson and conspiracy to wilfully, maliciously and feloniously cause a dwelling house to burn, and on November, 1922, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years, nor more than twelve years. David Sonis and Benjamin Sonis, who were jointly indicted and convicted with the applicant, received like sentences.

The applicant is thirty-six years of age; a native-born citizen of the United States and a machinist by occupation. At the time of his arrest he was engaged in operating a public garage for his mother and resided with his wife in the City of Philadelphia.

The applicant while engaged in conducting a garage became acquainted with one, Weisfeld, who occasionally stored his automobile at the garage. He had known him about two months prior to the applicant's arrest, but knew nothing about his character, habits or associates. A few days before the applicant's arrest, Weisfeld came to the garage with David Sonis, later a co-defendant, to arrange with the applicant to assist in removing by stealth, certain merchandise from the store and dwelling of Benjamin Sonis, David Sonis' brother, at 58th and Rodman Streets, Philadelphia, the avowed purpose being to aid Benjamin Sonis in defrauding his creditors. At this time the applicant had no knowledge that arrangements had already been made to burn the building. The applicant was engaged by Weisfeld to operate the automobile which would assist in removing the merchandise. On the following Sunday, the applicant went with Weisfeld to the premises at midnight, as a result of arrangements made by the latter with Sonis' brother. Weisfeld and the applicant entered the premises and when they had gone inside, Weisfeld requested the applicant to take a seat in the kitchen and wait a few minutes while he went to the front of the premises. The applicant had remained and about ten minutes later he smelled gasoline and went immediately to see what Weisfeld was doing. He saw Weisfeld pouring gasoline over the furniture, whereupon the applicant left the premises by the back door, jumped over the rear fence and started to walk to the automobile in which he had come to the premises, when he was arrested by the fire marshal, who, having previously received information that the building was about to be burned, had thrown a guard around the building. Shortly thereafter Weisfeld came out of the premises and started to run, disappeared in the darkness, escaped and has never been arrested. Immediately after his arrest, the applicant told the assistant fire marshal that he did not know the building was to be burned and had been engaged by Weisfeld and the Sonis brothers to aid in the secret removal of the merchandise for which he was to receive one hundred dollars. Upon the arrest of Benjamin Sonis, there was found in his possession a receipt signed by Weisfeld for two hundred and fifty dollars for the money which Sonis paid to Weisfeld. At the trial, the applicant was convicted chiefly on the testimony given by Benjamin Sonis and the circumstantial evidence of the fact that he was arrested upon leaving the premises.

The applicant has now served seven years, two months of his term of imprisonment. He was never before charged with or convicted of crime. David Sonis, one of his co-defendants, was pardoned by this Board in September, 1925. Weisfeld was never apprehended.

There were filed with the Board two letters from Doctor Linn Bowman, Moral Instructor of the Penitentiary, in which he states that in a conference with the trial Judge (who had formerly opposed a pardon), the latter declared that while he would not recommend a pardon in this case, he really had no objection thereto. Doctor Bowman strongly recommends a pardon because of the former record of the applicant; because the applicant's family sorely requires his assistance and because the trial Judge and the District Attorney's office are not opposed thereto. There was also filed with the Board a number of letters recommending clemency.



In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; the long term of imprisonment already served; the need of his family for support; because David Sonis, one of his co-defendants was pardoned by this Board more than four years ago; because the trial Judge and District Attorney's office do not object to clemency; because of the letters filed in behalf of the applicant and the strong recommendation for clemency on the part of Doctor Bowman, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said David Goldman.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, October Term, 1903, in the Court of Oyer and Terminer in and for the County of Carbon, Martin Leskoski was convicted of murder in the first degree and on March 27, 1909, was sentenced by the Court to be hanged. In October, 1917, the sentence of death was commuted to life imprisonment.

The applicant is fifty-five years of age and owes allegiance to Austria. He is a rock miner by occupation and was so employed at the time of his arrest. He resided in Lansford, Carbon County, with his wife.

Mary Yananchik resided with her husband, Valent Yananchik, in the Borough of Lansford, and on the evening of July 20, 1903, while on her way home from a visit to a neighbor, was shot and died the following evening from the effect of a bullet wound.

The applicant with a number of others boarded in the home of Valent Yananchik, and not being satisfied with his work as a rock miner, decided to go to the soft coal region in search of other work. On the evening of the day in question, the applicant changed his clothes, packed his trunk and stated that he would send a letter to Valent Yananchik directing him where to send his trunk. He bade good-bye to his associates in the boarding house and went out the rear of the lot and down an alley. Some time after he left the house, the deceased, while returning from a neighbor's house, was shot near the gate of her home in the same alley traversed by the defendant in leaving the boarding house.

After leaving the house, the applicant first went to a park in Lansford where he was seen and recognized by persons who knew him. After enjoying the bright lights, dancing and other amusements, for about an hour, he boarded a trolley car and went to Tamaqua where he visited a barroom and pawned a pistol. The following morning he was found asleep in the yard of the Reading Railroad Company in Tamaqua and was arrested and brought back to Lansford. He was arrested on complaint of the husband of the deceased.

The alleged crime took place on July 20, 1903, twenty-six and one-half years ago and during that period of time the applicant has suffered imprisonment a period of more than twelve years in the Penitentiary, and was confined in the county jail of Carbon County, at different times since his arrest, almost three years, making a total imprisonment of over fifteen years. He was never before charged with or convicted of crime.

There was filed with the Board a letter addressed to the applicant's counsel, by J. Edward Wasser, M. D., of East Mauch Chunk, in which he states that the applicant is suffering from chronic bronchitis and that in his opinion continued confinement will tend to a progressive aggravation of his heart and

lung degeneration. Doctor Gorman, Medical Director of the Hamburg State Sanatorium, made a recent physical examination of the applicant and also states that the latter is suffering from chronic bronchitis. Doctor McCreary, Deputy Secretary of Health, has filed with the Board a letter in which he states that in his judgment the applicant is suffering from chronic bronchitis.

The trial Judge and the trial District Attorney have both filed with the Board letters in which they recommend clemency. Former District Attorney Grey and the present District Attorney in letters filed with the Board also recommend pardon. President Judge Thomas in a letter to the Lieutenant Governor indicates a favorable attitude.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the seriously-impaired physical condition of the applicant; the recommendations of the trial Judge and the trial District Attorney, District Attorney Grey and the present District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceful and law-abiding member of the community.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Martin Leskoski.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. —, September Sessions, 1928, in the Court of Oyer and Terminer, in and for the County of Chester, Marion L. Hoopes waived the finding of a true bill by the Grand Jury, and pleaded guilty to the charge of arson and defrauding an insurance company, and on September 8, 1928, on the charge of arson alone, was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than three and one-half years nor more than seven years. Sentence was suspended on the second charge.

The applicant is a native-born citizen of the United States, thirty-six years of age. He is a farmer by occupation and at the time of his arrest resided in East Fallowfield Township, Chester County. He has a wife, a son aged three years, and a daughter aged twenty-two months.

The applicant was a tenant on the farm of Edward P. Worth. He was seriously involved financially, was deeply in debt, and in order to defraud the insurance company carrying the policies on his personal property, he, on August 15, 1928, set fire to the barn, destroying the crops and farming utensils belonging to him.

The applicant has now served one year and four months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the President of the Bryant Bureau, Incorporated, in which he states that he had investigated the fire on behalf of the insurance carriers. He adds that the applicant was weak, but truthful, and frankly admitted his responsibility. He further states that he believes that the applicant will not break any laws in the future, that he has been substantially punished and that the community will not oppose leniency at this time. The vice-president of one of the insurance-carrying companies has filed a letter with the Board in which he states that his company will interpose no objection to the release of the applicant. There was also filed with the Board a letter from the trial District Attorney, in which he states, that he is advised that the insurance com-

pany does not object to a pardon in this case. He adds: "After a thorough investigation on the part of the District Attorney's office I am satisfied that the petitioner at the time of the commission of the crime was under a severe mental strain due to financial trouble and it is a serious question in my mind whether or not he was mentally responsible for the deed. The man heretofore bore a good reputation and his act was in my judgment the result of his weakened mental and physical condition and not due to any criminal tendency. His wife and family (I understand they have two young children), are in destitute circumstances and are entirely dependent on relatives for support. From information obtained from reliable residents of the neighborhood where the crime was committed I have learned that should you pardon this defendant, your action will meet with the approval of these conversant with the facts surrounding the case."

In consideration of all the circumstances of this case; the term of imprisonment already served; the prior good record of the applicant; because his family are in destitute circumstances and dependent on him for support; and because of the letters from the man who investigated the fire for the insurance carriers, from the vice-president of one of the companies, and particularly because of the letter of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and if now released will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Marion L. Hoopes.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 138, September Term, 1927, in the Court of Quarter Sessions of the Peace in and for the County of Northumberland, Clifford C. Keller pleaded guilty to an indictment charging him with forgery, and on September 27, 1927, was sentenced by the Court to pay a fine of \$500.00, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than three years nor more than six years.

The applicant is twenty-three years of age; a native-born citizen of the United States; and a chauffeur and mechanic by occupation. At the time of his arrest he was employed as a drayman and resided in Sunbury.

John R. Ruch, an automobile sale man, cashed a check for the sum of \$28.00, upon which check the applicant had forged the name of another. He was only twenty-one years of age when he committed this crime.

The applicant has now served two years and four months of his term of imprisonment.

The trial Judge and the trial District Attorney have both filed letters with the Board which indicate a favorable attitude to the present application. The prosecutor in the case also recommends clemency in a letter filed. The Warden of the county prison has filed with the Board a letter in which he testified to the applicant's excellent prison record and recommends a pardon.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; because of the term of imprisonment already served; his good prison record; because of the recommendation of the prosecutor in the case and the favorable attitude of the trial Judge and the trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice

and in open sessions," recommend that a pardon be now granted to the said Clifford C. Keller.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, February Term, 1917, in the Court of Oyer and Terminer, in and for the County of Monroe, Jesse Repsher was convicted of murder in the second degree, and on February 21, 1917, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than fifteen years nor more than twenty years.

The applicant is sixty-one years of age, a native-born citizen of the United States, a laborer by occupation, and at the time of his arrest, was employed as such by Jerome Butts, of Monroe County, Pennsylvania. The applicant was a resident of Pocono Township, said County, is a widower, and has no children.

Charles Paul and the applicant were friends and lived under the same roof. Paul made his home with the Repsher family. Both men were well known and of good reputation. Their only fault was a fondness for strong drink.

On the night of December 2, 1916, Paul and the applicant went to Tannersville, Pennsylvania, to buy fish. Upon arriving at Tannersville, they first went to a hotel and drank liquor. They went to a store across the street and bought fish, tobacco, etc. They then returned to the hotel and drank more liquor. Before leaving the hotel, Paul bought a bottle of gin. On the way home they took several drinks. They arrived home about midnight. Early the next morning Paul arose and began to prepare breakfast for himself. A quarrel arose between him and the applicant over the fact that Paul spilled food on the carpet. During the quarrel Paul knocked the lamp off the table. Shortly after this occurrence the applicant left the house and visited two of his neighbors, when he returned, he first went to the barn. Shortly thereafter he went to the house, opened the door and saw that Paul was still there. What then happened is largely a matter of conjecture for the reason that no witnesses were present. At the trial the applicant claimed that when he opened the door to enter the house, Paul grabbed a shotgun and threatened to kill him; that he ran out and around the corner of the house, Paul pursuing him and shooting at him from the kitchen door. The applicant called to Paul to put the gun down. Again Paul threatened his life and took another shot at him. The applicant avers that he then saw Paul working at the shotgun to expel the shell. Knowing that the ejector in the gun was broken, the applicant rushed into the house, hoping to get the gun away from Paul before he had time to reload. They met in the kitchen; each grabbed the gun and struggled for its possession. In the struggle Paul lost his hold on the gun and went towards the outside kitchen door. The gun discharged almost immediately just as Paul was trying to catch himself on the side of the door. At the trial the plea of self defense was set up by the applicant.

The agreement of counsel as to the facts shows that the kitchen looked as if there had been a fight but no shells could be found. The Commonwealth contended that the killing of Paul was a wilful act on the part of the applicant because the former had teased him about his having been arrested on the charge of burning a haystack and also to remove him as a possible witness in the case. After the shooting the gun was found in the garden some distance from the house. The body was found in the door way and counsel agree that the discharge of the gun may have been of an accidental nature.

The applicant has now served twelve years and eleven months of his term of imprisonment.



There was filed with the Board a letter addressed to the present counsel of the applicant by President Judge Shull, who was counsel for the applicant at the trial, in which he states that in his judgment the applicant has been sufficiently punished and could very safely be paroled without in any way jeopardizing the good order of the community. He adds that under the Ludlow Act the applicant would have been paroled at the end of ten years' imprisonment. The trial District Attorney has also filed with the Board a letter in which because of the age of the applicant and his long term of imprisonment he recommends clemency. A number of letters from the Recorder of Deeds and others were filed with the Board recommending pardon.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant as to wilful murder; the long term of imprisonment already served; because of the favorable attitude of the President Judge and the recommendation of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Jesse Repshe

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 4, May Term, 1919, in the Court of Oyer and Terminer, in and for the County of Washington, Gust Calagas was convicted of voluntary manslaughter, and on May 26, 1919, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than eleven years, six months, nor more than twelve years.

The applicant is forty-three years of age; a native of Greece; unmarried; a baker by occupation and at the time of his arrest conducted a bake shop in Donora, Pennsylvania, with Peter Stoycoff and John Alexoff as partners.

On October 7, 1918, Peter Stoycoff, one of the applicant's partners, was found dead in his place of business with a fractured skull, the injuries to the head having been caused and inflicted by a pick handle, and the Coroner's jury recommended that the applicant be held to await the action of the Grand Jury on a charge of murder. The applicant was subsequently indicted and tried for the murder of his partner, but the jury found him guilty of voluntary manslaughter as before stated.

Inasmuch as it was shown that the applicant had purchased a pickax from a hardware dealer in Donora shortly before the murder, and because there had been controversies between the two men over business matters, the motive assigned for the deed was one of revenge.

There was filed with the Board an affidavit by one, Jack Kosta, a Greek, of Newell, Fayette County, in which he claims that a man, Jim Lazarus, did, in May, 1919, confess to him that he (Lazarus) killed Stoycoff, and not the applicant. There was also filed with the Board the affidavit of H. N. Manicy, attorney, giving a full and complete history of his trip to Europe to back up the Kosta affidavit, Kosta having gone abroad shortly after the commission of the crime in question.

The applicant has now served ten years and eight months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a petition of citizens who are well acquainted with the applicant, in which they certify to his good character, industry, peaceableness and sobriety. They ask

the Board to give weight to the affidavits filed in behalf of the applicant, tending to show that he is guiltless.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the long term of imprisonment already served; because of the affidavits filed in this case tending to show that another and not the applicant perpetrated this murder, and because of the petition of citizens who are well acquainted with the applicant and certify to his good character and peaceableness, we have concluded that he has been sufficiently punished and if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Gust Calagas.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 16, April Term, 1925, in the Court of Oyer and Terminer in and for the County of Montgomery, Nicholas De Sante was convicted of rape, and on March 1, 1929, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Eastern Penitentiary, for a term of not less than three years nor more than fifteen years, to compute from October 25, 1927.

The applicant is thirty-five years of age, a native of Italy but a naturalized citizen of the United States. He is by occupation a chauffeur and lived in Lower Merion Township, Montgomery County, for a period of seventeen years prior to his arrest. He was unmarried at the time of the alleged commission of the crime, but was married prior to his commitment to the Montgomery County Prison.

The applicant was convicted and sentenced for having committed rape on the person of one Elizabeth Sheridan, at about seven-thirty P. M., on March 7, 1925. The girl was employed as a servant and the applicant as chauffeur by the Ryan family. Shortly before this occurrence, she secured employment as a domestic with the Clothier family at Villa Nova. The Commonwealth maintained that the applicant went to the Clothier home and informed the girl that there was mail for her at the Ryan home and that if she would ride down with him, he would obtain the letters for her; that after he drove the car into the Ryan garage, he enticed her into his quarters on the ground floor of the garage, tied her on a cot with trunk straps and outraged her.

Nowhere does it appear that the girl had improper relations with him prior to the assault. The applicant contended that he was paying attentions to Miss Sheridan with a view of marrying her; that in the occurrence under consideration, she was the aggressor and that the offense committed was fornication and not rape. He further alleges that the girl told no one of the occurrence for several days, talked to him on the following day, accompanied him to church on the succeeding day, and on the third day told the priest who informed the brother of Miss Sheridan, who had the applicant arrested.

At the first trial the jury disagreed, but at the second trial conviction was secured. The applicant was arrested in Canada, where he had fled after the alleged assault.

The applicant has now served two years and three months of his term of imprisonment. He was never before charged with or convicted of crime.

Judge Corson, who was a defense counsel at the second trial, has filed with the Board a letter in which he states, "As I remember the testimony, it would have been perfectly possible for the jury to have brought in a verdict either way."

There was filed with the Board a numerously-signed petition of citizens in which they recommend clemency. They state that the applicant enjoyed an excellent reputation in the community for good order and chastity and that he had never been in trouble before.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the petition of citizens recommending clemency and the letter of Judge Corson, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Nicholas De Sante.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 324, 325, 987, 988, 989, October Sessions, 1922, and No. 396, January Sessions, 1922, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, James McKeon either was convicted, or pleaded guilty to six indictments charging him with larceny, robbery and operating an automobile without the consent of the owner, and on December 13, 1922, was sentenced in the aggregate to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than eight years nor more than ten years.

The applicant is twenty-eight years of age, a native-born citizen of the United States, and is by occupation an automobile mechanic. At the time of his arrest he resided in Philadelphia with his mother. He is unmarried.

In No. 324 the applicant pleaded guilty to the larceny of a Ford coupe, the property of Robert Wilson. In No. 325 he pleaded guilty to the charge of operating the above-mentioned automobile without the consent of the owner. In No. 987 the applicant was convicted of taking from the person of Henry B. Irey the sum of thirty-three hundred dollars. In 988 the applicant pleaded guilty to the larceny of a Ford sedan, the property of Albert Moyer. In No. 989 the applicant pleaded guilty to operating the above-mentioned automobile without the consent of the owner. In No. 396 the applicant pleaded guilty to the larceny of a Ford automobile, the property of William Bates.

The applicant has now served seven years and one month of his term of imprisonment. He was twenty-one years of age when sentenced.

There were filed with the Board the affidavits of the mother, brother and sister of the applicant, showing that the applicant could not have been guilty of robbery, as alleged, because at the time he was in their joint home, in bed, intoxicated, and the mother avers that the other offenses were committed while he was under the influence of liquor.

There were filed with the Board letters from Dr. McLaughlin, Resident Physician at Rockview, alleging that the applicant is afflicted with primary tuberculosis. Dr. Sheldon, Tioga County Medical Director, by request of the State Department of Health, made a physical examination of the applicant and finds that he is suffering from incipient tuberculosis, rapidly taking on an active stage. Dr. McCreary, Deputy Secretary of Health, advises the Board that the applicant is suffering from tuberculosis of the lungs and that in his present environment he will not improve, but that the progress of the disease may be checked under more favorable living conditions.

In consideration of all the circumstances of this case; the youth of the applicant when these crimes were committed; the term of imprisonment already served; and more particularly, because of the reports of the several physicians, who have examined the applicant and find him suffering from tuberculosis of the lungs which will probably not be arrested unless under improved living conditions, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open sessions," recommend that a pardon be now granted to the said James McKeon.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 45 and 46, March Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Blair, Forrest Van Loon Ryder, alias Henry Grotz, pleaded guilty to two charges of burglary and larceny, and on March 1, 1926, was sentenced in the aggregate to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than six years, nor more than twelve years.

Henry Stoltz, alias Henry Mobrey, was jointly indicted with the applicant and received a like sentence.

The applicant is a native-born citizen of the United States, thirty-two years of age and is unmarried. After his graduation from the Troy New York High School, he worked for a time building boats for his grandfather. He subsequently obtained a position in Springfield, Massachusetts, and afterwards went to New Orleans, Louisiana, and started a small business in re-built marine machinery. It was at this time that the applicant met Henry Stoltz, his co-defendant.

On or about January 15, 1926, the applicant and Stoltz left the city of New Orleans, with New York as their destination. On the way to the latter city, they stopped in the cities of Pittsburgh and Altoona. While in the latter city, the applicant became involved in the crimes for which he is now serving sentence. They went to the latter city expecting to find used machinery for sale. They registered at a hotel and afterwards found that the second-hand equipment for sale in Altoona was principally railroad equipment which was unserviceable for their intended project. While in Altoona, on the night of January 31, 1926, the applicant and Stoltz entered the Westfall Company Store through the skylight on the roof, opened the safe and took therefrom eighteen hundred dollars in cash. No explosive was used. The same night they entered the Irving King Store where they attempted to open a safe but were discovered and surrendered to the officers who had surrounded the building. They surrendered the cash taken from the Westfall Company Store.

The applicant has now served three years and ten months of his term of imprisonment. His co-defendant, Stoltz, was pardoned by this Board in November, 1929.

A number of letters were filed with the Board showing that the applicant possesses great skill in ship modeling, all of which indicates that if released, he would not become a charge on the community, but could readily support himself.

In consideration of all the circumstances of this case; the term of imprisonment already served; because of the fact that Stoltz, his co-defendant, equally guilty, who received a like sentence, was recently pardoned by this Board, we have concluded that the applicant has been sufficiently punished, and if now released he will prove himself a peaceable and law-abiding citizen.



We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Forrest Van Loon Ryder, alias Henry Grotz.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., January 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 362, September Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Luzerne, Kaiten Colack pleaded guilty to an indictment charging him with murder, the degree of which was adjudged by the Court to be murder in the second degree, and on November 14, 1922, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than twelve years nor more than twenty years.

The applicant is fifty-seven years of age; a native of Russian Poland but a naturalized citizen of the United States; a miner by occupation, but at the time of his arrest, he was employed as a casual laborer on a farm. He resided at Port Griffith, Luzerne County, with his wife and one son.

The applicant lived in domestic peace and harmony with his wife for a period of twenty-two years. They had one child twenty-one years of age when the murder was committed and his wife, the victim, was forty-five years old.

In the early part of 1922 his wife had purchased a still and had begun the illicit manufacture of alcoholic liquor to be consumed by herself and the applicant. For a period of five days and four nights immediately preceding the murder the applicant was continuously drunk. During this same period the wife was also drinking to excess. On July 18, 1922, the wife returned to her home intoxicated. The applicant was in a drunken stupor; a quarrel ensued. When he scolded her for neglect of household duties, she handed him a bread knife, saying that if he were not satisfied with her, he should run the knife into her. The atmosphere was tense, and the applicant, the knife in his hand, suffering from the effects of a five days' drunken debauch, ran the knife into his wife's stomach, disemboweling her. A neighbor and his son came upon the scene immediately after and the son foiled the applicant's attempt to commit suicide. In this attempt the son had his fingers almost bitten off by the applicant. During his thirteen years of residence in Port Griffith the applicant was known in the neighborhood as a quiet man. During his seven years' incarceration he has been a model prisoner.

The applicant has now served seven years and two months of his term of imprisonment. He was never before charged with or convicted of crime. The trial Judge has filed with the Board a letter in which, pursuant to his unbroken policy, he neither recommends nor opposes the present application.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served, we have concluded that he has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Kaiten Colack.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 365 and 366, April Term, 1928, and No. 135, September Term, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Allegheny, Jack Bernstein pleaded guilty to the charges of breaking and entering a building and carrying concealed deadly weapons, and on September 27, 1928, was sentenced by the Court in the aggregate to pay a fine of 13½ cents, costs, and to undergo imprisonment at the Western Penitentiary for a period not less than three years nor more than six years.

The applicant is twenty-four years of age and a native-born American citizen. His occupation was that of chauffeur. At the time of his arrest he lived at Aliquippa, Beaver County, with his parents.

On the night of February 17, 1928, the applicant was traveling on foot to Tarentum. He stopped at Glasmere and because of the cold weather he felt that alcohol in his body might stimulate him. He broke into a drug store at four o'clock in the morning for the sole purpose of securing whiskey. He failed in his object and was arrested. On his person there was found a revolver but he made no effort to use the weapon. In August, 1928, while in Emsworth with a companion, he again broke into a drug store for the sole purpose of obtaining whiskey. He was again apprehended. This latter offense took place while the applicant was on bond for the first offense. In neither of these cases did he steal or carry away any object.

The applicant has now served one year and five months of his term of imprisonment.

In consideration of all the circumstances of this case and the term of imprisonment already served, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and five months' imprisonment effective on February 27, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Jack Bernstein be commuted to one year and five months' imprisonment expiring on February 27, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 654, February Sessions, 1915, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Robert Jackson was convicted of murder in the first degree. A new trial having been granted by the Court, the applicant subsequently withdrew his former plea of not guilty and pleaded guilty, the degree of which was adjudged to be murder in the second degree, and on May 4, 1916, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than 15 years nor more than 16 years, sentence to compute from February 4, 1916.

The applicant is 37 years of age, a native-born citizen of the United States, colored and unmarried. He was not working at the time of his arrest and resided in the city of Philadelphia.

Samuel Cain, an aged, colored pensioner of the United States Government, resided with his widowed daughter, Theresa Clark, and her two children, at 911 South 19th Street, Philadelphia. On the night of February 4, 1915, Thomas Smith, colored, who formerly lived in the house, in company with the applicant, called to see Mrs. Clark. Smith and the latter talked for some time, discussing the failure on the part of Cain to pay his daughter any portion of his quarterly pension money, to-wit, \$90.00. The callers remained about fifteen minutes and Smith promised to come again when he was in the neighborhood. The next morning Mrs. Clark was ironing. About 9 o'clock the two men came again and Smith said: "I suppose you are surprised to see me." Mrs. Clark assented and Smith said: "will you let my pal use the toilet?" Mrs. Clark permitted the applicant to go upstairs and he returned at once saying that someone was in the toilet. Smith then sent the applicant for beer, which they drank, and both left shortly thereafter. Later, as Mrs. Clark was going down the street on her way to work, she saw the two men coming up the street, but they disappeared into an alley. At 11:25 o'clock on the same morning, she was called on the telephone at her place of employment and told that her father was dead or dying. She went home at once and found him dead.

Mrs. Clark's two daughters, aged 10 and 12 years, respectively, started to school on the morning of the murder and being late they decided not to go in. They returned to their home and hearing voices upstairs were frightened, because they thought their mother was still in the house and would punish them for being late at school. One of the little girls tiptoed to the second floor and looked into the room occupied by her grandfather. She saw a man wearing a dark handkerchief on his face ransacking the chiffonier. She hurried downstairs, told her sister and together they went to a neighbor and told what they had seen. They were advised to telephone to the police which they did. Sergeant Deaver was sent to the house. The little girls had seen the applicant run out of the front door and then down the street. He wore a dark coat, a red sweater, and had a dark handkerchief around his neck. The girls had met Smith, and told him there was a burglar in the house and he went in the back way through to the front coming out of the house right after the applicant had left, saying that he didn't see any robber.

The applicant signed a written confession, giving the details of the crime. He said that they went to the house for the purpose of getting the pension money. Cain was asleep, but awakened when they entered the room. Smith pulled out a knife and said: "tell me where your money is," Cain replied: "you can't scare me." Smith told the applicant to take hold of the deceased and he put his hand over his mouth and when his hand slipped off Cain's mouth, the latter holloed: "murder murder." In an effort to get his hand again over Cain's mouth, Cain almost bit his finger off. Smith tied Cain's feet and hands and put a pillow over his head. They were finally frightened off by the sound of footsteps. They did not obtain the money. The evidence at the trial showed that when the police officers came they saw Cain lying on the bed dead, bleeding at the mouth and nose. Dr. Bayton stated that he found no marks of violence on the body but that he saw blood ooze from the mouth and nose and that there was also froth. Dr. Wadsworth testified that he found certain marks about the mouth of the deceased and evidence of asphyxia and two of the lower front teeth had been recently knocked out. He also found cuts about the mouth.

Smith was first arrested and pleaded guilty and received the same sentence as the applicant who was subsequently arrested.

The applicant has now served fourteen years of his term of imprisonment. He was never before charged with, or convicted of crime.

There was filed with the Board a letter from J. A. Jackson, State Librarian of West Virginia, a cousin of the applicant, in which he offers the latter a position if he is liberated. There were filed with the Board letters from the United States District Judge, Secretary of State, President of the Supreme Court of Appeals, two Associate Judges and the Clerk of the Supreme Court, all of West Virginia, certifying to the high character and responsibility of the State Librarian. A sister, who is secretary of the Building Owners Repairs Association, in New York City, has also offered applicant a home and employment, if released.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprison-

ment already served; because employment has been offered him, if released, by the State Librarian of West Virginia; we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court, should be commuted to fourteen years imprisonment, effective on February 4, 1930.

We, therefore, "after hearing, upon due public notice and in open session," recommend that the minimum sentence heretofore imposed on the said Robert Jackson, be commuted to fourteen years' imprisonment, expiring on February 4, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, January Sessions, 1923, in the Court of Oyer and Terminer, in and for the County of Susquehanna, Elmer Hicks, alias Elmer Washburn, was convicted of murder in the second degree, and, "in consideration of his age and mental condition," was recommended to the mercy of the Court, and, on July 2, 1923, he was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seventeen years and not more than nineteen years.

The applicant is now twenty years of age. He is a native-born citizen of the United States. At the time of his conviction he had no trade or occupation, but is a journeyman tailor and expert musician. His father and mother separated many years ago, and he was given to his foster mother, Mrs. Ella Washburn, at about the age of two and one-half years, and resided with her continuously from that time until he was arrested on the present charge.

On October 30, 1922, Cyrus Payne, a man approximately eighty years of age, was found dead in the farm house occupied by him, in Susquehanna County, within short distance of the home of the applicant. Preliminary investigation directed suspicion towards the applicant, who was then under fourteen years of age and upon interrogation the applicant confessed the crime, and was tried, convicted, and sentenced, as before stated.

When this crime was committed the applicant was not yet fourteen years of age and had only attained the fourth grade in school because of the condition of his health, his highly nervous state, and the fact that his attendance at school was interrupted for long periods, and his inaptitude for any mental progress due to his subnormal mental condition.

The applicant has now served six years and seven months of his term of imprisonment. He was never before charged or convicted of crime.

By direction of the Board, Dr. William C. Sandy, Director, Bureau of Mental Health, in the Department of Welfare, on January 2, 1930, made a mental examination of the applicant. He reports the applicant's physical condition as very good. He concludes, "From the examination and reports of those who have had him under observation, the prisoner is of normal intelligence and there is no evidence of mental disease. He has profited to an unusual degree by the opportunities afforded him at the prison, becoming proficient in school, music, and various forms of work; his behavior has been exemplary, and he appears to be a very favorable case for return to the community if he has some supervision. In fact, for his own good he should, if possible, be removed soon from the prison associations. In view of the desirability for further supervision (but at the same time removal from the prison atmosphere) it is suggested that his minimum sentence be commuted sufficiently to make it possible for the



parole board of the prison to parole him, and thus keep him under supervision, returning him for further observation if this were deemed necessary. This would also afford an opportunity of helping the young man to find other work or make other arrangements if the plan under which he is paroled does not prove to be satisfactory. For these reasons, it is suggested that parole would be better than pardon in this case." There were also filed with the Board several letters recommending clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; the extreme youth of the applicant when the crime was committed; because of the letters on file recommending clemency, and more particularly because of the recommendation of Dr. Sandy that the applicant be paroled so that he may continue to be under supervision, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to six years and seven months imprisonment, effective on February 2, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Elmer Hicks, alias Elmer Washburn, be commuted to six years and seven months imprisonment, expiring on February 4, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 73, December Sessions, 1927, in the Court of Oyer and Terminer, in and for the County of Greene, Alva Tennant was convicted of felonious arson, and on December 10, 1927, was sentenced to pay a fine of six and one-fourth cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three and a half years nor more than seven years.

The applicant is a native-born citizen of the United States, thirty-eight years of age. He is by occupation a tin mill worker, but for the past few years has lived on a small, ten-acre farm near Waynesburg, Greene County, with his family consisting of a wife and nine children ranging in age from seven months to fifteen years.

On Sunday afternoon, October 16, 1927, the applicant accompanied by his nephew, Guy Tennant, and his two sons, aged eight and ten years, respectively went to the farm of Mary White, a distance of three or four miles from his home, in a Ford truck, for the purpose of getting certain household articles left there about 3:00 P. M. and found that the house had been broken into and damaged considerably. In a short time they returned to their home where the applicant remained until his arrest on the following morning. While at the Mary White house, seeing its condition, he tried to call on the telephone, the owner's mother, Mrs. Charles White, but was unable to get her. On his return to his own home, he passed on the highway, Mrs. Charles White and party in an automobile, a short distance from the house, which the applicant was charged with having burned. When Mrs. White and party reached the house, they alleged that a bucket containing rags was setting on the hearth stone with an old lounge thrown over it from which smoke was arising. At the trial the applicant and his nephew denied there was any fire about the premises or that any attempt was made to burn the house, and they declared that as soon as they secured the articles they went for, they returned home. The White house

is located directly on a public highway in full view of passers-by. The applicant had slight acquaintance with the owner of the property and at the trial no malice or incentive to set fire to the house was shown.

The applicant has now served two years and two months of his term of imprisonment; his prior record is good with the exception of a sentence to eight months in the workhouse for larceny. The applicant's family requires his support. The little farm on which they reside consisting of ten acres is subject to a mortgage, the title is in the wife's name, and they are unable to obtain any assistance from the county.

The trial Judge has filed with the Board a letter in which he states the applicant's wife is a deserving woman and that if the applicant is released, he can go to work and save the home which is mortgaged and support his family which is in destitute circumstances. He adds: "If his conduct and record at Rockview are satisfactory and there is nothing against him, I would recommend that he be pardoned."

There were filed with the Board, several other letters from citizens of Greene County recommending clemency.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; the term of imprisonment already served; his prior good record, with a single exception; and in consideration of the fact that his wife and family are in destitute circumstances and require support; and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and two months' imprisonment, effective on February 10, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Alva Tennant, be commuted to two years and two months' imprisonment expiring on February 10, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 510, March Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Giuseppe Travaglini, alias Giuseppe Trevaline, pleaded guilty to an indictment charging him with murder, the degree of which was subsequently adjudged to be second degree, and on December 1, 1922, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years, nor more than twelve years.

The applicant is fifty-three years of age; a native of Italy but a naturalized citizen of the United States. At the time of his arrest he was employed as a laborer by Doyle & Company, a contracting firm in the city of Philadelphia, and resided in that city with his wife.

On the evening of February 14, 1922, the applicant had returned from work and was sitting in the kitchen talking to his wife who was preparing supper, when the door bell rang. Upon answering the ring, your applicant found one, John Montefesco, a neighbor residing across the street, with whom he was on pleasant, neighborly terms. Montefesco was invited into the house. He was under the influence of intoxicating liquor. He stated to the applicant he was out of work and asked the latter if he could not obtain for him a job. The applicant stated that there was not much work where he was employed, whereupon Montefesco became abusive. The applicant tried to pacify him

and offered him a glass of wine. He then became quiet and remained so until the applicant's wife handed the applicant a letter to read to her, which contained the announcement that her mother had died in Italy, whereupon the applicant's wife began to weep loudly which apparently disturbed Montefesco, who aroused himself and began to curse the applicant's wife and deceased mother. On being asked to leave, the visitor without any provocation drew a knife and attacked the applicant's wife. The applicant interfered, intercepted the blow, received a gash on his arm and then forced Montefesco out of the house. Later Montefesco returned to the house armed and demanded admittance. Upon refusal he commenced to break down the door and the applicant in fear went to the second floor, obtained a revolver which he kept for self-defense and after trying to frighten Montefesco from the door and seeing that he was actively engaged in breaking his way in, the applicant discharged the gun at Montefesco, with fatal results.

The applicant has now served almost seven years and three months of his term of imprisonment. He was never before charged with or convicted of crime. His wife, who is over sixty years of age, is almost blind and until recently supported herself largely by doing washing, but is now unable to do manual work owing to the fact that she is a constant sufferer from rheumatism.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the need which his aged, afflicted wife has of his support, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to seven years and three months imprisonment, effective on March 1, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Guiseppi Travaglini, alias Guiseppi Trevaline, be commuted to seven years and three months' imprisonment, expiring on March 1, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 78 and 79, December Sessions, 1923, in the Court of Quarter Sessions of the Peace, in and for the County of Clearfield. Howard Ardery pleaded guilty to the charges of felonious entry, larceny, and receiving stolen goods, and at No. 33, December Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Centre, he pleaded guilty to the charge of breaking and escaping from the penitentiary, and on June 11, 1924, was sentenced at Nos. 78 and 79, to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two years nor more than four years, and on November 22, 1927, at No. 33, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two years nor more than four years; sentence to compute from the completion of the sentence from Clearfield County.

The applicant is a native-born citizen of the United States, twenty-nine years of age. He is by occupation a clay-worker and at the time of his arrest, he was so employed by the Harbison-Walker Refractories Company, in Clearfield, and resided in Clearfield with his wife and two daughters, aged eight years and thirty months respectively.

The applicant bears an honorable discharge as a veteran of the World War. Prior to his war service, he had an excellent reputation in the community, but after his return from service there was a change in the applicant's conduct and outlook upon life. He consorted with men who engaged in breaking into stores and warehouses. The heads of these gangs were foreigners who picked out young men for their criminal purposes and used them not only to assist in the commission of the crimes, but also as a shield in the event of trouble. The applicant was very young when discharged from war service and he became a victim to the designs of a gang known as the "Greek gang." The crimes which he committed were under the direction and influence of this gang. He pleaded guilty to all the charges brought against him in Clearfield County Four months after his sentence by the Clearfield County Court, to wit: on October 13, 1924, he escaped from Rockview Penitentiary and voluntarily returned some time during the following month.

The applicant has now served in the penitentiary from June 11, 1924, until the time that he escaped, to wit: on October 13, 1924, a period of four months and two days. He has served two years and about three months since his voluntary return to the penitentiary, making a total of two years and seven months. The applicant's prior record is good with one exception. He was convicted and sentenced for the non-support of his wife, but later they were reunited and lived together.

Many letters from citizens of Clearfield County were filed with the Board recommending clemency. The trial Judge and trial District Attorney in Clearfield County, in letters filed with the Board, recommend a pardon. The resident physician of the Rockview Penitentiary, for whom the applicant served as clerk and X-ray technician, has filed with the Board a letter recommending pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant, with a single exception; the term of imprisonment already served; his good prison record; because of his family requires support; because of the many letters filed recommending clemency, particularly the letters of the trial Judge, trial District Attorney, and resident physician of the penitentiary, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Howard Ardery.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa.

..February, 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 100, November Sessions, 1924, in the Court of Oyer and Terminer, in and for the County of Allegheny, Robert L. Henderson was convicted of murder in the first degree with a recommendation to the mercy of the Court. A new trial having been granted, the applicant pleaded guilty to murder in the second degree and, on May 7, 1926, was sentenced to pay a fine of six and one-quarter cents, and to undergo imprisonment in the Western Penitentiary for a period of not less than ten years nor more than twenty years. A nol pros was entered at No. 101, same term, charging involuntary manslaughter.

The applicant is fifty-three years of age and native of the State of Mississippi. He resided in the city of Pittsburgh for the past eighteen years. He is a structural iron worker by occupation but for some time past had been engaged in the butchering



business, and as proprietor of a pool room in the city of Pittsburgh, and was so employed when convicted. He resided in the city of Pittsburgh with his wife and has a mother eighty-one years of age and three sisters residing in the state of Mississippi.

On October 21, 1924, at about 5:00 P. M. the applicant and one, Harry J. Schlessman, met in a saloon on the North Side, city of Pittsburgh. The latter was eighteen years younger and a larger, stronger man. A number of other persons were present. There had been bad feeling between these men both having been engaged in the butchering business. Schlessman became abusive toward the applicant, called him vile names, and threatened him. The applicant sought to avoid trouble but Schlessman refused to be quieted and continued his aggressive attitude towards the applicant. The latter endeavored to withdraw from the premises and proceeded to the Izora Street entrance, but finding that Schlessman had gone around to Izora Street the applicant returned to the premises, entered the toilet and closed the door. After a short retirement, believing that everything had quieted down, he emerged from the toilet, intending to depart by the Izora Street entrance, but was observed by Schlessman, who again became the aggressor and followed the applicant, threatening him. The applicant with gun in hand sought to hold off Schlessman, all the while threatening him. Schlessman grabbed his hand after striking him on the head, and in the encounter the applicant's gun was discharged, resulting in the death of Schlessman. The following day the applicant surrendered himself to the city authorities. Against his earnest protest he was persuaded to enter a plea of guilty to murder in the second degree, although he claimed that he was not guilty of the crime.

The applicant has now served three years and nine months of his term of imprisonment. Prior to his sentence of May 7, 1926, the applicant had been in jail awaiting trial pending a motion for a new trial and new sentence since October 21, 1924. He has, therefore, been incarcerated five years and four months. He was never before charged with or convicted of crime.

A great many letters were filed with the Board recommending clemency, including letters from E. V. Babcock, former mayor and present County Commissioner, former Congressman Morin, Register of Wills Mackrell, and other prominent citizens of Pittsburgh. The Governor of Mississippi, the applicant's native state, and the two United States Senators from the same state have also interested themselves in behalf of the applicant's pardon.

The trial District Attorney has filed with the Board a letter in which, after reviewing the circumstances of the murder, he states that the case was tried upon the theory that the applicant after the first altercation had left the saloon and gone to his home to procure a revolver and returned indicating that the murder was premeditated and the jury at the first trial evidently agreed with this theory and found him guilty of murder in the first degree. On the other hand the applicant has always claimed that he did not leave the saloon and that he had his revolver with him at all times during the altercation. The letter continues: "I desire to say that there is considerable doubt in my mind as to whether or not the Commonwealth's theory was correct, and there is considerable evidence to support Henderson's story that he did not leave the building at any time. While he was sentenced on May 7, 1926, he had been incarcerated in jail awaiting trial and also pending the motion for a new trial and resentence since October 21, 1924. Henderson had been a resident of Pittsburgh for many years and prior to this time had never been in trouble."

To account for the applicant's possession of the revolver at the time of the murder, two affidavits were filed, one by Stella Henderson, his wife, in which she avers that the applicant had carried a revolver for more than a year before the murder for the purpose of protection during automobile rides and in the home. William Brose, in an affidavit filed, avers that the applicant, one week before the murder, at a party in his house, told him that he carried a gun in his car for self-protection but on the suggestion of Brose that the gun might be stolen from the car, he brought the gun into the house and gave it to Brose who kept it in his possession until the afternoon of the day of the murder when he suggested to the applicant that he had not taken away the gun. The applicant's family is in destitute circumstances.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the many letters filed with the Board recommending clemency from prominent citizens of Pittsburgh and elsewhere; because of the applicant's family which is in destitute circumstances and requires support; and more particularly because of the favorable attitude of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released will prove himself a law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Robert L. Henderson.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBEERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 43, 45, 46, 48 and 49, February Sessions, 1922, in the Court of Oyer and Terminer in and for the County of Cumberland, Ernest T. Bobbitt pleaded guilty to five indictments charging him with robbery and felonious assault, and on February 10, 1922, was sentenced by the Court in the aggregate to pay a fine of \$4,000, costs, and to undergo imprisonment in Eastern Penitentiary for a period not less than sixteen years and four months and not more than nineteen years and eight months.

The applicant is thirty-one years of age; a native-born American citizen; a chauffeur by occupation, but he was not employed at the time of his arrest. At that time he was married, but his wife has since obtained a divorce. His proper place of residence is at Belmont, La., with his parents and married sister.

The applicant with one, Lee Miller (who was made a co-defendant, and received the same sentence), held up a trolley car of the Valley Railways Company, in South Middleton Township, Cumberland County, on January 19, 1922. On the car were four persons, including the crew. Both Miller and the applicant were armed. Personal property and currency to the amount of \$166.66 were stolen and Eicholtz (one of the occupants of the car) was shot. The arm by a bullet from a revolver that reflected from the car door. Out of this holdup arose a series of charges. The men were both charged with robbery of each of the car's four occupants and there was an additional charge of felonious assault for the wounding of Eicholtz. The applicant's co-defendant, Lee Miller, was pardoned by the Board on March 20, 1928.

The applicant has now served eight years of his term of imprisonment. He was never before charged with or convicted of crime. In November, 1928, the applicant presented a petition for pardon. The trial District Attorney and the present District Attorney appeared in person to oppose the same. Before the hearing they agreed to withdraw all opposition, provided the applicant would withdraw his application and not renew it until after he had served eight years of his sentence. The request was granted and the application was withdrawn. Employment has been offered the applicant, if released, by the sales manager of the Braddock Cork Company, Brooklyn, N. Y., as shown by a letter on file. The applicant enlisted in the World War when sixteen years of age, served overseas, and bears an honorable discharge.

There was filed with the Board a letter from the trial District Attorney addressed to Dr. Bowman, moral instructor in the penitentiary, in which he states that he is authorized by the trial Judge to declare for him that the latter makes no objections to a pardon. He adds: "The trolley car company will likewise interpose no objection, so I can see no reason

why Bobbitt should not have a clear case for consideration by the Board of Pardons."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because his co-defendant Miller was pardoned by this Board almost two years ago; because employment has been offered him if released; because of the favorable attitude of the trial District Attorney and trial Judge, as shown by a letter filed with the Board, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Ernest T. Bobbitt.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 32 and 33, December Sessions, 1928, in the Court of Quarter Sessions of the Peace in and for the County of Cumberland, George Granville Wren, pleaded nolo contendere to the following charges: Operating a motor vehicle while intoxicated, illegal possession of intoxicating liquor, assault with intent to commit rape, assault and battery, and assault, and on December 8, 1928, was sentenced in the aggregate to pay a fine of \$100.00, costs, and to undergo imprisonment in the Cumberland County jail for a period of not less than two years nor more than four years.

The applicant is a native-born citizen of the United States, unmarried, and at the time of his arrest he was manager of the classified advertising department of The Patriot and The Evening News, Harrisburg, and resided in that city with his parents. He is thirty-three years of age.

The circumstances of the case as set forth in the application for pardon are as follows:

In September, 1928, Gladys Malick who resided in the Bricker Apartment Building, South Market Square, Harrisburg, invited the applicant to attend a party. About 8:30 P. M. on the day designated the applicant went to the Malick Apartment and found with Miss Malick a man and woman. The two latter were strangers to the applicant. Soon thereafter another man came into the apartment with a package which he stated contained several pints of excellent liquor. Shortly thereafter Florence Goodall appeared. The applicant then met her for the first time. After a little while there were served glasses filled with whiskey. All drank except Miss Malick; all continued drinking, and by 10.00 o'clock all but the hostess were intoxicated. Miss Goodall became ill. About 10:30 o'clock she and the applicant left the apartment, the former stating that she had better start home. When they reached the applicant's car he helped her in and took the wheel. She said that she was sick and could not go home in that condition so they decided to take a short ride in order that she might sober up. When they reached the west end of the Market Street bridge, which is within sight of the Goodall home, to-wit: the Beach Front Hotel, Worleysburg, they turned west and passed through Lemoyne and Camp Hill and took the Trindle Road towards Mechanicsburg. Miss Goodall continued ill and vomited over the side of the car and on the running board. Finally when they reached the cemetery attached to St. John's Church on the Trindle Road, north of Shiremanstown, the applicant concluded that Miss Goodall was able to return home and pulled the car to the side of the road in order to turn around. Miss Goodall screamed and jumped from the car. As she jumped she fell headforemost

on the ground. The applicant jumped out after her and tried to pick her up and when he did so she screamed again. The applicant put his hand over her mouth; she got his thumb in her mouth and bit it and continued to scream. The applicant tried to lift her into the car but she fought him. In the meanwhile several cars passed. The applicant was frightened. He was unable to hoist Miss Goodall into the car. Finally, he left Miss Goodall on the roadside, jumped into his car and drove to Mechanicsburg, and beyond, and was arrested at the outskirts of Carlisle and taken to the Carlisle Police Station, and then to a physician for examination as to his condition. The physician pronounced him capable of driving his car. In the meanwhile a police officer from Mechanicsburg telephoned the police station to have the applicant detained and when the officer arrived the applicant was taken back to Mechanicsburg and examined by a second physician who pronounced him intoxicated. He was then taken to jail and first charged with operating a motor car while intoxicated. Subsequently the charges of illegal possession and assault and battery with intent to commit rape were added. The applicant has never denied that he was intoxicated on the occasion referred to but denies the act and intent to commit rape. He entered a plea of nolo contendere upon the advice of counsel believing that under that plea he would be paroled at the end of three months.

The applicant has now served one year and two months of his term of imprisonment. His prior record is good with a single exception. About five years ago he settled a fornication and bastardy case out of Court.

There was filed with the Board a letter from the Sheriff of Cumberland County and the Warden of the prison certifying to the applicant's excellent prison record. He has been employed by the County on road work without an armed guard and has not abused the trust reposed in him. Albert H. Goodall, the father of the girl and the prosecutor in the case, has filed with the Board a letter in which he states that the applicant has been severely punished and recommends a pardon. A number of letters were filed with the Board from prominent citizens of Cumberland County recommending clemency.

In consideration of all of the circumstances of this case; the grave doubt as to the guilt of the applicant on the charge of attempting to ravish; the prior good record of the applicant, with a single exception; the term of imprisonment already served; because of his excellent prison record and the letters of recommendation from prominent citizens of Cumberland County including the Sheriff, and the recommendation of the prosecutor of the case, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said George Granville Wren.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 219, September Sessions, 1927, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Amedeo Cardone, alias Frank Donnelly, was convicted of assault, being armed with an offensive weapon, and on June 21, 1928, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two and one-half years nor more than five years.

The applicant is a native-born citizen of the United States, thirty-two years of age and unmarried. His occupation was that of printer but he was not so employed at the time of his arrest. His residence is with his mother in New York City.



About 6:00 P. M., on August 8, 1927, the applicant entered a restaurant conducted by one, Dispagno, at 760 South Ninth Street, Philadelphia, and went back to the kitchen where the proprietor's son, Ralph Dispagno, was working. The applicant, known as a former customer, asked him for money. Dispagno directed the waiter to give the applicant \$10.00. Before any money had changed hands, Dispagno testified at the trial that he noticed an automobile directly in front of the restaurant with the motor running and he and the waiter ran out. Shortly thereafter, they heard two shots. Within five minutes the police arrived and found the applicant on the second floor with a revolver in his hand. They arrested him and brought the prisoner, the revolver and the automobile to the station house. The Commonwealth was unable to show that at any time the applicant displayed a revolver to Dispagno or the waiter. The applicant was indicted for the larceny of the automobile, operating an automobile without the consent of the owner, entering with intent to steal and carrying concealed deadly weapons. At the trial, by direction of the Court, the applicant was acquitted on the two indictments relative to the automobile, but convicted on the bills charging him with entering to steal, and carrying concealed deadly weapons. The applicant was sentenced as above stated, the sentence to run concurrent with a prior conviction on which he was then serving the unexpired portion of a maximum sentence. The latter sentence has been fully served and the only charge for which the applicant is being confined is that on which clemency is now sought.

The applicant has now served one year and eight months of his term of imprisonment. The present application is based solely on his physical condition. He is a victim of progressive tuberculosis and if released he will be sent to the White Haven Sanitarium. The cost of his maintenance at the latter institution has been provided by free-will offering of the inmates of the Penitentiary. The collection was made with the consent and approval of the Warden, and the money will be forwarded to the Treasury of the White Haven Sanitarium when the applicant is released and sent thither.

There was filed with the Board the letter of the Chief Resident Physician of the Eastern Penitentiary, which states that applicant has advanced tuberculosis of the lungs; that there has been progressive loss of weight and that the applicant is confined in bed in the observation ward at the present time, to wit: February 1, 1930.

In consideration of all the circumstances of this case; the term of imprisonment already served and particularly because of the report of the Chief Resident Physician of the Eastern Penitentiary showing that the applicant has advanced tuberculosis of the lungs, we have concluded that he has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Amedeo Cardone, alias Frank Donnelly.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 420 and 421, September Sessions, 1923, in the Court of Oyer and Terminer in and for the County of Philadelphia, Edward Hale, alias Emory W. Sadler, was convicted of being armed with offensive weapons with intent to rob, and on October 8, 1923, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seven years nor more than fourteen years.

The applicant is a native-born citizen of the United States, thirty-two years of age, and a salesman by occupation. At the time of his arrest he resided in the city of Philadelphia with a

wife and one child, but his wife has since divorced him because of his conviction of crime. He has an honorable discharge from the United States Marine Corps.

On September 9, 1923, at about 8:30 P. M., the applicant met on the street George Connors, a former comrade. After talking together for an hour or more the two started in a taxi for West Philadelphia, the applicant to collect money due him and Connors on another errand. At 49th Street and Haverford Avenue the applicant left the taxi and entered a small store on the corner to ask directions for reaching the 5900 block of Overbrook Avenue, and on returning to the taxi directed the driver to continue out Haverford Avenue to 63rd Street. On entering the taxi Connors told the applicant that he had recognized the driver as the person who had taken \$25.00 from him some time previously, and was going to stop him and question him concerning the incident. At 50th Street and Haverford Avenue Connors suddenly directed the driver to turn down 50th Street and when the driver had turned down the street Connors stood up and ordered the driver to stop. The applicant then for the first time noticed that Connors had a revolver in his hand. He had no prior knowledge of his possession of any offensive weapon. Connors then ordered the driver to descend from the taxi and the applicant followed and was asked by Connors if he could drive the cab, and upon answering in the affirmative was told by Connors to drive it. The applicant drove the cab a short distance. On leaving the cab the applicant overheard the driver say to Connors that the watch belonged to the driver's father. The applicant after his return to the cab asked, "what watch", and was told by Connors that he had found a watch on the bottom of the cab which the driver claimed as his property. No mention was made at this time of money, and the applicant had no knowledge of any money having been taken until arrested about an hour later when the money and watch were found on Connors by the police together with the revolver and a blackjack. The applicant had no weapon. No force or violence was used on the taxi driver other than the brandishing of the revolver. None of the property claimed by the taxi driver was found on the applicant when arrested about an hour after the ride.

The applicant has now served six years and four months of his term of imprisonment. He was never before convicted of crime.

There was filed with the Board the affidavit of the taxi-cab driver who was the prosecutor in the case in which he states that he does not believe that the applicant was a participant in the affair by any pre-arrangement; that Connors was the only one guilty of the hold-up; that the revolver, watch and money belonging to the affiant were on Connors' person at the time of the arrest. He recommends clemency. There were also filed with the Board letters from certain high officials of the Penitentiary including the Deputy Warden and Secretary of the Board, in which they recommend clemency, and the trial Judge has also filed with the Board a letter in which he recommends that the applicant, a first offender, be pardoned. The District Attorney's office actively opposed a former application for pardon, but at the oral hearing of the present application a representative of the District Attorney present did not oppose the present application. Employment has been offered him, if released, by letter filed.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of his excellent prison record; because of the number of letters filed with the Board recommending clemency, and the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Edward Hale, alias Emory W. Sadler.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, December Term, 1928, in the Court of Oyer and Terminer in and for the County of Somerset, Stella Bassinger and Ben Bassinger were jointly convicted of breaking and entering, and setting fire to a building to defraud an insurance company, and on February 25, 1929, were each sentenced to pay a fine of six cents, costs, and to undergo imprisonment in Western Penitentiary for a term of not less than two years and not more than four years. Sentence was imposed on the third count of the indictment and suspended on the first and second counts.

Stella Bassinger, one of the applicants, is twenty-six years of age, and Ben Bassinger, the other applicant, is thirty-five years of age. Both are native-born American citizens. The occupation of Ben Bassinger, applicant, at the time of his arrest, was that of laborer. The applicants are husband and wife.

On July 2 and 3, 1928, the applicants moved their household goods from Scottdale, Westmoreland County, to a dwelling house near Bakersville, Somerset County, belonging to the estate of Cyrus Pyle, deceased, which they claimed to have rented from Elmer Pyle, the administrator. On July 6, 1928, Stella Bassinger, applicant, accompanied by Eva Howard, her sister, who was indicted for the same offenses, left their homes in Westmoreland County and came to Somerset, where Stella Bassinger, applicant, effected \$1,500.00, fire insurance on her household goods which had been removed to the Pyle house. She was indebted to Eva Howard in the sum of \$1,000.00. On the night of July 7, 1928, the house to which the goods had been removed was totally destroyed by fire. On the day and night of July 7, it was shown at the trial, that both Stella Bassinger and Ben Bassinger, applicants, and Eva Howard, were at the home of the latter in Mt. Pleasant Township, Washington County, fourteen miles distant, with two mountain ranges intervening. They were convicted entirely on circumstantial evidence. A potent factor in securing their conviction was testimony showing that the applicants had obtained an old piano-harp from one Robert Peiffer shortly before the fire. A piano-harp was found in the ruins of the Pyle fire, but it was of an entirely different type from that which it was alleged had been purchased from Peiffer.

The prosecutor has filed with the Board a letter in which he recommends a pardon.

There was also filed with the Board the affidavit of Harry Lisbon in which he avers that Mary Lisbon, his wife, now deceased, told him before she died that on the night of July 7, 1928, she left a lamp fall while she was looking for some goods which she believed had been taken by Ben Bassinger, applicant, and as a result of this accident which caused the fire, the house was destroyed. She averred that she and neither the Bassingers nor Eva Howard set the house on fire. There was also filed with the Board the affidavit of Lavina Howard, who avers that in January, 1929, she visited said Mary Lisbon, now deceased, wife of Harry Lisbon, and that Mary Lisbon told her that she had accidentally burned the Elmer Pyle house on the night of July 7, 1928; that she was in the house looking for goods which she blamed the Bassingers with having taken, and that when she came down the stairs the lamp fell from her hand and exploded, which set the house on fire. This was the house that the Bassingers had rented from Pyle. Mrs. Lisbon made affidavit promise never to tell anyone while she lived as they might arrest her. There was also filed with the Board the affidavit of Robert Peiffer, in which he avers that he never sold to or allowed Ben Bassinger and Stella Bassinger, the applicants and Eva Howard, to take any of his property, including a piano-harp that the piano harp which he owned was not of the type of the one found in the ruins of the Pyle fire.

There was filed with the Board a letter from the trial District Attorney in which he reviews the causes against the applicants and Eva Howard. He states that the defendants were convicted on purely circumstantial evidence, and that if, as alleged, they have an affidavit to the effect that the piano-harp found in the ruins of the Pyle fire was of a different type to the one which the Commonwealth alleged had been destroyed in the fire, "it would raise a serious doubt that the

defendants obtained and placed in the Pyle property a wrecked piano to make a false show of property."

The applicants have now served one year of their respective terms of imprisonment. Neither of them was ever before charged with or convicted of crime.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicants; their prior good record; the terms of imprisonment already served; because of the recommendation of the prosecutor in the case and because of the letter of the trial District Attorney and the affidavits filed showing that the applicants had no agency in causing the fire and that the piano-harp found in the ruins was not of the same type as the one which the Commonwealth showed they possessed prior to the fire, we have concluded that the applicants have been sufficiently punished and that if now released they will prove themselves peaceable, law-abiding citizens.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Stella Bassinger and Ben Bassinger.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa.

February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2 December Term 1928, in the Court of Oyer and Terminer, in and for the County of Somerset, Eva Howard was convicted of breaking and entering and setting fire to a building to defraud an insurance company, and on February 25, 1929, was sentenced by the Court to pay a fine of six cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years, nor more than four years. Sentence was imposed on the charge of arson and suspended on the charge of breaking and entering.

The applicant is thirty-five years of age, and a native-born citizen of the United States. At the time of the arrest she resided in Mt. Pleasant Township, Westmoreland County, together with her husband, Thomas Howard, and two children who are minors.

On July 2 and 3, 1928, Ben and Stella Bassinger, (the latter a sister of the applicant) moved their household goods from Scottdale, Westmoreland County, to a dwelling house in Jefferson Township, Somerset County, belonging to the Estate of Cyrus Pyle, which the Bassingers claimed that they had rented from Elmer Pyle, the administrator. The applicant participated in the moving on the third of July. Three days later, the applicant accompanied her sister, Stella Bassinger, to Somerset, where the latter effected \$1500.00 fire insurance on the household goods which had been removed to the Pyle house aforesaid. The applicant claimed that Stella Bassinger, the insured, owed her \$1000.00, and her purpose in going to Somerset was to have her indebtedness secured or protected by an insurance policy.

On the night of July 7, 1928, the Pyle building, to which the insured goods had been removed, was totally destroyed by fire. The applicant claimed and proved by several witnesses at the trial, that she and the Bassingers were at the applicant's home during the day and night of the fire; her home being in Westmoreland County, fourteen miles distant, with two mountain ranges intervening.

The applicant has now served one year of her term of imprisonment. She was never before charged with or convicted of crime. Her husband, seventy years of age, is in ill health. One of her daughters, aged fourteen years, by reason of her mother's imprisonment, has been prevented from continuing



her high school course, and the other child is of tender age and needs the care of her mother.

The applicant was convicted entirely on circumstantial evidence. A potent factor in the conviction was proof of the fact that the defendant had obtained from Robert Peiffer an old piano-harp shortly before the fire in the Pyle house. A piano-harp was found in the ruins of this fire. There was filed with the Board, the affidavit of Robert Peiffer in which he states that neither the applicant nor the Bassingers had ever obtained a piano-harp or anything else belonging to him; that the piano-harp which he owned was of a different type from the one found in the ruins of the fire on the Pyle property. The trial District Attorney, in a letter filed with the Board, states that an affidavit, such as the one mentioned, would "raise a serious doubt that the defendants obtained and placed in the Pyle property a wrecked piano-harp to make a false show of property."

There was also filed with the Board, an affidavit of Harry Lisbon, who avers that his wife, Mary Lisbon, just before her death, told him that she had left the lamp fall on July 7, 1928, the night of the fire, while she was looking for some goods which she believed were stolen by Ben Bassinger, and as a result of the falling of the lamp a fire ensued and the house was destroyed. There was also filed with the Board the affidavit of Lavina Howard, in which she avers that in January, 1929, she visited Mary Lisbon, now deceased, wife of Harry Lisbon, and that Mrs. Lisbon told her that she had accidentally set fire and burned the Elmer Pyle house on the night of July 7, 1928; that she was in the house looking for some goods which she believed the Bassingers had taken, and that as she came down the stairs, the lamp fell and exploded, burned the house and almost burned her. The house referred to is the one that the Bassingers had rented from Elmer Pyle. Mrs. Lisbon made the affiant promise never to tell anyone while she lived, as they might arrest her.

There was also filed with the Board the affidavit of S. S. Devaux, M. D., in which he avers that he is the family physician of the applicant's family that the husband of the applicant is about seventy years of age, and in a serious physical condition, and not able to look after his family and that his wife, the applicant, is needed to look after the home and family.

Elmer H. Pyle, the prosecutor in this case, has filed with the Board a letter in which he recommends clemency.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; her prior good record; the term of imprisonment already served; because of the affidavit filed in this case, showing that Mrs. Lisbon and not the applicant had accidentally set fire to the house which was destroyed; because the applicant's enfeebled husband and minor children require her support; because of the recommendation of the prosecutor in the case; we have concluded that the applicant has been sufficiently punished, and that if now released she will prove herself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Eva Howard.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 277 and 277a, November Sessions, 1921, in the Court of Quarter Sessions of the Peace, in and for the County of Luzerne, Joseph Dugan, alias Joseph Savitski pleaded guilty to two indictments charging him with breaking and larceny,

and on November 18, 1921, was sentenced by the Court in the aggregate to pay a fine of \$1,000, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than sixteen years, nor more than twenty years.

The applicant is twenty-seven years of age and a native born citizen of the United States. At the time of his arrest he had no trade or profession and was an enlisted man in the United States Navy. He is unmarried. His place of residence is with his father and married sister, in Plains, Luzerne County.

When the applicant was ten years of age, he was sent to Kisllyn for truancy. After being there about one and one-half years, he ran away and upon his apprehension was sent to Glen Mills, at which place he escaped after being there about the same period of time. He then adopted the name of Joseph Dugan, and enlisted in the United States Navy. While in the service he associated with wild companions and broke into the unoccupied home of F. E. Zerby, of Wilkes-Barre, and stole a fraternity pin, victrola records and meerschaum pipes to the value of \$15.00, and also broke into the Tailor Shop of one, Flower of Kingston, and stole one suit of clothes to the value of \$50. There were four other bills of indictment pleaded to by the applicant but he was only sentenced on the two above-mentioned. He was only nineteen years of age when these crimes were committed and was unarmed.

The applicant has now served eight years and three months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from John Thomas, Superintendent of the Prison Labor Division, in the Eastern Penitentiary. He states that the applicant has learned the shoe-making trade and is competent to demand a good salary in any shoe factory in the country. He recommends clemency. The Warden of the Penitentiary in a letter addressed to the applicant's counsel and filed with the Board states that the applicant has a good prison record. The Mayor of Wilkes-Barre has filed with the Board a letter in which he recommends pardon. Richard Powell, Chief County Detective, in a letter filed with the Board states that the applicant's two married sisters and their husbands residing in Plains Township, Luzerne County, are property owners and substantial citizens and have offered to give the applicant not only a home but also employment, if released.

In consideration of all the circumstances of this case; the youth of the applicant when the crimes were committed; the term of imprisonment already served; his prior good record; his good prison record; because of the recommendation of Mayor Hart, and the fact that the applicant's near relatives will give him a home and employment, if released, we have concluded that he has been sufficiently punished and that if now liberated, he will prove himself a useful and law abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Joseph Dugan, alias, Joseph Savitski.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., February 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 15, January Term, 1926, in the Court of Oyer and Terminer in and for the County of Blair, Marvin C. Burkholder pleaded guilty to the charge of murder in the second degree, and on January 14, 1926, was sentenced to pay a fine of \$50.00, costs, and to undergo an imprisonment in the Western Penitentiary for a period of not less than six and one-half years nor more than thirteen years.

The applicant is a native-born American citizen, fifty years of age. At the time of his arrest he was a railroad engineer

and fireman for the Pennsylvania Railroad Company and had been for a period of time a conductor for the same company. His residence for many years had been in Juniata, Blair County. He has a wife and two children.

At the time of the commission of the crime the applicant was a Constable in the Borough of Juniata, serving a second term. Bernard Gephard was driving a Ford automobile which had been changed to a racer, at an illegal rate of speed and without lights, but no shots were fired by the applicant until after he had repeatedly called upon Gephard to stop, and the firing was done simply to frighten Gephard and induce him to stop, with no motive to do Gephard bodily harm, yet Gephard was shot with fatal results. They had been acquainted for many years and were on good terms. The shooting occurred on the night of August 27, 1925. The applicant suffered great mental anguish on account of this fatal occurrence and while he originally pleaded not guilty to the charge of murder, he was hardly in a mental state to realize what he was doing and allowed himself to be persuaded to plead guilty of murder in the second degree.

The applicant has now served four years and one month of his term of imprisonment. He was never before charged with or convicted of crime.

A great many letters were filed with the Board recommending clemency, one from Sheriff Baird, and others from prominent citizens. There was also filed a large petition of citizens and a large petition of Pennsylvania Railroad employees to the same effect.

The trial Judge, who is now a Judge of the Superior Court, has filed with the Board a letter in which he states that he is of the opinion that the applicant should be pardoned. He continues: "He was an officer of the law and I think he felt he was doing his duty, although he was very reckless in the use of firearms, but I feel that that there was no absence of any evil intent and that his illegal act was more on account of being over-zealous and that he did not expect to really injure or kill the young man. I am not especially interested, but if I were on the Board I would lean toward clemency."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the many letters filed recommending clemency; and the two large petitions to the same effect; and more particularly because of the strong recommendation of the trial Judge, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Marvin C. Burkholder.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 983, January Sessions, 1921, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Jacob Skullnick was convicted of arson, and on February 11, 1921, was sentenced by the court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than eleven years and six months nor more than twelve years.

The applicant, a native of Russia, owes allegiance to that country, and is forty-two years of age. He came to America in September, 1920. He is married and has two children, one of whom is being taken care of by a charitable organization. His wife is employed as a chambermaid and cook and earns fifteen dollars a week. She has no other means of support.

After his arrival in America, the applicant was employed as a driver for a bakery concern in New York City. In

January, 1921, he met Joseph Fickler, Kolman Polefsky and Harry Perlberg in New York City. At this meeting there was considerable drinking and he was induced by the three men to come to Philadelphia with them for the purpose of setting on fire a cloak and dress factory that was conducted by Perlberg and others. While under the influence of liquor, he was taken to the factory and he, Perlberg and the others placed bundles of celluloid throughout the factory and then applied matches to the same. The burning celluloid caused considerable smoke; but the applicant, being unfamiliar with the plan of the factory, was unable to escape. The fire did not ignite any of the woodwork, but scorched a few machines and a small amount of dress goods. The report of the fire marshal shows that very little of the goods was burned, and that the loss from the fire standpoint was small. The fire occurred on the evening of January 25, 1921, on the fourth floor of the building on North Second Street, Philadelphia, occupied by the said Fickler, Perlberg and others, manufacturers of dresses. When the firemen arrived they found considerable smoke but no blaze and, in the loft, located the applicant in a drunken condition. He immediately admitted his attempted arson and was arrested.

The applicant was not only indicted for the offense above-mentioned, but was also jointly charged with Fickler, Polefsky and Perlberg and others with conspiracy to set fire to the building and factory owned by William Haines and Howard L. Haines. While the other were charged with conspiracy, the only one indicted was the applicant, who was found guilty, but sentence was suspended. Subsequently, Fickler was convicted and sentenced for corrupt solicitation and bribery of one of the Assistant Fire Marshals of the City of Philadelphia.

The applicant has now served nine years and nine months of his term of imprisonment. He was never before convicted of crime.

There was filed with the Board a number of letters from Thomas B. Donaldson, former Insurance Commissioner of Pennsylvania, in which he urges clemency. He states that the applicant's wife and children are in destitute circumstances, the one child, aged nine, is in charge of Hebrew charities in New York City. The second child was born soon after the applicant was sent to the Penitentiary. Mr. Donaldson states that he knows the applicant personally and that he has for years been interested in him, and in his family. He further states that the applicant was made the "goat" in the commission of the crime; and that he is not a real criminal. There was also filed with the Board a letter from William Portner, Chairman of Social Service District Grand Lodge No. 3, Independent Order, B'nai B'rith, Philadelphia, in which he offers to become sponsor for the applicant, if released. There was also filed with the Board a report from the resident physician of the Penitentiary in which he certifies to the applicant's impaired health.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; because of the recommendations of clemency by Thomas B. Donaldson, former Insurance Commissioner; because of the fact that a responsible officer of the Grand Lodge No. 3, Independent Order, B'nai B'rith, offers to become sponsor for the future welfare of the applicant; because his wife and children require his support; and because of his impaired health, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence heretofore imposed by the court should be commuted to nine years and one month's imprisonment, effective March 11, 1930.

We therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Jacob Skullnick be commuted to nine years and one month's imprisonment, expiring on March 11, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.



## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 30 and 30½, May Term, 1926, in the Court of Oyer and Terminer, in and for the County of Monroe, F. S. Taylor pleaded guilty to two indictments, charging him with robbery, felonious assault and carrying concealed deadly weapons, and on May 11, 1926, was sentenced in the aggregate, on the charge of robbery, to pay a fine of one thousand dollars, costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five nor more than ten years.

The applicant is a native-born citizen of the United States, thirty-nine years of age. His occupation is that of an auto painter. In April, 1915, he enlisted as a private in the Canadian Mounted Rifles and served overseas for three years and ten months and was honorably discharged March 27, 1919. Later he enlisted in the United States Army and was in service at the time of his arrest; and, due to his conviction, was dishonorably discharged, having served only seven months of a three years' enlistment. The applicant was married, but has since been divorced; and his proper place of residence is with his sister in New York City.

About 8.30 P. M., March 6, 1926, the applicant and one Harvey Flory (who was jointly indicted and convicted with him and received a like sentence), both being under the influence of liquor, held up two men, Reed and Gilen, on the highway in Stroudsburg, Pennsylvania. The applicant was armed with a revolver, which was carried to intimidate the persons robbed. Approximately six dollars in cash and property were stolen from the men after an assault was made on them. Both Flory and the applicant were sentenced on the charge of robbery. Sentence on the charge of felonious assault and carrying concealed deadly weapons was suspended.

The applicant has now served three years and ten months of his term of imprisonment. He was never before charged with, or convicted of crime. C. S. Miller, Philadelphia, representative of the Egyptian Lacquer Manufacturing Company, Incorporated, of Philadelphia, has offered to employ the applicant, if released, and act as his sponsor.

The present District Attorney filed a letter with the Board, in which he states that the former trial District Attorney and County Detective informed him that applicant's statement of facts is correct and that they had no objection to the granting of a pardon; that he is also advised that the trial Judge, who imposed the sentence, maintains a favorable attitude. He concludes his letter by saying: "There being no other charges against this defendant in this county and in view of the attitude of the former District Attorney, County Detective and the Court, I have no objection to the granting of a pardon to this defendant at this time."

In view of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served, because employment has been offered him, if liberated, and because of the favorable attitude of the trial District Attorney, the trial Judge, the present District Attorney and prosecutor in the case, we have concluded that the applicant has been sufficiently punished and that, if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said F. S. Taylor.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 92, June Sessions, 1916, in the Court of Oyer and Terminer in and for the County of Luzerne, Luigi Cumbo was convicted of murder in the second degree, and on June 19, 1916, was sentenced by the Court to undergo imprisonment in the Eastern Penitentiary for a period of not less than nineteen years and three hundred and sixty-four days nor more than twenty years.

The applicant is a native of Italy, thirty-five years of age, unmarried, and was employed as a laborer in the anthracite coal mines at Pittston, Pennsylvania, and resided in that city. He came to America in 1912.

In March, 1916, a street car strike was in progress in Pittston and vicinity. On March 13th the applicant with two companions, Vincenzo Territo and Samuel Salvo, desired to visit a friend in the borough of Old Forge, and there being no trolley service they boarded a jitney which was operating from Pittston to the border line separating Duryea Borough from Old Forge, a distance of approximately five or six miles. It was a night shortly after pay day in the mines. The three Italians had been drinking. The jitney driver, one John Melvin, took them as far as the border line separating Duryea and Old Forge, and demanded an exorbitant extra fare to take them to their destination, about a mile beyond. The applicant and his friends protested against the extra fare. Salvo, understanding English better than the others, argued with Melvin, which resulted in the latter, who was a rough-spoken fellow, upbraiding Salvo and calling him vile names, as a result of which a fight ensued, in which the applicant shot and killed Melvin. Prior to the tragedy Melvin and the Italian boys had been total strangers.

Territo, Salvo and the applicant were jointly indicted for murder but tried separately. The applicant was tried first and a verdict of second degree murder returned. Territo next was tried and he, too, was convicted of murder in the second degree. When Salvo's case was called the Commonwealth entered a noli prosequi. Territo was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than nineteen years and nine months, nor more than twenty years. He was pardoned in January, 1925.

The applicant has now served thirteen years and nine months of his term of imprisonment. He was never before charged with or convicted of crime. He was only twenty-one years of age when the present crime was committed.

There was filed with the Board a letter from Rinaldo Cappellini, President, District No. 1, United Mine Workers of America, in which he states that he has investigated the crime for which the applicant was convicted, and believes that it was the outcome of a sudden quarrel precipitated by the deceased; that the applicant has been sufficiently punished; that he has bettered himself in every way and is employed as one of the trusted inmates in the repair of plumbing and steam fitting. He adds: "I want to assure your Honorable Board that in the event Cumbo is released, I will personally take a deep interest in the boy, and will look after him and assure you that I will find lucrative employment for him immediately upon his release." The trial Judge has filed with the Board a letter in which, in accordance with his invariable custom, he neither recommends nor opposes a pardon, relying upon the discretion of the Board. Doctor Linn Bowman, moral instructor in the Penitentiary in a letter to the applicant's counsel, which was filed with the Board, states that the applicant is an "excellent Italian," and that his prison record is clear. The trial District Attorney, in a letter addressed to applicant's counsel and filed with the Board, states that Territo, one of the applicant's co-defendants, was pardoned in January, 1925; that the testimony in both cases was practically the same; that he had recommended Territo's pardon because of his previous good character; that no crime was intended up to the very time of the struggle with the victim and that Territo had behaved well in the Penitentiary and had completed nearly one-half of his maximum sentence. He adds: "I understand from you that all of these things might be said in behalf of Luigi Cumbo and that there is the additional circumstance that he had

undergone several surgical operations while in the Penitentiary, and that his health has been considerably impaired." The letter continues: "It has been my custom not to write for or against any application for pardon, but as Territo was pardoned and as there was no difference in the grade of the act, and as Cumbo has served nearly three years more than Territo, the Pardon Board might justifiably look with favor upon this application." The last mentioned letter was written in December, 1928, fifteen months ago.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the long term of imprisonment already served; because of the recommendation of Cappellini, President of the United Mine Workers of the Luzerne District, and his offer to become sponsor for the applicant's future good conduct, and because of the favorable attitude of the trial District Attorney and the excellent prison record of the applicant; because of the impaired health of the applicant, and because one of his co-defendants was pardoned more than five years ago, we have concluded that the applicant has been sufficiently punished and if now liberated will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that a pardon be now granted to the said Luigi Cumbo, upon the express condition that he be deported to Italy.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 20, September Sessions, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Crawford, J. V. Hendrickson pleaded guilty to an indictment charging him with embezzlement and making false entries by bank employe, and on July 5, 1927, was sentenced by the Court to pay a fine of \$500.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three years nor more than six years.

The applicant is a native-born American citizen, thirty-six years of age. He is a bank clerk by occupation and was employed as paying teller by the Commercial Bank and Trust Company of Titusville, Pennsylvania, at the time of his arrest, and resided in said City of Titusville with his wife. He has an aged mother and an invalid sister who are dependent upon him for support.

The applicant, at various times between January, 1926, and June, 1927, being the employe of a bank, as aforesaid, embezzled funds belonging to said bank aggregating two thousand dollars and at various times received moneys for which he did not make entries on the books and accounts of the said bank.

He entered the service of the bank shortly after his graduation from the High School and soon became imbued with a mania for speculating in the stock market. Every sale or purchase of stock made by him was with the full knowledge of the president of the bank; and throughout his dealings the loans were protected by collateral belonging to the president of the bank. They consummated many deals together. The applicant became heavily involved. At first he only embezzled sufficient to cover the interest on his loans; but later he applied the same on the principal. The president of the bank offered to make good the amount of money applicant had taken; but the bank examiner would not permit this. The applicant was then arrested, but was released when the vice-president of the bank signed the bail bond. The shortage at

the bank was covered by the bonding company and only the small bank account of the applicant was taken in restitution, as the loan at the bank was greater than the amount of the market value of the applicant's collateral.

The applicant has now served two years and eight months of his term of imprisonment. He was never before charged with, or convicted of, crime. His prison record is excellent as appears by a letter from the Warden of the Penitentiary filed with the Board.

Applicant has for several years been the support of his mother and sister. The mother is confined to her bed suffering from advanced cancer of the left breast and his sister is also an invalid. A letter as to the physical condition of the mother was filed by the family physician.

A number of letters were filed with the Board, recommending clemency. The President Judge recommends pardon so that the applicant may be with his aged and afflicted mother in the closing years of her life. The present District Attorney recommends clemency for the same reason. The trial District Attorney writes the Board that the applicant has been sufficiently punished and that he should be returned to his invalid mother and sister. The Chief of Police of Titusville, County Commissioner Conover, William R. Main and Fred L. Main, of Main and Company, Accountants, in letters filed also recommend clemency. Employment has also been offered him, if released, by T. M. Dame of Titusville.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because of the recommendations of the President Judge, present District Attorney, trial District Attorney, Chief of Police of Titusville, and others; and because his aged, invalid mother and invalid sister require not only his support, but his presence; because employment has been offered him if released, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said J. V. Hendrickson.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1033 and 1034, October Sessions, 1921, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Constantino Spaneo pleaded guilty to two indictments, charging him with robbery and entering with intent to steal, and on November 1, 1921, was sentenced by the Court in the aggregate to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nineteen years and ten months, nor more than twenty years.

The applicant is thirty-three years of age, of Italian origin, but a citizen of the United States. He is unmarried. He was a laborer at the time of his arrest.

At the time that the present offense was committed the applicant was unemployed, except for short periods of a day or two. On the afternoon of October 29, 1921, the jewelry store of Abraham Simon and Sons, at 135 South 13th Street, Philadelphia, was entered by Samuel F. Andrews, a colored man, and the applicant. The former pointed a gun at the proprietor and employes and two diamond rings valued at \$4500.00 were taken. A police officer was on duty at 13th and Walnut Streets at the time, and seeing a crowd gathering in front of the jewelry store, ran up and caught the two men while still in the store. Andrews had a loaded revolver in



his hand and had fired one shot in the store. At the trial both pleaded guilty to the two indictments charging robbery and entering with intent to steal, whereupon, both received a like sentence.

The applicant has now served eight years and five months of his term of imprisonment. He was never before charged with, or convicted of crime.

Andrews, the co-defendant of the applicant, was pardoned by this Board in September, 1929. There was filed with the Board a letter from the Secretary of the Board of Trustees of the Penitentiary, in which he states that the Board officially recommends clemency for the applicant. Similar action was taken when Andrews, the co-defendant, applied for pardon. There was also filed with the Board a letter from the Field Secretary of the International Correspondence Schools, at Scranton, in which he certifies that the applicant has taken a special combination course in their schools, indicating that he is endeavoring to fit himself to fill a useful place in the world on his release. There was also filed with the Board a letter from Dr. Ungerleider, now connected with the Medical Department of the Equitable Life Insurance Society at New York, in which he states that he was the chief physician at the Penitentiary from April, 1921, to December, 1925, during which time he came into personal contact with the applicant. He alleges that when the latter came to the Penitentiary he was an illiterate Italian boy, and that during his term of imprisonment he has learned to read and write, has taken a course in a correspondence school, and at the present time is employed in the printing shop of the Penitentiary. He offers to take the applicant, if released, into his home and be personally responsible for his future welfare. There was also filed with the Board a letter from Samuel Simon, a partner in the firm which the applicant and Andrews endeavored to rob, in which he recommends clemency because of the evidence of rehabilitation which he has shown.

In consideration of all the circumstances of this case: the prior good record of the applicant; the term of imprisonment already served; because the Board of Trustees of the Penitentiary recommend clemency; because Andrews, the co-defendant of the applicant was pardoned by this Board in September, 1929; because the former chief physician of the Penitentiary, now residing in New York, has offered to take the applicant into his home, if released, and be responsible for his future welfare; and because a member of the firm which the applicant attempted to rob also recommends pardon, we have concluded that the applicant has been sufficiently punished and that if now liberated, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend a pardon be now granted to the said Constantino Spaneo.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 3, 5, 6, 7, 8 and 9, September Sessions, 1924, in the Court of Oyer and Terminer, in and for the County of Allegheny; at Nos. 100, 102, September Sessions, 1924, of the same court; and at Nos. 72 and 73, September Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the same county, Louis Eskra, alias Dutch Louie pleaded guilty to ten indictments charging him with robbery, larceny, receiving stolen goods and entering a building with intent to commit a felony, and on September 11, 1924, was sentenced in the aggregate to pay a fine of fifty-six and one-fourth

cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than eleven years, nor more than twenty-two years.

The applicant is twenty-four years of age; a native-born citizen of the United States; unmarried and a laborer by occupation. He resided with his parents in the City of Pittsburgh.

On or about June 1, 1924, at 1.30 A. M., Jacob Finegold, George Weigand, Harry Smith, Robert Barnhart, Clarence Hosek, Thomas O'Brien and the applicant met at the residence of Clarence Hosek, a dentist, located in Troy Hill on the North Side of Pittsburgh. They drove together from Troy Hill to the Pittsburgh Natatorium, located on Duquesne Way. Weigand remained in the car. Barnhart abandoned the party when the car approached the Natatorium. It was about 2.00 A. M. Five of the men entered the Natatorium. The applicant held up the cashier, Smith and O'Brien entered the cashier's cage, while Finegold and Hosek covered the elevator operator. Alston, the night clerk in charge was compelled to turn over to O'Brien and Smith about eighteen hundred dollars in cash and thirty-one watches, valued at twenty-five dollars each, and all other articles found on deposit belonging to the patrons of the Natatorium. O'Brien and Smith were in the cashier's cage with the applicant and after the cashier had been held up, Smith and O'Brien left the place of robbery and the others followed. They drove back together to Hosek's residence where the loot was divided. Shortly thereafter, one of the men was arrested. The applicant was arrested in Cleveland, in company with O'Brien and Weigand. Finegold, Hosek and Barnhart were arrested in Pittsburgh several days after the robbery. The applicant alleges that he made the acquaintance of Hosek through Smith after the plans for the hold-up of the Natatorium had been made. All the defendants pleaded guilty and received a like sentence.

The applicant has now served five years and six months of his term of imprisonment. Four of his co-defendants have already been pardoned by this Board; Hosek in March, 1928, Smith in April, 1929, Finegold and O'Brien in October, 1929.

There was filed with the Board a letter from the assistant trial District Attorney, who is now a Member of Congress. In it he states, inter alia, "As I recall the facts all of the defendants were equally guilty, although some effort was made to show that one Clarence Hosek, a dentist, was the brains of the gang. . . . I understand that Clarence Hosek, Harry Smith, Jacob Finegold and Thomas O'Brien, all implicated in the crime with Eskra and equally guilty, have been pardoned and I, therefore, in the interest of justice, can see no reason why pardon should not be granted to Eskra under these circumstances." A number of letters from various individuals were filed with the Board, recommending clemency.

In consideration of all the circumstances of this case; the term of imprisonment already served; and particularly, because of the fact that four of the applicant's co-defendants, who received like sentences, have already been pardoned by this Board, we have concluded that the applicant has been sufficiently punished and that if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Louis Eskra, alias Dutch Louie.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 131, April Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Luzerne, Charles White was convicted of murder in the second degree, and on June 8, 1922, was sentenced by the Court to undergo im-

prisonment in the Eastern Penitentiary for a period of not less than nineteen years and eleven months nor more than twenty years.

The applicant is a native-born citizen of the United States, colored, thirty-seven years of age and is by occupation a rock miner, formerly employed by the Glen Alden Coal Company. He resided in the City of Wilkes-Barre.

The applicant and his wife had been separated for several days. On the night of March 7, 1922, he appeared as prosecutor against one, Jackson, upon a charge of breaking up the applicant's home. After the hearing, accompanied by two others, he left the office of the Alderman on Market Street, Wilkes-Barre and started for his home on Lincoln Street, about one-half mile distant. He stated at the trial that he carried a revolver with him that night because Jackson had already threatened his life. Arriving at Lincoln Street, one of his companions said: "Look, there comes your wife now." They met. The applicant asked his wife why she did not return home, and why she did not appear at the hearing in the Alderman's office. After the exchange of a few words, the applicant described the subsequent shooting as follows: "Well, at that time I pulled the revolver and fired. I really didn't know at the minute what I was doing. I had so much worryment and bother I didn't know what I was doing at the time." The wife was shot by him, taken to a hospital and died four days later.

It appeared at the trial that she had been out of town for some time with Jackson and that when she returned, her husband, (the applicant) found in her suitcase some of the clothing and personal belongings of Jackson. There had been a number of temporary separations between the applicant and his wife on account of her intimacy with Jackson. Applicant avers that the infidelity of his wife and her conduct at the time of the commission of the act deprived him of his reason; and that the shots were fired when he was morally irresponsible; and that his present punishment has been adequate.

There was filed with the Board a letter from the assistant trial District Attorney, in which he recommends pardon, alleging that the applicant has been sufficiently punished and that his liberation would not offend justice. County Commissioner Rosser also in a letter filed, recommends clemency. There were also filed with the Board letters from the foreman and nine of the jurors who convicted the applicant urging pardon because under the criminal code the minimum sentence for murder in the second degree has since been reduced to ten years; that he has served nearly eight years of his sentence; that he is a first offender; and because his conduct in prison has been exemplary.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the recommendation of the assistant trial District Attorney, County Commissioner Rosser and ten members of the jury which convicted him, we have concluded that the applicant has been sufficiently punished and that if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Charles White.

ARTHUR H. JAMES,  
Lieutenant Governor,  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 5, September Sessions, 1927, in the Court of Oyer and Terminer, in and for the County of Huntingdon, Leopold Curti pleaded guilty to murder, the degree of which was subsequently adjudged to be voluntary manslaughter and on September 19, 1927, was sentenced by the Court to pay a

fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than four years nor more than eight years.

The applicant is forty-three years of age, a native-born citizen of Italy, but a naturalized citizen of the United States since 1924. At the time of his arrest he was a laborer, tossing brick for the United States Refractories Company, at Mount Union, Pennsylvania, and resided in said borough. He is the father of three daughters, aged 22, 13, and 6, respectively, and one son, aged 11 years.

On July 17, 1927, about 2.30 P. M., the applicant was with his wife, Annie Curti, and his four children, in their home at Mount Union, when George Prevot, who had been at the applicant's home for dinner, made a slurring remark to the applicant and in his presence flirted with the applicant's wife. The applicant had previously been informed of the illicit relationship between his wife and Prevot, but up until that time had not believed it; but when he saw the actions of his wife and Prevot he realized the truth of his information. Prevot had threatened the children of the applicant with a revolver (which was produced in Court) if they would tell their father of his clandestine meetings with the wife. When the applicant witnessed the actions of Prevot and his wife he told the former to leave the house, which he refused to do, pulled a revolver and threatened to shoot the applicant. The latter, knowing of the bad reputation of Prevot, grabbed a revolver from the top of the sideboard and shot at Prevot, who rushed out of the house, and Annie Curti, applicant's wife, who jumped in front of Prevot, received the bullet and was killed. The applicant did not realize what had happened when he fired the shot until he saw his wife lying on the floor mortally wounded. He had no thought or intention, whatever, of shooting his wife; but when Prevot drew his revolver and threatened to kill the applicant, the latter, knowing the bad reputation of Prevot, and believing that his life was in danger, fired at Prevot the shot which killed his wife.

The applicant has now served two years and six months of his term of imprisonment. He was never before charged with, or convicted of, crime. His small, motherless children require his care and support.

The present District Attorney and the trial District Attorney have filed a joint letter with the Board in which they recommend a rehearing and a full pardon, alleging that the applicant has suffered sufficient punishment and that the ends of justice would be satisfied with a pardon. There was also filed with the Board a petition of 119 representative citizens of Huntingdon, in which they recommend clemency, alleging that the applicant has been sufficiently punished, and that his motherless children require his care.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because his motherless children require his care and support; because of the joint recommendation of the trial District Attorney and the present District Attorney, and the petition of 119 citizens of Huntingdon county, we have concluded that the applicant has been sufficiently punished and that, if now released he will prove himself a peaceable and law abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Leopold Curti.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., March 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, January Sessions, 1907, in the Court of Oyer and Terminer, in and for the County of Blair, Rocco Cirullo was convicted of murder in the first degree, and on August



5, 1907 was sentenced by the Court to be hanged. The first application for commutation of the death sentence was filed with the Board of Pardons in November, 1907. The case was heard at the regular meeting in that month and held under advisement. At the meeting in January, 1908, the application was refused. "with recommendation to the Governor not to issue a death warrant for the present on the ground of present probable insanity." No death warrant was ever issued. At the meeting of the Board in March, 1910, the case was again taken up for final determination. In the meanwhile, Doctor Frank Woodbury, Secretary of the Committee on Lunacy of the State Board of Public Charities, at the request of the Board had made three different examinations as to the sanity of the applicant, and filed reports in December, 1907, May, 1909 and February, 1910. As a result of these several examinations, the Board, inasmuch as it had grave doubts as to the sanity of the applicant, recommended commutation of the death penalty.

The applicant killed his wife on December 27, 1906, at their home in the city of Altoona. The murder was unprovoked and brutal. When he returned home from his work he found his wife ironing in the kitchen; without a word of warning he seized a large knife, chased her out into the yard and cut her throat. He surrendered himself to the police. He had been in confinement ever since the murder, either in jail or in the penitentiary.

At the trial the only defense advanced was that of insanity. No expert testimony was offered in his behalf. There was testimony relating to certain peculiarities and strange conduct, on the part of the applicant, and on hallucinations regarding the chastity of his wife, which latter were baseless, nevertheless, acting upon the impulse of these hallucinations he committed the felony. The jury promptly rendered a verdict of first degree murder. On application made to the Court a commission de lunatic inquiring was appointed, and Doctor Morris S. Guth, Superintendent of the State Hospital for the Insane at Warren, was designated to examine the applicant's mental condition. In his report bearing the date of November 4, 1907, he held that the applicant was suffering from degenerative delusional insanity, not only at the time of the examination, but at the time when the murder was committed. Shortly thereafter, the application for the commutation of the death sentence was filed, and finally disposed of nearly three years later.

The applicant is a native of Italy, 45 years of age, but a naturalized citizen of the United States. He was a laborer by occupation and at the time of his arrest was employed by the Pennsylvania Railroad Company in the machine shops at Altoona, and resided in that city.

The applicant has now been in prison since April, 1907, a period of almost twenty-three years, and was never before charged with or convicted of crime.

There was filed with the Board a letter from the Warden of the Penitentiary in which he states that the applicant's prison record is good; also a letter from the resident physician of the Penitentiary, addressed to the Warden under date of June, 1929, which states that the applicant is in good general physical condition; that he shows no evidence of organic trouble, and that his mental condition is "normal." There were also filed with the Board a number of affidavits from relatives and friends of the applicant with regard to his domestic life and mental condition covering the past years.

The trial District Attorney who formerly lodged a protest against the granting of a pardon (believing the applicant unsafe to be at large), finally agreed to withdraw opposition thereto on condition that the applicant if pardoned be immediately deported. This appears from the affidavit of the applicant's counsel filed with the Board. There was also filed with the Board the affidavit of the applicant himself in which he stipulates and agrees that any pardon granted him shall be contingent upon his submitting voluntarily to deportation from the United States; that the Board may direct that said pardon shall not be effective until delivered to him on shipboard by a guard from the Western Penitentiary or anyone else designated by the Board, he agreeing to pay the necessary expenses of the guard who shall escort him to the Port of New York and place him on shipboard, the expenses of the guard to be deducted from applicant's funds in possession of the Warden.

In consideration of all the circumstances of this case; the long term of imprisonment served, the prior good record of the applicant; because of the grave doubt as to his legal guilt

when the crime was committed; and because the trial District Attorney who had for years strenuously opposed clemency in this case is now satisfied to have the applicant released if he is immediately deported to Italy, we have concluded that the applicant has been sufficiently punished, and we therefore recommend clemency on the express condition that he is immediately deported to Italy on the terms which he voluntarily proposed to the Board.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Rocco Cirullo on the express condition that he be immediately deported to Italy.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1231, December Sessions, 1928, in the Court of Oyer and Terminer in and for the County of Philadelphia, Nicholas Watkins was convicted of murder in the first degree, and on March 8, 1929, was sentenced by the Court to be electrocuted.

The applicant is a British subject, colored, having been born on the Bahama Islands, fifty-five years ago. His trade is that of cement finisher. He was employed by John F. Carberry to mix mortar at 2124 Market Street, Philadelphia. He resided in an apartment house in that city.

On the evening of November 22, 1928, between 6.30 and 7.00 o'clock Clara Batcher, the common law wife of the applicant, was found dead in the bedroom of their apartment. There were marks on various parts of her head, apparently caused by a blunt instrument. Her skull was fractured and she died as a result thereof. Small hammers, which might have caused the bruises on the deceased's head, were found in the applicant's apartment, but they bore no traces of blood, and were not identified as the instruments inflicting death. At the trial it was shown that John Washington and Emma Washington, occupants of the third floor apartment, had seen the applicant in their apartment about 6:30 P. M. Two witnesses testified to certain conversations with the deceased, in which the latter spoke of threats made on her life by the applicant. The latter was arrested and charged with the murder. He denied the accusation. He testified that on the evening in question he arrived home from work about 6:00 o'clock, was unable to gain admittance to his rooms, and inquired of the Washington family in the apartment above whether they had seen Clara Hatcher. Finally, he climbed through the window and admitted himself to his kitchen. When he opened the door of his bedroom he discovered the body of his dead wife. He called to the Washingtons, and, when they arrived, he went to his landlord on the first floor and requested him to notify the police. Edward Washington, the eleven-year-old son of John and Emma Washington, testified that while he was ascending the stairway, he looked through the stairway window of the applicant's apartment and saw him hitting his wife with two hammers. The applicant was convicted mainly on the testimony of this boy, who did not disclose the information until seven weeks after the murder was committed.

There was filed with the Board the affidavits of Paul Will, Edward Washington, and Emma Washington, his mother. The former avers that he investigated certain facts in connection with this murder, and that Emma Washington and Mary Gibbs, the mother and grandmother of Edward Washington, told him that the latter (who claimed to be an eye witness of the murder), was untruthful, that his companions were bad boys, and that they never knew where he was or what he was doing. Emma Washington, the mother, stated that the boy never told her of having witnessed the killing until

the trial was in progress. Will avers that one of the women who testified as to the threats against the deceased was a woman of immoral character, and that the other woman who gave similar testimony at the trial has since disappeared. He further states that the boy's attendance at school was very infrequent, and that his reputation for truth was bad; that he interviewed him, and that the latter admitted he was unable to identify the man in the room. Edward also confessed that he never told anyone of what he saw until he informed his parents during the trial. Edward Washington, (the boy), in his affidavit filed, states that he saw a man whom he did not recognize strike the deceased on the head with a hammer, and that he told no one what he saw until the night before he was taken to the City Hall as a witness, when he told his parents. Emma Washington, the mother, in her affidavit filed, states that she cannot believe anything that her son says, and that he first told her husband and herself his story of the murder on the last day of the trial, which was January 16, 1929, seven weeks after the tragedy.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; because of our distrust of the boy, Edward Washington, the only eye witness to the tragedy; because of the affidavits of the father and mother and Paul Will filed in the case showing the unreliability of the said Edward Washington, we have concluded that the sentence of death heretofore imposed upon the applicant should be commuted to life imprisonment.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the sentence of death heretofore imposed on the said Nicholas Watkins be commuted to life imprisonment.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 144, December Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Beaver, Abraham Bilwas was convicted of receiving stolen goods, and on December 10, 1929, was sentenced by the Court to pay a fine of \$500.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than one year nor more than two years.

The applicant is forty-one years of age, a Russian Jew by birth and allegiance, and a junk dealer by occupation. At the time of his arrest, he was engaged in buying and selling junk on his own account in the Borough of Aliquippa, Beaver County, and resided in said Borough with his wife and three boys, age 12, 11, and 9 years, respectively.

The applicant was charged with having received, on October 12, 1929, copper, the property of the Jones and Laughlin Steel Corporation, valued at \$131.35, knowing the same to have been stolen from said corporation by one Arthur Brayshaw, an employee.

The applicant, as before stated, was a junk dealer, living in Aliquippa, wherein is located the large steel mills of the Jones and Laughlin Steel Corporation. One Arthur Brayshaw, was employed by said Company, and had, for some time, been stealing copper ingots from his employer, and storing them in the cellar of his home located at Monaca Heights, about five and one-half miles distant. During the month of October, 1929, while gathering junk, the applicant happened to pass the Brayshaw home. Mrs. Brayshaw called him and asked what he was paying for copper. He replied nine cents a pound. He did not go into the house to look at the copper, but informed Mrs. Brayshaw where his place of business was located. Shortly thereafter, she called the applicant on the

telephone and told him that her husband had about seven hundred pounds of copper which could be bought for ten cents a pound, and asked him to come and get it. Pursuant to the call, the applicant took his son and drove to the Brayshaw home. Brayshaw took the applicant and his son into the cellar and sold him about seven hundred pounds of copper at the price agreed. Brayshaw had, from time to time, been carrying this copper out of the plant of his employer in his dinner pail and his wife was cognizant of the theft. Brayshaw was arrested and he and his wife testified that they had told the applicant where he had gotten the copper, and that the applicant said that it was all right and that he would take all that Brayshaw could get. This the applicant and his son denied. After getting the copper, the applicant took it to his place of business and finally sold it to another junk dealer. Brayshaw pleaded guilty to the charge of larceny and was paroled for three years upon payment of the costs.

The applicant has now served four months of his term of imprisonment. He was never before charged with or convicted of crime. His wife and family are in destitute circumstances as appears by the certificate of citizens of Aliquippa filed with the Board. Brayshaw, the man who stole the copper, pleaded guilty to the theft and was paroled for three years upon payment of the costs.

There was filed with the Board, a letter from W. T. Mossman, representing the Jones and Laughlin Steel Corporation, in which he states that they have no objection to a pardon being granted in this case. The assistant trial District Attorney has also filed with the Board, a letter in which he states that they have no objection to clemency. Assemblyman Steedle has also filed with the Board, a letter in which he states that he is reliably informed that the Jones and Laughlin Steel Corporation are willing to have the applicant pardoned. He states that the applicant had been a law-abiding citizen and that his family are in destitute circumstances and require his support and recommends clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because the applicant's wife and children are in destitute circumstances and require his support because the prosecutor in the case and the trial District Attorney have no objection thereto; and in consideration of the fact that the man who actually stole the copper suffered no imprisonment and was paroled for three years upon payment of the costs, we have concluded that the applicant has been sufficiently punished, and that if now released he will prove himself a useful and law-abiding citizen.

We, however, are not satisfied that the applicant should be granted an absolute pardon. We have determined that the minimum sentence of imprisonment heretofore imposed by the Court shall be commuted to four months' imprisonment, effective on April 10, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Abraham Bilwas, be commuted to four months' imprisonment, effective on April 10, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 610, 611, and 612, November Sessions, 1921, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Francis Doran was convicted of assault being armed with an offensive weapon with intent to rob; enter-



ing with intent to steal; and assault with intent to kill; and on January 5, 1922, was sentenced by the Court (on No. 610), to undergo imprisonment in the Eastern Penitentiary for a term of not less than nine years nor more than ten years, "to run concurrent with parole from sentence imposed from Norristown, Pennsylvania."

The applicant is a native-born citizen of the United States, forty-five years of age, a steam-fitter by occupation, and at the time of his arrest, resided in the City of Philadelphia, where he was in business for himself as a huckster and had been so engaged for about eight months since his release on parole from a previous conviction.

The applicant has had three previous convictions: the first on the charge of trespassing on a railroad and carrying concealed deadly weapons, and again, for carrying concealed deadly weapons, and then, for felonious entry, larceny, and receiving stolen goods for which latter offense he was convicted and sentenced at Norristown on March 8, 1915, to serve not less than six years nor more than seven years, in the Eastern Penitentiary. He was on parole for the last-mentioned offense when he was again arrested on November 5, 1921, on the charge of attempted robbery by entering the saloon of the prosecutor and attempting to hold him up at the point of a gun. For this offense, he received the sentence first above-mentioned.

This crime was committed while under the influence of intoxicating liquor and he claims to know nothing of what happened, nor that he had been shot by a policeman while attempting to escape, until he regained consciousness in the hospital, to which he was taken some forty-eight hours later. He had no gun when he was picked up after having been shot and the applicant does not remember of ever having seen the gun found in an adjacent lot the following day, until it was offered in Court.

The applicant has now served eight years and three months of his term of imprisonment. For nearly two years past he has been in charge of the operation of the sewage disposal plant at the new Eastern Penitentiary, Graterford, and has learned every phase of its operation, in order to fit himself to take a like position elsewhere and earn an honest living. The Deputy Warden of the Penitentiary has filed with the Board a letter in which he strongly commends the applicant for the manner in which he has performed his duties. The sewage disposal plant is located half a mile outside of the prison walls and the applicant has been given quarters in the plant and has never violated the confidence placed in him. District Engineer Freeburn of the State Department of Health, in a letter addressed to the applicant and filed with the Board, states that he will obtain a position for him if possible, and will not hesitate to recommend him for a position similar to the one which he has filled. James J. Jackson, whose saloon the applicant attempted to rob, has filed with the Board a letter in which he recommends clemency.

In consideration of all the circumstances of this case; the long term of imprisonment already served; because of the splendid record achieved by the applicant while in prison; and because of the recommendation of the prosecutor in this case, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to eight years and three months' imprisonment, expiring on April 5, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Francis Doran, be commuted to eight years and three months' imprisonment effective April 5, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 180, February Sessions, 1928, in the Court of Quarter Sessions of the Peace in and for the County of Erie, Frank Wasson pleaded guilty to an indictment charging him with the larceny of an automobile and receiving stolen goods, and on April 2, 1928, was sentenced by the Court to pay a fine of twenty-five dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than four years and six months nor more than nine years.

The applicant is a native-born American citizen, twenty-six years of age. He is by occupation a truck driver and was last employed by the Erie Railroad Company. He resided in Meadville, Pennsylvania. He is married and has one foster child.

On the night of February 9, 1928, the applicant, Louis Foley, and Harold Schaaf were arrested in the possession of a stolen automobile, the property of Louis Corrier. At the time of the arrest the applicant was drunk and was riding in the rear seat of the car. The applicant subsequently came into court and on April 2, 1928, pleaded guilty to the theft of the car. On May 7, 1928, a true bill was found by the Grand Jury against the three men. On May 14, 1928, on motion of the District Attorney the case was nol prossed as to Foley and Schaaf upon payment of the costs.

The applicant claimed that on the night in question, about ten o'clock, while drunk, he met the two men on Tenth Street, Erie, when they drove up to him in a Moon coach. He got in and sat on the back seat, and several stops were made at places where more liquor was purchased. It was a "Joy ride." About three o'clock the occupants were arrested. Foley drove the car the entire time as is shown by the testimony in the Alderman's court.

The applicant has now served a little more than two years of his term of imprisonment. His prior record is good with a single exception. In November, 1927, he was paroled on a charge of receiving stolen goods. A number of letters were filed with the Board, recommending clemency. The trial District Attorney has filed with the Board a letter in which he states the facts involved in the case, but make no recommendation. The prosecutor in the case by letter filed recommends clemency.

In consideration of the circumstances of the case; the prior good record of the applicant (with a single exception); the term of imprisonment already served; because of the letters of recommendation filed with the Board from the prosecutor and others, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years' imprisonment, expiring on April 2, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Frank Wasson be commuted to two years' imprisonment, expiring on April 2, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 171, September Term, 1929, in the Court of Oyer and Terminer, in and for the County of Chester, Howard E. Winward pleaded guilty to an indictment charging him

with larceny and receiving stolen goods, and on September 6, 1929, he was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than one and one-half years, nor more than two years.

The applicant is a native citizen of the United States, thirty-nine years of age. His occupation is that of "railroader." At the time of his arrest he resided in the City of Coatesville with his wife and three children, aged twelve, ten and three years respectively.

The applicant was an employe of the Reading Railway Company, shifting cars into and out of the yards of the Bethlehem Steel Corporation at Coatesville. He was charged with and pleaded guilty to the theft of brass and copper from the yard of the road. This material was sold by him to Riebman, a "fence" of the city of Coatesville. The applicant has previously borne an excellent reputation and was believed to have been induced by the "fence" to pilfer the material.

The applicant has now served seven months of his term of imprisonment. He was never before charged with or convicted of crime. His family, consisting of a wife and three small children, is in destitute circumstances and requires his support.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the need which the family of the applicant has of support, we have concluded that he has been sufficiently punished and if now released he will prove himself a useful and law abiding citizen.

We, therefore "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Howard E. Winward.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 155, September Term, 1929, in the Court of Oyer and Terminer, in and for the County of Chester, Charles D. Allbright pleaded guilty to an indictment charging him with larceny and on September 6, 1929, was sentenced by the Court to pay a fine of one hundred dollars, costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than one and a half years nor more than two years.

The applicant is a native-born American citizen, twenty-nine years of age. His occupation, as stated in his application is that of "railroader." At the time of his arrest he resided in the city of Coatesville with his wife and son, aged six years.

The applicant was an employe of the Reading Railway Company, shifting cars into and out of the yards of the Bethlehem Steel Corporation at Coatesville. He was charged with, and pleaded guilty to the theft of brass and copper in small quantities from the yard of the road. This brass was sold by him to Riebman, a "fence" of the city of Coatesville. The applicant had previously borne an excellent reputation and was believed to have been induced by the "fence" to pilfer the brass and copper.

The applicant has now served seven months of his term of imprisonment. He was never before charged with or convicted of crime. His wife and child are in destitute circumstances and require his support.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because his family is in destitute circumstances and requires support, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a useful and law abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Charles D. Allbright.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, December Sessions, 1923, in the Court of Oyer and Terminer, in and for the County of Franklin, John D. Leshar was convicted of murder in the second degree and on February 13, 1924, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years nor more than twenty years.

The applicant is a native-born American citizen, forty years of age. He is a brass moulder by occupation but at the time of his arrest he was running an engine for a concrete mixer for Harry K. Gerhart, a contractor. The applicant has three children, aged thirteen, ten and eight years respectively, residing with relatives.

On the afternoon of Thanksgiving Day, 1923, about 2.30 o'clock, Fannie, the wife of the applicant, was found in a dying condition lying on a walk at the rear of the home of one, Potts, in Waynesboro, Pennsylvania, where she had been living, nominally as a house-keeper for Potts, but, as the applicant claimed, as Potts' mistress. In a few minutes she died, death having been caused by a bullet from a revolver which entered her back and penetrated the heart. She was found by her young son, born before her marriage to the applicant, who had heard two shots as he neared the Potts home, and had passed the applicant coming away from the house shortly after these shots had been heard. Later the same afternoon the applicant was arrested while walking down the street with a friend to surrender himself to the police, he having come after the shooting to the home of his mother, where he had been influenced by his relatives and this friend to surrender and where he had admitted that he had shot his wife.

At the trial the Commonwealth showed the above facts, also the fact that the applicant had quarreled with his wife shortly before the shooting, several remarks in the nature of threats made by him prior to the tragedy, and other evidence, cumulative in character, and pressed for a first degree verdict. The applicant did not deny the shooting. He offered evidence to show that he and his wife had been living apart for several months and that he had tried without success to induce her to come back and live with him; that she was a prostitute and had shown him money earned by her misconduct; that his actions for some months prior to the shooting indicated a strained mental condition and that he had been drinking and was considerably under the influence of liquor the afternoon of the tragedy. He testified that he was struck by someone, presumably Potts, while sitting in the room of the Potts house a few minutes before the shooting, while waiting to see his wife, and that he remembered nothing of what happened after the blow.

The applicant has now served six years and two months of the term of his imprisonment. He was never before convicted of crime.

There was filed with the Board a number of letters from citizens of Waynesboro asking for clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the recommendations of friends and neighbors of the applicant; we have concluded that he has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.



We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John D. Leshner.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 67 May Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Centre, Edward Billett pleaded guilty to an indictment charging him with enticing a female child under sixteen years of age for immoral purposes and adultery, and on April 30, 1929, was sentenced by the Court to pay a fine of one dollar, costs and undergo imprisonment in the Western Penitentiary for a term of not less than two years nor more than four years.

The applicant is a native-born citizen of the United States, twenty-three years of age. At the time of his arrest he was employed as a brakeman by the Bellefonte Central Railroad Company and resided in Spring Township, Centre County. He is married and has two small children. At the time of his arrest the applicant and his wife were not living together.

The applicant, a married man twenty-two years of age, on or about January 13, 1929, committed the crime of adultery with one Caroline Downing, she being at the time under sixteen years of age. He was not living with his wife at the time and the girl, who had been adjudged incorrigible, was then in the custody of the Juvenile Court of Centre County. She had been sentenced to Sleighton Farms, but had been paroled by the Court in order that she might remain with her grandparents. The basis for her delinquency was the fact that she had been promiscuous in her sexual relations with various men and boys. At the date mentioned she had had sexual relations with six other men under similar circumstances, through forcing herself upon them; and of the six men, two had pleaded guilty, two were found guilty on trial, and two were acquitted. The applicant was one of the first men sentenced and received a heavier sentence than any of the other men sentenced for the same offense and was the only one sentenced to imprisonment in the Western Penitentiary. One man was sentenced to the Centre County jail and paroled at the expiration of seven months. Three other men had sentences suspended upon payment of costs.

The applicant has now served almost one year of his term of imprisonment; approximately one-half of his minimum sentence, which is five months more than any other man served who was sentenced as a result of sexual relationship with Caroline Downing. His prior record was good with a single exception. In 1928 he was charged with desertion and non-support of his wife and family and directed by the Court to pay the sum of \$25.00 per month for their support. The applicant was complying with this order at the time of his arrest. A reconciliation has been effected between him and his wife, and if released, he expects to live with his wife and family.

There was filed with the Board a letter from the trial Judge in which he reviews the case and states that Caroline Downing was not of good repute and that she, to a great extent, solicited the attention of the men who were implicated with her. He adds that "the ends of justice have been met and that it would be unjust to detain Billett for a longer period," and, therefore, recommends pardon. The trial District Attorney has filed with the Board a letter in which he advocates pardon, stating that since the sentence of the applicant it has been shown that the girl had had immoral relations with six other

men at about the time of this offense. He adds that the applicant, of all the men implicated by the girl, had been most severely punished.

In consideration of all the circumstances of this case; the term of imprisonment already served; the prior good record of the applicant with the single exception; his comparative youth when the crime was committed; because he was punished more severely than others guilty of like offenses with this same girl; and because of the strong recommendations of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished and that, if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Edward Billett.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1214 and 1215, September Sessions, 1929, in the Court of Quarter Sessions of the Peace in and for the City of Philadelphia, Richard Van Blunt was convicted of larceny and operating a motor vehicle without the consent of the owner, and on September 20, 1929, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than one and one-half nor more than three years. John Hirshman who was jointly indicted with the applicant, pleaded guilty and received a like sentence.

The applicant is a native-born citizen of the United States, thirty-four years of age. In the World War he served over-seas for two years and eleven months and has an honorable discharge. He had been employed as a conductor for the Philadelphia Rapid Transit Company for eighteen months and in the pressroom of the Philadelphia Inquirer for six months. He also had been employed by the Philadelphia Department of Public Works, off and on, for a period of two years. He is married, but his wife left him because of his drinking. He resided in the City of Philadelphia.

Early in the morning of September 15, 1929, two city policemen came upon a Ford coupe without lights, being pushed by another automobile, north on Delaware Avenue, near Fairmount Avenue. They asked the occupants of the car, Hirshman and the applicant, for their licenses, which they could not produce. For want of a satisfactory explanation both men were arrested and taken to the police station. The Ford coupe had been parked by the owner, Frank Grassburger of Camden, New Jersey, on the evening of September 14, 1929, while visiting friends. When he came out of the house about 1:45 A. M., the car was gone, and he reported the loss to the police. Hirshman testified that he had been drunk on the night in question. Then he woke up in a Ford coupe and had no recollection of how he got there. The applicant testified that on the night in question, he was on the corner of Second and DeLancy Streets, waiting for trucks to come which he might help to load or unload; that while standing there, a stranger carrying a can, asked him where he could get gas. The man was Hirshman, his co-defendant, whom he had never seen before in his life. He and Hirshman then got gasoline in a garage around the corner and he went with Hirshman to the car and helped him to try and get the car to run. He claimed that he thought the car belonged to Hirshman, and that they were trying to get the car to start when they were arrested.

The applicant has now served seven months of his term of imprisonment. His prior record is not good, but his offenses were of a minor character, and due to the fact that he was addicted to strong drink.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant and the term of imprisonment already served, we have concluded that the applicant has been sufficiently punished, and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Richard Van Blunt.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 19, January Sessions, 1908, in the Court of Oyer and Terminer, in and for the County of York, Henry Snyder was convicted of murder in the first degree, and on January 9, 1909, was sentenced by the Court to be hanged. Subsequently, on October 20, 1909, the sentence of death was commuted to life imprisonment.

At No. 18, of the same term, in the same Court, the said Henry Snyder was indicted for murder and manslaughter in causing the death of Curwin L. Hoover. A true bill was found by the Grand Jury to which the defendant pleaded not guilty. The case was continued until April Sessions, 1908, and has never been called for trial.

The applicant is a native-born citizen of the United States, forty-four years of age. At the time of his arrest his occupation was that of farmer and he was so employed on his father's farm situate about six miles from the City of York. He resided with his father. He is unmarried.

At daybreak on November 17, 1907, William Hoover, aged about seventeen and one-half years, and his brother, Curwin L. Hoover, aged about nineteen years, were found unconscious lying about eight feet apart, on a public road in the village of Pleasureville, situated about four miles from the City of York. William Hoover had a bullet wound back of the right ear, and Curwin L. Hoover had a bullet in his forehead. Both boys died without regaining consciousness. The applicant was indicted under two separate indictments for the murder of these two young men. He was, as already stated, convicted for the murder of William Hoover and sentenced to death, but has never been tried on the indictment charging the murder of Curwin L. Hoover.

The applicant and the Hoover boys were close neighbors, lived on adjoining farms, and the boys' parents were close friends. On the evening of November 16, the applicant, with two young men, was in York. The former drank six glasses of beer between 8:00 and 10:30 o'clock. At about half past ten he and his two companions left York in one buggy and drove to Pleasureville. On the way and when they arrived in Pleasureville, the three drank a quart of whiskey, within an hour and fifteen minutes of the time of the homicide. The applicant and his two companions stopped near a restaurant where they met the Hoover boys, who apparently were looking for the applicant, having seen him earlier in the evening. The Hoovers entered the buggy with the applicant and his companions and drove a distance of about two city blocks to the place where the homicide occurred. Here the applicant and the Hoovers got out of the buggy and the other two men after a brief delay drove on, leaving the applicant and the two Hoovers alone, within sixty-five feet from where the bodies were found. At this time the applicant and the Hoovers were quite peaceful and friendly and there was no quarrel or angry words between them. Immediately after the two men drove

away in the buggy, the applicant and the Hoovers walked in the direction of the place where the bodies were found, turning into a side road leading from the main road in which they were when the men drove away, which side road led to their homes. After they had turned into this road, four shots were heard in rapid succession, and about a minute later two more shots were heard. Several witnesses passed within sixty feet of where the bodies were found about the time the last shot was fired and one man passed a minute or two later. Two witnesses saw the flash of the last shot and two saw a man fall at the last shot. The bodies were seen in the road but no one was seen moving about, although it was a bright moonlight night. The witnesses, believing that what they saw were drunken men lying in the road, and believing them to have firearms, passed on without inquiry.

The applicant was arrested the following day and after repeated importunities made a series of conflicting confessions or admissions, the one being in substance that the Hoover boys demanded whiskey of him and searched him for it, and in a slight struggle that followed he first shot Curwin Hoover and then shot William Hoover because he was afraid he would tell and was afraid that he, the applicant, would get shot. These conflicting stories undoubtedly brought about the conviction of the applicant. Offers to show that the applicant was intoxicated at the time of the shooting were rejected by the Court. The Court also overruled a number of offers to show epileptic insanity. At the time of the homicide the applicant was less than twenty-one years of age.

At the trial thirty-eight witnesses, nearly the entire voting population of Pleasureville, testified to his good reputation. He was evidently greatly intoxicated at the time he committed the crime. From the time of his infancy until he was about thirteen years of age he was repeatedly seized with epileptic convulsions which would render him for the time being unconscious. In later years he was seized with minor epileptic attacks which apparently were not as severe as formerly. His mind at the time of the homicide was abnormal and defective. Apparently he did not comprehend the gravity of the charge against him or understand the character or effect of his statements. At the trial no motive for the killing was shown. In fact, the testimony showed friendly relations between the boys. The killing must have been on sudden impulse and not as a result of premeditation.

The applicant has been in prison for twenty-three years and is the third oldest man in point of services under life imprisonment in the Eastern Penitentiary. His prison record is excellent as shown by a joint letter from Doctor Linn Bowman, Moral Instructor, and Courtland Butler, Chief Parole Officer of the Eastern Penitentiary. He was never before charged with or convicted of crime. He was only twenty-one years of age when this crime was committed. Doctor William C. Sandy, Director, Bureau of Mental Health, State Department of Welfare, by request of the Board made a mental examination of the applicant and in his report filed states that the applicant is not mentally deficient but he recommends clemency. There was also filed with the Board letters from the present District Attorney, former District Attorney Herrmann, and President Judge Niles, all recommending pardon, believing that justice has been vindicated.

In consideration of all the circumstances of this case; the youth of the applicant at the time the crime was committed; his apparent lack of motive; his prior good record; his excellent prison record; because of the long term of imprisonment served; and, particularly because of the recommendations of the present District Attorney, his immediate predecessors in office, Dr. Sandy, and President Judge Niles, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a peaceful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Henry Snyder.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.



Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 35, September Term, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Monroe, Mahlon Prentice pleaded guilty to the charge of larceny; and on August 16, 1927, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, twenty years of age. When arrested he resided in the city of Newark, New Jersey.

On or about July 14, 1927, the applicant and three companions, James King, Wilbur Hall and Clifford Hall, being in Stroudsburg, Pennsylvania, took and drove away a Chevrolet coach, valued at \$600, the property of Edward Serfass, for the purpose of returning to their homes in Newark, New Jersey, after which the car was there abandoned.

Subsequently, on August 10, 1927, the applicant and his three companions took another automobile from Newark, New Jersey and drove to Tobyhanna, Pennsylvania. On the return trip, while temporarily delayed just outside of Stroudsburg, the four men were arrested and upon being accused of the theft of the automobile of Edward Serfass, as already mentioned, on July 14, 1927, all pleaded guilty and received a like sentence. No injury or damage was done to the automobiles in question and both were returned to their respective owners. The machines, in the language of the application, were "borrowed without the consent of the owner" only to make the trips to the Tobyhanna cantonment.

The applicant has now served two years and eight months of his term of imprisonment. He was only eighteen years of age when these offenses were committed.

The trial Judge has filed with the Board a letter in which he states: "These boys were sentenced at a time when stealing of automobiles was becoming quite prevalent in this community and I felt that for the general effect it was necessary to impose a heavy sentence. As to this application for pardon, there was nothing unusual in the manner in which this automobile was taken. They are all young, and if the facts and circumstances in the case appeal to your Board as being such as would move you to grant a pardon, I feel that the same should be granted and feel that at this time, in view of their age, etc., they have in all probability been sufficiently punished."

In consideration of all the circumstances of this case; the extreme youth of the applicant when the crime was committed; the severity of the sentence; the term of imprisonment already served; and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, after full hearing upon due public notice and in open session, recommend that a pardon be now granted to the said Mahlon Prentice.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 36, September Term, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Monroe, Wilbur Hall pleaded guilty to the charge of larceny, and

on August 16, 1927, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, twenty-four years of age. When arrested he was employed as a mechanic by his father and resided in the city of Newark, N. J. Clifford Hall, a co-defendant, is his brother.

On or about July 14, 1927, the applicant and three companions, James King, Clifford Hall, and Mahlon Prentice, being in Stroudsburg, Pa., took and drove away a Chevrolet coach valued at \$600, the property of Edward Serfass, for the purpose of returning to their homes in Newark, N. J., after which the car was there abandoned.

Subsequently, on August 10, 1927, the applicant and his three companions took another automobile from Newark, N. J., and drove to Tobyhanna, Pa. On the return trip, while temporarily delayed just outside of Stroudsburg, the four men were arrested and upon being accused of the theft of the automobile of Edward Serfass, as already mentioned, on July 14, 1927, all pleaded guilty and received a like sentence. No injury or damage was done to the automobiles in question and both were returned to their respective owners. The machines, in the language of the application, were "borrowed without the consent of the owner" to make the trips to the Tobyhanna cantonment.

The applicant has now served two years and eight months of his term of imprisonment. He was only twenty-two years of age when these offenses were committed.

The trial Judge has filed with the Board a letter in which he states: "These boys were sentenced at a time when stealing of automobiles was becoming quite prevalent in this community and I felt that for the general effect it was necessary to impose a heavy sentence. As to this application for pardon, there was nothing unusual in the manner in which this automobile was taken. They are all young and if the facts and circumstances in the case appeal to your Board as being such as would move you to grant a pardon, I feel that the same should be granted and feel that at this time, in view of their age, etc., they have in all probability been sufficiently punished."

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; the severity of the sentence; the term of imprisonment already served; and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Wilbur Hall.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 15, September Term, 1925, in the Court of Oyer and Terminer in and for the County of Fayette, Frank Barber alias Francesco Barbalace was convicted of murder in the second degree and on November 14, 1925, was sentenced by the Court to pay a fine of six cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than ten years nor more than twenty years.

The applicant is a native and subject of the Kingdom of Italy, unmarried, twenty-nine years of age, a farmer by occupation, and at the time of his arrest, was employed by the Frick Coal Company at Nasontown, Fayette County, and at that time resided in Masontown.

On June 27, 1925, the applicant was at his home which was about 150 feet distant from the place of business of one, Samuel Manley, who kept a pool room, a house of ill fame and was commonly known as a bootlegger. It was the pay day of the Frick Coal Company and there were a large number of men in the pool room, drinking and making a disturbance. The applicant went to the Manley place to inquire the cause of the turmoil, and while he was walking with Manley, and advising him to keep a quiet place or he would get into trouble with the authorities, a man by the name of Larry Tassoni walked into the place and called Manley outside. Shortly afterwards the applicant followed him and saw Tassoni shoot Manley. The latter picked up the gun and shot five times at Tassoni, hitting him once in the leg, but he escaped. Manley was immediately taken to the hospital. On the morning of the following day, the applicant went to the hospital to see Manley; was admitted into his ward, shook hands with him, expressed his sympathy, and asked him if he knew who it was that shot him. Manley replied "that when he got well, he would find him." When the applicant left the hospital, he was arrested by Chief County Detective Bell, as a suspect. Two days later, Bell, in company with Pulosi, an interpreter, called at the jail and Bell asked the applicant who shot Manley, and when informed that it was Tassoni said that he would arrest him, but Tassoni was not apprehended.

There was filed with the Board, a letter from the trial District Attorney in which he states that the applicant called Manley from his place of business to a place at the rear and outside of the building; that the applicant wanted to get some money from Manley and that while they were talking, Manley was shot, and died three days later in the hospital at Uniontown; that there were no eye witnesses to the shooting, but at the hearing it was shown that Manley had been called outside by the applicant and it was at the rear of the building that Manley was shot. After Manley was brought to the hospital, he was questioned about the shooting, and claimed in his statement to the County Detective that the applicant was the man who fired the shot. The trial District Attorney makes no recommendation. There was filed with the Board, the affidavit of Mell, Chief County Detective, who was the prosecutor in the case, in which he states that Manley on his death bed, declared that the applicant fired the fatal shot, but that he believes that Manley, when he made this declaration; was not in a proper mental state to permit his statement to be used as evidence against the applicant; that Manley at the time really expected to recover and he believes that from the attitude and manner of speech of Manley that the latter knew more of the details than he wanted to tell and that his statement should not have been used against the applicant as a dying declaration. There was also filed with the Board, two affidavits of Mrs. Anna Darby, one of the jurors who convicted the applicant, in which she states that while the jury was deliberating, she was threatened and coerced by other members of the jury, and that matters not pertaining to the case were employed to establish the guilt of the applicant. That one of the jurors, after retiring to the jury room, by his attitude and expressions, displayed a feeling of intolerance towards persons born in Italy or persons of foreign extraction. There was also filed with the Board a request signed by ten of the jurors, who convicted the applicant, in which they ask the Board, "to give the above petitioner due consideration in his application for a pardon." There was also filed with the Board, a further statement from the Chief County Detective and prosecutor in the case, in which he states that in his opinion, the applicant was not implicated in any way with the shooting of Manley; that the applicant was convicted solely upon the alleged dying declaration of Manley who was not in a mental condition to make such a statement, and that there was no other evidence against him. He asks clemency. Mrs. Anna Darby in a further statement filed with the Board, alleges that she doubts the guilt of the applicant and that the verdict of guilty was against her will and judgment and that she is now satisfied that the applicant is innocent and trusts that he will be pardoned.

That applicant has now served four years and five months of his term of imprisonment. He was never before charged with or convicted of crime.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the affidavits of the County Detective and prosecutor in the

case and Mrs. Darby one of the jurors, and the recommendations for clemency; and because of the request of the ten jurors who convicted the applicant, we have concluded that the applicant has been sufficiently punished, and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frank Barber, alias Francesco Barbalace.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 45, 46, and 47, March Sessions, 1925, in the Court of Quarter Sessions of the Peace in and for the County of Bucks, Peter Shields was convicted of conspiracy, felonious arson, and burning a barn and stable, and on March 18, 1925, was sentenced by the Court on No. 46 (charging felonious arson), to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than six years nor more than twelve years. Joseph Pauza and Mary Pauza, his mother, were jointly indicted with the applicant. The latter pleaded not guilty to the three indictments, while his co-defendants pleaded guilty. The applicant was sentenced as above-stated on but one indictment, while sentence was suspended on the other two. Mary Pauza was sentenced to pay a fine of five hundred dollars, and to undergo imprisonment in the Bucks County Jail for a period of not less than six months nor more than twelve months, and Joseph Pauza, the son of the said Mary Pauza, aged about eighteen years, was put on probation for two years.

The applicant is forty-eight years of age, a native of Poland, but a naturalized citizen of the United States. He was a laborer by occupation.

The applicant, a laborer, went to board with Mary Pauza and her son, Joseph, at their home situated about one mile from the Village of Plumstead, in Bucks County, and in December, 1924, learned, upon his arrest in the City of Philadelphia, where he was then working, that he was charged with arson and the burning of the dwelling house, barn, and stable, belonging to the said Mary Pauza and her son. The buildings mentioned were all burned on November 28, 1924, and the basis of the criminal charges against the three was conspiracy on their part to burn the buildings and to defraud two insurance companies, which held policies on them. The applicant testified that he knew nothing of the burning of the buildings. While convicted of conspiracy and the actual burning of all of the buildings, he was sentenced only on the one charge, to wit: the burning of the dwelling house. The principal witness against him was Mary Pauza, who first charged him with the burning and then afterwards confessed that she burned them herself. While in prison she committed suicide.

The applicant has now served five years and one month of his term of imprisonment. He was never before charged with or convicted of crime. There was filed with the Board, letters from the trial Judge and trial District Attorney, addressed to the applicant's attorney, in which both state that they have no objection to a pardon in this case. The trial District Attorney and the present District Attorney have filed with the Board, a letter in which they also state that they have no objection to clemency. The sister of the applicant, who resides in the City of Philadelphia, has filed with the Board, a letter in which she offers the applicant a home if liberated.



In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because his punishment was far more severe than that meted out to his co-defendants; and because of the favorable attitude of the trial Judge and trial District Attorney and the present District Attorney, we have concluded that the applicant has been sufficiently punished, and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Peter Shields.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 33, September Term, in the Court of Quarter Sessions of the Peace, in and for the County of Monroe, Clifford Hall pleaded guilty to the charge of larceny, and on August 17, 1927, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years or more than ten years.

The applicant is a native-born citizen of the United States, eighteen years of age. When arrested he was employed as a mechanic by his father, and resided in the city of Newark, New Jersey. Wilbur Hall, a co-defendant, is his brother.

On or about July 14, 1927, the applicant and three companions, James King, Wilbur Hall and Mahlon Prentice, being in Stroudsburg, Pennsylvania, took and drove away a Chevrolet coach, valued at \$600., the property of Edward Serfass, for the purpose of returning to their homes in Newark, New Jersey, after which the car was there abandoned.

Subsequently, on August 10, 1927, the applicant and his three companions took another automobile from Newark, New Jersey and drove to Tobyhanna, Pennsylvania. On the return trip, while temporarily delayed just outside of Stroudsburg the four men were arrested and upon being accused of the theft of the automobile of Edward Serfass, as already mentioned, on July 14, 1927, all pleaded guilty and received a like sentence. No injury or damage was done to the automobiles in question and both were returned to their respective owners. The machines, in the language of the application, were "borrowed without the consent of the owner" to make trips to the Tobyhanna cantonment.

The applicant has now served two years and eight months of his term of imprisonment. He was only sixteen years of age when these offenses were committed.

The trial Judge has filed with the Board a letter in which he states: "These boys were sentenced at a time when stealing of automobiles was becoming quite prevalent in this community and I felt that for the general effect it was necessary to impose a heavy sentence. As to this application for pardon, there was nothing unusual in the manner in which this automobile was taken. They are all young and if the facts and circumstances in the case appeal to your Board as being such as would move you to grant a pardon, I feel that the same should be granted and feel that at this time, in view of their age, etc., they have in all probability been sufficiently punished."

In consideration of all the circumstances of this case; the extreme youth of the applicant when the crime was committed; the severity of the sentence; the term of imprisonment already served; and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Clifford Hall.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 34, September Term, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Monroe, James King pleaded guilty to the charge of larceny, and on August 16, 1927, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, eighteen years of age. When arrested he was employed in the press room of the Albright Rubberset Company of Newark, N. J., and resided in that city.

On or about July 14, 1927, the applicant and three companions: Wilbur Hall, Clifford Hall and Mahlon Prentice, being in Stroudsburg, took and drove away a Chevrolet coach valued at \$600, the property of Edward Serfass, for the purpose of returning to their homes in Newark, N. J., after which the car was there abandoned.

Subsequently, on August 10, 1927, the applicant and his three companions took another automobile from Newark, N. J., and drove to Tobyhanna, Pennsylvania. On the return trip, while temporarily delayed just outside of Stroudsburg, the four men were arrested and upon being accused of the theft of the automobile of Edward Serfass, already mentioned, on July 14, 1927, all pleaded guilty and received a like sentence. No injury or damage was done to the automobiles in question and both were returned to their respective owners. The machines, in the language of the application, were "borrowed without the consent of the owner" to make the trips to the Tobyhanna cantonment.

The applicant has now served two years and eight months of his term of imprisonment. He was only sixteen years of age when these offenses were committed.

The trial Judge has filed with the Board a letter in which he states: "These boys were sentenced at a time when stealing of automobiles was becoming quite prevalent in this community and I felt that for the general effect it was necessary to impose a heavy sentence. As to this application for pardon, there was nothing unusual in the manner in which this automobile was taken. They are all young and if the facts and circumstances in the case appeal to your Board as being such as would move you to grant a pardon, I feel that the same should be granted and feel that at this time, in view of their age, etc., they have in all probability been sufficiently punished."

In consideration of all the circumstances of this case; the extreme youth of the applicant when the crime was committed; the severity of the sentence; the term of imprisonment already served; and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said James King.

ARTHUR H. JAMES,  
Lieutenant Governor.  
ROBERT R. LEWIS,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

## Commonwealth of Pennsylvania

## Board of Pardons.

Harrisburg, Pa., April 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 8, April Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Allegheny, Mike Calucci was convicted of robbery and receiving stolen goods, and on April 16, 1925, was sentenced to pay a fine of six and one-quarter cents, costs and to undergo imprisonment in the Western Penitentiary for a period of not less than four years nor more than eight years. At No. 9 of the same term and in the same Court he pleaded nolo contendere to a second indictment based on a similar charge, and on the same day received a like sentence to take effect, however, at the expiration of the former sentence.

The applicant is a native of Italy, but a naturalized citizen of the United States, thirty-one years of age. He came to the United States in 1913, served honorably overseas in the World War and is unmarried. At the time of his arrest he was a foreman and paymaster in the employ of Emil Gabriel, a contractor of Pittsburgh, Pennsylvania, engaged in foundation construction work.

On the evening of February 23, 1925, the applicant was called to the home of Mrs. Mary Spennelli. He had carried on a brief flirtation with Mary Spennelli, believing her to be what she represented herself to be, a single woman. This particular evening she had sent for him to obtain financial aid for one Cono Spennelli (her husband) and Thomas Darling, who had been arrested for robbing two taxicab drivers. The applicant refused to aid her and while they were talking over the matter detectives came and arrested Mary Spennelli and a roomer by the name of Joseph Perroni, for complicity in the crimes for which the two men had been arrested. Mary Spennelli told the officers that the applicant knew absolutely nothing about the crimes. At the police station she made a written confession in which she admitted being the woman in the case, but did not implicate the applicant. Nevertheless, the latter was held, but it was not until the trial that Mary Spennelli and Thomas Darling implicated the applicant and said that he had been aiding them in the robberies. Mary Spennelli, Cono Spennelli, Thomas Darling, Joseph Perroni and the applicant were found guilty on the first charge and received the following sentences: The applicant was sentenced to pay a fine and to serve a term of imprisonment in the Western Penitentiary for a period of not less than four years nor more than eight years; Cono Spennelli was sentenced to pay a fine and to serve a term of imprisonment in the Western Penitentiary for a period of not less than two years nor more than four years; Thomas Darling was sentenced to pay a fine and to serve a term of imprisonment in the Allegheny Workhouse for a period of not less than one year nor more than two years; Joseph Perroni was sentenced to pay a fine and committed to the Pennsylvania Industrial Reformatory at Huntingdon; while sentence was suspended on Mary Spennelli on payment of costs by the County.

The following day the applicant found himself charged with a second robbery. He stoutly denied any knowledge of the crime and declared his innocence. His lawyer insisted that he enter a plea of nolo contendere and not knowing what it meant and believing that it meant that he was not guilty he allowed the plea to be entered in his behalf, and was sentenced to pay a fine and to undergo imprisonment in the Western Penitentiary for a period of not less than four years nor more than eight years, to begin at the expiration of the former sentence. The applicant declared that he had never met or heard of Cono Spennelli, Thomas Darling or Joseph Perroni until the night of his arrest. They, the persons who actually committed these crimes have been free for nearly two years.

The applicant has now served five years of his term of imprisonment on the first sentence and has not yet begun to serve the period of imprisonment imposed by the second sentence. He was never before charged with or convicted of crime.

There was filed with the Board a letter from Emil Gabriel, the applicant's former employer, in which he recommends clemency and offers to reemploy the applicant if released.

There was also filed with the Board a letter from the applicant's former Army Captain (who is a member of the Legislature from Pittsburgh), also a petition of members of the 107th Field Artillery, former comrades, and a petition of neighbors and friends of the applicant, all recommending pardon.

There was filed with the Board a letter from the trial District Attorney in which he states that, after consultation with his assistant who actually tried the case, they would, at the present time, recommend clemency.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; his excellent war record; because he has been more severely punished than his co-defendants, who are now at liberty; because employment has been offered him if released; because of the recommendations of his former Army Captain, comrades and friends in Pittsburgh; and in consideration of the recommendation of the trial District Attorney, we have concluded that he has been sufficiently punished and should be relieved from the operation of the second sentence imposed at No. 9, April Sessions, 1925, and thereby made eligible for parole on the first sentence at No. 8, April Sessions, 1925.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Mike Calucci for the offense covered by No. 8, April Sessions, 1925, only, but not to include the similar offense covered by No. 8, April Sessions, 1925.

ARTHUR H. JAMES,  
Lieutenant Governor.

ROBERT R. LEWIS,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 121, December Sessions, 1916, in the Court of Oyer and Terminer, in and for the County of Delaware, Alexander Cullen pleaded guilty to an indictment charging him with murder, the degree of which was adjusted to be murder in the second degree, and on March 22, 1917, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than fifteen years, nor more than twenty years.

The applicant is a native-born citizen of the United States; thirty-six years old; colored. He is a stationary fireman by trade. He was so employed by the Beacon Light Company, Chester, Pennsylvania, at the time of his arrest, and resided in that city.

The applicant, a native of Maryland, remained in that State until May, 1916. He was a member of the church, sang in the church choir and was a member of the Knights of Pythias. He was married and had one son. In January, 1916, he became entangled in an affair with a colored woman, Mary White, which finally resulted in trouble and disgrace, causing him to be evicted from his lodge and church. Owing to the disgrace, in May, 1916, he came to Chester, Pennsylvania. The following August, Mary White followed him to Chester. They finally lived together at the home of Mrs. Dougherty, and remained there together until November 21, 1916. On October 30, 1916, Mary White went out with another negro while the applicant was working on night shift. Prior thereto she had stayed out at night with other men. The applicant remonstrated with her and told her if she was willing to live decently, all would go well, otherwise she would have to get out. Mrs. Dougherty scolded the girl for her waywardness, but she did not change her method of living. After having caught her on several occasions, the applicant came home, on November 20, 1916 and told Mrs. Dougherty what he had seen and that he would not live any longer with Mary White. Mary came home that day,



however, and persuaded the applicant to take her back and resume their lives together. She, however, continued her relations with other men. On November 21, 1916, the applicant packed her trunk and put her out. She left, but several days later began writing letters to the applicant making every endeavor to see him. On November 27, 1916, she accidentally met him on the street and asked him to meet her at the home of Mrs. Collins, saying that she wanted to talk to him. When he arrived at the Collins house, Mary was there. After he came in, Mrs. Collins asked him what was the matter with him that he did not look right, that he had a haunted look in his eyes. He said nothing but asked where Mary was, and Mrs. Collins came over and looked through his pockets, finding that he had a gun. She asked him to give it to her, to which he replied: "No, it is the only friend I have." Mary and the applicant went into a room and had a long talk together. He told her he had given up everything for her, his wife, his family, his child, his position in the community and there was nothing further that they could do; that there was only one step to take, and that was for both of them to commit suicide. He pulled out his gun and she jumped up and screamed. Mrs. Collins ran in and struggled with him. Mary got away and ran upstairs. He meant to kill her and himself, as he thought that was the only way out. He picked up his gun, rushed upstairs after Mary, where he shot her three times, killing her. He went downstairs, put the gun in his pocket, went home to Mrs. Dougherty and told her what he had done. He then went out and stood on the street smoking a cigarette until the police came and arrested him.

The applicant has now thirteen years, two months of his term of imprisonment. He was never before charged with or convicted of crime.

A large number of letters were filed with the Board recommending clemency. Many came from his former home in Maryland. Among others was a letter from the President of the City Council of Crisfield. Employment has been offered the applicant by the proprietor of a garage in Atlantic City if he is liberated. Samuel R. Boggs, a member of the Board of Trustees of the Penitentiary, has actively interested himself in behalf of a pardon for the applicant.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; because of the many letters recommending clemency; particularly the recommendation of Samuel R. Boggs; because employment has been offered him if released, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to thirteen years and two months' imprisonment, effective on May 22, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Alexander Cullen be commuted to thirteen years and two months' imprisonment, expiring on May 22, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, December Sessions, 1927, in the Court of Oyer and Terminer in and for the County of Lawrence, Frank Elisco was convicted of manslaughter, and on February 23, 1929, was

sentenced by the Court to pay a fine of fifty dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three years nor more than seven years.

The applicant is thirty-five years of age and owes allegiance to the Kingdom of Italy. He came to this country in 1912. He is a laborer by occupation, having worked in the tin mill at New Castle. At the time of his arrest, he was employed as a collector and driver for Alfonso Scarazzo and resided in New Castle with his wife and six children, the oldest being thirteen years of age.

The applicant, Antonio DiRouso and two companions spent the night of November 19, 1927, traveling about the city of New Castle visiting one house after another, drinking wine and other intoxicating liquors until nearly daybreak the following morning. During this period, there were slight altercations between the applicant and DiRouso wherein the latter threatened the applicant with bodily harm. The applicant had been warned by the two men that DiRouso was trying to pick a quarrel with him. He was also warned that the former had killed a man in Italy. About daybreak on the morning of November 20, 1927, the two companions, DiRouso and the applicant got out of the automobile in which they had been riding and went to another house to get more liquor. DiRouso got out of the car and on the sidewalk asked the applicant: "Won't you get out of the car?" The applicant said, "No Andy, it is pretty late. I want to go home." DiRouso said, "Late? You are not going to go home." He caught hold of the applicant and said, "I am going to kill you the same as I killed the man in the old country," and pulled the applicant out of the car and slapped him with his open hands across the face. After further altercation, the applicant saw DiRouso pull a gun with his right hand ready to shoot. He got hold of DiRouso with his left arm, then pulled his own gun, shot him in the abdomen, wounding him so that he died the same day. At the trial the applicant contended that he shot the deceased in self-defense because he believed at the time that he was in actual or imminent peril of his life and would suffer great bodily harm and had no means of escape. The jury found him guilty of manslaughter.

The applicant has now served one year and three months of his term of imprisonment. He was never before charged with or convicted of crime. His wife and six small children are dependent on him for support. They are now being supported out of public funds and by private donations.

There was filed with the Board, a numerously-signed petition of citizens of New Castle requesting clemency, on the ground of the applicant's prior good reputation for peace and good order in the community and for the further reason that they believe that he has been adequately punished and will lead an upright life if released. Charles H. Young, a prominent lawyer of New Castle has filed with the Board, a letter in which he states that the local sentiment is favorable to the applicant's pardon; that he has a wife and six small children who are dependent on him for support and that the sentiment in the community is that he should have been acquitted on the ground of self defense. He adds that the applicant has always borne a good reputation; that he has been adequately punished, and that further imprisonment would work a hardship on his family. Charles J. Margiotti, a prominent attorney of Punxsutawney, who recently spent considerable time in New Castle in the trial of a famous murder case, writes the Board, inter alia, as follows: "Mr. Elisco is well thought of in his community and bears a splendid reputation for having been peaceable and law-abiding all his life. Although he was convicted of manslaughter, the facts indicate that he acted in self-defense. The applicant has expiated nearly half of his minimum sentence and I believe that a pardon at this time would adequately meet the ends of justice."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the need which his family has of support; because of the recommendations of Charles H. Young, Charles J. Margiotti and the petition of citizens, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and three months' imprisonment effective on May 23, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence

of imprisonment heretofore imposed on the said Frank Elisco be commuted to one year and three months' imprisonment expiring on May 23, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 18 and 19, December Sessions, 1916, in the Court of Quarter Sessions of the Peace in and for the County of Centre, Edward Bannon pleaded guilty to two indictments charging him with arson, and on November 21, 1916 was sentenced by the Court in the aggregate to pay a fine of fifteen hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than twenty years nor more than thirty years.

The applicant is a native-born citizen of the United States, forty years of age, unmarried, and at the time of his arrest resided with his parents in Philipsburg, Centre County. His occupation was that of buying and selling small pieces of merchandise and occasionally working about the mines.

On March 13, 1916 the large McGirk building on one of the principal streets in said borough was completely destroyed by fire. This building consisted of store rooms, apartments, and dwelling houses.

On October 29, 1916 the Odd Fellows' building in the Borough of Philipsburg was set on fire and was partly damaged before the flames were extinguished.

In connection with these fires informations were lodged against the applicant charging him with arson, and he, being weak mentally and also under the influence of liquor, was unable to properly prepare a defense and was taken to jail. Prior to his conviction the applicant was a quiet, unassuming man showing no vicious tendencies whatever. He is a cripple, having lost one of his legs when he was a child six years of age. From boyhood he exhibited a low grade of intelligence and was unable to meet the charges.

The applicant has now served thirteen years and six months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial Judge, now deceased, in which he recommends pardon. There was also filed with the Board a letter from the trial District Attorney which evinces a favorable attitude. The Warden of the Penitentiary has filed a letter in which he refers to the marked improvement in the physical and mental condition of the applicant since his incarceration. J. C. Coulter, parole director of the penitentiary, has filed a letter with the Board in which he refers to the applicant's excellent prison record and the great improvement in his condition since his imprisonment. He recommends clemency. There was also filed with the Board a numerously-signed petition of citizens of Philipsburg in which they ask clemency. Annie McGirk, owner of the McGirk building, has filed a letter in which she asks clemency.

Dr. Sandy, director, Bureau of Mental Health, Department of Welfare, by request of the Board of Pardons, made a mental examination of the applicant in March, 1930, and in his report filed states that the applicant's mentality is not high and that he should be classed as "dull-normal." He adds: "His mentality is sufficiently high to enable him to make a living especially under the proposed circumstances, his younger brother having offered to receive him in his home at Altoona and help him to secure work." Dr. Sandy suggests that instead of a pardon the applicant be kept under supervision for a time.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprison-

ment already served; because of the recommendation of the trial Judge and the favorable attitude of the trial District Attorney and the favorable statements of the Warden and Parole Director of the Penitentiary, and because of the recommendation of Dr. Sandy, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to thirteen years and six months' imprisonment effective on May 21, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Edward Bannon be commuted to thirteen years and six months' imprisonment, expiring on May 21, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 5, March Sessions, 1917, in the Court of Oyer and Terminer in and for the County of Allegheny, Gust Paolis pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the second degree, and on April 6, 1918, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than thirteen years nor more than eighteen years.

The applicant is thirty-nine years of age, a native of Greece, and owes allegiance to that country. He is unmarried and a blacksmith by trade. He was employed by the American Steel and Wire Company of Pittsburgh, as a laborer, at the time of his arrest.

On December 23, 1916, the applicant became very ill while at work in the plant of the American Steel and Wire Company at Pittsburgh. He complained of his illness to a fellow workman who advised him to drink a couple of glasses of good whiskey as a medicine. Applicant did as he was advised and became very much intoxicated. Later he met a friend, Alekos Philivaki, who at once noticing his condition took him to his home, insisting on bathing the applicant's head with cold water. While being bathed, the applicant drew a revolver and accidentally shot his friend, Philivaki, in the leg. He then left the Philivaki home and went to a restaurant, after which he went to his boarding house. While there he shot and killed Mrs. Kirana Clares, wife of the proprietor of the boarding house. During the shooting the applicant was intoxicated. These acts were committed while he was not in possession of his mental faculties, due to strong drink. He was immediately arrested, entered a plea of guilty, and was held more than fifteen months before he was tried and sentenced as above.

The applicant has now served twelve years and one month of his term of imprisonment. Prior thereto he was imprisoned fifteen months awaiting trial, making a total of more than thirteen years, which is greater than his minimum term of imprisonment. His prior record was good.

There was filed with the Board a letter from the trial Judge, addressed to the applicant's counsel, in which he states that there was a serious question as to the applicant's mental condition when the crime was committed. He further states that in view of all the circumstances of the case, and after mature reflection, he would have no objection to a pardon, and that, "if I had myself to make the decision it is probable that I would release this man at this time." He further states that he never could understand why the applicant shot Mrs. Clares. He concludes, "I do not feel that I have any such knowledge that I could recommend a pardon but would be very strongly



disposed to grant it if the matter were up to me." The trial District Attorney is no longer in the service of the county. There was filed with the Board a letter from George Kowmaroas, the brother-in-law of the applicant, engaged in the mercantile and meat business in Weirton, West Virginia, in which he states that he will gladly take the applicant into business partnership with him if he is released.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; because employment has been offered him if released, and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to twelve years and one month's imprisonment, expiring on May 6, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Gust Paolis be commuted to twelve years and one month's imprisonment, effective on May 6, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 112, June Sessions, 1924, in the Court of Oyer and Terminer, in and for the County of Lawrence, Gustyn Ganiel alias Justyn Jamiel pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the second degree, and on June 26, 1924, was sentenced to pay a fine of fifty dollars, costs and to undergo imprisonment in the Western Penitentiary for a term of not less than ten years nor more than twenty years.

The applicant is about forty-two years of age and unmarried. He owes allegiance to the Republic of Poland. At the time of his arrest he was employed in the Shenango Tin Mill at New Castle, Pennsylvania, and resided in that city.

The applicant boarded at the home of one Joe Kivich. Joe Urovich, a relative of the proprietor, boarded at the same place. Both worked in the Shenango Tin Mill. At the time of the commission of the offense, which is the basis of the present application, the applicant was on a spree. He had been off work for about three days. When he returned to work his boss saw that he was unfit and sent him home. Instead of going home he visited a number of speakeasies. While on the spree he purchased a revolver but claims he doesn't know where, nor does he know the calibre of the weapon nor the purpose for which it was bought. He finally returned to his boarding house. Previously Joe Urovich had threatened to stab him. Urovich carried a knife with him at all times and was in the habit of brandishing it and telling the applicant that he was going to use the knife on him. The applicant dimly recollects seeing Urovich standing over him with a knife as if to stab him. He tried to defend himself and the gun was discharged while he was struggling for his life and Urovich fell to the floor. From that time until the applicant awoke in the New Castle Hospital he had no recollection of what took place. He was subsequently informed that there had been an altercation between him and Urovich at the boarding house and that Urovich was dead. He had no recollection of having shot Urovich. He himself had been shot through the chest and he did not know by whom or for what cause. It was for this injury that he was taken to the hospital. He remained in the hospital for three months after which he

was removed to the New Castle jail. There he was subsequently charged with the murder of Urovich.

The applicant has now served five years and eleven months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from President Judge Hildebrand, who was the attorney for the applicant at the trial. He states that the applicant had been drinking moonshine whiskey for several days and that he had shot a friend with whom he had associated for six years without any quarrel and without any apparent reason. He added: "after shooting his friend he attempted to take his own life. It was my opinion then and it is my opinion now that the man at the time of the shooting was crazed by drink to such an extent that he didn't know and realize what he was about." Judge Hildebrand joins the applicant in his plea for pardon.

There was also filed a letter from the president of the Peoples Savings and Trust Company of New Castle, in which the writer recommends clemency. He states that he knew the applicant and that he was a "peaceful and hard working man." The manager of the tin plate mill in which the applicant was employed also wrote a letter to the Board in which he states that the applicant was employed by them for almost seven years and during that time he was a steady worker and that his foreman highly recommended him.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; and because of the recommendations of President Judge Hildebrand and others, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon we have determined that the minimum sentence of imprisonment heretofore imposed by the Board should be commuted to five years and eleven month's imprisonment, effective on May 26, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Gustyn Ganiel, alias Justyn Jamiel, be commuted to five years and eleven month's imprisonment effective on May 26, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 495, January Sessions, 1929, in the Court of Quarter sessions of the Peace, in and for the County of Lackawanna, Aldo Pagliary pleaded guilty to an indictment charging him with the larceny of an automobile, and on February 7, 1929, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than four years nor more than eight years.

The applicant is a native of Scranton, of Italian parentage, and when arrested was only sixteen years of age. At this time he was out of employment. Previously he had been an apprenticed plumber's helper and resided in the City of Scranton with his mother, a widow.

The applicant is charged with having taken on January 23, 1929, between the hours of ten and eleven P. M., a Gardner Sedan, the property of C. Scott. At the time there was an epidemic of petty burglaries and thefts of automobiles by boys and young men. The Courts and police officers were making a determined effort to check this outbreak of crime and arrests were made in large numbers, of boys and young men suspected of having any connection with these offenses. Joseph Bieger

confessed to certain of these offenses and stated that on one occasion when an automobile, the property of C. Scott, was taken for a short ride, he was accompanied by the applicant. Upon information thus obtained the applicant was arrested, taken first to a cell in the City Hall, and then removed to the County Jail, and shortly thereafter, for the purpose of forcing a confession, was taken to the barracks of the State Constabulary. He was only sixteen years of age. He was refused an opportunity to communicate either with his family or counsel. After being detained at the barracks several days, the applicant, in company with other youths charged with various crimes and in charge of the State Police, was arraigned before an Alderman. He pleaded guilty to the larceny of an automobile and was thence immediately taken over to the Chambers of Judge Newcomb, where, in answer to a bill of indictment, a plea of guilty was entered. At the time of his sentence there were a number of other youths charged with burglary and the same sentence was alike imposed upon each and all of the offenders. The automobile in question was merely taken for a ride, abandoned a few hours later, recovered by the police, and on the following day returned to the owner undamaged.

The applicant has now served one year and three months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a petition of neighbors asking clemency. They allege that the applicant is the eldest son of his widowed mother who is in poor health and that the family requires his assistance. They certify that prior to his sentence he bore a good reputation and worked hard to assist his mother.

In consideration of all the circumstances of this case; the extreme youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; the severity of the sentence and the need which his mother has of his support, we have concluded that the applicant has been sufficiently punished and that if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Aldo Pagliari.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 24, May Session, 1927, in the Court of Oyer and Terminer, in and for the County of Lackawanna, Bernard Hicks pleaded guilty to an indictment charging him with having feloniously stolen a motor vehicle and on April 16, 1927, was sentenced by the Court to pay a fine of one dollar, costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five nor more than ten years.

The applicant is a native-born citizen of the United States, twenty-eight years of age, and unmarried. He has been a laborer in the mines and resided in the city of Scranton with his mother and grandmother.

On May 20, 1927, about 8 o'clock P. M., the applicant in company with one Harold Baum, an occasional acquaintance with whom he had been spending the evening, were walking along Sanderson Avenue in the City of Scranton when they saw a Studebaker car parked close to the curb. The two boys got into the car, drove it about four blocks and parked it immediately in front of the owner's home. The latter recognized his car and had the boys arrested. The car was in their possession about twenty minutes. No damage was done to the car.

The applicant has now served three years and one month of his term of imprisonment. He was never before charged with or convicted of crime. The applicant's mother, about sixty years old, requires his support.

There was filed with the Board a letter from a former employer in which he states that the applicant was employed by them as a driver and in that capacity handled cash and that they always found him to be honest. In the event of a vacancy they offer to give him employment if released. Louis J. Murphy, the owner of the stolen automobile, has filed with the Board a letter in which he states that he believes the applicant has been sufficiently punished and joins in his application for pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because his aged mother requires his support; because a former employer is willing to re-employ him if released; and because of the recommendation of the prosecutor in the case, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Bernard Hicks.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1004, December Session, 1923, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, Joseph Walker was convicted of robbery and assault, being armed with an offensive weapon, and on January 8, 1924, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years nor more than twenty years.

The applicant is thirty-three years of age, colored, and unmarried. At the time of his arrest he resided in the City of Philadelphia. He had previously been employed in the Carnegie Steel Mills at Braddock, Pennsylvania, until December 1, 1923, when he was laid off on account of slack work. He came to Philadelphia on December 17, 1923, and one week later was arrested and held for trial on the charge of robbery.

It is alleged that the applicant, on December 31, 1923, being armed with an offensive weapon, assaulted and robbed one Henry W. Cook, and took from his person twenty-five dollars in cash; a watch valued at fifty-five dollars; a watch chain valued at twelve dollars, and an overcoat valued at thirty dollars, the total value of the stolen articles being one hundred twenty-two dollars. The applicant denies his guilt and claims that when the alleged crime was committed, he was in jail, having been arrested on December 24 as already stated, and was continuously in the custody of the police from that date until he was sent to the penitentiary in January, 1924. He avers that the police records corroborate his statement.

The applicant has now served six years and four months of his term of imprisonment. He admits guilt of two prior offenses of a minor character.

In consideration of all the circumstances of this case; the term of imprisonment already served, and the grave doubt as to the guilt of the applicant, we have concluded that he has been sufficiently punished and that if now liberated he will prove himself a peaceful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and



## APPENDIX TO THE

in open session," recommend that a pardon be now granted to the said Joseph Walker.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 420 and 421, September Sessions, 1923, in the Court of Oyer and Terminer in and for the County of Philadelphia, Eugene J. O'Neill, alias George Connors was convicted of robbery, being armed with an offensive weapon, and on October 8, 1923, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seven years nor more than fourteen years.

The applicant is twenty-six years of age, a native-born citizen of the United States, and unmarried. He was born and resided in the City of Springfield, Massachusetts. At the time of his arrest he was out of employment.

On September 9, 1923, at about 10.30 P. M. the applicant with one, Edward Hale, engaged a taxicab of the Yellow Cab Company of Philadelphia at 22nd and Chestnut Streets. They directed the driver to go to 50th Street and Haverford Avenue, where Hale got out of the cab to go to a drug store. The applicant believed that the taxicab driver was the same person who had held him up some time previously and had taken twenty-six dollars from him. Upon the return of the applicant, he and Hale decided that they would even scores. They directed the driver to go back a short distance when they stepped, Hale taking the wheel of the cab and putting on the cap of the taxicab driver while the applicant took his money and watch. They drove a short distance, got out of the cab, took the name and address of the driver and told him that they would find out whether or not he was the man who had committed the former robbery of the applicant, and if they determined he was not, they would return the money and watch to him. They then walked to 40th and Market Streets and took another cab to return to their starting point when they were apprehended.

The applicant has now served six years and seven months of his term of imprisonment. He was never before charged with or convicted of crime. Hale, his co-defendant, was pardoned by this Board in February, 1930. He was 21 years of age when this crime was committed.

There was filed with the Board a letter from the City Assessor of Springfield, Massachusetts, in which he states that he has known the applicant since childhood and that if released, he will secure employment for him. There was also filed with the Board, a letter from the Probation Officer of the District Court of Springfield in which he states that the applicant has no record in that Court and that he will supervise the applicant should he be paroled and return to his old home.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because employment and supervision have been offered if the applicant returns to Massachusetts, his old home, and because of the additional fact that Hale, his co-defendant, equally guilty, was pardoned by this Board in 1930, we have concluded that the applicant has been sufficiently punished and that if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice in

open session," recommend that a pardon be now granted to the said Eugene J. O'Neill, alias George Connors.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 15, April Sessions, 1923, in the Court of Oyer and Terminer, in and for the County of Lackawanna, Joseph Wall pleaded guilty to an indictment charging murder, the degree of which was adjudged to be murder in the second degree, and on May 15, 1923, was sentenced by the Court to undergo imprisonment in the Eastern Penitentiary for a term of not less than eleven years nor more than fifteen years.

The applicant is a native-born citizen of the United States, twenty-four years of age. He is by occupation a motor runner in the coal mines, and was so employed, at the time of his arrest in the Marvine Colliery of the Hudson Coal Company in the City of Scranton, and resided in that city with his mother, who is a widow. He is unmarried.

The applicant was one of four young men indicted for the murder of Evan Parker, in the Borough of Dickson City, Lackawanna County, on the night of December 21, 1922. The three other men implicated in the shooting were Leonard Gilgallon, Joseph Gentile, and John Robinson. Gentile and Robinson met the applicant by chance in Scranton about eight P. M. The three men took an automobile and started up the valley toward Dickinson City. On the way they picked up Gilgallon. The applicant was driving the car. They visited different places and finally came to the corner of Lincoln Avenue and Johnson Street, Dickson City, near the place where Parker lived. Parker had escorted a friend of his family to a street car and was returning to his home. He was accosted by two men, one of whom had a revolver, who demanded that he throw up his hands. At this point the gun was fired and Parker fell to the ground shot through the right lung. He died a few hours later. The two hold-up men jumped into the car and fled. The four men were arrested, subsequently indicted, and separately brought to trial.

The Gentile case was tried first and the jury rendered a verdict of murder in the second degree. The Robinson case was next tried. The jury was out for six days and unable to agree. Finally, when it became apparent that no verdict could be reached, Robinson entered a plea of guilty to second degree murder. Gilgallon and the applicant subsequently entered pleas of guilty of murder in the second degree. Gilgallon and Gentile were each sentenced to imprisonment in the Eastern Penitentiary for not less than eighteen nor more than twenty years; Robinson fifteen to eighteen years in the same institution, and the applicant eleven to fifteen years.

The applicant has now served seven years of his term of imprisonment. He was never before charged with or convicted of crime. He was only seventeen years old when this crime was committed.

A number of letters were filed with the Board recommending clemency. Colonel Groome, a member of the Board of Trustees, the Warden and Assistant Warden of the Penitentiary recommend clemency. The trial Judge and present District Attorney, in letters filed, recommend clemency. John Boylan, president, District 1 United Mine Workers of America, the Chief Deputy Sheriff and Representative Munley also recommended clemency.

In consideration of all the circumstances of this case; the extreme youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of the recommendations of the trial Judge, present District Attorney, penitentiary officials, and

others, we have concluded that the applicant has been sufficiently punished, and that if now released he will prove himself a peaceful and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Joseph Wall.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 59, October Sessions, 1928, in the Court of Quarter Sessions of the peace, in and for the County of McKean, Raymond Sackett pleaded guilty to an indictment charging him with assault and battery and on October 3, 1928, was sentenced by the Court to pay a fine of twenty-five dollars, costs, and to undergo imprisonment in the Allegheny County Workhouse for a period of eleven months and fifteen days.

The applicant is thirty-six years of age, and a native-born citizen of the United States. He is unmarried. He had been working in a glass factory at Kane until a short time before his arrest, at which time he resided in Kane with his mother and two sisters.

The applicant, on October 4, 1926, was sentenced on the charge of larceny, to serve a term of not less than one and a half years nor more than three years in the Western Penitentiary. He served his minimum sentence and was on parole when he was sentenced to the term first above-mentioned on the charge of assault and battery. The object of the present application is to obtain a pardon so that he can be re-paroled on the sentence first imposed on the charge of larceny.

On August 26, 1928, the applicant met one, Mike Cournean, on the street, and the latter told him that some men had liquor in the woods and asked him to accompany him there, which he did. He found five or six men with whiskey. The applicant drank some of the whiskey and later went to one side, laid down on the leaves and went to sleep. Later he was awakened by an officer who arrested him. He learned that one, John Limdstrom and another man, both of whom had been in the drinking party, had engaged in a fight. Limdstrom received a black eye and swore out a warrant for the arrest of Cournean and the applicant. Limdstrom claimed that they had attempted to rob him, but later admitted that he was not sure whether or not they had intended to rob him, and that the only thing he had on his person was a box of snuff. The applicant did not remember of having been in a quarrel with anyone, and Limdstrom was not positive that the applicant was the one who hit him, but the applicant, having broken his parole, pleaded guilty in order that he might receive a lighter sentence. He was returned to the penitentiary to serve the maximum of his original term and he is now there imprisoned.

The applicant has served his entire sentence of eleven months and fifteen days on the charge of assault and battery, and is now serving his maximum term of three years on the charge of larceny. His mother and sisters require his support.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant on the charge of assault and battery, and the need which his mother and sisters have of support, we have concluded that he has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice

and in open session", recommend that a pardon be now granted to the said Raymond Sackett.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 7 and 10, April Sessions, 1926, in the Court of Oyer and Terminer in and for the County of Lackawanna, Joseph Parazinsky was convicted of rape, with the request on the part of the jury that the Court show him mercy on account of his wife and child, and on April 9, 1926, he was sentenced to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than seven and one-half years nor more than fifteen years.

The applicant is twenty-nine years of age, a native-born citizen of the United States, and at the time of his arrest was employed in the mines as a laborer. He resided in Dickson City. He is married and has one child.

From the Agreement of Facts signed by the District Attorney of Lackawanna County and the attorney for the applicant it appears that on the night of February 14, 1926, at about eleven fifty P. M., the applicant met the prosecutrix in this case, Mary Chmiel, and started to accompany her to her home. When they reached a point near Main Street, Dickson City, the Commonwealth contended that the applicant and another man who followed them, Stanley Labinski, committed felonious rape on the person of Mary Chmiel. The applicant contended that the prosecutrix went with him voluntarily.

The applicant has now served four years and one month of his term of imprisonment. He was never before charged with or convicted of crime. His wife and child are dependent on him for support. He claims that the prosecutrix in this case sought his company for some time prior to the commission of this offense, knowing that he was a married man; that she was a woman of bad reputation, and notified him that she would not testify against him if he paid her a sum of money.

There was filed with the Board a letter from the Chief of Police of Dickson City in which he states that the reputation of Mary Chmiel was very bad for a long time prior to the conviction and sentence of the applicant. He adds, "We ordered her out of town many times. She solicited intercourse from the boys of our town frequently before the applicant's arrest." There was also filed with the Board the affidavit of the mother of Mary Chmiel in which she states that the applicant is unjustly imprisoned for the reason that her daughter, the prosecutrix, continually sought the company of the applicant, endeavoring to make dates with him at many times, knowing that he was a married man. She adds, "She has been a very bad girl. A few years ago she gave birth to an illegitimate child and brought the child home and left it with me for support and then disappeared. I do not know where she is at the present time." There was also filed with the Board the affidavit of Stanley Labinski, who was also charged with having forcibly outraged Mary Chmiel. He states that he met the latter in the year 1924 and that time she had the reputation of being unchaste, that she was regarded by the people of the community as immoral. He further states that not only had he been guilty of misconduct with her, but that he had personal knowledge of two other men guilty of the same offense. He states that she was very fond of the applicant and many times asked him to meet her.

In consideration of all the circumstances of this case; the grave doubt as to the legal guilt of the applicant; his prior



good record; the term of imprisonment already served; because of the letter of the Chief of Police of Dickson City and the affidavits of the mother of the girl and Stanley Labinski; because his wife and child require support, we have concluded that the applicant has been sufficiently punished and that if now liberated, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Joseph Parazinsky.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 18, 56, 57, 58 and 72, October Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of McKean, Arnold Pinkerton pleaded guilty to five indictments charging him with fraudulently making a written instrument; uttering and publishing a forged instrument and breaking jail, and on December 14, 1925, was sentenced in the aggregate to pay a fine of six and a quarter cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than six years nor more than twelve years.

The applicant is thirty years of age; unmarried; a native-born citizen of the United States and a machinist by occupation. He was last employed by the Dresser Manufacturing Company of Bradford, Pennsylvania, and resided in that city.

During the early part of 1925, the applicant was laid off work by his employer on account of lack of orders. He unsuccessfully endeavored to obtain work, not only at his trade, but as an ordinary laborer. He was unemployed for nearly three months and was in debt for room rent, board and other necessary living expenses. Finally, idleness and want drove him to desperation. In order to obtain money, he drew checks, at two different times, in all four checks, for small amounts totaling twenty-five dollars, and after making purchases at several stores and buying eatables, paid for the same out of the proceeds of the forged checks and received the balance in cash. The dates and amounts of the checks, the names of the drawers and the places of business where the checks were cashed, are as follows:

June 12, 1925, \$5.00, Leon Marsh, Grand Union Groceries Co.

June 12, 1925, \$5.00, Leon Marsh, Restaurant of Alexander Maras.

June 20, 1925, \$5.00, John Powell, S. M. Flickinger, Inc., Store No. 253.

June 20, 1925, \$10.00, John Powell, Grand Union Groceries Co.

The applicant was arrested and indicted for forgery in four cases and pleaded guilty. He was only sentenced in the first case. Sentences in the other cases were originally suspended.

On September 20, 1925, while in the McKean County Jail awaiting removal to the penitentiary, the applicant escaped from prison. He went to a coal mine in Mercer County where he worked in a mine until apprehended on October 28, 1925. When arraigned he pleaded guilty to the last mentioned charge and was sentenced. At the same time he was sentenced in the three forgery cases in which sentences had originally been suspended.

His prior record is good with a single exception. In 1921, when twenty-one years of age, he served sixteen months in the Mansfield Ohio Reformatory for forgery.

There was filed with the Board, a letter from the trial Judge in which he states that he has no objection to a pardon in this case. The trial District Attorney has filed a letter with

the Board in which he states, "the applicant has served since December, 1925, and in the opinion of the writer, he has been sufficiently punished and his application for pardon should be granted". The present District Attorney has also filed with the Board a letter in which he states that he will not oppose pardon. He states, "it is probably true that he has been sufficiently punished, and this case is doubtless deserving of your serious consideration."

There was also filed with the Board a joint letter recommending pardon signed by the present Chief of Police, City Detective, Mayor and a former Chief of Police. The prosecutors in two of the cases also recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant with a single exception; the term of imprisonment already served; because of the favorable attitude of the present District Attorney; because of the recommendations of the trial District Attorney, certain city officials and the prosecutors in two cases, and because the trial Judge has no objection thereto, we concluded that the applicant has been sufficiently punished, and if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Arnold Pinkerton.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 13 and 14, September Sessions, 1924, in the Court of Oyer and Terminer, in and for the County of Monroe, Clinton P. Diehl, alias Clinton Deihl was convicted of rape and adultery, and on November 20, 1924, was sentenced in the aggregate to pay a fine of one hundred and ten dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than eight and one-half years nor more than fifteen years. The fine of ten dollars and sentence of one year imposed in Indictment No. 14, charging adultery, has been nolle prossed by the County Court, as the result of an order from the Supreme Court of Pennsylvania, which body decided that the said sentence was illegal.

The applicant is a native-born citizen of the United States, thirty-four years of age. He is by occupation a butcher, and at the time of his arrest was the proprietor of his own retail market located in East Stroudsburg, Pennsylvania. He was married but divorced in 1928. He has three children. His proper place of residence is East Stroudsburg, Pennsylvania.

On or about August 15, 1924, the applicant with one, Harry Fullerton, a friend, drove in the evening to the Delaware Water Gap. Upon their return it began to rain, and as they were crossing a bridge near the Gap they were hailed by two women, who said they were on their way to Saylorburg and asked for a ride. The women were Margaret Dombar, aged twenty-two, and Jean Sheridan, aged twenty-five. These women were employed as waitresses at the Glenwood Hotel, Delaware Water Gap. This incident was the beginning of a number of trips made with them during the succeeding two weeks. During these trips there was drinking, and on a certain night, on or about August 30, probably more than the usual amount of liquor had been consumed by the four persons. It was on this night that the alleged attack took place. The applicant has always denied his guilt.

The applicant has now served five years and six months of his term of imprisonment. He was never charged with or convicted of crime. His prison record is excellent, as shown by a letter from the Penitentiary authorities.

There were filed with the Board a large number of letters recommending clemency. The trial District Attorney, Associate Judge Clark, the Mayor of Stroudsburg, the Burgess of East Stroudsburg, the Chief of Police of Stroudsburg, and a number of business and professional men ask clemency.

Doctor Charles W. Sheldon was detailed by the Department of Health to make a physical examination of applicant, and his report, filed with the Board, shows that the applicant is subject to epileptic convulsions, which are of daily occurrence and are of a serious type. He also has been suffering for some months from chronic iritis, which is accompanied by severe pain. He has been operated on for gastric ulcer and for fistula and hemorrhoids. Doctor Sheldon, in his letter, concludes: "He is suffering from severe nervousness, and it is evident that a mental breakdown is imminent. I believe that release from his present environment, with proper institutional care, may avert a complete mental collapse."

In consideration of all the circumstances of this case; the prior good record of the applicant; his excellent prison record; the term of imprisonment already served; because of the favorable recommendations of the trial District Attorney, the Mayor of Stroudsburg, and others, and particularly because of the medical report of Doctor Sheldon, showing that the applicant's health has become seriously impaired, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Clinton J. Deihl, alias Clinton Deihl.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 619 and 620, January Sessions, 1928, in the Court of Oyer and Terminer, in and for the County of Lacawanna, John Edwin Tibbs, alias John Tibbs pleaded guilty to two indictments charging him with larceny and receiving stolen goods and breaking and entering, and on February 11, 1928, on No. 620, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, twenty-six years of age, and married. At the time of his arrest he was employed as a coal truck driver by T. J. Davis, of Taylor, Pennsylvania, and resided at Rendham, Pennsylvania.

On the night of January 6, 1928, the applicant was at the home of Thomas Carey participating in a christening celebration. The applicant drank wine during the evening and when he left the Carey home was in an intoxicated condition. At about 10.30 P. M. while passing the garage of the Thomas Motor Company, owned by Dewey Thomas, seized by the desire to realize money in order to purchase more liquor he decided to enter the garage and help himself to motor accessories. At this time he was earning seventy-five dollars per month, one-third of which he contributed towards the support of his aged and widowed mother. He entered the garage by means of an unsecured cellar door and took therefrom three automobile tires, which he sold for ten dollars. The Justice of the Peace filed with the Clerk of the Courts transcripts of two charges, to wit: the breaking and entering the garage and larceny and receiving stolen goods. The District Attorney, through error, prepared two indictments in the one charging the applicant with burglarizing from one, Clarence Imes goods

and chattels valued at fifty dollars and in the other burglarizing from the Thomas Motor Company goods and chattels valued at fifty-five dollars. The applicant had no counsel at the time he entered the plea of guilty and when he pleaded guilty to the second indictment he was under the impression that he was again pleading to the single charge of having burglarized the Thomas Motor Company. There was no transcript in the office of the Clerk of the Court charging the applicant with burglarizing the goods and chattels of Clarence Imes. Therefore, the applicant, through ignorance, pleaded guilty to two distinct acts of burglary, one of which never occurred, believing that both indictments referred to one and the same offense.

The applicant has now served two years and three months of his term of imprisonment. He was never before charged with or convicted of crime. The applicant's aged mother is in impaired health, as shown by the affidavit of her attending physician filed with the Board and depends for support on the applicant.

There was filed with the Board a petition of citizens of Old Forge recommending clemency and certifying to the applicant's prior good record and to the need which his mother has to support. There was also filed with the Board a number of letters recommending clemency. The prosecutor in the case has filed with the Board a letter recommending clemency believing that the applicant has been sufficiently punished. The present District Attorney has filed with the Board a letter in which he recommends pardon for the reason that the applicant was only twenty-three years of age when the crime was committed; was under the influence of liquor at the time and because of the long sentence and the need which his aged mother has of support.

In consideration of all the circumstances of this case; the comparative youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because of the need which his mother has of support; because of the petition and letters recommending clemency; because the prosecutor in the case asks for pardon and the present District Attorney recommends the same, we have concluded that the applicant has been sufficiently punished, and if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John Edwin Tibbs, alias John Tibbs.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 92, May Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Washington, John Pasco pleaded guilty to an indictment charging him with larceny, and on April 1, 1929 was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two years, nor more than four years. Albert Greene, William Mitchell, H. B. Greene and Herman Greene were jointly indicted with the applicant, entered the same plea and received the same sentence.

The applicant is of Italian descent, but a native-born American citizen, twenty-four years of age. He attended public schools until he attained the age of fourteen years, when he began to work. He was employed three years in a glass factory and worked for the Washington Gas and Coal Company for an equal period. He has an honorable discharge from the regular army.



The applicant had been employed by Albert Greene as a mechanic's helper in a garage. When he entered his employ, he had no acquaintance with Greene. On the afternoon of February 16, 1929, H. B. Greene and Herman Greene, father and brother of his employer, came to the garage to borrow Albert Greene's car. Albert Greene refused to permit them to use the car. In the evening when the applicant and his employer had completed work, the father and son returned in a drunken condition and offered the applicant and Albert Greene intoxicating liquor. At eleven o'clock, the applicant, the three Greenses and William Mitchell, colored janitor, drove to the property of C. Donaldson, situated in Mt. Pleasant Township, Washington County, and stole five sheep and eleven chickens. The applicant carried the two sheep. They returned to the car and drove home, each going to his own home. H. B. and Herman Greene disposed of the stolen goods, keeping the proceeds while Albert Greene, the applicant and Mitchell received nothing. Owing to their drunken condition, these men did not realize the seriousness of the offense.

The applicant has now served one year and one month of his term of imprisonment. He was never before charged with or convicted of crime. Employment has been offered him by C. C. Hammond a former employer if he is liberated.

There was filed with the Board a letter from the trial District Attorney, in which he recommends clemency. He states that the applicant became involved in the crime through the leadership of the Greenses; that his prior record was good. He adds, "I believe that your Board would not make any mistake in the event that leniency should be extended to this defendant."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because employment has been offered him if released, and particularly because of the recommendation of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John Pasco.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 23, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, June Sessions, 1925, in the Court of Oyer and Terminer in and for the County of Armstrong Louis Larosa was convicted of voluntary manslaughter, and on June 27, 1925, was sentenced by the Court to pay a fine of one thousand dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than six years nor more than twelve years.

The applicant is a naturalized American citizen born in Italy, thirty-eight years of age. He is a shoemaker by occupation and at the time of his arrest conducted a shoe shop in the Borough of Freeport, Armstrong County, and resided in said borough. He was married, but has no children.

On April 10, 1925, Marie Larosa, wife of the applicant, was found dead in her home in the Borough of Freeport. Her death resulted from stab wounds inflicted on her body. At the same time, the applicant was found lying unconscious in the basement of the house seriously wounded by knife wounds in his chest and a gunshot wound in his head, the revolver lying on the floor nearby. Four days later the applicant was arrested and charged with the murder of his wife. He was subsequently indicted, tried and sentenced as above stated.

There were no eye witnesses to the tragedy. The testimony and the contention of the applicant has always been that he acted in self-defense and that in so doing, he so seriously wounded his wife that she died from the effects thereof. He claims that the deceased was the aggressor and that she attacked him with a knife inflicting serious bodily injury compelling him to defend himself.

The applicant has now served four years and eleven months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a large number of letters recommending clemency and also a petition of citizens.

The trial Judge has filed a letter recommending clemency in which he states that the crime was committed under "very aggravating circumstances as the evidence showed that the act was committed during a quarrel." Both the trial District Attorney and present District Attorney recommend clemency. The trial District Attorney in his letter states, inter alia: "I have always believed that Louis Larosa committed the crime while laboring under great mental strain, as he had an excellent reputation prior to that time and also that the crime was committed in a very serious quarrel with his deceased wife." The prosecutor and Sheriff, the Coroner, the committing Justice of the Peace, the present County Detective, who are familiar with the facts surrounding this case, all recommend clemency. The Chief of Police of Freeport, Representative Himes, and Congressman Strong also request pardon. Ten of the jurors who convicted the applicant recommend clemency. The warden of the penitentiary certifies to the applicant's excellent prison record.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because of the petition of citizens and many letters recommending clemency from the trial Judge, trial District Attorney, present District Attorney, ten jurors, County Officials and other, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Louis Larosa.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., May 28, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 597, January Sessions, 1928, in the Court of Oyer and Terminer in and for the County of Lackawanna, Paul Durkin pleaded guilty to an indictment charging him with the larceny of a motor vehicle, and on February 7, 1928, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than four years nor more than eight years.

The applicant is twenty years of age and unmarried. He is a native-born citizen of the United States and at the time of his arrest resided with his parents in the City of Scranton. He was educated in the public schools of that city and worked in the coal mines as a laborer for about two years.

John Knapp, Lillian Campton, and the applicant were jointly indicted with having stolen on February 6, 1926, a Marmon sedan, the property of Doctor Frederick Bishop. While they were in the midst of a "joy-ride" several hours later, they were arrested in the Borough of Moscow, situated five miles from Scranton, by a constable of the said borough. The applicant was only eighteen years of age when this crime

was committed. No sale of the car was intended nor any conversation of the same, but it was taken temporarily to satisfy the desires of three young people for an automobile ride. Knapp, who was a party to the act and equally guilty with the applicant, received a suspended sentence, while Lillian Campton was never prosecuted.

The applicant has now served two years and three months of his term of imprisonment. His prior record is good with a single exception; he was confined in the Huntingdon Reformatory for approximately eighteen months on the charge of the larceny of an automobile.

There was filed with the Board a letter from former Mayor John Durkan, in which he offers the applicant employment if released. The superintendent of the colliery in which the applicant was employed has also filed a letter with the Board in which he states that the applicant was a faithful and conscientious worker. M. J. McHugh, a former superintendent of police, has also filed a letter in which he recommends clemency. Representative Williams has also filed with the Board a letter to the same effect.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record with a single exception; because of the term of imprisonment already served; and in consideration of the fact that Ex-Mayor Durkan offers to employ the applicant if released; and in consideration of the recommendations of Representative Williams and former Chief of Police McHugh, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a peaceful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Paul Durkin.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 17, June Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Warren, John J. Ponsoll pleaded guilty to an indictment charging him with breaking and entering and larceny, and on April 21, 1924, was sentenced by the Court to pay a fine of five hundred dollars, costs and to undergo imprisonment in the Western Penitentiary for a term of not less than two and one-half years nor more than five years.

At No. 85, September Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Centre, the said John J. Ponsoll pleaded guilty to an indictment charging him with breaking and escaping penitentiary and on July 28, 1925, was sentenced by the Court to pay a fine of one dollar, costs and to undergo imprisonment in the Western Penitentiary for a period of not less than two and one-half nor more than five years; sentence to compute after completion of the sentence from Warren County.

The applicant is a native-born citizen of the United States, twenty-seven years of age. He was by occupation an acetylene welder, and at the time of his arrest was employed at the Hammond Iron Works, Warren, Pennsylvania, and resided with his father in that borough. He is unmarried.

On the night of March 20, 1924, while under the influence of liquor, the applicant broke a window of the Sturgis Jewelry Store, Warren, and reaching through the broken window took articles of jewelry which had an approximate value of \$400.00. This occurred on a Saturday night, after the applicant had been at a dance and he was considerably intoxicated. The fol-

lowing day, still under the influence of liquor, he went by street car to Jamestown, New York, and disposed of one watch and one ring. He then went to Oswego, New York, where he had friends and when he became sober, realized what he had done and finally concluded to return to Warren and give himself to the police authorities. Before he surrendered, he was arrested in Oswego by Chief of Police of Warren and immediately confessed what he had done and turned over to him all the stolen property with the exception of the one watch and one ring which he had pawned. He waived extradition, returned to Warren, went into Court, pleaded guilty and received the sentence above stated.

On July 12, 1924, he was transferred from the Western Penitentiary, in Allegheny County, to the Rockview Prison, and escaped from the latter on August 6, 1924. He was re-arrested at Syracuse, New York on July 9, 1925, admitted his identity, and stated that he had escaped from the penitentiary at Rockview. He again waived extradition and returned to Bellefonte, pleaded guilty and was sentenced as above stated for the escape.

At the time of his first offense, the applicant was twenty-one years of age and under the influence of liquor. When he escaped from Rockview he had been seriously ill, following an infection from vaccination. The doctor instructed him to walk for exercise and he was permitted to walk around the yards and out through the stockade to the superintendent's office. He decided to go home to see his people, walked out through the gate in the daytime and disappeared down the road.

The applicant has now served continuously in prison since April 21, 1924, with the exception of the period from August 6, 1924, to July 9, 1925 (eleven months), immediately following his escape from prison, or a total period of approximately five years and three months. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial District Attorney in which he states that the applicant was intoxicated when he committed the first offense. He also states that he is satisfied that the applicant has been punished severely for what he has done and that the ends of justice would be met by his release. There was also filed with the Board a letter from President Judge Arird, addressed to the applicant's counsel, which indicates that he is favorable to the application. The trial Judge has filed with the Board a letter in which he states, "I will not oppose the granting of this man's pardon under any circumstances. It appears that he has fully paid his debt to society. The prolonging of his sentence will neither benefit him nor will it make further amends to the Commonwealth". The Chief Burgess and the Chief of Police of Warren, have also filed letters recommending clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; and because of the favorable recommendations of the trial Judge, trial District Attorney, President Judge Arird and the Chief Burgess and Chief of Police, of Warren, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John J. Ponsoll.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

At No. 64, March Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Indiana, Louis



Ottavario was indicted for aggravated assault and battery; assault and battery; assault with intent to maim and disfigure; pointing firearms and carrying concealed deadly weapons. He pleaded guilty to the charges of aggravated assault and battery, assault and battery and carrying concealed deadly weapons, and on June 22, 1925 was sentenced by the Court in the aggregate to pay a fine of eighteen and three-fourths cents, costs and to undergo imprisonment in the Western Penitentiary for a term of not less than five and one-half, nor more than eleven years.

There were two indictments, the applicant having been twice indicted for the same offense.

The applicant is a native of Italy, thirty-five years of age, and owes allegiance to the Kingdom of Italy. He has a wife and three children in that country. He came to America in 1921. He went to Cincinnati, Ohio, and thence to Milburn, West Virginia, where he worked for two years, and then to Detroit, Michigan, where he worked three years, and then came to Boltz, Indiana County, Pennsylvania, where he was working at his trade as carpenter when he was arrested and sentenced as before stated.

On March 14, 1925, in the evening, the applicant met one Sam Mangarella, with whom he had but a slight acquaintance. Mangarella came up to him and said, "You are supposed to go way." The applicant paid no attention to the remark. The following night Mangarella came up to the applicant on the street and said, "I thought I told you you were to go away." The applicant did not have time to answer before Mangarella struck him on the left jaw felling him to the ground. He saw what he believed to be a gun in Mangarella's hand and in order to protect himself, drew a pistol and shot Mangarella. The applicant then went to his boarding house and remained overnight. The following morning he decided he had better leave town to avoid further trouble, but he was arrested and charges were lodged against him as above stated. Mangarella soon recovered.

The applicant has now served five years of his term of imprisonment. He was never before charged with or convicted of crime. The Warden of the Penitentiary has filed with the Board a letter in which he states that the applicant's record in prison is beyond reproach. The applicant was twice sentenced for the same offense and, therefore, he was twice placed in jeopardy, which is contrary to the Statutes of Pennsylvania. He also claims that the sentences imposed were greater than those provided by law.

There was filed with the Board a letter from the trial Judge in which he recommends clemency, as follows, "It occurs to me that a favorable consideration of his application at this time would meet the ends of justice. I, therefore, recommend his pardon."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because of the severity of the sentence imposed; because of the further fact that the applicant was twice in jeopardy, contrary to the provisions of law and in consideration of the further fact that the trial Judge recommends clemency, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Louis Ottavario.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 24, September Sessions, 1926, in the Court of Quarter Sessions of the Peace in and for the County of

Clinton, Percy F. Emert pleaded guilty to the second and third counts in the indictment which charged him with larceny of 250 gallons of moonshine whiskey, the property of Luther Self, in the custody of the Sheriff of Clinton County, and entering court house, without breaking, with intent to feloniously steal said whiskey, and on April 25, 1929, was sentenced by the Court to pay a fine of \$1.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than three years nor more than six years. Ralph Hale, who was also indicted for participation in the same offense, entered the same plea and received a like sentence.

The applicant is a native-born citizen of the United States; 29 years of age. He is married and has one son, six years of age. At the time of his arrest he was the owner and operator of an automobile truck business and resided in the city of Lock Haven with his family.

On the evening of August 4, 1928, the applicant drove his truck to the residence of Ralph Hale in Castanea Township, Clinton County, whence he met Ralph Hale and one Charles Tryon, whom he had never met before. He went there for a social call with no intention of planning or committing the acts which followed. About 9 o'clock in the evening the applicant started to return home, Hale and Tryon accompanying him to Lock Haven. The distance is about one and one-half miles. The applicant drove his truck into an alley about half a block west of the court house and parked it. Hale and the applicant left Tryon and proceeded on Main Street, purchased some candy and sandwiches, and stayed in the central part of Lock Haven for approximately an hour. They then returned to the place where the truck was parked. Hale asked the applicant to wait for a few minutes, which he did. Hale then asked the applicant to run his truck down the alley in the rear of the court house and when he arrived there he saw a keg on the ground. Tryon was there and either he or Hale, or both of them, had removed a number of kegs of moonshine whiskey which had been confiscated and placed in the court house, and loaded the whiskey upon the truck, when loaded, the truck was driven to Castanea Township where the kegs were placed in a barn. When the applicant was charged with having been implicated in the larceny of the whiskey he immediately confessed and informed the officers where the whiskey could be recovered. It was found where the applicant directed. At no time did the applicant enter the court house, nor did he know that it was the intention of Hale or Tryon to enter the court house and remove the whiskey therefrom. He permitted Hale and Tryon to persuade him to become a party to the transaction in allowing his truck to be used for the purpose of removing the whiskey from the court house, but had no part whatever in the planning thereof, or in the actual removal of the whiskey from the building.

The applicant has now served one year and two months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial Judge in which he recommends clemency because of the applicant's prior good record, and because he believes he had no part in planning the crime, and has been sufficiently punished. The Chief Probation Officer of Clinton County also recommends clemency, as well as Associate Judge Dunn. The trial District Attorney recommends pardon because of the applicant's prior good record and because he was led into crime by Tryon who has never been apprehended.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term already served; and the recommendations of the trial Judge, Associate Judge Dunn and trial District Attorney, we have concluded that the applicant has been sufficiently punished and if released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Percy F. Emert.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 105, September Session, 1926, in the Court of Quarter Sessions of the Peace in and for the County of Centre, Clement Edward O'Donnell pleaded guilty to the charge of breaking and escaping from the Penitentiary, and on September 27, 1926, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three years nor more than six years; sentence to compute after completion of sentence from Philadelphia County.

The applicant is a native-born American citizen, thirty years of age. His trade in the application is given as that of "wood, wire and metal lather," and prior to his imprisonment, resided in the City of Philadelphia with his wife and two children, aged respectively seven and five years.

In April, 1924, the applicant was arrested in company with three others in connection with the theft of a taxicab in the City of Philadelphia, and on April 21, 1924, was sentenced to the Eastern Penitentiary for a term of not less than five years nor more than ten years. On June 12, 1925, he was transferred from the Eastern Penitentiary to the new Western Penitentiary at Rockview. From the time of his arrival there until September 26, 1926, he worked steadily at the tasks assigned to him. During the last nine months of this period he heard nothing from his wife, mother, or other members of his family, who were at loggerheads, although he wrote them frequently. As a result of this worry regarding his family and believing that his oldest child, who had been taken to a hospital shortly after his incarceration, had died in the hospital, he decided to leave the prison farm at the first opportunity and make his way home and ascertain the true condition of affairs. Accordingly, on September 26, 1926, he left Rockview and started toward Philadelphia. After he had gone about ten hours and traveled about twenty miles toward his home, he was arrested on the charge of escaping, and lodged in the Centre County jail. Brought before the Court on the following day he pleaded guilty to the charge and was sentenced as previously stated.

The applicant has now served almost six years of the sentence given him for robbery. The three men implicated with him on the same charge have been paroled for more than four years. The applicant's wife is without means of support other than what she earns by her own labor, and his family requires his support.

There was filed with the Board a letter from the Warden of the Penitentiary in which he states that the applicant's record since his return in September, 1926, has been beyond reproach. There was also filed with the Board a letter from the trial Judge in which he recommends clemency.

In consideration of all the circumstances of this case; the period of imprisonment already served by the applicant; because of the need which his family has of support; because of the letter from the Warden of the Penitentiary and the recommendation of the trial Judge, we have concluded that the applicant has been sufficiently punished, and if now liberated will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Clement Edward O'Donnell.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 501, January Sessions, 1914, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Frank

Palandrani, alias Frank Paroli pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the second degree, and on June 19, 1914, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than eighteen years nor more than twenty years.

The applicant is fifty-one years of age, a native of Italy and owes allegiance to that country. He came to America in 1906. He was a laborer and then engaged in the selling of fruits and vegetables. He prospered in a small way in June, 1913, was married. He and his wife then conducted a small store located in the City of Philadelphia until the day of the commission of the crime in question. He resided in that city with his wife (until the time of her death) and three step-children.

On Sunday, November 30, 1913, Mary Angeline Palandrani was preparing dinner at her home when she was stabbed by her husband, the applicant. The jugular vein was severed. She died before reaching the hospital. The applicant went through a back alley, boarded a street car and made his escape. He was apprehended at Frankford-on-the-Rhine, Germany, in January, 1914, and brought back to this country for trial.

The events which led up to the tragedy were as follows: The applicant and his wife had been married five months. Their married life was a series of bickering and quarrels. On the day in question, shortly before noon, they began quarreling. The wife was in the kitchen preparing the dinner. The thirteen-year-old stepson was in the kitchen with his parents, who were furiously angry and while upbraiding each other they came together and their bodies touched. The wife, having a fork in her hand which she was using in the process of preparing dinner, brandished it in a threatening manner. The applicant retreated in fear. She then deliberately threw the fork in the face of the applicant and attempted to seize a butcher knife, which was lying upon the kitchen table. Fearing injury the applicant grappled with her and in great excitement, reached in his trouser pocket, drew out a penknife and stabbed her four times in the back. She then released her hold upon him and the applicant fled. She followed, but fell in the back yard. She then arose and went into the house where she fell upon a couch and died from internal hemorrhage.

The applicant has now served sixteen years of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial Judge, who seldom if ever recommends a pardon. He states, inter alia, that he understands the applicant has a very good record in the Penitentiary and adds: "Upon a re-reading of the testimony. I believe that he has been sufficiently punished for the crime committed. I interpose no objection to any favorable action of the Board upon the petition."

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served and particularly because of the recommendation of the trial Judge, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Frank Palandrani, alias Frank Paroli.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 32, April Sessions, 1929, in the Court of Quarter Sessions of the Peace in and for the County of Clinton, Ralph



Hale pleaded guilty to an indictment charging him with entering, without breaking, larceny, and the unlawful possession and transportation of intoxicating liquor, and on April 25, 1929, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than three years nor more than six years.

Percy F. Emert, who was also indicted for participation in the same offense, pleaded guilty and received a like sentence.

The applicant is thirty years of age, and a native-born citizen of the United States. He is married and has four children aged eight, six, four, and two, respectively. He is a coal miner by occupation but at the time of his arrest was working in an apple orchard.

On August 2, 1928, the applicant was living in Castanea Township, about one and one-half miles from the City of Lock Haven. At that time there was a great deal of talk about certain liquor that had been stored in the basement of the court-house. The applicant and two others, Percy F. Emert and Charles Tryon or Tryson, decided that they would endeavor to obtain some of this liquor. They took Emert's truck and when they arrived at the court house, in Lock Haven, in the evening, found it open, went in and loaded two hundred forty gallons of the liquor on the truck and drove away. The following day Emert was arrested. The applicant was not arrested until some time later. Tryon or Tryson has never been apprehended. The applicant pleaded guilty to the charges as above stated and received the sentence above mentioned. Emert was given a like sentence. The liquor was returned to the County.

The applicant has now served one year and two months of his term of imprisonment. His prior record is good with a single exception, that on one occasion he was fined one hundred dollars for being on a truck that was transporting liquor.

The applicant has a wife and four small children who are dependent upon him for support. They are now objects of charity.

There was filed with the Board a letter from the trial Judge in which he recommends clemency. He stated that Tryon or Tryson has never been apprehended and he is generally believed to have been the real instigator of the crime. He also states that the applicant's wife and four small children are objects of charity. The trial District Attorney has also filed with the Board a letter in which he recommends clemency. He states that the applicant's family are objects of charity and need his support, and that his prior record is good with a single exception. He believes that the applicant had no part in planning the affair, that Tryon or Tryson, the third man in the affair, has never been apprehended.

In consideration of all the circumstances of this case; the prior good record of the applicant with a single exception; the term of imprisonment already served; because the applicant's family are in destitute circumstances and require support, and because of the recommendations of the trial Judge, and trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Ralph Hale.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 27, 28, 29, 30 and 33, December Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the

County of Cumberland, Leon Kuhn pleaded guilty to five indictments charging him with larceny, and on November 25, 1929, was sentenced in the aggregate to pay a fine of fifty dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than one and one-half years, nor more than three years.

The applicant is a native-born citizen of the United States, nineteen years of age. He is by occupation a day laborer. At the time of his arrest he resided with his parents in Lower Frankford Township. He is unmarried.

The applicant was jointly indicted with his brother, Melvin Kuhn, Charles Finkenbinder and Edward Booher, in two of the above indictments charging larceny, and was jointly indicted with his brother, Melvin Kuhn, and Finkenbinder in two of the above stated indictments. The applicant was the sole defendant in one indictment.

About the latter part of September, 1929, these four young men under the leadership of Melvin Kuhn, organized a campaign of stealing from farmers who resided near the Kuhn home. Melvin Kuhn, who was then under parole from the Eastern Penitentiary, was the master mind in the enterprise. These four boys visited five farms and stole whatever of value they could find. None of the articles were of great value and the total value did not exceed two hundred dollars. Suspicion attached to Melvin Kuhn because he had a criminal record and was known to have formerly been active in chicken stealing. He was arrested and confessed, whereupon the others confessed. Practically all the stolen property was found in their possession and promptly returned to the owners. All of the defendants pleaded guilty to the charges.

The applicant has now served approximately seven months of his term of imprisonment. He was never before charged with or convicted of crime. He was only eighteen years of age when these crimes were committed.

Within the past month, the applicant's father has died, leaving his mother, two sisters of tender years and a brother of seventeen years, to operate a farm containing one hundred seventy-five acres. The applicant believes that with his experience and aid of his younger brother, he can successfully operate this farm and harvest the crop, otherwise the mother and family will become dependent upon charity. He was under the sinister influence of his older brother when these crimes were committed and was too young to realize the folly of his course.

There was filed with the Board a letter from the trial District Attorney, in which he states: "The authorities here will not oppose this application."

In consideration of all the circumstances of this case; the youth of the applicant when the crimes were committed; his prior good record; the term of imprisonment already served; because his mother and family require his assistance and support and because of the favorable attitude of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now liberated, he will prove himself a useful, peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Leon Kuhn.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1301 and 1302, June Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Edward Martin and Edward Marshman both

pleaded guilty to two indictments charging them with larceny, receiving stolen goods and operating a motor vehicle without the consent of the owner, and on June 27, 1929, were each sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than four years, nor more than eight years.

The applicant, Marshman, is a native-born citizen of the United States; unmarried; nineteen years of age. He has no trade or profession and was unemployed at the time of his arrest and resided with his parents in the city of Philadelphia. The applicant, Martin, is a native-born citizen of the United States; twenty-three years of age. He has no trade or profession. He was on unauthorized leave of absence from the United States Army at the time of his arrest. He is married and has a wife in the State of New Jersey.

On June 24, 1929, at Juniper and Chestnut Streets, a police noticed an automobile which bore the number of a car that had been reported stolen a short time previously. The car, a Hudson roadster, was going east on Chestnut Street and the two applicants were in the machine, Martin driving the car. The officer ordered the men to draw over to the curb, which they did, and both jumped out and started to run. The officer caught hold of the applicant, Marshman. The applicant, Martin, started to run away. The officer pulled out his revolver and commanded the applicant, Martin, to stop. At the sight of the revolver in the officer's hand, applicant Martin retraced his steps to where the officer was standing with applicant Marshman. At first the applicants denied having stolen the car, but finally confessed having taken it about an hour previous, from 917 Ridge Avenue.

Both applicants have now served approximately one year of their respective terms of imprisonment. They were never before charged with or convicted of crime. The Chief Parole Officer of the Eastern Penitentiary certifies that both applicants have good prison records. The wife of applicant Martin is a cripple and dependent on her relatives for support.

There was filed with the Board a letter from the prosecutor in the case, addressed to the wife of applicant Martin, in which he states he will assist him in securing a pardon and if released will endeavor to secure him a position. There was also filed with the Board a letter from the trial Judge, addressed to E. M. Hackney, Chief Probation Officer, City Hall, Philadelphia, who pressed the application for pardon in behalf of the applicants, in which he states that while he will not recommend a pardon, he has no objections to clemency if the Board believes that the applicants have been sufficiently punished.

In consideration of the circumstances of this case; the prior good record of both applicants; the term of imprisonment already served; the severity of the sentences; their excellent prison record; because of the letters filed with the Board recommending clemency, including a letter from the prosecutor and trial Judge, the latter of which is not adverse to the application; and because the crippled wife of applicant Martin requires his support, we have concluded that both applicants have been sufficiently punished and that if now liberated they will prove themselves useful and law-abiding citizens.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Edward Martin and Edward Marshman, respectively.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

Excelsency, John S. Fisher, Governor.

Sir: At No. 56, October Sessions, 1919, in the Court of Oyer and Terminer, in and for the County of Mercer, Tony Eker

pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the second degree, and on October 9, 1919, was sentenced by the Court to pay costs and to undergo imprisonment in the Western Penitentiary for a term of not less than sixteen years nor more than twenty years.

The applicant is fifty-seven years of age, a native of Jugo-Slavia and owes allegiance to that country. He came to the United States in 1913 and lived in Farrell, Mercer County, where he was employed in the steel mills until shortly before his arrest. The applicant has a wife and three children living in Jugo-Slavia.

The applicant was charged with having caused the death of Alex Rus on September 26, 1919, but knows nothing concerning the crime with which he was charged. He has always been a man of good habits and worked steadily in the steel mills for a number of years prior to the time of his arrest. He had been laid off for a few days prior thereto and became intoxicated. When he recovered his senses, he was in jail and found that he was under arrest for the murder of the said Rus on the evening of the date mentioned. From the testimony, it appears that the applicant had been stupidly and staggering drunk the afternoon and evening of the day of the tragedy. Different witnesses testified that they had seen the applicant wandering about in a drunken condition, staggering and falling down, and one witness testified that he had picked up the applicant and tried to put him on his feet. Some of the witnesses stated that the applicant had wandered into their homes as late as half-past five and six o'clock of that day, stupidly and staggering drunk. The only eye witness was a little boy John Chlopka, age five years, who apparently testified at the hearing before the magistrate, before the Grand Jury and before the Court. According to the testimony of this juvenile witness, he saw the applicant strike Rus on the head with a hatchet. The applicant cannot refute the inference raised from the child's statement, yet he knows nothing of the matters related by the witnesses as to what he did during the afternoon and evening of the day of the tragedy. The testimony of the witnesses showed no motive of the commission of crime and shows an entire absence of ill feeling or malice on the part of the applicant toward the deceased. He and Rus had been on friendly terms.

The applicant's wife and three children are in Jugo-Slavia. With them and partially supported by the wife are six minor children of a deceased daughter who was the wife of a veteran of the World War. The applicant desires to return to his native country and if permitted to do so, will support his family and the six minor grandchildren above mentioned.

The Commissioner of Emigration for the Kingdom of Jugo-Slavia, at New York City, will provide the applicant's transportation from said city to the nearest port of debarkation to Jugo-Slavia, with a passport to his final destination in that country. The applicant has saved sufficient money to pay the expenses of himself and an officer from Pittsburgh to New York City and the return expense of the officer to Pittsburgh; also the expense of the applicant from the port of debarkation to his destination in Jugo-Slavia. There was filed with the Board a letter from the Commissioner of Emigration, at New York City, above referred to, in which he offers to provide not only transportation from New York to Jugo-Slavia but also a passport to his final destination, in the event that the Board grants pardon or commutation to the applicant.

The applicant has now served ten years and eight months of his term of imprisonment. He was never before charged with or convicted of crime.

There were filed with the Board letters from the trial District Attorney and the trial Judge which indicate that they are favorable to a pardon or commutation if the applicant is deported to his native country. The present District Attorney has also filed with the Board a letter which indicates a favorable attitude. The Chaplain of the Western Penitentiary and the Educational Director of the same certify to the applicant's excellent prison record and recommend clemency.

In consideration of all the circumstances of this case; the need of his family for support; the prior good record of the applicant; the long term of imprisonment already served; because of his excellent prison record and because the trial Judge, the trial District Attorney and the present District Attorney are favorable to clemency on the express condition



that the applicant be deported to his native land, we have concluded that he has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Tony Eker upon the express condition that he be immediately deported to Jugo-Slavia, his native land, and never return to the United States.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 7, January Term, 1922, in the Court of Oyer and Terminer in and for the County of Lackawanna, Griffiths Richards pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the second degree, and on February 6, 1922, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than sixteen years nor more than twenty years.

The applicant is a native born citizen of the United States, fifty-six years of age. He is by occupation a pump runner for the Glen Alden Coal Company, but at the time of his arrest had been out of employment for several months by reason of a suspension of work at the mines. He is a widower.

The applicant's wife died several years before the commission of this crime. After her death he began to drink heavily. He had no home ties of any kind. About eight months before the tragedy he became acquainted with one Harriet Bernard, employed as a waitress at a hotel on Penn Avenue, Scranton, a place of bad reputation. He became intimate with her. They drank together and from time to time he loaned her money and upon several occasions, while he was intoxicated in her company, she took money from his pockets. He finally concluded to break off their intimacy and for three or four days prior to the shooting he avoided her. All this time he was drinking heavily. Finally on the evening of October 8, 1921, about midnight, she met him in the hotel on Penn Avenue and persuaded him to go to her room. She asked him for money, which he refused. The applicant, who was intoxicated, remained with her for a time and when about to leave she reached into his pocket and took his last remaining money. In great excitement he took a revolver from his pocket and threatened her and tried to recover the money. In the struggle the revolver was discharged and the bullet lodged in the body of the woman causing her death. Only one bullet was fired. After a time the applicant realizing what had happened shot himself in the head, but recovered, after several weeks in the hospital. When he was able to do so, he made a full statement to the police and pleaded guilty as already stated.

The applicant has now served eight years and four months of his term of imprisonment. He was never before charged with or convicted of crime.

There were filed with the Board several letters and a petition of citizens recommending clemency. The superintendent of police of the city of Scranton, who is familiar with the facts of the case, recommends pardon. The trial District Attorney makes no recommendation.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; in consideration of the recommendation of the superintendent of police of the city of Scranton and the

letters and petition of citizens, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Griffiths Richards.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1398, 1399, 1400 and 1401, January Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, William McHale pleaded guilty to four indictments charging him with fraudulently making and uttering a written instrument; false pretense and conspiracy, and on February 2, 1928, was sentenced to pay costs and undergo imprisonment in the Eastern Penitentiary for a term not less than three and one-half nor more than seven years.

The applicant is a native-born American citizen, sixty years of age, unmarried. He has for the greater part of his life been engaged as a clerk and executive. He was for thirteen years Treasurer of McLaughlin Brothers and Company, of Philadelphia, now out of business. In later life he engaged in the advertising business. At the time of his arrest he was unemployed. He resided in the City of Philadelphia with his widowed sister, sixty-five years of age, who is largely dependent upon him for support.

The applicant's record prior to the commission of the present offense was good with a single exception. More than twenty years ago he was sentenced to the Philadelphia County Prison for a term of six months for the larceny of \$3.60 from his employer.

For a period of about six months prior to his arrest for the present offense, the applicant had been drinking heavily and was frequently intoxicated. Being without funds he was induced to represent himself as a duly accredited agent of the publishers of a book published annually by the Pennsylvania State Firemen's Association; this for the purpose of soliciting advertisements for said publication. He procured various checks amounting to the sum of \$55.00, payable to the said Association, which checks he cashed and appropriated the proceeds thereof to his own use.

The applicant has now served two years and four months of his term imprisonment. His prior record is good, with the single exception noted above. Employment has been offered him if released. A widowed sister, sixty-five years of age, with whom he resided, requires his support.

There was filed with the Board a letter from John McCaffery, publisher, 1214 Walnut Street, Philadelphia, who was a private prosecutor at the trial, in which he states that in all fairness, the applicant has undergone a punishment commensurate with his crime. L. D. McKenney, Director of Campaigns for newspapers and magazines, Pittsburgh, has also filed with the Board a letter in which he states that the applicant had been employed by him for three years during which time he found him to be "honorable and ambitious." He offers to employ the applicant if released. He recommends clemency. There was also filed with the Board a letter from the Secretary of the State Firemen's Association of Pennsylvania, which Association was a private prosecutor in the case. He states that the ends of justice have been met by the punishment already undergone by the applicant and suggests favorable action on the part of the Board.

In consideration of all the circumstances of this case; the term of imprisonment already served; the prior good record

of the applicant, with the single exception noted; because employment has been offered him if released; because the prosecutors in the case recommend clemency and because his aged, widowed sister requires his support, we have concluded that the applicant has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William McHale.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 450, 451, 452, 453, and 457, August Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Philadelphia, James Quinn, alias James Clancy, pleaded guilty to five indictments charging him with robbery, being armed with an offensive weapon, attempted robbery and carrying concealed deadly weapons, and on August 13, 1925, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years, nor more than twenty years. He was also sentenced on No. 452, but this sentence was subsequently reconsidered and rescinded on account of the youth of the applicant and his prior good record.

The applicant is a native-born citizen of the United States; unmarried and twenty-five years of age. He is by occupation a cigar maker, but was unemployed at the time of his arrest.

The applicant was jointly indicted with one, John Ward, alias Frank James Clancy, for a series of robberies, to wit: On August 9, 1925, they held up one, Joseph Lefevre, a taxicab driver, while passengers in cab, and took from him \$22.04. On August 12, 1925, they held up two taxicab drivers, one, Vern Campbell, from whom they took \$4.00 in cash, and a watch and chain to the value of \$20.00, and the other, Francis Gormley, from whom they took \$8.00 cash. Also on the same day they admitted the attempted hold-up of one, Louis Wagner, but were not successful. As a result of this attempted hold-up they were arrested by police officers and indicted, pleaded guilty and sentenced as aforesaid. In the attempted hold-up it was alleged that the applicant had a gun and that he fired shots at the officers, but the bill of indictment covering this charge was submitted to the jury with the direction from the Court that a verdict of "not guilty" be entered. He was also indicted on the charge of assault and battery with intent to kill, but by direction of the Court, a verdict of "not guilty" was entered. Since his incarceration his father has become incapacitated from performing manual labor and his mother is in impaired health, and both parents require the support of the applicant.

The applicant has now served four years and ten months of his term of imprisonment. He was never before charged with or convicted of crime. He was only twenty-one years of age when these crimes were committed.

In consideration of all the circumstances of this case; the prior good record of the applicant; his youth when the crimes were committed; the term of imprisonment already served; the need which his parents have of support, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and

in open session," recommend that a pardon be now granted to the said James Quinn, alias James Clancy.

ARTHUR H. JAMES,  
Lieutenant Governor,

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, May term, 1919, in the Court of Oyer and Terminer in and for the County of Somerset, Antonino Di Mauro, alias Anthony Di Mauro, pleaded guilty to murder in the second degree, to an indictment charging him with murder, and on September 4, 1919, was sentenced by the Court to pay a fine of \$100.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than fifteen years nor more than twenty years.

The applicant is a native of Italy, forty-five years of age, and owes allegiance to the Kingdom of Italy. His wife is dead; he has two children; he is a coal miner by occupation, and at the time of his arrest was working for the Maple Ridge Coal Company and lived at Holsopple, Pennsylvania, where he owned his own home.

Joe Crizzulla, alias Joe Catalano, a coal miner employed in the same locality, was believed to belong to an organization or society known as the "Black Hand", and from time to time made demands of money of the applicant, and obtained \$200.00 or more from him. Crizzulla continued making demands and threatened the applicant with his life. The latter warned Crizzulla to stay away from him; Crizzulla promised to do so. Shortly afterwards, the applicant went to Johnstown to spend Sunday with his brother, and on Saturday night, during the applicant's absence, his home was entered and two fifty dollar Liberty Bonds and jewelry belonging to his deceased wife were taken from a trunk which had been broken open. The applicant, upon his return, found these articles missing and accused a young man and his wife, who were rooming in in applicant's home. They denied knowledge of the alleged entering and theft, but later the wife came to the applicant and told him that Crizzulla and two other men had entered the house and told her and her husband that they would kill them if they revealed what they saw. The applicant had been in constant fear of his life and did not know what to do. The following day he saw Crizzulla, who approached him in a friendly manner and demanded money. He told the applicant that two men had entered the latter's home on Saturday night; that he knew who they were and if the applicant would give him money he would aid in apprehending the two men. The applicant knew that Crizzulla himself had been with the two men referred to, and, finally, when they reached a bridge near the village, told him so. A quarrel ensued and fearing Crizzulla, who bore a bad reputation, he shot the latter, intending to scare him, but Crizzulla died from the effects of the shooting. The applicant was arrested and upon the advice of counsel entered a plea of murder in the second degree and received the sentence above mentioned.

The applicant has now served ten years and nine months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from Gordon Mathias, Superintendent of the Shallmar Mining Corporation, Maple Ridge, Pennsylvania, a former employer, in which he offers to employ the applicant if released. The trial Judge has since died, but the present Judge, Berkey, has filed with the Board a letter in which he states that the Court has no objection to a pardon, nor has the community any objection thereto. The present District Attorney has filed with the



## APPENDIX TO THE

Board a letter in which he states that the Board would be, "warranted in favorable considering his application for a pardon under the circumstances, assuming that his record has been good in prison."

In consideration of the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; because employment has been offered him if released, and because the present District Attorney and the present Judge evince a favorable attitude, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Antonino Di Mauro alias Anthony Di Mauro.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 122, May Sessions, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Northumberland, Felix Boccacchio, alias Felix Bocchicchio, was convicted of pandering, and on October 17, 1927, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, twenty-three years of age. Before his conviction he was employed by Louis Muff for a period of one year as his chauffeur and before that time, resided with his parents at Atlas, Northumberland County, assisting them in their work at the store. He is unmarried.

Victor Stello maintained a house of ill repute at Mt. Carmel. It is alleged that on April 25, 1927, Victor Stello with the applicant, in the former's car, met Helen Stesney, Beulah Moyer, and a female companion, in Shamokin; that they drove into the country, and returning to Shamokin, left the female companion out; the remaining four went to Harrisburg, and from there to Millersburg, where the Moyer girl stopped off. Helen and the two men then went to Stello's place, where she had been promised work at fifteen dollars per week; that she remained at Stello's place four days, during which time she was used for immoral purposes, for a price. These are the facts as stated by Helen, but their accuracy is denied by the applicant.

Stello was convicted of keeping a bawdy house, while the applicant was convicted and sentenced for pandering. Stello, the older of the defendants, and the proprietor of the alleged house of ill fame, was later paroled by the Court, while the applicant has been confined in prison for two years and eight months.

He was only twenty-one years of age when the alleged crime was committed and was never before charged with or convicted of crime.

There were filed with the Board two letters from the trial District Attorney, who states that both men were tried and convicted at the same time: Stello for keeping a bawdy house and the applicant for pandering. The maximum sentence for the former offense is two years, while the maximum sentence for pandering is ten years. He further states that he does not know why the Court gave the applicant the maximum sentence, while Stello was not given the maximum sentence for his offense. He recommends clemency.

In consideration of all the circumstances of this case; the youth of the applicant when the alleged crime was committed; the doubt as to his guilt; his prior good record; the severity of

the sentence imposed by the Court; and the recommendation of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and if now liberated, will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Felix Boccacchio, alias Felix Bocchicchio.

ARTHUR H. JAMES,  
Lieutenant Governor,  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 450, 451, 452 and 453, August Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Philadelphia, John Ward, alias Frank James Clancy, pleaded guilty to four indictments charging him with robbery, being armed with an offensive weapon, and attempted robbery, and on August 13, 1925, on No. 451, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years, nor more than twenty years.

James Quinn, alias James Clancy, was jointly indicted with the applicant, pleaded guilty and received a like sentence in No. 451. Similar sentences imposed on both defendants at No. 452, were rescinded on account of the youth of the applicants and their prior good record.

The applicant is a native-born citizen of the United States; unmarried; twenty-two years of age. His occupation is that of cigar maker, but he was unemployed at the time of his arrest and resided in the City of Philadelphia.

The applicant, together with one, James Quinn, alias James Clancy, was involved in a series of robberies, to wit: On August 9, 1925, they held up one, Joseph Lefevre, a taxicab driver while they were passengers in his cab, and took from him the sum of \$22.04. On August 12, 1925, they held up two taxicab drivers, taking from one, Vern Campbell, \$4.00 cash, a watch valued at \$15.00 and a chain valued at \$5.00, and from the other, Francis Gornley, \$8.00 cash. On the same day they admitted that they held up one, Louis Wagner, but were unsuccessful, and as a result of this attempted hold-up they were arrested by police officers and indicted and sentenced as before stated. In the hold-up it was alleged that Quinn, alias Clancy had a gun and that he fired shots at the officers. The bill of indictment covering this charge was submitted to the Jury, and a verdict of "not guilty" rendered by direction of the Court. The applicant was also indicted on the charge of larceny on which a verdict of "not guilty" was also entered, by direction of the Court.

The applicant has now served four years and ten months of his term of imprisonment. He was never before charged with nor convicted of crime. He was only eighteen years of age when these crimes were committed.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; and the youth of the applicant when the crimes were committed, we have concluded that he has been sufficiently punished and if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John Ward, alias Frank James Clancy.

ARTHUR H. JAMES,  
Lieutenant Governor,  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 162, March Sessions, 1923, in the Court of Oyer and Terminer in and for the County of Philadelphia, John J. Cahill was convicted on the charge of being armed with an offensive weapon, and on April 20, 1923, was sentenced by the court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nine and one-half years, nor more than ten years. Thomas McCafferty was jointly indicted with the applicant, was convicted and received a like sentence, but has since been pardoned.

The applicant is twenty-seven years of age, a native-born citizen of the United States, unmarried, a chauffeur by occupation and resided in the City of Philadelphia with his parents.

According to the testimony, the applicant was arrested in a raid by detectives, on a restaurant situated at 1307 Columbia Avenue, Philadelphia, on the morning of February 24, 1923 at 2:00 A. M. This restaurant was located on what was known as the "Gold Coast" and was much frequented by bootleggers and other undesirable citizens. Cahill was seated at the table with one, Thomas McCafferty, and behind the table hung an overcoat with a 32 caliber revolver in one of the pockets. Both men denied ownership of the coat and the police were unable to prove ownership of the gun. Therefore, the Court instructed the jury to render a verdict of not guilty as to the indictment, No. 264, for carrying concealed deadly weapons. After the arrest, McCafferty and the applicant were brought to the station house as suspicious persons and subsequently a charge of robbery was brought against the applicant covering the following circumstances: On the morning of February 21, 1923, at about 4:00 A. M., one, Wilfred S. Patterson, was driving a five ton truck belonging to the American Transportation Company, north, on Broad Street, which truck contained a load of sugar consigned to a grocery firm in Bangor, Pennsylvania. The driver noticed that he was being followed, and at the corner of Board and Huntingdon Streets, four men with drawn revolvers came out of the touring car and accosted the driver. They lifted the tarpaulin and after satisfying themselves that the truck did not contain liquor, they departed in peace. The driver identified the applicant as being one of these men and he further stated that the applicant did not have a gun. He said he did not see him in the car, but said he saw him on the street. There not being any testimony of any illegal act on the part of the applicant, counsel for the defense elected to stand on the Commonwealth's testimony. The trial Judge directed the jury to render a verdict of guilty and the applicant was sentenced as above stated.

The applicant has now served seven years and two months of his term of imprisonment. He was never before charged with or convicted of crime. His accomplice, McCafferty was pardoned by this Board in June, 1929. The applicant was only twenty years of age when this crime was committed. His mother is in ill health and requires his support.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because his mother requires his support; and because his accomplice, McCafferty, was pardoned by this Board in June, 1929, we have concluded that the applicant has been sufficiently punished and if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John J. Cahill.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 332 and 333, September Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, George Carland, Jr. pleaded guilty to two indictments charging him with entering to steal, and on October 2, 1924, was sentenced by the Court in the aggregate to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two years, nor more than twenty years.

The applicant is a native-born citizen of the United States; forty-three years of age; an electrician by occupation and a widower with two children.

The applicant served his minimum sentence and was released on parole in October, 1926. He has held a responsible business position ever since his release and has deported himself well. His offenses consisted in posing as a Bell Telephone employe and as such gaining admittance into two dwelling houses where he appropriated certain articles of value. In the one case the goods taken were valued at \$16.00 and in the other the value of the articles were \$112.00. There was no denial of the charges and the present application is based entirely on circumstances which have arisen since that time.

After his release, the applicant removed to Camden, New Jersey, and made his home in that city, with his two children, a boy of eighteen and a girl of sixteen. He is now a well known and respected resident of that city and holds an excellent position. His daughter is a victim of pulmonary tuberculosis and a change of climate has been recommended by physicians. The applicant has made arrangements to move to Los Angeles, California, where he has relatives living who have offered to provide him with a home and position, and this application is made so that he may continue the good work of the past four years in a new environment.

There was filed with the Board a certificate from Doctor F. J. Cilibert of Oaklyn, New Jersey, certifying that the applicant's daughter is suffering from pulmonary tuberculosis and that a change of climate incident to her removal to California would be beneficial. There was also filed with the Board letters from Doctor Miller and William H. Brush, citizens of Camden, in which both state that they have known the applicant for about three years and that he is sober, industrious and worthy of confidence.

In consideration of all the circumstances of this case: the minimum term of imprisonment already served; his prior good record; his excellent record since his discharge on parole as shown by letters on file; and in consideration of the further fact that his daughter's physical condition requires a change of climate and that the applicant has arranged to remove to California, where home and position will be provided, we have concluded that he is now worthy to be accorded an absolute pardon.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said George Carland, Jr.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18

His Excellency, John S. Fisher, Governor.

Sir: At No. 26, December Term, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Mon-



roe, Thomas A. Pulici pleaded guilty to an indictment charging him with breaking and entering and larceny, and on December 15, 1925, was sentenced in the aggregate to pay a fine of fifty dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is twenty-five years of age; a native-born citizen of the United States, unmarried, and resided with his parents on a farm at Adelia, Pennsylvania, at the time of his arrest. He is an automobile mechanic by occupation.

On the night of November 17, 1925, a Dodge touring car was taken from the Conrad Motor Company's garage in Stroudsburg, Pennsylvania. Four days later the applicant was arrested in New York City, waived extradition, and was brought back to Stroudsburg to answer the charges before mentioned. The car was returned to the owner and the applicant pleaded guilty to the charge of breaking and entering and larceny, two counts, and was sentenced as above stated.

The applicant has now served four years and six months of his term of imprisonment. He was never before charged with or convicted of crime. He was only twenty-one years of age when this crime was committed.

There was filed with the Board a number of letters: from the Burgess of Hawley, the Sheriff and the Prothonotary of the County; the assistant cashier of the First National Bank of Hawley and others, all recommending clemency. The president of the Conrad Motor Company, the prosecutor in the case, recommends pardon. The trial Judge in a letter filed with the Board and addressed to Doctor Lynch, Superintendent of Farview State Hospital, states: "In reply to your inquiry would say that I would not oppose a pardon; as a matter of fact I rather feel that perhaps this man has been sufficiently punished, and should his record since sentence warrant favorable consideration at the hands of the Board of Pardons, I would see no reason why such action should not be taken."

District Attorney Ames, of Wayne County, a life-long friend of the applicant, has filed a letter with the Board in which he states that the present is the only offense with which the applicant as been charged, and that if paroled he would make a good citizen. The present District Attorney has filed with the Board a letter which evinces a favorable attitude. He concludes as follows: "I feel that if Mr. Pulici were paroled, that he would go straight and make a good citizen."

In consideration of all the circumstances of this case; the comparative youth of the applicant when the crime was committed; his former good record; the term of imprisonment already served; because of the recommendations of the Burgess of Hawley, county officials and others; because of the favorable attitude of the trial Judge and the prosecutor in the case, the present District Attorney and District Attorney Ames of Wayne County, we have concluded that the applicant has been sufficiently punished, and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Thomas A. Pulici.

ARTHUR H. JAMES,  
Lieutenant Governor,

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 494, April Sessions, 1918, in the Court of Oyer and Terminer in and for the County of Philadelphia, Antonio DiGuilio was convicted of murder in the second degree, and on June 12, 1918, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a

term of not less than eighteen years nor more than twenty years.

The applicant is thirty-four years of age, a native of Italy and owes allegiance to the Kingdom of Italy. He came to America about 1913. He was by occupation a shoemaker. He was employed by his father in the City of Philadelphia where he resided with his wife at the home of his parents.

On April 23, 1917, the applicant, twenty-two years of age, married Lucia Vergoglini, aged sixteen. The couple lived together with a fair degree of harmony, the only conflict being over the independence of the wife and her insistence upon being allowed to work at outside employment. On January 31, 1918, after the couple had been married nine months, the applicant's parents gave a supper to his sister who had been recently married. The participants then visited the home of another sister nearby. After celebrating the occasion in accepted Italian style, wine being plentiful, the applicant and wife returned to their home about ten P. M. and repaired to bed. The applicant, under the influence of the wine which he had consumed during the festivities, demanded sexual rights, and the wife refusing, arose from the bed, put on her clothes and prepared to go out of the house. Because of the lateness of the hour, the applicant requested her to return to bed, but she refused and after repeated requests, persisted in her refusal. A quarrel then ensued which according to the testimony in the case continued "very loudly", for five minutes. The applicant losing his self-control, drew a 22 calibre pistol from the open closet nearby and shot his wife who died two weeks later. Realizing what he had done, he then attempted to kill himself, but the shot that he intended for his heart wounded him on the left arm. He was forthwith arrested and taken along with his wife to the hospital where he soon recovered.

The applicant has now served twelve years of his term of imprisonment. He was never before charged with or convicted of crime. He was only twenty-two years of age when this crime was committed.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment served and his comparative youth when the crime was committed, we have concluded that he has been sufficiently punished, and if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Antonio DiGuilio.

ARTHUR H. JAMES,  
Lieutenant Governor,

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 117, November Sessions, 1928, in the Court of Oyer and Terminer, in and for the County of Luzerne, John Clark alias Jack Clark was convicted of breaking and entering and larceny, and on November 30, 1928, was sentenced by the Court to pay a fine of five hundred dollars, costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than three years nor more than six years.

The applicant is a native-born citizen of the United States, thirty-six years of age, a laborer by occupation. He had been employed as such by William B. Richards, a contractor engaged in the erection of a school building in Jenkins Township, Luzerne County, until one week prior to his arrest. He was married but was divorced by his wife since his imprisonment. He resided in Jenkins Township, Luzerne County, with his parents, who are aged and in infirm health and are largely dependent upon him for support.

Early in the morning of October, 1928, the applicant was arrested by police officers of the City of Pittston, near the jewelry store of M. Epstein, Pittston, the window of which had been broken into a short time previously and three watches, having a total value of approximately eighty dollars taken therefrom, which watches were found in the applicant's possession when arrested.

At the trial, a witness who lived across the street from the jewelry store testified that he was awakened by the crash of glass about 2 A. M. of the morning in question; that he arose from his bed, looked out of his window and saw the applicant picking up something from the broken window of Epstein's store. A policeman testified at the trial that about 2 A. M. he drove past the jewelry store in a police car and observed the applicant standing or sitting beside the window that was afterwards broken; that upon his return past the store, he found the window broken and picked up a pint bottle of whiskey at the point where he had observed the applicant sitting; that he saw the applicant later at police headquarters and, in his opinion, the applicant was then under the influence of intoxicating liquor. The applicant at the trial was the only witness in his own behalf. He stated that he had been drinking that night and had gone to Pittston about nine or nine-thirty to attend a dance and while in Pittston drank more whiskey; that while waiting for a street car an acquaintance whom he knew as "Red" passed by and stopped to converse with him; that they walked down the street together; that "Red" crashed the window and then ran into the alley where the applicant was awaiting him and gave him the watches. The stolen articles were returned to the owner.

The applicant has now served approximately one year and seven months of his term of imprisonment. He was never before charged with or convicted of crime.

He alleges he was without the benefit of counsel until the day of the trial and that there was not sufficient opportunity to prepare an adequate defense.

There was filed with the Board a letter from the trial Judge in which he states that he has no objection to a pardon at this time. He adds, "When this defendant was tried and convicted, there were a number of similar crimes committed by young men in this county. In order to correct the evil, I imposed a sentence which might not have been as severe under normal conditions."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the need which his parents have of his support, we have concluded that the applicant has been sufficiently punished and if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said John Clark alias Jack Clark.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 90 and 92, September Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Centre, Robert C. McWilliams pleaded guilty to two indictments charging him with breaking and escaping from prison and larceny, and on August 15, 1925, was sentenced in the aggregate to pay a fine of two dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not

less than four years nor more than eight years; sentence to compute from the completion of sentence from Philadelphia County.

The applicant is a native-born citizen of the United States, twenty-eight years of age and is unmarried. His father is a prominent dentist in the city of Baltimore, Maryland.

The applicant was convicted of larceny, in the city of Philadelphia, at the age of eighteen years, and was sentenced to a term of not less than six years nor more than eight years in the Eastern Penitentiary, the maximum of which sentence the applicant has served. Prior to this time the applicant had never been arrested or charged with or convicted of any crime except on a charge of petty larceny, in New York City, in 1920, upon which sentence was suspended.

On January 1, 1921, the applicant was committed to the Eastern Penitentiary on a charge of larceny. He had been to New York on a trip and on his return having exhausted his funds and having fallen in with bad companions he got into the difficulty which resulted in the last mentioned sentence. He was then only eighteen years of age and a school boy. In 1925 he was transferred to Rockview prison and while there he became associated with two men who determined upon escaping. On or about August 3, 1925, he together with these two men, left the institution and went to Bellefonte where he took an automobile and drove to Hackensack, New Jersey, where the applicant was apprehended and returned to the penitentiary. He was charged not only with breaking and escaping prison but was also charged with the larceny of the automobile and was sentenced as above stated. As a result of this escape he has been obliged to serve the maximum of his prior sentence and unless clemency is granted, he will be obliged to serve three years more. He would have been eligible for parole in January, 1927, on his original sentence. As a result of his escape he has already served three and one-half years in addition to the maximum sentence on his original commitment.

The applicant has now served a period of approximately nine and one-half years of imprisonment which includes eight years, the minimum sentence on the first charge of larceny and an additional period of approximately one and one-half years under the two sentences for which pardon is now sought. He was only eighteen years of age and a school boy when first imprisoned.

In consideration of all the circumstances of this case and the long term of imprisonment already served, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Robert C. McWilliams.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 98, June Sessions, 1927, in the Court of Oyer and Terminer, in and for the County of Luzerne, Thomas Condeelis was convicted of arson, and on June 13, 1927, was sentenced by the Court to pay a fine of five hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than three years nor more than six years.

The applicant is a native of Greece but a naturalized citizen of the United States, thirty-five years of age. He has a wife



and daughter, seven years of age, who are dependent upon him for support.

From the agreed statement of facts, it appears that on April 4, 1927, about 3:30 A. M. the Fire Department of the City of Wilkes-Barre was called to the Corso Restaurant, situated on South Main Street, Wilkes-Barre. The restaurant was owned or managed by the applicant and opened for business on or about January 15, 1927. They found a fire in progress which originated in the cellar underneath the restaurant and when checked had reached a point underneath a stairway leading to the second and third-floor apartments over the restaurant. There was no furnace or other heating apparatus in the cellar and it was unoccupied except for storage purposes and two "clothes changing rooms," one for the male and one for the female help.

At the trial the Commonwealth showed that the applicant left the restaurant about 2:15 A. M. on April 4, 1927; that on the preceding day he had gone into the cellar with a package under his arm that about noon of the day of the fire, the Chief of the Fire Department and his assistant located on the floor of the cellar a jug and a jar which were proved, upon analysis, to contain some inflammable substance akin to kerosene, and that the applicant at the time of the fire owed various creditors \$6,000.00 and upwards for alterations made to the restaurant and for fixtures, supplies and help. It was also shown that four policies of insurance, aggregating \$12,000.00, covering the restaurant and fixtures, were made payable to George Condeelis, the brother of the applicant, who had advanced to the latter four or five thousand dollars. The applicant was located by the Fire Department officials in his apartment on South Washington Street, Wilkes-Barre, situated about three blocks from the scene of the fire, where he resided with his wife and child, about seven o'clock on the morning of the fire and at that time denied all knowledge of the same. The applicant had no insurance of any description upon the premises or the contents thereof. Under the above-stated facts, the applicant was tried and convicted of the crime for which sentence was imposed as hereinbefore stated.

The applicant has now served three years of his term of imprisonment. He was never before charged with or convicted of crime.

There were filed with the Board a number of letters recommending clemency from Sheriff Davis and others. There was also filed with the Board a letter addressed to the attorney for the applicant by the attorneys who are collecting the insurance moneys from the various companies involved, in which they state that suits have been instituted in the name of George Condeelis who claims that he owns the stock and fixtures in the restaurant. The insurance was written in his name and the insurance companies are resisting payment on the ground that George Condeelis was not the owner of the stock and fixtures insured and that the fire was of incendiary origin at the hand of the applicant but with the knowledge and consent of his brother, George.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the need which his family has of support and because of the recommendations of Sheriff Davis and others, we have concluded that the applicant has been sufficiently punished and that if now liberated, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Thomas Condeelis.

ARTHUR H. JAMES,  
Lieutenant Governor,  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 50 and 51, May Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Cum-

berland, Claude Sheeley, Junior, was convicted of fornication and bastardy, statutory rape and prostitution of child under sixteen years of age, and on May 18, 1929, on the charge of fornication and bastardy, was sentenced to pay a fine of \$5.00; \$25.00 lying-in-expenses, and to pay for the support of the child the sum of \$3.00 a week, starting from its birth until it reaches the age of sixteen years. In No. 51, on the charge of statutory rape, the applicant was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than four and one-half, nor more than ten years. The Jury recommended him to the mercy of the Court.

The applicant is a native-born citizen of the United States, twenty-three years of age. He is a baker by occupation and at the time of his arrest he resided in the Borough of Lemoyne, Cumberland County, with his wife and a daughter aged about fifteen months.

At the time of the alleged crime, the applicant lived with his parents, and two or three rooms on the third floor of the same house were occupied by Mrs. Violette Ebert, an aunt of the defendant, together with her daughter, Bernice, aged about fourteen years, who was the first cousin of the applicant. The latter's parents, on account of the poverty of Mrs. Ebert and her family, took them into their own home and gave them several rooms.

The girl gave birth to an illegitimate child and charged the applicant with its paternity. When the mother discovered her daughter's condition, the girl refused to name the guilty person, for the reason, as she afterwards testified, that she was unwilling to involve her own cousin. Before the birth of the child, however, she divulged who the father was. At the time of the birth no statement was made for the reason that the doctor did not arrive until after the child was born, and there was no one present who had the foresight to ask the proper questions. The applicant has always denied having ever had any improper relations with his cousin.

The applicant has now served one year and one month of his term of imprisonment on the charge of statutory rape. He was never before charged with or convicted of crime. He was only twenty-two years of age when he was convicted. His wife and child require his support, and he is unable to earn money, while in prison, to maintain his family and to comply with the order of the Court.

There were filed with the Board a number of letters recommending clemency. The Clerk of the Courts, the Sheriff of the County, the Chiefs of Police of New Cumberland and Lemoyne, the Cashiers of the Shiremanstown State Bank and the Camp Hill National Bank, the Postmaster of Camp Hill and others, urge pardon. There was also filed numerous signed petitions to the same effect.

The prosecutrix in the case, who is the mother of the girl, has filed with the Board a sworn statement in which she alleges that while she believes the applicant to be the father of her daughter's illegitimate child, nevertheless, because of the close family relationship existing between them, and because her daughter requires means of support for her child, she asks that the Board grant pardon for the offense of statutory rape, but not for the offense of fornication and bastardy.

Employment has been offered the applicant if released by the Manbeck Baking Company, Lemoyne.

In consideration of all the circumstances of this case; the comparative youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because employment has been offered him if released; because his wife and child as well as the illegitimate child require support; because of the recommendations of County Officials and others, and the petition of citizens who are personally acquainted with the applicant, and have general knowledge of the conditions, and because of the request of the prosecutrix in the case, we have concluded that the applicant has been sufficiently punished for the offense of statutory rape, and while we are not satisfied that he should be granted an absolute pardon for this crime, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court on the charge of statutory rape be commuted to one year and one month's imprisonment, effective June 18, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Claude Sheeley, Junior, for the offense of statutory rape, be commuted

to one year and one month's imprisonment, expiring on June 18, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor,

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, May Term, 1923, in the Court of Oyer and Terminer in and for the County of Somerset, Charles Wilson was convicted of murder in the second degree, and on June 1, 1923 was sentenced by the Court to undergo imprisonment in the Western Penitentiary for a term of not less than ten years nor more than fifteen years.

The applicant is a native-born citizen of the United States, forty-six years of age, colored. He is by occupation a laborer, and had been employed by the Pennsylvania Railroad, the Harbison-Walker Brick and the Cambria Steel Companies. He was also employed in the mines and was so employed at the time of his arrest. He bears an honorable discharge for service in the World War. The applicant's wife is blind, resides in Tyrone, and is supported by charity.

On March 12, 1923, and for six months prior thereto, the applicant lived with his wife in the half of a double house at Coal Junction, a small mining village in Somerset County. The half of another double house, about fifty feet away, in the same row of five double houses, was occupied by Henry Goldsmith, colored, and Ida Goldsmith, his white wife, and the other half by Walter Burrell, colored, and Dolly Bivins, a white woman who claimed to be his housekeeper, but who was commonly known as his wife. Goldsmith, Burrell and the applicant were all employed in the mines by the same company. On the date mentioned there was no work at the mines. Goldsmith and Burrell were away from the village. During the afternoon, about three o'clock, the applicant went to one of the houses in the row to see a friend, George Galloway, who had come from Johnstown. After talking with him for a short time the applicant left for home, saying he would return in the evening. In passing the Goldsmith house the applicant was called in and offered a drink from a bottle of liquor. He drank some of the booze and remained to talk. The people in the house were Ida Goldsmith and Dolly Bivins. During the conversation Mrs. Goldsmith said to the applicant that if he had any money and wanted a good time he could buy some booze or spend it otherwise, and the applicant replied that he could have a good time at home without spending money. Whereupon Mrs. Goldsmith called him a tightwad, cursed him and struck him several times. Dolly Bivins joined in the melee and hit the applicant on the wrist with a butcher knife. After pushing the women away the applicant went home where he remained until after dark, as the booze in which he had indulged at Goldsmith's had made him drunk and sick. After the effects of the liquor had worn off somewhat, the applicant took his wife to the home of a neighbor to remain while he went on a visit to Galloway as he had promised. After leaving his wife the applicant proceeded toward the house of Mr. Galloway along the path in the rear of the row of houses, the usual way of going. When he approached the house occupied by Goldsmith and Burrell, Goldsmith and his wife came out of the back door and went over to the door of the side occupied by Burrell, apparently intending to enter. Upon seeing the applicant, Mrs. Goldsmith said loudly: "that is the man that is raising all the hell here." The applicant walked on and as he was passing Goldsmith and his wife, Goldsmith said "we will settle this right now," and struck the applicant, who returned the blow in self-defense.

Mrs. Goldsmith joined in the fray, as well as Burrell and Dolly Bivins, who rushed through the pantry door when they heard the struggle. In the scuffle the applicant was knocked down in the mud and when he got up was struck by several assailants and pushed through the open door. The men and women kept assaulting the applicant and the fight finally reached the kitchen where the applicant was knocked down on his back. In his struggle to get up, a pistol which he had in the pocket of his overalls, fell out on the floor. He picked it up to return it to his pocket when Burrell struck him on the hand with a poker and knocked the pistol from his hand; Goldsmith and the applicant both seized it and in the tussle it was discharged. Goldsmith left go of the pistol and said "you shot." The four assailants fled into the adjoining room and the applicant ran out of the house. The applicant then returned to the house where he had left his wife. Upon his arrival she told him that word had been brought that Ida Goldsmith had been shot, this information being the applicant's first knowledge that anybody had been shot. Mrs. Goldsmith had made no outcry. The bullet had struck and entered the right side of her body and she died about an hour after the shooting.

The applicant was arrested several days later, charged with murdering Mrs. Goldsmith and when arraigned pleaded not guilty and claimed that the discharge of the pistol was accidental. He was, however, convicted on the testimony of Goldsmith, Burrell and Dolly Bivins, the three surviving assailants, who falsely testified that the applicant came at night to the house of Burrell where Goldsmith and his wife were and pulling the revolver from his pocket shot Mrs. Goldsmith after she finished telling her husband about the trouble in the afternoon. Unfortunately for the applicant there were no eye witnesses to the melee except the persons named, and his story could not be corroborated although he showed to the jury the cuts and bruises which he received in the assault, and the man and woman with whom his wife remained while he visited Galloway testified that when he came for his wife his clothes were muddy and his shirt torn.

The applicant has now served seven years of his term of imprisonment. He was never before charged with or convicted of crime. His wife is blind and dependent upon charity; he has an excellent prison record as shown by letters from prison officials.

There was filed with the Board a letter from the trial District Attorney in which he states that in his judgment the ends of justice have been met in the punishment of the applicant and that if he is either pardoned or paroled he will become a useful citizen. The trial Judge has filed with the Board a letter in which he states, inter alia, "I believe this man has been sufficiently punished . . . the release of the prisoner would not do any violence to the community in which he may live as a sober man. I recommend that he be released from prison under the supervision of the Parole Director."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because his blind wife is dependent upon him for support; and because of the recommendations of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the court should be commuted to seven years' imprisonment, effective on June 1, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed upon the said Charles Wilson be commuted to seven years' imprisonment expiring on June 1, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.



Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 111, 112, 120, 121, 122, 822, 823, 824, 825, 826, 827, 828, February Sessions, 1927, in the Court of Oyer and Terminer, in and for the County of Allegheny, John Thompson pleaded nolo contendere to twelve indictments charging him with statutory rape, sodomy, assault and battery with intent to ravish, indecent assault and battery and open lewdness, and on March 8, 1927, was sentenced in Nos. 111, 112, 120, 121, 122, in the aggregate, to pay a fine of thirty-one and one-fourth cents, costs and to undergo imprisonment in the Western Penitentiary for a term of not less than seven years nor more than fourteen years. Sentence was suspended in the remaining cases.

The applicant is a native-born citizen of the United States, sixty-four years of age, unmarried. He has been a coal miner since he was twelve years of age, but at the time of his arrest he was employed as a carpenter's helper, aiding in the construction of a building. He lived in a small shanty at the summit of Whitman Hill, twentieth ward, Pittsburgh. There were no houses within a mile of his shanty.

From the statement of facts filed with the Board by an Assistant District Attorney of said county, it appears that the applicant was arrested on January 29, 1927, charged with being a suspicious person. Complaint was made that Stella Skowronska, Cecelia Wittmann and Helen Drwiega, girls under sixteen years of age and other young girls, frequented the applicant's shanty either while he was present or at times when he was at work. The girls above-named were accused of running around with other men and their reputation was bad. The applicant pleaded nolo contendere, admitting that the girls were frequently at his place but furnished no reasonable explanation as to his permitting these girls to visit his home during the day and sometimes at night. No complaint was made by any of the girls as to the different crimes of which the applicant stood accused until after his arrest on the date above-mentioned. Each complaint was made a considerable time after the occurrences complained of. The applicant admitted habitual and excessive drinking and claimed that he had no recollection whatever of having committed the criminal acts charged by the girls.

The applicant has now served three years and three months of his term of imprisonment. He was never before charged with or convicted of crime, except on one occasion. He was arrested in February, 1925, charged with being a suspicious person and was sentenced by a police magistrate of the city of Pittsburgh to serve thirty days in the Allegheny County Workhouse.

There was filed with the Board a letter from the Warden of the Western Penitentiary which states that the applicant's record in that institution is beyond reproach. He states that from an investigation of his case in the community in which the applicant lived, they found that he was addicted to the use of liquor and that the girl who was his main accuser bears a bad reputation. He also states that the applicant claimed that he was drunk and doesn't recollect anything about the occurrences complained of; although he admits that the girls frequently came to his house and stated that their object was to steal or get money. His letter indicates that he is favorable to a pardon. The trial District Attorney has made no recommendation.

In consideration of all the circumstances of this case; the prior good record of the applicant, with a single exception; the doubt as to his guilt; because of the bad character of his chief accuser; and in consideration of the term of imprisonment already served and the statement of the Warden of the Penitentiary, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to three years and three months' imprisonment, effective on June 8, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said John Thomp-

son be commuted to three years and three months' imprisonment, expiring on June 8, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 168, February Sessions, 1925, in the Court of Quarter Sessions, in and for the County of Luzerne, Russell Priestman was convicted of robbery, and on March 31, 1925, was sentenced to pay a fine of five thousand dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years nor more than twenty years.

The applicant is a native-born citizen of the United States, thirty-five years of age. His occupation is that of shoe cutter. He is unmarried. At the time of his arrest he resided in Glenolden, Luzerne County.

On the night of January 13, 1925, at about 9:30 o'clock, the applicant in company with Harry P. Smith and Earl Van Steenberg proceeded by automobile to the gasoline service station of the S. S. Oil Company, at Pittston, and robbed the attendant, one Edward Schmaltz, of the sum of forty dollars. For some time previous to the commitment of this crime the applicant had associated with Smith and it was the latter who conceived the plan of this robbery, due to the fact that he had a short time previously worked as an attendant at the same station. He outlined the easy possibility of getting quick money from this source and the applicant participated with him in the crime.

The applicant has now served five years and three months of his term of imprisonment. His prison record is excellent as shown by letters on file from the officers of that institution. During his imprisonment he has invented and patented a "safety diving bell," which has been looked upon with favor by the United States Government and is still under consideration by them. It is the desire of the applicant, if released, to continue development of this device. Smith, the instigator of the crime, received a sentence of from two and a half years to five years in the County Jail of Luzerne County and was later paroled after having served but nine months of his sentence. If released, the applicant will return to his home with his father and pursue his occupation as a shoe cutter and further promote his invention.

There was filed with the Board a letter from the assistant District Attorney who prosecuted the applicant. He states that he understands that the applicant has perfected a diving bell and has been in all respects, "a model prisoner." In view of these facts and of the probability that his good prison conduct forecasts useful citizenship he recommends clemency. There was also filed with the Board a letter from the S. and S. Oil Company, the prosecutor in the case, addressed to the applicant, in which the company recommends pardons if the applicant is able "to show recommendation from other citizens of good repute."

In consideration of all the circumstances of this case; the term of imprisonment already served; his excellent prison record; because of the recommendations of the prosecuting attorney and the prosecutor in the case, and because of the additional fact that the applicant's accomplice, Smith, who was the real instigator of the crime, was discharged on parole after serving but nine months in the County jail, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to five years and three months' imprisonment effective on July 1, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Russell Priestman be commuted to five years and three months' imprisonment effective on July 1, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 302, December Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Salvatore Passant pleaded guilty to an indictment charging him with robbery; assault with intent to rob; robbery, being armed with an offensive weapon; robbery and in the commission thereof, beating and striking and ill-using one Morris Fine, and on February 2, 1923, was sentenced by the Court to pay a fine of one thousand dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years, nor more than twenty years.

The applicant is thirty-five years of age, a native of Italy, but a naturalized citizen of the United States. He has an honorable discharge for service overseas during the World War. He is married but has no children.

At the time of his arrest, the applicant was employed as a laborer by the Atlantic Refining Company, Philadelphia, and resided in that city.

About nine o'clock, on the night of November 16, 1922, the dry-goods store of Morris Fine, located at the corner of Second and Fitzgerald Streets, Philadelphia, was entered by three men, one of whom asked to see a belt. When Fine turned to get the belt, one of the men pointed a revolver at him and demanded that he throw up his hands. All three men held revolvers, but instead of obeying the command, Fine ran to the rear of the store. The man who had addressed Fine, fired at him, hitting him in the back. The three bandits rushed from the store and two of them jumped into an automobile which was standing outside of the store. These two men were Louis Francesca and the applicant. The car started as the third man, Bartholmew Rulli, attempted to enter it but he was thrown to the ground. When he saw that his comrades were leaving him behind, he fired at the occupants of the automobile and hit Francesca. The two in the automobile got away and Rulli ran about a square from the scene of the crime and was apprehended by an officer dressed in civilian clothes. Later the same night, Francesca and the applicant called at the office of a physician to have Francesca treated. The doctor was suspicious of the case and sent the men to the Pennsylvania Hospital, after which he communicated with the Station House. An officer was sent to the doctor's office and found there two guns which had been left behind by Francesca and the applicant. He then went to the Pennsylvania Hospital and took the applicant to the Police Station and placed a police guard over Francesca who was confined to the Hospital for nine days. Fine, the proprietor of the store, was taken to the Hospital suffering from a bullet wound in the spine. Rulli and the applicant were positively identified by Rulli's wife, who ran into the store when she heard the shooting. The applicant was identified as the man who held the gun in front of Fine when he told him to hold up his hands, and who shot the proprietor of the store when they started to run. The three defendants claimed that they did not know one another. But this was proven to be untrue when the Commonwealth produced an Italian police officer who had been stationed in a cell adjoining the defendants' and heard them discussing the crime and planning their defense. He also heard the applicant and Fran-

cessca say to Rulli: "Why did you shoot?" He replied: "Why did you leave me on the street?" This is the Commonwealth's account of the crime.

The applicant has now served seven years and four months of his term of imprisonment. While he pleaded guilty upon the advice of counsel, he avers that he is innocent of the crime but admits that he and Francesca had taken an automobile ride and on their return to the home of the latter, stopped at a dry-goods store and that Francesca entered the store to purchase handkerchiefs which he required, while the applicant stopped the car, remaining in it while Francesca was in the store. The latter, after a short absence, reappeared running from the store toward the automobile. Just as he attempted to step into the automobile, a shot was fired from the store and Francesca was struck by a bullet in the left side of his back. The applicant admits that he took Francesca to a physician, and that before they left the physician's office, they were arrested. He claims that he never saw Rulli until they were both before the magistrate. The applicant's brother has offered to provide a home and employment on a farm in New Jersey if he is released.

In consideration of all the circumstances of this case; the long term of imprisonment served; because of doubt as to the guilt of the applicant; because a home and employment have been offered the applicant if released, we have concluded that the latter has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to seven years and four months' imprisonment effective on June 2, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Salvatore Passant be commuted to seven years and four months' imprisonment, expiring on June 2, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 81, May Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Allegheny, William Galvin pleaded guilty to the charge of larceny and on May 22, 1929, was sentenced by the Court to pay a fine of six and one-fourth cents, costs and to undergo imprisonment in the Western Penitentiary for a period of not less than three years nor more than six years.

The applicant is a native-born citizen of the United States, twenty-three years of age, and at the time of his arrest resided with his mother, Mary Galvin, in the City of Pittsburgh. He was by occupation a clerk and later a truck driver.

The applicant on the night of April 4, 1929, entered a parked automobile in the Lawrenceville District of the city of Pittsburgh, together with two other young men, without the permission of the owner of the car, and drove the car from that point to the East Liberty District of the city where the automobile was abandoned. The defendant was later apprehended by the police and admitted his guilt. His two companions were paroled without sentence.

The applicant has now served one year and one month of his term of imprisonment. His prior record is good with the exception that when eighteen years of age he was sentenced to six months in the Allegheny County Jail on a charge of larceny. He was twenty-two years of age when the present crime was committed.

There was filed with the Board several letters recommending clemency; one from Luke Sullivan, member of the House of



Representatives, another from Congressman Sullivan. Both men know the applicant and his family and are familiar with the case and both recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant with a single exception; his comparative youth when the crime was committed; the term of imprisonment already served and because his two accomplices were paroled by the Court without sentence and because of the recommendations of Assemblyman and Congressman Sullivan, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and one month's imprisonment effective June 22, 1930.

We have, therefore, "after full hearing, upon due public notice and in open session," recommended that the minimum sentence of imprisonment heretofore imposed on the said William Galvin be commuted to one year and one month's imprisonment expiring on June 22, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 73 and 79, June Term, 1919, in the Court of Oyer and Terminer in and for the County of Northampton, Hal Goodman alias Hal Goodwin alias Texas Goodwin, pleaded guilty to two indictments charging him with statutory burglary, and on September 8, 1919, was sentenced in the aggregate to pay a fine of one hundred dollars, costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than eighteen years nor more than twenty years.

The applicant is a native-born citizen of the United States, forty-five years of age, unmarried. He has no occupation and no particular address. His parents are well known and respected citizens, upwards of seventy years of age, residing in San Antonio, Texas.

On August 8, 1919, a number of burglaries in the Third Ward of the city of Easton were reported to the police authorities. Three days later the applicant was arrested in the vicinity where the burglaries had been committed for unlawfully breaking and entering, in the night time, two residences in that city, and taking therefrom certain articles of clothing and jewelry. In the statement of facts agreed upon by the District Attorney and counsel for the applicant, it is alleged that the applicant at the date of his arrest and arraignment, "was addicted to the use of drugs."

The applicant has now served ten years and nine months of his term of imprisonment. His prior record is not good.

There was filed with the Board, a letter from the Warden of the Eastern Penitentiary, in which he states that during the past six years the applicant has not used drugs. He recommends a commutation of sentence so that he be placed under parole supervision. He also urges that the applicant be returned to his parental home in Texas, stating that his parents are persons of high character as shown by letters on file with the Board. Dr. Linn Bowman, Moral Instructor and Courtland Butler, Parole Supervisor of the Penitentiary, have also filed with the Board a joint letter in which they refer to the applicant's excellent record in the penitentiary, and state that from the correspondence with the father of the applicant, they are satisfied that full confidence can be reposed in him when he undertakes to become responsible for his son's future welfare. They state that the present application for pardon was filed at their instance. There was also filed with the Board a letter from the father and mother of the applicant

in which they state that they have been in constant correspondence with their son for the past ten years and have heard from him regularly every week. They ask the Board to permit his return to them and promise to care for him. There was also filed with the Board, letters from the vice-president of the First National Bank of San Antonio, Texas, and from the mayor of the city certifying to the high character and standing of the father of the applicant.

In consideration of all the circumstances of this case; the applicant's excellent prison record; because of the recommendations of the prison officials; and because the applicant's parents who are reputable and responsible citizens of Texas desire the return of their son and have offered to become responsible for his future welfare, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to ten years and nine months' imprisonment effective on June 8, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Hal Goodman alias Hal Goodwin, alias Texas Goodwin, be commuted to ten years and nine months' imprisonment expiring on June 8, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 339, 339-A, 339-B, 339-C, 339-D, 339-E, 339-F, and 339-G, April Sessions, 1927, in the Court of Oyer and Terminer, in and for the County of Luzerne, John Schutt, alias John Shatusky pleaded guilty to eight indictments charging robbery, discharging firearms, breaking and entering, and on April 13, 1927, was sentenced by the Court, on Nos. 339-E and 339-F, in the aggregate to pay a fine of six hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than ten years, nor more than twenty years. No sentence was imposed by the Court upon any of the remaining indictments. August Frank Lessing was jointly indicted with the applicant, pleaded guilty and was committed to the Huntingdon Reformatory and has since been paroled.

The applicant is a native-born citizen of the United States, unmarried, a laborer by occupation and at the time of his arrest worked in the anthracite coal mines and resided in the Borough of Kingston.

On March 19, 1927, in the daytime, the applicant and one, August Frank Lessing, went to the store of the Atlantic and Pacific Tea Company in Kingston, in an automobile and by flourishing a revolver which was in the hands of Lessing, compelled the employees to turn over to them thirty dollars in cash, and shortly thereafter, the same day, they went to the store of the American Stores Company on Main Street, Swoyerville, and compelled the persons in the store by brandishing the revolver to turn over to them the sum of \$21.67. About a week later the applicant and Lessing were apprehended in Bethlehem while attempting to break into a store. They confessed and pleaded guilty. At the time of sentence the applicant also pleaded guilty to indictments charging him and Lessing with the following crimes committed during March, 1927, to wit: the larceny of a taxicab in the Borough of Kingston; the larceny of a Paige Sedan in the City of Wilkes-Barre; the larceny of an Atwater-Kent Radio with tubes, in the Borough of Kingston; the breaking and entering a garage and stealing therefrom a Maxwell coupe; the breaking and entering a store

in the Borough of Kingston and taking therefrom certain articles of merchandise and the robbery of a store in the Borough of Kingston and taking therefrom \$35.00 in cash.

The applicant is a cripple, having lost his right foot and part of his leg previous to the commission of the above-mentioned crimes and after his confinement in the Penitentiary the stump of his leg became infected and it became necessary for him to submit to an operation and have six inches more taken off his leg. His mother has two business places in the Borough of Kingston which she has conducted with the aid of a son twenty-one years of age and a daughter. The son is in poor health and his doctors have urged him to go to a warm climate. The sister was recently married and will leave Kingston shortly. The mother will therefore be required to employ outside help or sell out her business. She is willing to take the applicant into one of the stores and teach him the business and eventually turn it over to him.

The applicant has now served three years, two months of his term of imprisonment. He was only nineteen years of age when these crimes were committed.

The Chief of Police of the Borough of Kingston has filed with the Board a letter in which he recommends clemency. He states that Lessing, the accomplice of the applicant, was paroled in July, 1928. He further states that the applicant's mother is conducting two stores in Kingston and requires the assistance of her son. He calls attention to the fact that if the applicant misbehaves after release, he can be sentenced on the remaining indictments to which he pleaded guilty.

Richard Powell, Chief County Detective of Luzerne County, has filed with the Board, a letter in which he recommends clemency for the reasons set forth in the letter of the Chief of Police of Kingston Borough.

In consideration of all the circumstances of this case; the youth of the applicant when these crimes were committed; the term of imprisonment already served; because of the need which his mother has of his assistance and because she has offered to provide a home and employment; because his accomplice was paroled in July, 1928, and particularly because of the recommendations of the Chief of Police of Kingston and the Chief County Detective of Luzerne County, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to three years and two months' imprisonment, effective on June 13, 1930.

We, therefore, "after full hearing upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said John Schutt, alias John Shatusky, be commuted to three years and two months' imprisonment, expiring on June 13, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., June 18, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 94, May Sessions, 1927, in the Court of Oyer and Terminer in and for the County of Philadelphia, Roscoe Mackey pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the second degree and on June 15, 1927, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, thirty-two years of age, colored. His occupation at the time of

his arrest was that of a waiter. He resided in the city of Philadelphia with his wife.

The applicant was charged with having killed his wife, Florence Mackey, on March 29, 1927. The applicant had not been at his home for two nights prior to the time of the killing. The deceased had made threats to the effect that she would cut the applicant's throat. When he came home on the evening of the tragedy, the deceased started quarreling with him, threatening him, threw a clock, vase and other articles at him, and then put her hand down her bosom and drew out a knife, at the same time making a dash in his direction. The applicant ran away from her in an attempt to evade her, trying to get out a window which was unfortunately fastened, leaped over the bed with her in pursuit and in an attempt to frighten her, fired his pistol. The deceased came towards him, and twisted her body so that the shot struck her under the left arm. There was but one shot fired with fatal results. The applicant testified at the trial that the deceased had previously assaulted him with knives, and that on several occasions he was actually injured. After the shooting, the applicant ran into the street, hailed a taxicab and took her to the hospital. He remained by her bedside until she died and then surrendered himself to the police. The applicant has always denied having any intention of striking her, and avers that he fired in an attempt to frighten her and that the shooting was accidental. The room in which the tragedy occurred was a scene of disorder. The police officers brought into Court pieces of the china clock which was thrown by the deceased and smashed. It is urged on behalf of the applicant that the evidence shows a crime no greater than voluntary manslaughter. Two witnesses other than the applicant were so unreliable that the Court and counsel for the applicant felt it unsafe to permit such testimony to get to the jury. The Court in sentencing the applicant said: "I will fix the grade of the crime as murder in the second degree. It is between voluntary manslaughter and second degree murder."

The applicant has now served three years of his term of imprisonment. He was never before charged with or convicted of crime. Employment has been offered him if released by R. T. Sherman, Treasurer of the Calcite Quarry Corporation at Lebanon, Pennsylvania.

There was filed with the Board, a letter from the chaplain of the Lutheran City Mission of Philadelphia in which he recommends clemency. There was also filed with the Board a petition recommending clemency filed by a number of citizens of Philadelphia. A. G. Frazer, Superintendent of the Pennsylvania Prison Society, Philadelphia, has filed with the Board, a letter in which he strongly recommends pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the letters of recommendation filed with the Board; because employment has been offered if released, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to three years' imprisonment, effective June 15, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Roscoe Mackey be commuted to three years' imprisonment expiring on June 15, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 141, September Session, 1927, in the Court of Quarter Sessions of the Peace, in and for the County of Le-



high, John Johnson alias John Edwards, was convicted of robbery, assault with intent to rob, carrying concealed deadly weapons, and wantonly pointing firearms, and on January 5, 1928, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern State Penitentiary for a period of not less than five years nor more than ten years. Michael Flok, Edward Sill, and Joseph Dougherty were jointly indicted and convicted with the applicant and received like sentences.

The applicant is a native-born citizen of the United States, twenty-two years of age, and a laborer by occupation. He resided in the city of Allentown with his father and was there employed at the time of his arrest.

On February 9, 1927, at about ten P. M., the applicant, together with the three men above mentioned, waited outside a house where an automobile was parked, and, when the owner, Robert E. Bradford, entered his car, the four men including the applicant got aboard the car, took possession of it, and forced the owner to ride along with them. During the ride the car ran out of gas. The applicant and one of the other men left the car to obtain gas, and while they were gone, the two men who remained in the car robbed the owner of ten dollars, all the money he had in his possession. The ride was then resumed, the four men, including the applicant, taking the owner to Seidersville, where they released him, he proceeding to Bethlehem where he reported the robbery to the chief of police. Soon thereafter all four men were arrested and were convicted and sentenced as above stated.

The applicant has now served two years and eight months of his term of imprisonment. He was never before charged with or convicted of crime. He was only twenty years of age when the robbery occurred.

There was filed with the Board a letter from Robert E. Bradford, the man who was robbed, in which he recommends clemency. Philip Lucas, one of the jurymen who convicted the applicant, also recommends pardon.

In consideration of all the circumstances of this case; the extreme youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; and because of the recommendation of the prosecutor in this case, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and eight months' imprisonment, effective on September 5, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said John Johnson, alias John Edwards be commuted to two years and eight months' imprisonment expiring on September 5, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 241, March Sessions, 1929, in the Court of Oyer and Terminer in and for the County of Delaware, William H. Schwalbe, alias William H. Hall, pleaded guilty to an indictment charging him with highway robbery, and on March 21, 1929, was sentenced by the Court to pay a fine of five thousand dollars (\$5,000.00), costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than eight years, nor more than twenty years.

The applicant is a native-born citizen of the United States, twenty-eight years of age. He is a salesman by occupation. At the time of his arrest, he was a partner in the Electrical

Theatre Supply Company of Philadelphia, and resided in Oakmont, Delaware County. He is married.

In the early morning of January 8, 1929, a truck owned by John Hilyard, an expressman of Eddystone, Pennsylvania, was apparently held up in the Borough of Yeadon, and carried off. The truck was carrying plush and cloth to the value of approximately twelve thousand dollars from mills in Delaware County to New York. Eight men, including the applicant, were indicted for the robbery. The applicant was also indicted for carrying concealed deadly weapons, pointing and discharging a gun, conspiracy, larceny and receiving stolen goods, and for violating the Drug Act. The applicant entered a plea of guilty to the robbery, but stood trial on the remaining charges. The jury, by direction of the Court, found him not guilty of all the offenses, except that of robbery. Charles F. Zoll, one of the applicant's co-defendants, pleaded guilty and was sentenced to pay a fine of one thousand dollars (\$1,000.00), and to undergo imprisonment for a period of from five to fifteen years. Another co-defendant, Rocco Mattio, pleaded not guilty, and by direction of the Court, was acquitted. Frank McGlinchey, who was a fugitive from justice, finally surrendered himself in April, 1929, and pleaded guilty to all of the indictments found against him. He involved John Hilyard, the truck owner and it was then revealed that Hilyard and McGlinchey had conspired to have the truck, which was heavily insured, robbed, McGlinchey to secure as confederates, the persons indicted as above stated, and all, including Hilyard, to divide the loot. Hilyard was subsequently indicted for conspiracy and fraudulent conversion, was convicted of the same, and sentenced to pay a fine of five hundred dollars (\$500.00), and to undergo imprisonment for a term of one to two years. A portion of the goods and materials on the truck was sold to Louis Lasch, one of the applicant's co-defendants, who was convicted of conspiracy, larceny, and receiving stolen goods, and sentenced in the aggregate to pay a fine of fifteen hundred dollars, (\$1500.00), and to undergo imprisonment for a period of from three to six years. This sentence was subsequently modified and the fine reduced to one thousand dollars (\$1,000.00), and the county jail of Delaware County was substituted for the place of imprisonment instead of the Penitentiary. In June, 1930, Lasch, the receiver of the stolen goods, was paroled for a period of nine years upon payment of one thousand dollars (\$1,000.00) fine, and costs, and was ordered to enter into his own recognizance in the sum of five hundred dollars (\$500.00) to keep the peace.

The applicant has served one year and six months of his term of imprisonment. His prior record is good with the exception of four minor offenses. When fifteen years of age, he was arrested for aggravated assault and battery. He was arrested on three subsequent occasions for violation of the motor vehicle regulations; discharged in two cases and fined twelve dollars and fifty cents (\$12.50) in the third instance.

There was filed with the Board, a letter from the First National Pictures Distributing Corporation of Philadelphia, in which it is alleged that the applicant had been employed by them for about six years, and had been a reliable salesman. There was also filed with the Board, a letter from Edward H. Bryant of the Bryant Bureau, Inc., in which he states that he has made investigation of the alleged robbery made the basis of the present application and finds that it was not merely a holdup but a conspiracy on the part of a number of men acting in collusion with one of the owners of the truck hauling the goods for the purpose of defrauding the insurance company; that this fact was not revealed until after the applicant was sentenced and imprisoned. Two men owned the truck, one of whom was Hilyard, who was subsequently indicted and convicted of conspiracy to have his truck and cargo stolen by the applicant and his gang.

In consideration of all the circumstances of this case; the term of imprisonment already served; the prior good record of the applicant with the exception of minor infractions of the law; because of the severity of his sentence for the alleged highway robbery as compared with the sentences meted out to his co-defendants, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and six months' imprisonment, effective on September 21, 1930.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence



of imprisonment heretofore imposed on the said William H. Schwalbe, alias William H. Hall, be commuted to one year and six months' imprisonment, expiring on September 21, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 23, April Term, 1916, in the Court of Oyer and Terminer, in and for the County of Mercer, Fred Christy pleaded guilty to an indictment charging him with murder, the degree of which was finally adjudged to be murder in the second degree, and on October 16, 1917, was sentenced by the Court to undergo imprisonment at the Western Penitentiary for a period of not less than nineteen years nor more than twenty years.

The applicant is a native-born citizen of the United States, thirty-one years of age, unmarried. His occupation was that of helper. He resided with his father on a small farm in West Salem Township, Mercer County. His mother died while he was an infant.

During the latter part of January, 1916, the body of one, John Christy, with several gunshot wounds, was found in an abandoned well on his farm and on February 11, 1916, his son, the applicant, seventeen years of age, was arrested and charged with the murder of his father. When he first entered his plea of guilty to the charge of murder, the Court, on November 3, 1916, determined the degree of guilt to be murder in the first degree and sentenced the applicant to suffer the death penalty. Subsequently, on October 16, 1917, the Court revoked the former sentence and imposed the prison sentence above stated.

The applicant, as already stated, was seventeen years of age when this crime was committed. A mental examination made at the time disclosed the fact that his mentality was that of a boy of eleven to twelve years of age. Sometime later, while he was confined in jail another mental test was made which showed that his mentality was improving, and that at that time he had the mental capacity of a normal boy of about thirteen years of age. Since his incarceration in the Penitentiary and under instruction he has rapidly developed and his mental ability now seems to be that of the average man of his age. At the trial there was some evidence as to cruelty on the part of the father, the defendant claiming that an injury to his chest was the result of a beating or kicking by his father.

The applicant has now been imprisoned since February 11, 1916, a period of fourteen years and seven months; one year and eight months in the County prison and twelve years and eleven months in the Penitentiary. He was never before charged with or convicted of crime.

There was filed with the Board a letter dated November 18, 1924, from Doctor W. W. Richardson, Medical Director of the Mercer Sanitarium, Mercer, Pennsylvania, in which he states that he had examined the applicant previous to his trial, and found him to be "a moron with a mental age of from eleven to twelve years. That being the case he was not fully endowed by nature as to his mentality and hence cannot be said to be fully responsible for his actions. In view of this fact I feel that a pardon at this time would be justifiable, assuming that his prison record has been good."

There was also filed with the Board a letter from Doctor McLaughlin, resident physician of the Rockview Penitentiary, dated February 14, 1930, in which he states that the applicant is in good general physical condition and that, "mentally also this man is apparently normal." There was also filed with the Board a letter from the trial District Attorney in which he

states, inter alia: "in my opinion Christy's application is more meritorious than any ever presented to your Board on behalf of a prisoner convicted during my term." He further states that in his judgment the applicant's mental deficiency was due to lack of ordinary parental care; that his mother had died in infancy; that his home life was dull and dreary and he did not develop normally; that he was quiet and well-behaved. He also states that he has received a number of letters from the applicant since his incarceration which indicates that he has developed to a remarkable degree.

Doctor Sandy, Director, Bureau of Mental Health, State Department of Welfare, by request of the Board made a mental examination of the applicant in June, 1930, and reported that the applicant has "normal general intelligence," and is "normal mentally," and recommends clemency.

In consideration of all the circumstances of this case; the extreme youth of the applicant when the crime was committed; his mental deficiency at that time; in consideration of his prior good record; the term of imprisonment already served; because of the strong recommendation of the trial District Attorney; the favorable report of the resident physician of the Penitentiary, and the recommendation of Doctor Sandy, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to twelve years and eleven months' imprisonment, effective on September 16, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend the minimum sentence of imprisonment heretofore imposed on the said Fred Christy be commuted to twelve years and eleven months' imprisonment expiring on September 16, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 19 April Term, 1924, in the Court of Oyer and Terminer, in and for the County of Montgomery, Harold W. Dean pleaded guilty to murder in the second degree and on June 19, 1924, was sentenced by the Court to pay a fine of ten dollars, costs, and to undergo imprisonment in the Montgomery County Prison for a term of not less than ten years nor more than twenty years.

The applicant is a native born American citizen, twenty-nine years of age and unmarried. At the time of his arrest for the present offense he was employed at the Francis Freas Glass Works at Conshohocken.

At the time of the trial the voluntary confession of the applicant was filed. From it, it appears that the applicant met Louise Bruppacher about Christmas, 1921. She lived on her father's farm in Montgomery County. The applicant kept steady company with her until July, 1922. He then lived in Philadelphia for one year and spent week-ends at the Bruppacher farm. In September, 1923, he went to the farm to live. The girl became his fiancée. He learned that she was running around with other men. She and another girl named Becker visited the Montgomery Hotel with men. The applicant became jealous. Quarrels ensued between them because of this fact. Finally, on February 27, 1924, under an assumed name, he purchased chloroform in a drug store in Norristown. On February 28, 1924, after spending the evening at the Lyric Theatre with friends, he drove to the Bruppacher home at about 10:15 P. M. The applicant occasionally used chloroform. He went to bed and consumed half of the bottle. He then took the remainder of the chloroform to Louise's room. She



was awake. He remained there a while and during that time gave her the chloroform on a cloth, laying it on her nose and face. The room was dark and he did not know that she was dead when he returned to his own room. The next morning the girl was found dead. The applicant claims that he was under the influence of chloroform when he committed this crime and not responsible for his action.

The applicant has now served six years and three months of his term of imprisonment. He was never before charged with or convicted of crime. Employment by two respectable citizens has been offered him if he is released and a brother residing in New Jersey has offered him a home.

There was filed with the Board a number of letters recommending clemency. The Warden, Chaplain, Prison Physician and President of the Board of Prison Inspectors of the Montgomery County Prison certify to the applicant's good prison record and recommend clemency. Numerously signed petitions of citizens filed also recommend pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; and because of the recommendations of the prison authorities and others, and because employment and a home have been offered him if released, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to six years and three months' imprisonment effective on September 19, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Harold W. Dean be commuted to six years and three months' imprisonment expiring on September 19, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 55, November Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Allegheny, Oliver Ogden was convicted of voluntary manslaughter, and on April 30, 1926, was sentenced to pay a fine of one hundred dollars (\$100.00), costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than six years nor more than twelve years, effective February 20, 1926. At No. 56, November Sessions, 1925, in the same Court, the applicant was charged with involuntary manslaughter, but the indictment was not pressed on motion of the District Attorney, by reason of the applicant's conviction and sentence at No. 55, involving the same facts.

The applicant is a native-born citizen of the United States, almost twenty-nine years of age. He served in the United States Navy from September, 1917 to December, 1918. After his discharge from the Navy, he worked for the Carnegie Steel Company until March, 1920. In June of that year he went to Philadelphia and was employed at that city in the freight house, Thirtieth and Market Streets, at the time of his arrest. He is unmarried. His parents are upwards of sixty years of age.

On September 15, 1925, there was an election in progress throughout Allegheny County, and a warm fight ensued for the office of Burgess of Homestead, in which borough the applicant was employed at the time. Some time during the afternoon in the third precinct of the third ward of that borough a bitter fight developed between two opposing political factions. As a result, one Walter Gant, who was serving as

a deputy constable in the precinct was shot and taken to the hospital, where he died shortly after midnight. Three men were charged with the murder, to wit: Fred Squires, Leo Shelton, and the applicant. The two first named were tried and acquitted; but the latter was convicted. The applicant, accompanied by a group of men, went to the voting place and after an argument about voting there, the applicant, together with his companions, left the polls and returned about an hour later, at which time the shooting took place. About a week after the election, the applicant went to Ohio for a visit and was there arrested and brought back to Homestead to stand trial.

The applicant has served four years and seven months of his term of imprisonment. His prior record was good with a single exception. Before he went to Homestead he served a minimum term in the penitentiary for the crime of rape.

The applicant has steadfastly denied the murder and did not go to the polls with the expectation that there would be any serious trouble. He avers that his conviction was brought about through the testimony of those whom he opposed politically.

There was filed with the Board a number of letters addressed to counsel for the applicant from six witnesses, who appeared against him at the trial, in which they aver that the applicant, in their judgment, is innocent of the crime and that he was convicted on account of political animus. There was filed with the Board a numerously-signed petition of citizens of Homestead recommending clemency on the ground that the applicant is innocent of the crime; that his conviction was brought about through political animus, and that he has been sufficiently punished and will become a law-abiding citizen if released.

In consideration of all the circumstances of this case; the prior good record of the applicant with a single exception; the term of imprisonment already served; because his two co-defendants were tried and acquitted; because of the letters from six witnesses who appeared against him at the trial and the petition of citizens recommending clemency, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to four years and seven months' imprisonment, effective on September 30, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Oliver Ogden be commuted to four years and seven months' imprisonment, expiring on September 30, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WOODWARD,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 48, 49, 50, 51 and 52, October Sessions, 1928, in the Court of Quarter Sessions of the Peace in and for the County of York, Sterling Ruth pleaded guilty to five indictments charging him with larceny, receiving stolen goods, fraudulently making a written instrument, and uttering and publishing a forged instrument, and on November 26, 1928, was sentenced by the Court in the aggregate to pay a fine of \$125.00, costs, and to undergo imprisonment in the Eastern State Penitentiary for a term of not less than three years nor more than six years.

The applicant is a native-born citizen of the United States, twenty-four years of age. He is married and has three chil-

dren. At the time of his arrest he was employed as a laborer in the leaf tobacco warehouse of J. E. M. Walker, in the city of York. He held a responsible position.

In the fall of 1927, the applicant, then aged twenty-two years, was employed, as already stated, in and about the leaf tobacco warehouse of J. E. M. Walker, in the city of York. The former having been drinking intoxicants to excess for a number of days and while under the influence of liquor, stole from the office of Walker a watch and a number of blank checks. He subsequently filled out four of the said blank checks in various amounts, passed them upon different persons and received as the proceeds of the checks the sum of \$415.38, all of which with the exception of approximately \$86.00 he spent in a short time in an improvident manner. The money was partly used in making restitution to one of the prosecutors in these cases who had been victimized by the applicant. The applicant promptly admitted his guilt.

The applicants' family is in destitute circumstances and requires his support. He was only twenty-two years of age when these crimes were committed.

The applicant has now served one year and ten months of his term of imprisonment. He was never before charged with or convicted of crime except that when a boy thirteen years of age he was sentenced to Glen Mills for larceny.

There were filed with the Board letters from the trial Judge and trial District Attorney in which both recommended clemency. The present District Attorney has filed with the Board a letter in which he states that he does not believe the applicant to be an habitual criminal and that he is not likely again to violate the law and hence has no objection to a pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant (with a minor exception); his comparative youth when the crime was committed; the term of imprisonment already served; because his family consisting of a wife and three children are in destitute circumstances and require support, we are of the opinion that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and ten months' imprisonment, effective on September 26, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Sterling Ruth be commuted to one year and ten months' imprisonment, expiring on September 26, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,  
Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 59, March Sessions, 1929, and 73, April Sessions, 1929, in the Court of Quarter Sessions of the Peace in and for the County of Allegheny, Harry Fink, was convicted of pandering, and conspiracy, and on June 14, 1929, was sentenced on the charge of conspiracy to pay a fine of one dollar, costs and to undergo imprisonment in the Allegheny County jail for a period of six months. Sentence was suspended on the charge of pandering and the applicant was placed on probation for two years. On August 23, 1929, the applicant was paroled for four years and on August 30, 1929, he was paroled for one year as to Stella Jones, who was a co-defendant with him in both indictments.

The applicant is a native-born citizen of the United States, thirty-one years of age. By occupation he is a clerk and at the time of his arrest he was employed as a private detective. The present address of the applicant, who is out on parole, is 1208 Hazel street, Pittsburgh. While the applicant is married he is not living with his wife, she having left him on account of these charges.

The applicant for a number of years prior to his arrest was a private detective operating out of the office of John Verona, an Alderman of the city of Pittsburgh. At the time of his arrest there was much political disturbance and turmoil in that section of the city. Betty Melton, an inmate of an alleged disorderly house, was arrested by the police. She made a statement involving the applicant claiming that he had previously secured her release from the work-house and had told her to return to the alleged house of prostitution conducted by one, Stella Jones. She, however, did not return to this place. She also stated that at one time she had seen Stella Jones give the applicant money which by inference was for protection. There was no corroboration of her story and she was the only witness. The political faction to which the applicant belonged at that time was at odds with the city police. The applicant was indicted with Stella Jones and charged with pandering. Later he was indicted under the same set of facts with Stella Jones and Alton Cotman charged with conspiracy to pander. The first trial resulted in a disagreement of the jury. At the second trial Cotman, Stella Jones and the applicant were found guilty. The applicant, as already stated, was sentenced to undergo imprisonment in the Allegheny County jail for a period of six months but later was paroled by the Court for two years.

The applicant after serving his jail sentence was discharged on parole. His prior record was good. While he was once charged with a violation of the National Prohibition Act in the Federal Court in Pittsburgh the case was not pressed by the District Attorney.

It was shown at the trial that Betty Melton was a prostitute before she ever met the applicant; that she did not go to Stella Jones' house after she says the applicant told her to go there; that neither the applicant nor Stella Jones received one penny of the twenty-two dollars charged in the indictment.

There was filed with the Board a number of letters recommending clemency from the chief City Detective, the Register of Wills, chief Probation Officer, the Warden of the City Prison, Representatives Marcus and Lynch, Prothonotary Vogt, Controller Woodside, Deputy Recorder Costello, Congressman Estep, Coroner McGregor, and others.

There was filed with the Board a letter from the present District Attorney in which he states that he has had occasion to observe the applicant's conduct since his parole and believes that his personal habits and activities have been those of a law-abiding citizen. The trial District Attorney has also filed with the Board a letter in which he states that the applicant's conviction was based "almost entirely on the testimony of the Melton girl, who did not impress me as being a particularly truthful witness. There is no doubt that the prosecution against Fink was prompted to a greater extent by reason of a factional political fight in his ward, as he was somewhat of a stormy petrel in politics. I believe the ends of justice would be met by granting this pardon." The trial Judge in his letter filed with the Board states that the applicant's conviction was brought about by the testimony of a "girl of apparently very low character. There is no doubt that politics had something to do with the prosecution." He concludes by saying that in view of the testimony presented at the trial and the letters of recommendation, "a pardon granted to him would be entirely satisfactory to me as trial Judge."

In consideration of the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; his good conduct on parole, and because of the favorable attitude of the present District Attorney and the recommendations of county officers, the trial District Attorney and trial Judge, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Harry Fink.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
CYRUS E. WOODS,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.



Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 49, December Sessions, 1922, in the Court of Quarter Sessions of the Peace in and for the County of Centre, E. C. McFeaters pleaded guilty to an indictment containing five counts, charging him with falsely, fraudulently and unlawfully uttering and publishing a certain school bond which he knew to be forged and counterfeited with intent to cheat and defraud, and on January 18, 1929, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than five years nor more than ten years; sentence to be computed from January 7, 1929. The concrete offense for which he was convicted and sentenced consisted in selling to the First National Bank of Spring Mills, Centre County, five \$1,000 bonds, which has been forged by him, whereby the bank was defrauded of a certain sum of money.

The applicant is a native-born American citizen, forty-two years of age, unmarried, and his occupation was that of a bond salesman employed by Lyon, Singer Company of Pittsburgh. He resided in that city.

The applicant previously was charged with the crime of false pretense and forgery in Blair County, Pennsylvania, and on January 7, 1924, pleaded guilty thereto and was sentenced by the court to a term of not less than five nor more than ten years in the Western Penitentiary. In January, 1929, upon the expiration of his minimum term of imprisonment, he was paroled and taken to Centre County for trial for the offense for which he is now seeking pardon.

The applicant has now served one year and nine months of his term of imprisonment. His aged father is in declining health and is dependent upon him for support.

There was filed with the Board, a number of letters recommending clemency from the President and Treasurer of Prescott Lyon and Company, Pittsburgh, W. H. Singer of Lyon, Singer Company of Pittsburgh, the Comptroller of State College, the first vice-president of the City Deposit, Bank and Trust Company of Pittsburgh, and others. There was also filed a letter from the trial District Attorney of Blair County (now President Judge) in which he states that the Blair County Court, when it imposed sentence, knew that several prosecutions had been instituted in Blair County against the applicant for similar offenses.

The trial District Attorney of Centre County, in a letter filed with the Board, recommends clemency. The trial Judge in Centre County has also filed a letter with the Board, in which he states that the ends of justice have been met by the applicant on the sentence which is made the basis on the present application for pardon.

In consideration of all the circumstances of this case; the term of imprisonment already served; because his aged father requires support; because of the many letters filed with the Board recommending clemency, particularly the letters of the trial District Attorney and trial Judge, we have concluded that the applicant has been sufficiently punished and if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said E. C. McFeaters.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 53 to 68, both inclusive, December Sessions, 1925, in the Court of Oyer and Terminer in and for the County

of Philadelphia, Frank Fisher pleaded guilty to sixteen indictments charging him with robbery being armed with an offensive weapon, assault and battery with intent to rob, larceny of an automobile, and conspiracy to rob, and on April 30, 1926, was sentenced on No. 53 to pay costs, and to undergo imprisonment in the Eastern State Penitentiary for a term of not less than six years nor more than twelve years.

The applicant is a native-born citizen of the United States. At the time of his arrest he was only sixteen years of age, and was employed as a clerk in the office of the Pennsylvania Railroad Company.

On the afternoon of October 19, 1925, between the hours of 2:00 and 3:00 o'clock, five milkmen were held up and robbed, in the northern section of Philadelphia by three young men, masked, and money to the amount of about five hundred dollars (\$500.00) was taken. The method used by these men in all instances except one was to drive an automobile, in which they were riding, in front of the milkman's horse, and when the horse would stop, they would jump out of their car, run up to the driver, point a pistol at him, and demand his money. In one instance, they got out of their car and ran up to a doorstep where a milkman was standing, and, pointing a pistol at him, demanded his money.

An investigation of these crimes caused the police to suspect John Green, John O'Rourke, and the applicant, who had frequented a certain house located at Twelfth and Montgomery Streets. Fisher was first arrested while walking on the street. Shortly thereafter the officers attempted to enter the house referred to and Green and O'Rourke, who were in the house, fired at the officers. The officers returned fire, killed Green, and captured O'Rourke. A number of bills of indictment were found against both O'Rourke and the applicant. While the applicant when brought to trial pleaded guilty, O'Rourke stood trial and was convicted. Both received the same sentence upon the first indictment charging robbery, being armed with an offensive weapon.

The applicant has now served four years and five months of his term of imprisonment. He was never before charged with or convicted of crime. He was only sixteen years of age when the present crimes were committed.

There was filed with the Board a number of letters of Samuel R. Boggs, President of the Board of Trustees of Eastern State Penitentiary, in which he strongly recommends clemency and offers to become sponsor for the applicant's future good conduct.

In consideration of all the circumstances of this case; the extreme youth of the applicant when these crimes were committed; his prior good record, and because of the fact that Samuel R. Goggs, President of the Board of Trustees of Eastern State Penitentiary, strongly recommends clemency and offers to become sponsor for the applicant's good conduct, we have concluded that he has been sufficiently punished, and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing and upon due public notice and in open session," recommend that a pardon be now granted to the said Frank Fisher.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 23, May Sessions, 1928, in the Court of Quarter Sessions of the Peace in and for the County of Clearfield, Alvin

Gustafson alias Bowser Gustafson was convicted of statutory rape, adultery, and bastardy, and on May 17, 1928, was sentenced by the Court to pay a fine of \$200.00, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three years nor more than six years.

The applicant is a native-born citizen of the United States, thirty-six years of age. He has a wife and three children. At the time of his arrest he was working as a coal miner in the vicinity of Bannion, Clearfield County, where he resided with his family.

On June 16, 1927, the wife of the applicant left home to attend the funeral of her sister-in-law. She arranged with Mary Zimmerman to look after the children and to attend to the household duties during her absence. The latter remained there two days, left and did not return. On the third day the applicant went to her home to make inquiries concerning her, but could not find her. The Zimmerman home is near where reside Mr. and Mrs. Hamilton whom the applicant had known for several years. The latter went to see them to ask them to permit their daughter, Anna, to come to his home and look after the children during his wife's absence. The parents consented. The applicant and Anna Hamilton went to his home in the afternoon. That night Anna Hamilton slept on a cot in the bedroom where two of the children slept, while the applicant slept in the bedroom with his youngest child. Anna Hamilton alleges that after she had gone to bed the applicant entered her bedroom and forcibly assaulted her. The applicant admits that he entered the room for the purpose of lowering the open window, but denies the assault. The following morning Anna Hamilton prepared the applicant's breakfast. His wife returned the same evening with a group of relatives. No complaint was made about the alleged assault. Anna Hamilton remained a second night, sleeping with the applicant's wife and sister. The following day she returned home. This assault took place on June 19, when the girl was under sixteen years of age. On July 13, Anna Hamilton returned to the applicant's home stating that her mother sent her to inquire as to the health of her aunt. The applicant was not at home when Anna came but returned later in the day when the girl alleged that he committed a second assault upon her. This the applicant denied. Three months later the girl's mother noticed that she was pregnant and the latter then, for the first time, named the applicant as responsible for her condition. Information was made against him on December 1, 1927, and the following March Anna Hamilton gave birth to a child naming the applicant as its father. The latter has steadfastly denied his guilt.

The applicant has now served two years and four months of his term of imprisonment. He was never before charged with or convicted of crime. During his incarceration his wife and children have become destitute. The children are in a home in Clearfield while the applicant's wife resides with relatives in Detroit, Michigan.

There were filed with the Board two letters from the assistant trial District Attorney (who is the present District Attorney). In the first letter he states that he does not oppose the application for pardon because the evidence on behalf of the Commonwealth rested entirely upon the testimony of the prosecutrix, "whose manner was not convincing." In the second letter, written last April, he states, *inter alia*, that he "did not like the attitude of the prosecutrix \* \* \* and had no faith in her veracity. This was based on the fact that she was a very unwilling witness and refused to assist this office in any way in the prosecution of the case. This was not through any bashfulness on her part." District Attorney Edwards in office at the time of the conviction appeared in person before the Board and verbally recommended pardon.

In consideration of all the circumstances of this case; the grave doubts as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the fact that the applicant's wife and children are in destitute circumstances and require his support; because of the favorable attitude of the assistant trial District Attorney and the recommendation of the former District Attorney, we have concluded that the applicant has been sufficiently punished and if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice

and in open session," recommend that a pardon be now granted to the said Alvin Gustafson alias Bowser Gustafson.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 8, 9, 10, 11 and 12, January Sessions, 1928, in the Court of Quarter Sessions of the Peace in and for the County of York, Harvey B. Test, alias Harvey Test, was convicted of larceny and receiving stolen goods, and on January 6, 1928, was sentenced in the aggregate to pay a fine of one hundred twenty-five dollars (\$125.00), costs, and to undergo imprisonment in the Eastern State Penitentiary for a period of not less than four years nor more than eight years.

The applicant is a native-born American citizen, thirty-four (34) years of age. At the time of his arrest, he was engaged in the business of painting automobiles.

The applicant, as before stated, was a brush painter, working on automobiles. About July, 1928, ducoing or spraying automobiles became the popular method of painting cars. His business declined and finally he closed out. During the time of idleness, he became acquainted with Walter Langhein and Elmer Langhein, brothers, and Monroe Spangler, and drank to excess. Certain goods were stolen from the cars of the Western Maryland and Pennsylvania Railroad companies, and the applicant was jointly indicted in different cases with the Langhein brothers and Spangler. Elmer Langhein and Monroe Spangler have never been apprehended. Walter Langhein was tried, convicted, and sentenced for his part in the larcenies.

The applicant claims that he may have unknowingly received stolen goods while under the influence of liquor, but has no definite knowledge. He is divorced from his wife and has one child who is dependent on him for support. Employment has been offered him by Earl R. Sollenberger, who is the manager of the Palace Garage, in the city of York, and by P. C. Wilson, a contractor, of Lancaster.

The applicant has now served two years and nine months of his term of imprisonment. He was never before charged with or convicted of crime. In 1916 he was indicted for the crime of assault and battery but the Grand Jury ignored the bill and placed the costs upon the prosecutor.

There was filed with the Board a number of letters recommending clemency; also a petition signed by thirty-one citizens. The Deputy Warden of the Penitentiary certifies that his prison record is good. Letters were filed by officers of the two railroad companies in which they state that they have no objection to a pardon. The trial District Attorney has filed with the Board a letter in which he recommends clemency, stating that the applicant was a tool used by the Langhein brothers, and that the Court imposed "rather severe sentences" on him. The trial Judge in a letter filed with the Board recommends clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because two of his co-defendants have never been brought to trial; because employment has been offered him if released; because his child requires support, and more particularly because of the favorable recommendations of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished and that if now released, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice



and in open session." recommend that a pardon be now granted to the said Harvey B. Test, alias Harvey Test.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 42, June Session, 1929, in the Court of Oyer and Terminer, in and for the County of Allegheny, Peter Sevanstonk pleaded guilty to an indictment charging him with statutory rape, and on July 3, 1929, was sentenced by the court to pay a fine of six and one-quarter cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two and one-half years, nor more than five years.

The applicant is a native of the United States, eighteen years of age and has resided in Duquesne, Allegheny County, all his life. Prior to the time of his arrest for the present offense, he was a student in the Junior High School in Duquesne and after school hours and during the summer vacation was employed in the grocery store of Jacob Barsky, Duquesne, and was so employed at the time of his arrest.

On the evening of June 16, 1929, the applicant who was only sixteen years of age, met his friend, John Paylo, twenty years of age, who told him that if the applicant could borrow a machine, they would go out riding. The applicant borrowed a machine and first took John Paylo home where the latter dressed and then said he was going to invite a girl he knew to ride with them. The defendant and his brother, John Sevanstonk, waited in Paylo's house until he came back. With Paylo in the car there were three girls, one of whom was Irene Hoblack, under sixteen years of age. The applicant at first refused to go out driving with them, but was finally persuaded by Paylo to accompany them. The applicant with his brother John, John Paylo and the three girls drove the car to the reservoir located at Duquesne View, in Duquesne, Pennsylvania. The applicant, his brother and two girls stepped out of the car, walked away and did not return until half an hour later. Paylo then bought the girls candy and ice cream and took them home. The following day the applicant and Paylo were arrested and committed to jail on the charge of statutory rape, Irene Hoblack being the accuser. At the trial the applicant was not represented by counsel and had no legal advice. He pleaded guilty and was sentenced as above set forth. Paylo also pleaded guilty and received a like sentence.

The applicant has now served one year and two months of his term of imprisonment. He was never before charged with or convicted of crime. He was only sixteen years of age when the alleged offense was committed. Employment has been offered him if released, by Jacob Barsky, a former employer who certifies that the applicant had worked for him about two years and was a satisfactory employe.

There was filed with the Board the affidavit of John Sevanstonk, the brother of the applicant, in which he states with reference to the offense charged, that when they drove to the reservoir, the applicant drove the car; that everybody except John Paylo and Irene Hoblack (who were cousins) stepped out of the car and walked around, returning half an hour later when they drove back home; that the applicant was not alone with Irene at any time and that nothing happened to any of the girls when all were together. There was also filed with the Board a letter from the District Attorney of Allegheny County, in which he states he does not know the reason why the sentencing Judge failed to distinguish between the younger defendant (the applicant) and the older defendant in the sentence which was passed upon them. He

adds: "I have seen the affidavits which the applicant is filing with your Honorable Board and I have no evidence to the contrary of these affidavits. From what I can learn of the case, I believe this young defendant has been sufficiently punished and I will therefore recommend a pardon be granted."

There was also filed with the Board two affidavits in which the affiants aver that on September 15, 1930, in the office of the Holy Trinity School, Irene Hoblack in their presence, stated that the applicant did not harm her, and was not in the car; that her cousin, John Paylo, was guilty of the offense charged, while the others were absent.

In consideration of all the circumstances of this case; the extreme youth of the applicant; his prior good record; the term of imprisonment already served; because of the affidavits filed, establishing the innocence of the applicant, and because the present District Attorney of Allegheny County recommends clemency, we have concluded that the applicant has been sufficiently punished and if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session." recommend that a pardon be now granted to the said Peter Sevanstonk.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., September 24, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 52, September Sessions, 1927, in the Court of Quarter Sessions of the Peace in and for the County of Columbia, Theodore McHenry pleaded guilty to an indictment charging him with breaking and entering, and larceny, and on August 22, 1927, was sentenced by the Court to pay a fine of \$400, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, twenty-seven years of age, and unmarried. He is a car builder by occupation and at the time of his arrest lived with his father and sister at Berwick, Pennsylvania, and was employed by the American Car and Foundry Company in Berwick.

On or about August 12, 1927, Clarence Markle, Morris Stout and the applicant were together on the streets in Berwick. It was evening. They had been drinking. Coming to the Elks Building, the applicant and his companions entered the building without any well-defined intention of doing anything. Seeing a small safe they found a screw driver and easily forced the safe open, taking therefrom an amount approximating \$580.00. All three men were arrested and pleaded guilty to the charge and received a like sentence.

The applicant has now served three years and one month of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board a letter from Harry E. Davis, residing at Forks, Columbia County, in which he offers to give the applicant employment if released. There were also filed with the Board letters from the trial Judge and the District Attorney, in which both recommend clemency on the ground that the applicant has been sufficiently punished for his crime.

The vice-president of the Berwick Store Company, in a letter filed with the Board, states that the applicant was employed in their department store for almost one year and that his record with them was good.

In consideration of all the circumstances of this case; the term of imprisonment already served; the prior good record of the applicant; the fact that employment has been offered him if released; and the further consideration of the fact

that the trial Judge and District Attorney both recommend clemency on the ground that the applicant has been sufficiently punished, we have concluded that the ends of justice have been met and that if now released the applicant will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Theodore McHenry.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 117, May Sessions, 1919, in the Court of Oyer and Terminer, in and for the County of Allegheny, Orazio Baldino pleaded guilty to an indictment charging him with murder, the degree of which was subsequently adjudged to be murder in the second degree, and on October 28, 1919, was sentenced by the Court to pay a fine of six and one-fourth cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than fifteen years nor more than sixteen years.

The applicant is an Italian by birth and allegiance, forty-two years of age and unmarried. At the time of his arrest he was employed as a foreman at the Jones and Laughlin Steel Pipe Mills, Pittsburgh.

On February 23, 1919, at about 6:40 P. M. the applicant entered the residence of Mrs. Concetta Plumbo and shortly thereafter a bullet which was discharged from a 32 caliber revolver carried by him, passed through the brain of Camillo Plumbo, a boy aged eleven years, causing instant death.

The applicant was a peaceable and law-abiding citizen of good repute. He had worked his way from laborer to the position of foreman in the plant in which he had been employed for four years. He had but one failing; he became intoxicated almost every pay day. About four years before the tragedy, the applicant while rooming at the Plumbo home, kept company with Mary Plumbo, who was then fourteen years of age. The courtship continued for about two and one-half years when it was broken up and the applicant moved to another lodging house. The parties, however, continued on good terms, except for occasional disagreements. Mary Plumbo testified at the trial that on various occasions the applicant had called her opprobrious names. She also testified that on the Saturday before the shooting he had shown her the revolver and threatened to kill her because she was keeping company with another man, and gave the revolver to her upon her promise to marry him. Mrs. Tini in whose presence this alleged conversation took place contradicted Mary. She testified that Mary has asked the applicant to loan her money to assist her in making restitution for goods which she had stolen from the store wherein she was employed. The applicant stated that he had no money and emptied his pockets to demonstrate the truth of his statement. When he took out the gun, Mary asked him why he carried it and he explained that he had received letters from black-hands demanding money and he carried the revolver for protection. This was corroborated by the Commissioner of Police who testified that a nurse at the hospital handed him the letter in question when she found it in the applicant's clothing and that it was a black-hand letter. The applicant had been drinking the entire day of the tragedy; he began in the morning and by six o'clock he was intoxicated. He went first to the Tini home and then went to the Plumbo home adjoining. He entered the kitchen where Mary Plumbo and the man who was Mary's fiancé at the time and who afterwards became her husband, and Camillo Plumbo, were seated at the table. Near a fire

sat three boarders. Mrs. Plumbo was near the stove cooking. The stories of the witnesses as to what then transpired do not agree. The Commonwealth showed that Mrs. Plumbo ordered him out of the house and thereupon the revolver was discharged and the boy killed. A fair statement of the circumstances is as follows:

When the applicant entered the kitchen, Mrs. Plumbo shouted, "Get out of here," and assaulted him with a rolling pin thirty inches long and six inches in circumference. She struck him a blow on the head, which caused him to bleed profusely, and it was after this blow that the fatal shot was fired. Mary's fiancé also joined in the attack and during the scuffle another shot was fired, which lodged in the applicant's leg. Shortly after the shooting, the applicant was arrested. He made no effort to escape. He was taken first to the Police Station and then to the hospital, where his injuries were treated. He told Mary that he was sorry for what had occurred and that he had not intended harming anyone and did not know why he went there. The Commonwealth failed to produce the three boarders as witnesses and the applicant was unable to locate them subsequently. None of the witnesses saw the applicant draw his gun nor did they see him fire it. The firing of the second shot is also obscure. When the affray was over, the gun was found in the hands of Mary's fiancé and not in the hands of the applicant.

The applicant has now served eleven years of his term of imprisonment. He was never before charged with or convicted of crime. There was filed with the Board a letter from the trial Assistant District Attorney, who now resides in Florida. He states: "In view of the extenuating circumstances of this case, I believe that the ends of justice would be served by granting the prayer of the petition." The present District Attorney's office has filed with the Board a letter in which they state that inasmuch as the applicant has served more than ten years of his sentence, they offer no objection to his pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; because of the recommendation of the trial District Attorney and the favorable attitude of the present District Attorney, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to eleven years' imprisonment, effective on October 28, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Orazio Baldino be commuted to eleven years' imprisonment, expiring October 28, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 12-139, June Sessions, 1916, in the Court of Oyer and Terminer in and for the County of Fayette, Dan Plumbo was convicted of murder in the second degree, and on June 24, 1916, was sentenced by the Court to pay a fine of six cents, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than sixteen years nor more than twenty years.

The applicant is a native of Italy, thirty-nine years of age, and owes allegiance to the Government of Italy. He is unmarried, an electrician by occupation, and worked in the mines at Uniontown, where he had resided for seven years prior to his conviction on the present charge.



The applicant lived in a suburb of Uniontown and worked in the coal mines in that vicinity. He and two or three others usually spent their evenings together drinking and playing cards. One evening an argument arose between the applicant and a man named Conteen. The latter struck the applicant and the blow was returned. Some time later the applicant was leaving a store in the neighborhood, with his arm full of groceries. When he stepped out of the door he was attacked by four men, one of whom was Joseph Conteen, a son of the man with whom the applicant had quarreled previously. These four men beat the applicant with a pick handle. Some time later the applicant met Joseph Conteen, the son, on the street. The latter tried to beat the applicant, and being much larger in size he was succeeding when the applicant reached in his pocket and secured a small penknife with which he tried to defend himself. During the melee the applicant stabbed Conteen. The latter was taken to the hospital and died four days later.

The applicant has now served fourteen years and four months of his term of imprisonment; he was never before charged with or convicted of crime; his prison record is good, as appears from a letter, from the Warden of the Penitentiary, on file.

There was filed with the Board a letter from the trial Judge in which he states, *inter alia*, "I do not know what the applicant's behavior has been while in confinement. If it has been good, and if by any action of your Board he could now be made eligible for parole, the minimum period having been changed since he was sentenced, I know of no reason why such action should not be taken. It would seem fair and just."

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; his excellent prison record; and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to fourteen years and four months' imprisonment effective on October 24, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Dan Plumbo be commuted to fourteen years and four months' imprisonment, expiring on October 24, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. and 5, May Term, 1922, in the Court of Oyer and Terminer, in and for the County of Washington, Gaetano Cimicata pleaded guilty to murder in the second degree, in both cases, and on May 10, 1922, was sentenced by the Court in the aggregate to pay a fine of \$2.00 costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than twelve years, nor more than twenty years.

The applicant is a naturalized citizen of the United States of Italian birth, fifty-one years of age and a coal miner by occupation. At the time of his arrest he was employed in the mines of the Duquesne Coal and Coke Company at Avella, Washington County.

The applicant was married in Italy in February, 1906, while on a visit. At the time of the commission of the offenses he resided with his wife and their five children, aged fourteen, twelve, nine, six, and four years, respectively, with two or three boarders, including Sam or Saverio Massa, in a coal

company house of four rooms in Avella, Washington County. Massa had lived with the family for several years before the commission of the offenses. The applicant did not want to keep boarders any longer and ordered Massa to leave his home, but the applicant's wife insisted upon Massa's return. He had been told of improper conduct between his wife and Massa and when he told her she said she did not care for him (the applicant) any longer. She consulted a lawyer about securing a divorce, but did nothing more. This was within two months of the commission of the offenses. Applicant's wife finally forced him to leave his home, at the point of a gun, she and Massa possessing two guns. Massa and the wife frequently had made threats to kill the applicant. On different occasions Massa, who was larger, attacked, beat and kicked the applicant.

Some weeks prior to the commission of the offenses the applicant was told by his wife's brother that she and Massa had made many threats to kill the applicant and then and there gave him a revolver with which to defend himself. Shortly before the commission of the offenses, applicant was informed that Massa tried to rape applicant's daughter Lena, aged fourteen years. After he was put out of his own home he was informed that Massa had kicked and beaten his daughter Lena and that Lena was ill. On the date of the tragedy, the applicant came to Avella and went to a squire's office to be advised how to get his daughter away from the house where Massa lived with the wife and was informed that he would have to go to Court. Applicant then went to the school to see his children, and his son Frank after hugging and kissing him, showed him a big lump on his head where Massa had struck him and informed the applicant that Massa had hit, kicked, beaten and choked all of the children, and that Massa and the wife were going to kill him.

While the applicant was walking on the road, Massa and his nephew came towards him. They both caught hold of the applicant and Massa reached into his pocket where he was in the habit of carrying a gun. When he did so and while the three of them were struggling, applicant pulled his gun, shot and killed Massa. A gun was later found in Massa's pocket. Applicant then went a short distance to where his wife resided. When she saw him at the door he said to her: "I have shot Sam, tell me if you care?" She screamed and said: "You dirty dog, you kill my Saverio," and scratched and bit him. As he knocked her from him she fell but got up and ran toward the bed where she kept her revolver. As she put her hand toward the pillow where the applicant knew she kept the revolver, he shot and killed her. After the killing, he took his children to the squire's office, told the squire what he had done and was taken to jail.

The applicant has now served eight years and five months of his term of imprisonment. He was never before charged with or convicted of crime. Four of his children who are under age, are now living with his oldest girl, aged twenty-one years, who is married and has two small children of her own and all are in destitute circumstances and require his support.

There were filed with the Board letters from the trial Judge and trial District Attorney recommending a rehearing. The Judge states: "The circumstances in this case were most extenuating. Had the Ludlow Act been in effect, I am quite sure that my minimum sentence would not have exceeded the period already served by the defendant. I therefore recommend that the prayer of the defendant's petition for rehearing be granted." The trial District Attorney in a letter filed with the Board, states: "After discussing this case with the trial Judge, I also join in recommending that the defendant be given a rehearing on his application for pardon."

In consideration of all the circumstances of this case; the prior good record of the applicant, the long term of imprisonment already served; the destitute condition of his family, which requires support, and because of the favorable attitude of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to eight years and five months' imprisonment, effective on October 10, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Gaetano

Cimicata be commuted to eight years and five months' imprisonment, expiring on October 10, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 142, February Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Luzerne, Louis Brass was convicted of arson, and on June 14, 1926, was sentenced by the Court to pay a fine of four thousand dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years nor more than twenty years.

The applicant is a Hebrew and at the time of his arrest was thirty years of age. He is a native-born citizen of the United States, a merchant and has a wife and three children living. His place of residence was the City of Wilkes-Barre.

On November 25, 1924, the applicant was conducting a furniture and housefurnishing store in said city. The building has two stories, the upper story of which was occupied by the applicant and his family as living quarters. About two o'clock in the morning of that day fire was discovered in the basement of the building. After the fire was extinguished evidence of incendiarism was found upon the premises. The applicant alleged that he went to New York City the night before the fire, returned to Wilkes-Barre the day after the fire when he was arrested for arson. He produced many witnesses to show his absence in New York City at the time and denied all knowledge of, or complicity in the fire.

The applicant has now served four years and four months of his term of imprisonment. He was never before charged with or convicted of crime. His family, consisting of a wife in delicate health and three children, aged fourteen, eleven, and five years, respectively, are the recipients of charity.

There was filed with the Board a petition for clemency signed by eleven of the jurors who convicted him. There was also filed with the Board a letter from President Judge Fuller, in which he states that while he never recommends pardon, nevertheless, he believes that clemency might well be exercised in the present case. There were also filed with the Board letters recommending clemency from the Chief of Police, Chief of the Fire Department and Mayor of Wilkes-Barre, Senator Sordoni, and other prominent citizens. There was also filed with the Board a letter from the prison physician in which he states that the applicant has been in ill health for the past two years and that the confinement is injurious to his health.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; the need which his family has of support; because of the impaired health of the applicant, and the favorable recommendations of Judge Fuller, Mayor Hart, Senator Sordoni, eleven jurors, and others, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to four years and four months' imprisonment effective on October 14, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Louis Brass

be commuted to four years and four months' imprisonment expiring on October 14, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, October Sessions, 1923, in the Court of Quarter Sessions of the Peace in and for the County of Franklin, Charles H. Coover pleaded guilty to an indictment charging him with embezzlement, and on September 25, 1923, was sentenced by the Court to pay a fine of fifty dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than three years nor more than six years. Pursuant to said sentence the applicant served his minimum term of imprisonment and was discharged on parole on September 25, 1926.

The applicant is a native-born citizen of the United States, fifty-one years of age. He has a wife and four children and formerly resided in Waynesboro, Pennsylvania.

The applicant taught in the public schools for seven consecutive school terms and was then a rural mail carrier until 1905. He then taught another year. He then entered the employ of the Landis Tool Company, Waynesboro, as a clerk in the Cost and Time Department and after serving one month was placed in charge of said department and remained there until December, 1906, when he became bookkeeper for the Farmers and Merchants Trust Company, Chambersburg, and after three months became teller of said company and served as such until January, 1918, when he resigned to become secretary and treasurer of the Waynesboro Trust Company, Waynesboro, and served there continuously until June, 1923, at which time he resigned. The directors of the company discovered a shortage in its securities and when the matter was submitted to the applicant (who was secretary and treasurer of the company), he immediately admitted that there was a shortage and assumed full responsibility. He not only made a complete confession of his guilt, but rendered every possible assistance to the State Banking Department in straightening out the affair. The shortage proved to be \$183,393.65. The applicant surrendered his entire estate amounting to \$50,491.25 and the Trust Company received insurance amounting to \$120,746.45 leaving a net deficit to said company of \$12,155.95.

The applicant served his minimum sentence as before stated. After his discharge on parole he held a clerical position in the Treasurer's Department of the Frick Company of Waynesboro until March, 1930, when he returned to engage in outdoor work and now conducts a chicken farm in Maryland.

The present application for pardon was filed September 6, 1927, and refused by the Board at the October Sessions, 1927. The Board, of its own motion, reconsidered its former action at the regular meeting held this day.

With the original application were filed letters from the trial Judge and trial District Attorney, in which they recommend clemency. Also letters from the president of the Farmers and Merchants Trust Company (of which the applicant was teller), the president and vice president of the Waynesboro Trust Company (of which the applicant was secretary and treasurer at the time of the defalcation), and from two directors of the last named company, all recommending clemency.

Recently, additional letters from the following were filed with the Board certifying to the applicant's exemplary conduct since his discharge on parole and recommending clemency: the vice president and general manager of the Frick Company, the trial Judge, trial District Attorney, president of the Landis Tool Company, vice president of the Frick Com-



pany, vice president of the First National Bank and Trust Company of Waynesboro, and the president of the Farmers and Merchants Trust Company of Chambersburg, and president of the Landis Machine Company.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his exemplary conduct since his discharge on parole; and because of the recommendations of prominent citizens of Franklin County, including the trial Judge, trial District Attorney and officers of the institutions with which the applicant had been formerly connected, we have concluded that the applicant should now be granted an absolute pardon whereby he may resume all of his civil rights and privileges.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Charles H. Coover.

ARTHUR H. JAMES,  
Lieutenant Governor

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 87, April Sessions, 1927, in the Court of Quarter Sessions of the Peace in and for the County of York, William Hamilton pleaded guilty to an indictment charging him with breaking and escaping from the York prison, and on July 5, 1927, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than one year nor more than two years; to commence at the expiration of sentence at Nos. 70 and 71, January Sessions, 1919, on two charges of rape (said sentence imposed March 17, 1919, being in the aggregate not less than ten years nor more than fifteen years).

The applicant is a native-born citizen of the United States; fifty-six years of age. His occupation at the time of his arrest in 1919 was that of storekeeper. He is unmarried.

The applicant was incarcerated in the York County jail as a prisoner of the Eastern Penitentiary. He served as a trusty in the jail and was occupying quarters in the warden's apartment. His duties were those of head runner, taking care of the lawn and doing odd jobs around the prison. He served in that capacity almost three years. The applicant's health was poor and he feared that he would die in prison. Doctor Cohen the jail physician gave him constant treatment for a heart affection. On the morning of November 16, 1927, the applicant disappeared by way of the back door of the warden's apartment. He was apprehended in New Jersey about five months later, where he was staying with his sister.

The applicant has now served ten years of his original minimum sentence on the charge of rape; he has also served one year and three months additional which is more than the minimum sentence on both charges. By reason of his escape he must serve the full maximum of fifteen years before the present sentence for breaking and escaping can begin. If pardoned of the breaking and escaping he will be eligible for parole for more than three years.

There was filed with the Board a letter from the trial Judge in which he recommends clemency; also a letter from the trial District Attorney in which he recommends pardon. The present District Attorney has filed a letter with the Board in which he states that he has no objection to a pardon.

In consideration of all the circumstances of this case; the long term of imprisonment already served; and because of the favorable attitude of the trial Judge and trial District Attorney, we have concluded that the applicant has been

sufficiently punished and that if now released will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said William Hamilton.

ARTHUR H. JAMES,  
Lieutenant Governor

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1189, 1190, 1191, 1192, 1193, 1194, 1195, and 1196, April Sessions, 1927, in the Court of Oyer and Terminer in and for the County of Philadelphia, Lewis Cohen, alias Lewis Cohen, II, pleaded guilty to eight indictments charging him with embezzlement by an officer of a corporation, fraudulent conversion, and forgery of endorsement on check, and on May 17, 1927, was sentenced by the Court in the aggregate on Nos. 1194 and 1195, charging forgery of endorsement on two checks, to imprisonment in the Eastern Penitentiary for a period of not less than four years nor more than twelve years. Sentence was suspended on the remaining bills of indictment.

The applicant is a native-born citizen of the United States, thirty-six years of age. His occupation at the time of his arrest was that of conveyancer and real estate broker and his place of residence was in the City of Philadelphia. He is unmarried.

The applicant had been conveyancer of four building and loan associations in Philadelphia, to wit: South Penn Building and Loan Association, Doris Building and Loan Association, Seventeenth Street Building and Loan Association, and the Home Building and Loan Association, which met monthly at his place of business, Seventeenth and Bainbridge Streets. He had several male and female employees and before and after the meeting nights of said associations stockholders were accustomed to pay their dues at the office, either to him or his employees. The record of payments by stockholders disclosed in many instances that moneys received and signed for by his employees and himself were not accounted for. When the applicant was arrested, after examination made by the State Banking Department, the above facts were disclosed. The amount of the shortages in all of the associations according to the examination approximated four thousand dollars (\$4,000.00). This sum represents moneys for the payment of dues which are embraced in bills of indictment Nos. 1189 and 1190. Indictments Nos. 1191 and 1193, which are familiarly known in legal circles as "Companion Bills," charged fraudulent conversion of the same moneys. Applicant pleaded guilty to all of the indictments.

The two bills of indictment upon which sentences were imposed covered the issuance of two checks of the South Penn Building and Loan Association in the amount of eight hundred dollars (\$800.00) and five hundred dollars (\$500.00), respectively, drawn on the Broad Street Trust Company on stock loans, on both of which checks the endorsements had been forged.

Bill of indictment No. 1196, covered the same sort of transaction as that embraced in the two bills on which sentences were imposed.

There was little testimony given at the trial. The only witness who testified was a representative of the Banking Department, who stated: "That they had discovered irregularities and shortages in the associations hereinabove mentioned."

The applicant made immediate efforts to make restitution and at the time of his trial he had made substantial restitution to all of the associations that suffered loss by reason of his alleged misconduct. Since the trial he has fully reimbursed everyone who was in any way injured by his misconduct.

The applicant has now served three years and five months of his term of imprisonment. He was also confined in the Philadelphia County Prison for a period of five weeks awaiting trial. He was never before charged with or convicted of crime.

The Board of Pardons at its regular meeting this day held allowed a rehearing and then reconsidered its former action in refusing the applicant's petition for a pardon.

There were filed with the Board a large number of letters recommending clemency. Joseph W. Salus, President of the Broad Street Trust Company, which cashed the two checks on which the endorsements were forged, formerly protested a pardon, but now urges clemency in a letter filed with the Board. Judge Knowles, of the Municipal Court of Philadelphia, urges the Board to give careful consideration to the application. Magistrate Henry, in a letter filed, recommends pardon. The officers of the Home Building and Loan Association, have filed with the Board a sworn statement indicating that full restitution has been made them for their losses. The treasurer of the South Penn Building and Loan Association also recommends pardon. The State Banking Commissioner, who had strongly protested a pardon orally informed a member of the Board that he no longer was interested in the case.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because full restitution has been made by the applicant whereby no loss has been sustained by anyone through his misconduct; because of the many strong letters of recommendation filed and the changed attitude of President Salus and the Banking Commissioner, we have concluded that the applicant has been sufficiently punished and that if now liberated he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Lewis Cohen, alias Lewis Cohen, II.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 139, November Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Luzerne, John Reilly and James Tigie, were jointly indicted and convicted of pandering, and on November 30, 1928, were sentenced as follows: Reilly, to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than three and one-half years, nor more than seven years; Tigie, to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than four and one-half years nor more than nine years.

At the time of their conviction and sentence applicant Reilly was twenty-nine years of age and applicant Tigie, thirty-five years of age. Both were of American birth and both had been employed by the Pennsylvania Coal Company. Applicant Reilly resided at Pittston and applicant Tigie, in West Pittston.

In August, 1928, applicant Tigie, who was working temporarily as waiter and cook in the Columbus Restaurant, Pittston, was approached by a patron of the restaurant, an Italian who first name was John and resided on Railroad Street, and offered a position as cook and waiter in the Palace Restaurant at Plainsville, Luzerne County. This restaurant was owned by Peter Defont, Joe Mangione, and John the Italian whose last name is unknown to the applicant. The stock in trade was to consist of foodstuffs, cigars, cigarettes, candy bottled soda and beer. Applicant Tigie accepted the offer. On August 31, his friend, applicant Reilly, came and stated that he was out

of work and asked applicant Tigie to go with him to look for work elsewhere. Business in the restaurant was dull, and applicant Tigie agreed to accompany applicant Reilly if the latter would wait until the return of John, who had gone to Buffalo, New York, to visit his sick wife. The men remained at the Palace Restaurant until August 19, when they locked up the place and left, John having failed to return. They then went to board with a Polish family at Hudson, applicant Reilly meanwhile obtaining a position in the repair shop of a washing machine company. On September 12, 1928, both men were arrested by the State Police. The charge was pandering based on the testimony of one Hannah Reed, who stated that she was brought to the restaurant by one Frank Sandy of Pittston, on Sunday, August 12, and on the following three days remaining in the house for several hours, but never over night. She stated that she had divided the money she received between Sandy and applicants Reilly and Tigie. She also admitted occupying a furnished room in Pittston with Sandy, to which place she always returned after leaving the Palace Restaurant. Early in September, 1928, Hannah Reed left Sandy and returned to the home of her sister in Old Forge, to which place Sandy followed the girl in an effort to resume the relationship. Hannah's sister caused his arrest by the State Police, and he in turn implicated applicants Tigie and Reilly as participants in the crime of pandering. It is claimed that Sandy, who had a long crime record in Luzerne County, induced Hannah Reed to throw the responsibility on applicants Tigie and Reilly in an effort to save himself, and this fact was borne out by the testimony of Hannah Reed and Sandy in court. Sandy, who appears to have been the master mind in this offense, was sentenced to the county prison for a term of not less than two years nor more than five years, and was released within six months.

Both applicants have now served approximately one year and eleven months of their respective terms of imprisonment. Their prior records were good and their prison records are good as shown by letters from the penitentiary authorities. Employment has been offered applicant Tigie if released.

There was filed with the Board a letter from the trial Judge in which he states that at the time the sentences were imposed in this case, Luzerne County experienced a wave of pandering which necessitated severe punishment in cases of conviction. He states, furthermore, that the real culprit, and the motivating influence behind most of the crimes, was subsequently tried before him, convicted, and sentenced to the Penitentiary for a period of five to ten years, since which time there has been no further trouble. He states that a pardon would not be subversive of justice. The trial District Attorney recommends clemency. Alderman Smith, of Pittston, Captain Clark of the State Police and the Mayor of Pittston concur.

In consideration of all the circumstances of this case; the prior good record of both applicants; the terms of imprisonment already served; because of the favorable recommendations of the trial Judge, trial District Attorney, Mayor of Pittston and others, we have concluded that both applicants have been sufficiently punished, and that if now liberated, will prove themselves useful and law-abiding citizens.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John Reilly and James Tigie, respectively.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 302, 303, 525, 526, May Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Vance Senseman was convicted of assault



and battery, assault being armed with an offensive weapon and aggravated assault and battery, and on May 17, 1929, was sentenced to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than five years nor more than ten years. Joseph Heppler alias Joseph Heffler, jointly indicted with him, received the same sentence.

The applicant is a native-born citizen of the United States, twenty-two years of age and unmarried. He is a printer by occupation. He had enlisted in the United States Navy and at the time of his arrest was employed in the United States Naval Hospital located at the Navy Yard in the City of Philadelphia.

The applicant and one Joseph Heppler alias Joseph Heffler had been drinking together. They both went to a section known as Strawberry Mansion in Fairmount Park, Philadelphia, on or about May 9, 1929, at about 9:45 P. M. where they accosted one Joseph Eppelbaum. The testimony discloses that the applicant with his co-defendant hit Eppelbaum on the head with a blackjack. Eppelbaum testified that they took nothing from him. The applicant and his co-defendant on April 25, 1929, at or about the same place, struck another man. Both had been drinking. There is no testimony to indicate that the applicant or his co-defendant attempted to steal or rob those whom they had assaulted.

The applicant has now served one year and five months of his term of imprisonment. He was never before charged with or convicted of crime. He was only twenty-one years of age when this crime was committed. His prison record is good as shown by letter from the warden of the penitentiary.

Several letters were filed with the Board from the Burgess and a prominent citizen of Mechanicsburg, Pennsylvania, (the applicant's former home) in which they certify to the applicant's good record while in that town. There was also filed with the Board a letter from the trial Judge in which he states that he would object to the applicant's pardon because he was properly convicted, but would have no objection if he were discharged on probation for the balance of his term.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished and that if now released, he would prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Vance Senseman.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 599, March Sessions, 1926, in the Court of Oyer and Terminer in and for the County of Philadelphia, George E. Osborne was convicted of voluntary manslaughter, with a recommendation to the mercy of the Court, and on April 30, 1926, was sentenced to pay costs and to undergo imprisonment in the Philadelphia County Prison for a period of not less than three years nor more than six years. He was discharged on parole upon the expiration of his minimum sentence, and the present application is made to clear his record and to qualify him for appointment to the Fire Department, Department of Public Safety, Philadelphia, for which he is now disqualified by reason of his conviction and sentence.

The applicant is a native-born citizen, thirty years of age, married, but not living with his wife. He resides in the City of Philadelphia with his mother.

For seven years prior to his arrest in the present case, he worked on a milk wagon for the Supplee-Wills-Jones Milk Company. His hours of employment were from 2:30 A. M. until 3 P. M., except on Mondays and Tuesdays, when he arrived home about 6 o'clock in the evening.

The tragedy occurred on Tuesday, February 16, 1926. The applicant on his return to his home on the preceding Friday at about 1:30 P. M. saw James F. Hartley, who conducted a butcher store, coming out of his home and applicant's wife following. On seeing her husband, the wife stopped short and became nervous and excited. Her actions aroused the applicant's suspicions. On the following morning he returned home about 6:30 A. M. and hid in the cellar. About the middle of the morning he overheard a conversation his wife had on the telephone which increased his suspicions. He then went to the Domestic Relations Branch of the Municipal Court for advice and they told him to obtain detectives or to conduct his own investigating. On the morning of the tragedy he again came home from work at about 6:30 A. M. and hid in the cellar. About 10 o'clock Hartley drove up to the house in his car. The applicant recognized him by his voice, and he overheard the conversation between his wife and Hartley which confirmed his fears and suspicions. He heard them kissing and one of the two went to the front door and locked it, then he heard scuffling on the floor. Opening the cellar door suddenly he caught his wife in the act of adultery, lying on the floor with Hartley. His wife screamed and Hartley started to run into the parlor, the applicant yelled: "Stay there you dog, and don't run." Hartley then turned and with his fists hit the applicant in the eye nearly knocking him down. The applicant had a gun in his pocket which he carried for protection while he was collecting large sums of money for his company, and after Hartley hit him he drew it and yelled: "Stay where you are." Hartley advanced and grabbed the gun with both hands. A fight ensued in which Hartley grabbed the applicant's left thumb with his right hand and bent it back. The pain was so great that the applicant was forced backwards, but he managed to release the safety catch on his revolver and fired one shot. Hartley fell forward shot in the chest. He was taken to the hospital where he died five days later. The applicant's clothes were torn in the fight. The applicant then opened the front door to let in his neighbor, Mrs. Hagerdorn; when she entered she saw Hartley's clothing disarranged and his exposed body, as did the officers who came soon and made the arrest. The applicant asked Mrs. Hagerdorn to call an ambulance and when the police arrived he told how the trouble occurred and admitted firing the shots.

As before stated the applicant has been released on parole since May 3, 1929. He has passed his examination for appointment as city fireman, but is disqualified to obtain the position by reason of his conviction and sentence. He was never before charged with or convicted of crime.

There was filed with the Board a letter from the trial Judge which strongly recommends pardon. He states that this is an unusual case with many extenuating circumstances, and concludes: "I was compelled to sentence him owing to the gravity of the crime, but it is the kind of case that if I had the power to pardon I would do so without hesitation."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; and because the present application is made to clear his record and to qualify him for a position under the city government, we have concluded that the applicant has been sufficiently punished and should now be qualified to resume all the rights and privileges of citizenship.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said George E. Osborne.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 509, September Sessions, 1928, in the Municipal Court of the County of Philadelphia, Criminal Division, Lyle K. Dawson was indicted for assault and battery, aggravated assault and battery, assault and battery with intent to ravish and rape, and was convicted on all counts except that charging rape; and on September 28, 1928, was sentenced on the charge of assault and battery with intent to ravish, to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than three years nor more than six years.

The applicant is a native-born American citizen, thirty-one years of age, and at the time of his arrest was a sailor in the United States Navy. He is unmarried and the sole support of his mother who is seventy-eight years of age. At the time of his arrest he was stationed and lived at League Island

On the night of September 4, 1928, Sophie Butkus the prosecutrix in this case, a resident of Hartford, Connecticut, who was then visiting her sister in Philadelphia, through a flirtation at Strawberry Mansion, a resort in Fairmount Park, met the applicant while on her way to take the trolley. The applicant persuaded her to walk with him until they reached a lonesome spot in the park, where, she claimed, he violently assaulted her. The applicant was arrested on the following day. He denied the charge, and his shipmates (who testified that the girl's sister was a familiar figure to them) corroborated him. Nevertheless, the jury convicted him of assault and battery with intent to commit rape and acquitted him on the charge of rape.

The applicant has now served two years and one month of his term of imprisonment. He was never before charged with or convicted of crime. He has served for many years in the United States Navy. He claims that the maximum sentence for his crime under the law is five years, and not six years. His mother, seventy-eight years of age, is dependent on him for support.

There was filed with the Board letters from prominent citizens of Carter County, Oklahoma, in which State the applicant was reared, County Judge Grunert, Attorney Ledbetter, the chief of police of Ardmore, Oklahoma, and Representative Fischl in letters filed with the Board certify to the applicant's good record in that State.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the fact that his aged mother requires his support; and in further consideration of the letters filed with the Board from prominent citizens of Oklahoma certifying to the applicant's good record in that State, we have concluded that he has been sufficiently punished and that if now released, he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Lyle K. Dawson.

ARTHUR H. JAMES,  
Lieutenant Governor

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 302, 303, 525 and 526, May Term, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Joseph Hepler alias Joseph Heffler was con-

victed of assault and battery, aggravated assault and battery and assault, being armed with an offensive weapon, and on May 17, 1929, was sentenced in the aggregate to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years, nor more than ten years. Vance Senseman was jointly indicted with him and received a like sentence.

The applicant is a native-born citizen of the United States, twenty years of age. At the time of his arrest he was in the United States Navy in the capacity of trained male nurse. His place of residence at that time was League Island Navy Yard, Philadelphia. He is unmarried.

The applicant was tried and convicted on the charge of assault and battery, committed on April 25, 1929. He denied the charge, claiming that he did not leave the United States Navy Yard at that time and took no part in the occurrence. He was also tried and convicted on the charge of assault and battery with intent to rob, committed on May 9, 1929. The facts of this case were as follows: the applicant in company with Vance Senseman, his co-defendant, were at Strawberry Mansion, Fairmount Park, Philadelphia, Senseman was considerably under the influence of liquor, but the applicant was sober. Senseman had words with Joseph Eppelbaum who appeared as the prosecutor in the trial. As a result Senseman hit Eppelbaum and then both Senseman and the applicant ran away. The applicant did not take any part in the quarrel and did not injure Eppelbaum in any way. After Senseman and the applicant had run several hundred yards and were then walking, Eppelbaum came up with a policeman.

The applicant has now served one year and five months of his term of imprisonment. He was never before charged with or convicted of crime. He was only nineteen years of age when these alleged crimes were committed. Prior to his imprisonment he helped his father support the family. The father received a salary of but eighteen hundred dollars a year.

Senseman, the applicant's co-defendant, was pardoned by this Board at its present Session.

In consideration of all the circumstances of this case; the extreme youth of the applicant when these alleged crimes were committed; his prior good record; the term of imprisonment already served; because of the fact that the applicant in part supports the family, his father's salary being insufficient for the purpose; and because of the further fact that his co-defendant has been pardoned by this Board, we have concluded that the applicant has been sufficiently punished and that if now released he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that a pardon be now granted to the said Joseph Hepler, alias Joseph Heffler.

ARTHUR H. JAMES,  
Lieutenant Governor

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 55, February Sessions, 1930, in the Court of Quarter Sessions of the Peace, in and for the County of Erie, James Hill was convicted of larceny from the person and receiving stolen goods, and on February 19, 1930, was sentenced to pay a fine of ten dollars, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than one year and four months, nor more than three years. John



Bugig, his co-defendant, received a like sentence, except that the minimum term of imprisonment was one year and one month.

The applicant is a native-born citizen of the United States; thirty years of age. He is a telephone lineman by occupation, but at the time of his arrest was working as a salesman for the Maytag Washing Machine Company in Erie, in which city he resided with his wife and one child. The applicant being unable to secure a position as telephone lineman in Erie became a salesman.

On the morning of January 16, 1930, he called upon a prospect for a washing machine and while in the house learned that "home brew" could be bought there, and saw several men drinking beer. He met there one Edward Miller, and had several drinks with him, when John Bugig entered. Miller called the latter over to the table where they sat. About noon the applicant told them he had to go home and they said they would accompany him if he would come back, so all three went to the home of the applicant, remaining there about an hour when they returned to the house where they had been. They had more beer, and about 3 P. M. Miller said he wanted to buy a basket of groceries to take to a lady friend and asked them to accompany him. After purchasing the groceries, Miller called a taxi and Bugig, Miller, and the applicant went to the home of Miller's lady friend. Upon arriving at the house, the applicant did not enter, but waited on the outside. Miller and Bugig entered the house, and within a short time the latter came out and both went to a hotel to get some sleep; the applicant went to bed and Bugig proceeded to wash his face and hands. The latter then said, "Let's go out and get some more beer, I will buy it." The applicant arose, washed and went with Bugig back to the house where they had been before. While in the house, Miller and another man came in and asked Bugig to come on the outside as they wanted to talk with him. The applicant awaited Bugig's return, and after a long period of waiting went back to his room and went to bed and slept until he was awakened the following morning by a knock on the door. A man told him to dress as he was wanted at the Alderman's office. The applicant accompanied the man to the Alderman's office and there learned that Miller had lost his pocketbook; that it had been found on Bugig and that the latter had stated that the applicant had taken the pocketbook and given it to him. The applicant denied this. In the Alderman's office Miller did not want to prosecute, so the Alderman told the applicant to pay the costs and he would be released. The applicant did not have the money, so the Alderman told him he would wait a few days until he got it. The applicant was then taken to jail; he got the money and was again taken before the Alderman and advised that the costs were twelve dollars. The applicant did not have this amount, as he had previously been advised the costs would be eight dollars. Upon his return to jail, the applicant arranged to obtain the additional amount and advised the Alderman to that effect. The latter replied that it was too late as the case had been turned over to the District Attorney's office. When arraigned in Court on February 17, 1930, the applicant was told that the costs were forty-eight dollars. The assistant District Attorney asked the applicant if he could pay the costs, the latter replied that he could not. He then told the applicant he would have to stand trial. The applicant pleaded not guilty, but was found guilty by a jury which recommended him to the leniency of the court.

The applicant has now served eight months of his term of imprisonment. He was never before charged with or convicted of crime. The jury which convicted him recommended him to the leniency of the court. His family is destitute and requires support.

There was filed with the Board a letter from the trial District Attorney in which he recommends clemency. He states that his assistant who tried the case believes that "a pardon in this case would not be amiss." He also refers to the fact that the jury in its verdict recommended mercy.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; the need which his family has of support; because of the recommendation of the jury which convicted him and the favorable attitude of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and if now liberated, he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said James Hill.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

CYRUS E. WOODS,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 22, December Sessions, 1924, in the Court of Quarter Sessions of the Peace in and for the County of Centre, David L. Stevens, pleaded guilty to an indictment charging him with breaking and escaping from the Western Penitentiary, and on October 20, 1924, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three and one-half years nor more than seven years; sentence to compute after the completion of present sentence from Allegheny County for voluntary manslaughter.

The applicant is a native-born citizen of the United States; thirty-five years of age, and is married. He is a waiter and porter by occupation and at the time of his original arrest was employed by Hayworth and Dohurst at Ninth and Duquesne Way, Pittsburgh, and resided in that city since 1909.

On July 14, 1922, the applicant's wife and one Tom Jones spent the night together, without the applicant's knowledge, and committed adultery. The following morning the applicant met Jones on the street in Pittsburgh. The latter invited the applicant to accompany him to a crap game on the outskirts of the city. They went there on a street car. Jones led the applicant into a thicket and then advised him that he did not bring him there to meet others and shoot crap; that the latter was only a pretext and that he wished to inform the applicant that the latter was abusing "his woman" (meaning the applicant's wife). The applicant replied that she was his lawful wife. Jones then became angry and told the applicant that she was "his woman," and that he, Jones, had stayed with her the previous night and had committed adultery with her, and drawing a razor he rushed towards the applicant shouting that he was going to cut out his heart. The applicant immediately shot and killed Jones. The latter died in a few minutes, and when found by the chief of police of Westview, had the razor in his hand, which was identified as being Jones' property. The applicant claimed that he was forced to kill Jones in order to save his own life and was therefore convicted of voluntary manslaughter; was sentenced on February 2, 1923, to serve not less than five years, nor more than seven in the Western Penitentiary. A copy of the instructions to the jury by the trial Judge was filed with the Board which instructions verify the fact that Jones led the applicant to the thicket on a pretext and that the applicant killed Jones in self-defense. Within a year after the applicant's incarceration in the Western Penitentiary he was transferred to the prison farm at Rockview. His mother-in-law died in October, 1924. He was not allowed to attend the funeral. He became despondent, and a few days later, on October 16, escaped from prison. He was apprehended the same day and on October 20, 1924, was sentenced as above stated.

The applicant on March 2, last, completed the maximum sentence imposed by the Allegheny County Court for voluntary manslaughter and since that date has been serving the sentence imposed October 20, 1924, for breaking and escaping. His record prior to the first offense was good.

There was filed with the Board a letter from the trial Judge in which he states: "I will not make any objection to the granting of a pardon to this applicant if the Pardon Board sees fit to grant same in its discretion."

In consideration of all the circumstances of the present case and the prior one from Allegheny County; because of the long term already served; because of the applicant's good record with the exceptions noted, we have concluded that he has been sufficiently punished and if now liberated, will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said David L. Stevens.

ARTHUR H. JAMES.  
Lieutenant Governor.

JAMES A. WALKER.  
Secretary of the Commonwealth.

CYRUS E. WOODS.  
Attorney General.

JAMES F. WOODWARD.  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 91, June Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Luzerne, Charles Fanti, alias Charles Finn, alias Carlo Charlie, pleaded guilty to an indictment charging him with murder, the degree of which was adjudged to be murder in the second degree, and on June 19, 1922, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than twelve years, nor more than sixteen years.

The applicant is of Italian descent, twenty-eight years of age, and owes allegiance to the Kingdom of Italy. He is a coal miner by occupation and was so employed at Parsons, Luzerne County, at the time of his arrest. His place of residence is Clarksburg, West Virginia, where reside his wife and two children.

The applicant came from West Virginia to Pennsylvania about seven weeks prior to the tragedy. He secured board at the home of one Mike Basta in said borough and obtained work in the coal mines. On March 25, 1922, he received his pay and went from the pay car to his boarding house with one Frank Basta, a fellow boarder and brother of Mike Basta. Frank and Mike had an altercation over the board. Frank and the applicant then left the house after supper and went to an Italian's house up town and drank two quarts of wine. Frank then asked the applicant to accompany him to the home of a relative in an adjoining town. They went there and arrived at the home of Freda Marco at about 9:00 o'clock; they drank more wine until about 10:30 P. M. An argument ensued between the applicant and Tony Coradi, who was present, and the latter threw a glass in the applicant's face. Freda Marco told the applicant to go home. He said that he forgave Coradi because he was drunk, and left the house. Frank Basta followed him but soon returned to the house. The applicant had started for his home when Coradi left by the front door. (The applicant had gone by the rear door but passed the front of the house on his way home). A fight then ensued with three or four men engaged, the details of which are not clear, but as a result Coradi was mortally wounded and the applicant crawled away in a dazed condition. He was found by State troopers a distance of a five minutes' walk from the scene of the fight and about five or six hundred yards from his own home, and was very drunk, and unable to walk or talk; his face was bloody; his eye discolored and they thought his skull was fractured and took him to a hospital. His condition was testified to by the doctor, the State troopers and witnesses. Five days after the affray they had to hold his eye open to make a picture. A loaded revolver was found at the scene of the tragedy but it had not been discharged. Cartridges found in the applicant's pocket did not fit the revolver, but did fit a revolver found at his home, which had not been used.

The applicant has now served eight years and four months of his term of imprisonment; he was never before charged with or convicted of crime.

There was filed with the Board a letter from the assistant trial District Attorney in which he recommends clemency. He states that there was but one shot fired and that there was great doubt as to whom the revolver having a discharged shell, belonged; that the pistol might have been discharged in a struggle for its possession; that the applicant might have been justified in defending himself and that he was severely beaten and unable to stand up or speak when found by the officers shortly afterwards.

The counsel for the applicant has filed a letter with the Board in which he states his belief that the applicant would have had "a substantial chance of acquittal if his case had been submitted to a jury on a plea of not guilty." The attorney for the applicant in the present proceeding has filed a letter with the Board in which he states that he is authorized by the trial Judge to state that he would have no objection to the granting of a parole or pardon.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because of the written statements of applicant's attorney at the trial and in the present proceeding; and because of the favorable attitude of the trial District Attorney, we have concluded that the applicant has been sufficiently punished and if now liberated will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Charles Fanti, alias Charles Finn, alias Carlo Charlie.

ARTHUR H. JAMES.  
Lieutenant Governor.

JAMES A. WALKER.  
Secretary of the Commonwealth.

WILLIAM A. SCHNADEK,  
Attorney General.

JAMES F. WOODWARD.  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 57, March Term, 1930, in the Court of Quarter Sessions of the Peace, in and for the County of Beaver, Jay A. Johnson pleaded guilty to an indictment charging him with larceny and receiving stolen goods, and on March 4, 1930, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than one year nor more than two years.

The applicant is a native-born citizen of the United States, thirty-seven years of age. He came from Kentucky to Aliquippa, Beaver County, in July, 1926, and has worked continuously since that date for the Jones and Laughlin Steel Company. He resided in Aliquippa. The applicant has a wife and two boys, aged thirteen and eight years respectively. Since his incarceration they have been residing with relatives.

The applicant was a motorman on the Woodlawn and Southern Street Railway Company, a street car line owned and operated by the Jones and Laughlin Steel Company. During the last few months of his service he had taken from fares the amount of three hundred fifteen dollars, which amount was subsequently repaid in full. During his employment as a motorman he had invested his earnings, over and above what was necessary for the support of his family, in a small home in which they were residing at the time of his trouble, and on which he was making payments. He had no other property or means of any kind.

The applicant has now served seven months of his term of imprisonment. He was never before charged with or convicted of crime. His wife and children are in destitute circumstances and require his support.



There was filed with the Board a letter certifying to the applicant's excellent prison record; there were also filed with the Board letters which indicate that the applicant prior to his present offense had been an honest and industrious man and that his family is destitute and requires his support. County Commissioner Coombs certifies that the applicant had been a law-abiding citizen and that his family is destitute and requires support. The trial Judge in a letter filed with the Board states that if the applicant is released he will join his wife, who is now in Kentucky, and recommends immediate release.

In consideration of all the circumstances of this case; the prior good record of the applicant, the term of imprisonment already served; his excellent prison record; because his family is in destitute circumstances and requires his support, and because of the favorable attitude of the trial Judge, County Commissioner Coombs and others, we have concluded that the applicant has been sufficiently punished, and if now liberated will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Jay A. Johnson.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 69, September Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Luzerne, Frank Bedharski pleaded guilty to an indictment charging him with murder, the degree of which was subsequently changed to be murder in the second degree, and at No. 570 of the same term and in the same Court, he also pleaded guilty to an indictment for burglary, and on September 19, 1922, was sentenced by the Court in the aggregate to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than nineteen years, eleven months, nor more than thirty years.

At the time of his arrest, the applicant was twenty-three years of age. He had been idle for about three months, but prior thereto had been employed as an electrician at the Henry Colliery of the Lehigh Valley Coal Company. While of Polish descent, he is a native of the United States and unmarried. At the time of his arrest he resided in Plains, Pennsylvania.

On the night of June 1, 1922, Bridget Halliday accompanied by Gus Anderson, both of whom resided in Ashley, about three miles south of Wilkes-Barre, were sitting on the grass in Hollenbach Park, near Wilkes-Barre. They had been sitting there about two hours. It was a dark night and there were no lights in the park. At about 10:00 o'clock, a young man (the applicant) and two boys walked by where the couple were sitting. An altercation of some kind took place between the woman and the applicant. According to the testimony of Anderson, the applicant had a pistol in his hand, and, when the woman reached for a stone, he shot her killing her instantly. There was no apparent motive for the killing which was the result of an altercation. The deceased was a woman of about forty years of age, about six feet tall and weighed three hundred pounds. Neither she nor her companion were acquainted with the applicant. For some reason unknown to him, the applicant was not called in his own defense. He alleges that he and his two boy companions were walking down the park on the night in question; that it was very dark; that he stepped on something that moved under his foot; that he jumped back and grabbed his pistol and started to move away; that he saw nothing but a dark, bulky shape;

that his two companions had proceeded on their way; that he heard a female voice curse him and a man's voice trying to quiet her, that the applicant started to answer the woman; that at about that time he heard a stone strike the ground behind him and he fired a shot into the ground; that a man then grabbed him by the throat and the woman started to beat him over the head with what he thought was a club; that during the melee his pistol was unintentionally discharged, instantly killing the woman.

On May 28, 1922, the Armory in the city of Pittston was burglarized and revolvers, binoculars, clothing and other articles were taken therefrom, it is alleged, by the applicant.

The applicant has now served eight years and one month of his term of imprisonment. He was only twenty-three years of age when these crimes were committed.

There was filed with the Board a letter from the trial Judge in which he makes no objection to clemency, if the Board believes that the applicant deserves it. The chief of the county detectives has filed with the Board a letter which favors clemency. He states that the sister of the applicant and her husband, who are responsible people, have offered to give the applicant a home if released and to secure his employment. There was also filed with the Board a letter from the assistant trial District Attorney, which favors clemency. Captain Clark of the State Police, who was the prosecutor in the case, advises the Board that the applicant's conduct in prison has been good and that he has no objection to a pardon.

In consideration of all the circumstances of this case; the comparative youth of the applicant when this crime was committed; the long term of imprisonment already served; because of the favorable attitude of the assistant trial District Attorney and chief of the county detectives, the prosecutor and others, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to eight years and one month's imprisonment, effective on October 19, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Frank Bednarski be commuted to eight years and one month's imprisonment, expiring on October 19, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1199, December Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Paul Stauffer, together with Alfred Powell, John Ford and Joseph Connor were jointly indicted for larceny, and on December 20, 1929, Ford, Powell, and the applicant pleaded guilty to the indictment and on the same day, the applicant was sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years, nor more than ten years. Three days later this sentence was reconsidered by the Court and the period of imprisonment reduced to a minimum of two and one-half years and a maximum of five years.

The applicant is nineteen years of age, and a native-born citizen of the United States. His occupation is that of clerk and chauffeur. He is unmarried. At the time of his arrest, he was employed as clerk and chauffeur by the Economy Cleaners and Dyers, South 52nd street, Philadelphia, and resided in that city with his parents.

The applicant left school a short time before his arrest and was in the employ of his brother-in-law, who conducts the establishment above referred to. He was but eighteen years of age and had become acquainted with the several young men with whom he was jointly indicted but a short time previous to the larceny of the automobile which was made the basis of the present prosecution. He claims that he took no part in the actual larceny of the automobile, but entered the car with one, Joseph Connor, at the invitation of Ford and Powell. Conner and the applicant were standing on the sidewalk when the invitation was extended. Connor who pleaded "not guilty" to the charge of larceny, was subsequently acquitted by a jury. The applicant has no knowledge of the disposition of the car. Ford and Powell were both subsequently arrested upon a more serious charge and in a confession mentioned the larceny of the automobile and implicated the applicant. All three defendants were sentenced upon pleas of guilty.

The applicant has now served ten months of his term of imprisonment. He was never before charged with or convicted of crime. He was only eighteen years of age when this alleged crime was committed.

Four letters from citizens of Philadelphia who are personally acquainted with the applicant and his family, were filed with the Board recommending clemency.

In consideration of all the circumstances of this case; the extreme youth of the applicant when the alleged crime was committed; his prior good record; the term of imprisonment already served; in consideration of the further fact that his co-defendant Connor who stood trial was acquitted by the jury, and because of the favorable recommendations of persons who are personally acquainted with the applicant we have concluded that he has been sufficiently punished and if now liberated he will prove himself a peaceable and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Paul Stauffer.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 603, 604, 605, 606, and 608, June Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Nicholas Perry, pleaded guilty to five indictments charging him with assault, being armed with an offensive weapon, entering to commit a felony, assault and battery, aggravated assault and battery, carrying concealed deadly weapons, and operating an automobile without the consent of the owner, and on June 14, 1928, was sentenced by the Court, on No. 603, charging assault, being armed with an offensive weapon, to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than eight years nor more than twenty years. Frank Grandella and two others were jointly indicted with him.

The applicant is twenty-two years of age, a native-born citizen of the United States, of Italian extraction, and unmarried. Prior to his sentence he was engaged in the packing and shipping department of the Congress Cigar Company, Third and Spruce Streets, Philadelphia, and resided in that city with his parents.

On June 11, 1928, about 11.30 P. M., a phone call was received at the Station House, Seventh and Carpenter Streets, Philadelphia, stating that a holdup had occurred at a garage in the neighborhood of Fourth and Fitzwater Streets. Three officers were sent to the scene of the crime and interviewed

one William McBride, who was the night attendant at the garage. They were informed that he had been held up at the point of a gun by four white men who took fifty cents from his pocket and then went back into the garage and took an old Peerless touring car, the property of Eugene Pratt. McBride was afraid to stop the men, and they escaped. From the description which he gave four men at 1.40 A. M. were arrested by the Delaware River Bridge police as they were about to cross into New Jersey.

The defendants who were taken to the Station House first denied all knowledge of the holdup, but later Frank Grandella and the applicant both admitted that they had entered the garage, held up the colored men, and stolen the automobile, after which they had picked up David Mauro and Louis Similowitz and were on their way to a bungalow in New Jersey. The applicant claims that he and Grandella found the car with the engine running on Washington Avenue about midnight and jumped into the car to go their club bungalow in New Jersey. He avers that he changed his original plea of not guilty to one of guilty because he was afraid of physical violence from the police officers.

The applicant has now served two years and four months of his term of imprisonment. He was never before charged with or convicted of crime. He was only twenty years of age when the crime was committed.

A representative of the District Attorney's office who was present at the oral hearing of this application neither recommended a pardon nor did he oppose the same. His attitude, however, was favorable.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; and because of the favorable attitude of the District Attorney's office, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and four months' imprisonment effective on October 14, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Nicholas Perry, be commuted to two years and four months' imprisonment, expiring on October 14, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 6, June Sessions, 1927, in the Court of Oyer and Terminer, in and for the County of Allegheny, Joseph McDermott, alias Joseph Murphy was convicted of robbery, and on September 16, 1927, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, thirty-two years of age. Prior to his arrest he was the owner of two stores in which he sold confectionery, cigars and tobacco, and resided in the City of Pittsburgh.

On April 7, 1927, at about 11:30 o'clock P. M., an East End Club, located at 107 Whitfield Street, in the City of Pittsburgh, was entered and certain members, or patrons, of the club were robbed, at the point of revolvers, by four men: Herbert Spencer, Michael Piccardo, Leslie Mauer and Frank Peroski. At the time of the robbery there were thirty or forty men in the club room, and approximately four thousand dollars was taken



as loot. The four men who committed the robbery left the club room and went to the Del Rae Hotel, located about two squares distant from the club. Here the money was divided and the four men afterwards went to Detroit, Michigan, where they were apprehended several days later. A portion of the money and a number of revolvers were found on them when arrested. The day before the robbery these four men, one of whom had known the applicant in Detroit, where he had formerly resided, met him on the streets of Pittsburgh, and it was through his recommendation that they went to the hotel in question for accommodations. Two days after the robbery the applicant was arrested at the Del Rae Hotel, and was accused by the arresting officers of having participated in the robbery. He repeatedly told them that he had had nothing to do with the crime and has always maintained his innocence. The four robbers made written confessions in which they implicated the applicant as "one of the gang," stating that he had been the driver of the car which took them to the scene of the crime and drove them away after its perpetration. Before the jury was sworn in the trial of the applicant, the four robbers entered pleas of guilty. After the Commonwealth's case was closed, the defense put the four confessed robbers on the stand and each of them denied that the applicant had participated in any way in the robbery. They further testified that the reason they accused the applicant in the confessions they had made was because the officers had told them that the applicant had been instrumental in giving them the necessary information whereby they had been located in Detroit, and that they had implicated him in the crime in a spirit of revenge. The applicant, at the trial, strenuously denied his guilt. At the close of the case, on request of the District Attorney, the confessions of the robbers were sent out to the jury, and doubtless largely aided in the applicant's conviction.

The applicant has now served three years and one month of his term of imprisonment; he was never before charged with or convicted of crime, except that there are now pending two charges for a violation of the Federal Statutes.

There was filed with the Board a letter from the District Attorney in which he recalls a former letter which voiced opposition to a pardon in this case. In his second letter he states that the other men implicated in the robbery have been discharged from the Penitentiary, and that the applicant's sister, a woman of good repute and standing in Detroit, has agreed to take him and supervise his conduct. He concludes, "If your Board can be assured of this, I will withdraw my opposition in the granting of this pardon and leave it entirely in your hands." The applicant's sister has offered in writing to provide a home and employment. There was also filed with the Board a letter from the Assistant United States District Attorney at Pittsburgh in which he states that they have no objection to the applicant being released on parole, inasmuch as they may then place him on probation in the Federal Court on charges of having violated the Federal laws.

In consideration of the circumstances of this case; the prior good record of the applicant, with the exception noted; the term of imprisonment already served; because of the change in the attitude of the District Attorney, which is no longer unfavorable, and because the representative of the Federal Government, which has two charges pending against the applicant, does not object to parole, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to three years and one month's imprisonment effective on October 16, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Joseph McDermott, alias Joseph Murphy be commuted to three years and one month's imprisonment expiring on October 16, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., October 22, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, May Sessions, 1928, in the Court of Oyer and Terminer in and for the County of Washington, Melvin Allman, alias Melvin Allmon pleaded guilty to an indictment charging him with murder. A plea of guilty of voluntary manslaughter was tendered and accepted by the District Attorney, and May 11, 1928, the applicant was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than four years nor more than eight years.

The applicant is a native-born citizen of the United States, thirty-four years of age. He is a coal miner by occupation and at the time of his arrest was working for the Pittsburgh Coal Company at Montour, No. 9 Mine, Robinson Township, Washington County. He resided in said township. He has a wife and one child, now living at Pittsburgh.

The applicant was convicted and sentenced for the murder of one, Gussie Burch. The tragedy occurred between two and three o'clock on the morning of March 11, 1928, under the following circumstances detailed in the application:

During the previous evening, there had been a dance at the home of "Son" Johnson and his wife. About midnight, the Coal and Iron Police notified the participants that the dance would have to end and all persons left, with the exception of Gussie Burch (the deceased), Leroy Simms, "Son" Johnson and his wife and the applicant. Gussie Burch had been living as the common-law wife of Robert Johnson, a son of "Son" Johnson. Robert Johnson and Gussie had come from their home to attend the dance. There was drinking during the evening. The persons above named, who remained in the house after the dance broke up, continued drinking.

Gussie Burch was drinking before she came to the dance and had been in a quarrelsome mood. About two o'clock in the morning, Simms began talking to her. An argument ensued and she, taking a dagger from her bosom, attacked him. The applicant, being nearest to her, grabbed her arm and tried to remonstrate with her. She became infuriated and turned upon him with a knife. She struck at his breast and cut a slit across his vest. She followed him and as he started around a table, she continued to follow him slashing with a knife and cut his hand. Finally, she had the applicant in a corner and he was unable to retreat farther. Fearful for his life, he pulled a gun and shot at her, more with the intention of frightening her than with the intention of inflicting injury. As he shot, "Son" Johnson threw his arm toward Gussie and the bullet hit him in the fleshy part of his arm and hit Gussie in the head. She immediately died. The applicant immediately left the house and determined to go to Pittsburgh. When he was about to take an early morning train, he was arrested.

The Commonwealth in accepting the plea of voluntary manslaughter took into consideration that the deceased had been living with the son of "Son" Johnson; bore a bad reputation; was intoxicated at the time of the tragedy; had a knife in her possession, with which she cut the applicant; and that the latter was also intoxicated.

The applicant has now served two years and five months of his term of imprisonment. He was never before charged with or convicted of crime. He accounts for his possession of the gun by the statement that he had loaned money to one of his companions and that the weapon was given to him as security for the loan.

There was filed with the Board a letter from the Superintendent of the McCandlish Mine of the Hutchinson Coal Company, West Virginia (a former employer), in which the latter refers to the applicant's industry, efficiency, good character and reputation, and offers re-employment if released. There was also filed with the Board a letter from the trial District Attorney in which he states, "There is some merit to the application of this defendant in view of his previous good character and also of the reputation of the deceased for being a trouble-maker and one who might be considered a dangerous woman." While the letter does not recommend clemency, it evinces a favorable attitude.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the fact that employment has been

offered him if released; and in further consideration of the favorable attitude of the trial District Attorney, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the court should be commuted to two years and five months' imprisonment effective on October 11, 1930.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Melvin Allman, alias Melvin Allmon be commuted to two years and five months' imprisonment, expiring on October 11, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, December Sessions, 1912, in the Court of Oyer and Terminer, in and for the County of Beaver, Alessandro De Felippis was convicted of murder in the first degree, and on October 23, 1913, was sentenced to be hanged. Subsequently, on October 21, 1914, the sentence of death was commuted to life imprisonment.

The applicant is forty-five years of age and owes allegiance to the King of Italy. His occupation is that of railroad laborer. At the time of his arrest he resided in Ellwood City, Lawrence County and was about to take a labor gang from that place to Connellsville, Pennsylvania.

The applicant boarded with Dominic and Theresa Salzello. He paid his board regularly and turned over the balance of his wages to Theresa Salzello for safe keeping until she had \$250.00 of his money. A short time before November 24, 1912, he asked her for some of his money as he was going to New York to look for a job. She refused to give him any of his money. He pawned his watch, went to New York but found no position, and started back to Ellwood City, stopping off at Connellsville, where a foreman on the Baltimore and Ohio Railroad promised him a job if he would go to Ellwood City and bring back to Connellsville five or six other laborers. He returned to Ellwood City to look for the men and went back to board with the Salzellos. On the morning of Sunday, November 24, 1912, someone having offended Theresa Salzello, she ordered the applicant and John Marconi to leave the house, which they did, taking most of their belongings with them to another boarding house. On the evening of the same day they returned to the Salzellos for the remainder of their goods and there was a conversation between the applicant and Dominic Salzello, the latter begging the applicant to stay at his house and the applicant saying that after all that had happened he was afraid to stay and that if he did stay there might be trouble. The following morning, Monday, the twenty-fifth, the applicant accompanied Marconi to the Salzellos where Marconi had gone to get a pair of gloves he had left there. The applicant and Theresa Salzello met and their relations were amicable. On the evening of the twenty-sixth the applicant received a party pass over the Baltimore and Ohio Railroad from Ellwood City to Connellsville for himself and the laborers he was to take with him. On the morning of the following day, November 27, the applicant went to the Salzellos and asked Theresa for his money that he might go to Connellsville and take his men with him. She refused to give him his money or any part of it. A dispute arose between them that culminated in his shooting her. He fled from the house, concealed himself in a railroad tunnel until the night of Thursday November 28, when he crawled with frozen feet to the home of a fellow countryman, where he was arrested without resistance. The jury at the trial deliberated twenty-five hours before re-

turning a verdict of guilty of murder in the first degree.

The applicant has now been imprisoned seventeen years and eleven months. He was never before charged with or convicted of crime. The Warden of the Penitentiary certifies to his excellent prison record.

There were filed with the Board a number of letters recommending clemency. The trial Judge and trial District Attorney in letters filed recommend clemency. The latter heretofore had opposed pardon.

There were also filed with the Board the affidavits of the Sheriff of Beaver County and the Superintendent of the Rochester General Hospital, setting forth that in February, 1914, when the applicant was confined as a patient in the Rochester General Hospital, Rochester, Pa., under a special guard appointed by the Court, this guard in the night time died from a stroke of apoplexy; that the applicant seeing that the guard was dead made no effort to escape but on the contrary got up from his cot, called the attendants and assisted in connection with the death of the guard.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; his excellent prison record; because of the recommendations of the trial Judge and trial District Attorney; and in consideration of the affidavits of the Sheriff of the county and the Superintendent of the Rochester General Hospital, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence heretofore imposed by the Court should be commuted as of December 12, 1930, and that the applicant should be placed on probation for a period of ten years.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed upon the said Alessandro De Felippis be commuted as of December 12, 1930, and that the said Alessandro De Felippis be placed on probation for a period of ten years.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 15, June Term, 1918, in the Court of Oyer and Terminer, in and for the County of Allegheny, Charles E. Scherer was convicted of murder in the first degree, and on July 10, 1919, was sentenced by the Court to be electrocuted. Subsequently, on September 23, 1920, the sentence of death was commuted by the Governor to life imprisonment.

The applicant is a native-born citizen of the United States, fifty-nine years of age. He engaged in the grocery and general merchandise business at Wilmington, North Carolina, from 1895 until 1917, when he removed to Pittsburgh, Pennsylvania, where he was employed in Pickering's and Spear's Department Stores from December 19, 1917 to March, 1918. He was unemployed at the time of the tragedy. His residence was at 3531 Butler Street, Pittsburgh. The applicant was twice married. His first wife died in 1908, leaving seven children, ranging in age from ten days to thirteen years. On March 7, 1909, he married Bertha Banks, a girl of eighteen, the victim in this case, by whom he had no children.

For several years the applicant and his second wife lived together peaceably and to all appearances contentedly. The applicant then heard reports that his wife was meeting other men clandestinely. He first disbelieved the rumors but finally, receiving apparent confirmation of these stories from several sources, he repeated to his wife the stories that were afloat. This led to a quarrel, followed by other quarrels based on similar rumors. His wife left home several times after these con-



tentions, but was persuaded by the applicant to return. He did everything possible to make her happy. Among other things, he purchased her an expensive automobile and deeded her a five-thousand-dollar property. After the lapse of some time, the applicant obtained confirmation of renewed reports that his wife was continuing to entertain other men, and being no longer able to endure the scandal, he decided to dispose of his business and holdings and leave Wilmington in order to take his wife away from her paramours. This he did; he sold his property and took his second wife and the children by his first wife to Pittsburgh. Subsequently observing that his wife had become acquainted and was friendly with an attractive barber whose shop was across the street, the applicant gave up his position. He watched the movements of his wife for several weeks and obtained abundant evidence of her infidelity. Frequently, he observed her and the barber signaling each other, after which she would leave the house and the barber go from the shop. With a policeman as witness, he watched them loving in Arsenal Park one afternoon. He saw them meet and kiss on the street one evening and walk off arm in arm. Together they passed near him a number of evenings and disappeared from sight. On all such occasions, his wife would return home late. This wayward conduct of his wife made the applicant frantic. Having sacrificed his business and property and left his native city on her account and finding her still unfaithful, he became a nervous wreck. Violent quarrels ensued. On one occasion, his wife procured a gun from a neighboring apartment and attempted to shoot the applicant. On the night of April 26, 1918, the applicant's wife came in unusually late and went upstairs. When the applicant ascended shortly afterward, she came down again. The applicant, without removing his clothing, lay down on his bed and passed a sleepless night. At five o'clock in the morning, he went down in the living room where his wife was sleeping on a davenport, where she had slept for a number of nights. He sat down on a chair in front of the gas stove and fell asleep. About eight o'clock he awoke from a nightmare and began shooting with a revolver at his wife, who was then up and about. She was hit by several bullets and killed. Seeing his wife was dead, the applicant ran out into the street and surrendered himself to the police.

The applicant has been incarcerated since July 10, 1919, when he was sentenced to be electrocuted. He was never before charged with or convicted of crime.

The trial Judge and trial District Attorney have filed a joint letter with the Board recommending pardon. The Warden of the Western Penitentiary certifies to his excellent prison record. The Steward and Resident Physician concur in this statement. The prosecutor in this case, in a letter to the Board, recommends clemency. A number of other letters recommending clemency were filed by citizens of Pittsburgh and Wilmington, North Carolina.

In consideration of all the circumstances of this case: the prior good record of the applicant; the long term of imprisonment already served; his excellent prison record and because of the recommendations of the trial Judge and the trial District Attorney and prison authorities, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted as of November 10, 1930, and that the applicant be placed on probation for a period of nine years.

We, therefore, "after full hearing, upon due public notice in an open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Charles E. Scherer be commuted as of November 10, 1930, and that the said Charles E. Scherer be placed on probation for a period of nine years.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, January Sessions, 1920, in the Court of Oyer and Terminer, in and for the County of Blair, Jesse Allen was convicted of murder in the second degree and recommended to the mercy of the Court, and on January 19, 1920, was sentenced to pay a fine of fifty dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than fourteen years nor more than sixteen years.

The applicant is a native-born citizen of the United States, colored, unmarried, and thirty-seven years of age. At the time of his arrest he was employed as a laborer by the Pennsylvania Railroad Company, at Altoona.

On October 6, 1919, the applicant, together with Granville Davis and other persons unknown to him, participated in a crap game, in a field located in the suburbs of Altoona. After the game Davis and the applicant returned to the home of Myers Walker, where they were boarding. On the following day the applicant and Davis held a drinking party at the Walker home. About six o'clock that evening, after a great deal of drinking, Davis accused the applicant of having used loaded (crooked) dice in the crap game of the previous day. After some argument Davis attacked the applicant with a knife. The latter then drew his knife, and in the fight which ensued Davis was cut in the stomach and back, from which wounds he died that same evening. After the cutting the applicant remained at the Walker home, where he was arrested about one hour later and remanded to jail.

The applicant has served ten years and ten months of his term of imprisonment. His mother, seventy years of age, residing in Harrisburg, has been earning her own living as a scrub woman and now requires his support. The applicant has always claimed that he stabbed the deceased in self-defense while under uncontrollable fear of death or great bodily harm and took human life only when his own life was in great danger.

There was filed with the Board a letter addressed to the applicant, in which the trial District Attorney (who is now President Judge) authorizes him to state to the Board of Pardons that the Court is satisfied that the applicant be released on parole for the remainder of his minimum sentence.

In consideration of all the circumstances of this case; the long term of imprisonment already served; because of the need which the applicant's aged mother has of support and in further consideration of the recommendation of the trial District Attorney (now Judge), we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to eleven years imprisonment effective on January 19, 1931, and that the applicant should be placed on probation for a period of five years.

We, therefore, "after full hearing, upon due public notice in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Jesse Allen be commuted to eleven years' imprisonment expiring on January 19, 1931, and that the said Jesse Allen be placed on probation for a period of five years.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 41, February Sessions, 1927, in the Court of Quarter Session of the Peace, in and for the County of Erie, Mike Ezbicki, alias Michael H. Ezbicki pleaded guilty to an indictment charging him with entering a building with intent to commit a felony and robbery, being armed with weapons, and on May 21, 1929, was sentenced to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than four years nor more than eight years.

The applicant is of Polish descent, but an American citizen by birth, twenty-six years of age. He is married and has a wife and a two-year-old daughter residing in the City of Erie.

The crime for which the applicant was tried and convicted was committed on October 22, 1926, at about 9 o'clock P. M. That same evening, about 7 o'clock, the applicant received a call from his brother to the effect that he was ill in a house at Sixteenth and Wallace streets. He answered the summons and when he arrived at the place designated, he found that he had been made the victim of a hoax and that instead of his brother being ill, a drinking party was in progress. When he discovered this, he wished to leave but was persuaded to remain and join the drinking party. The following morning about 3 o'clock he was discovered by his wife, sleeping in his car parked in the garage near the house where he resided. Shortly thereafter his brother, Stanley Ezbicki, Edward Zolinski, and Andrew Mikolajczyk, were arrested and charged with the robbery of a gasoline station on Twenty-sixth Street, and East Avenue, and were also charged with having entered, without breaking, a certain building located at 1209 French Street, Erie, on October 22, 1926, and of having taken from H. P. Amthor and Clarence Comstock the sum of six dollars and fifty cents, the last-mentioned offense being the one laid in the indictment under which the applicant as a co-refendant, was tried and sentenced.

The applicant on learning the criminal charges left Erie, hired on a lake steamer, and, while going through the locks at Sault Sainte Marie, Michigan, was arrested. He waived extradition and returned to Erie. A preliminary hearing was had before an Alderman and he, with the others named, was held for Court on both charges, including the entry of the gasoline station above referred to, but was never tried for the latter offense.

The applicant forfeited his bail and was a fugitive for almost two years, during which time he lived with his wife in Carteret, New Jersey, under an assumed name. First employed as an ordinary laborer, by reason of efficiency, he was advanced rapidly. In addition to his industry he became active in civic affairs and was the Vice-President of the Polish Citizens Club of Carteret. His true identity was finally discovered, and he was arrested, waived extradition and was brought back to Erie for trial. When arraigned, he pleaded guilty to the charge contained in the indictment and received the sentence above stated. After he was taken to the Western Penitentiary he taught school for eleven months, when he was transferred to Rockview last April, where he now is.

The applicant has now served one year and six months of his term of imprisonment. Prior to the offenses hereinbefore mentioned, he was never before charged with or convicted of crime.

There were filed with the Board two letters from the trial District Attorney. In the first, he states that there was no evidence to connect the applicant with the entry and robbery of the gasoline station, and that he has no intention of prosecuting him therefor; that he was made a co-defendant because of his association with the other three men who were joined with him in the indictment for which he was convicted and sentenced. In the second letter, he states that he has definite information that while the applicant was employed at Carteret, New Jersey, his conduct was above reproach. He also adds that he personally has sympathy for the applicant, owing to his good conduct at Carteret. George J. Christophe, Captain of Detectives, Department of Police, Erie, writes the Board that prior to the commission of this crime, the applicant had been a good citizen, that his record in Carteret, New Jersey,

is good, and in case the applicant is pardoned or paroled, he will be re-employed. He believes that if released, the applicant will prove himself a law-abiding citizen. The Chief of Police of Carteret, New Jersey, writes the Board that he has investigated his conduct there and finds that he was a good worker, and that the company was about to make him a foreman; that his record in Carteret was good. The Chief of Police of Erie recommends pardon in a letter filed. The Deputy Warden of the Western Penitentiary certifies to his excellent prison record. A number of other letters were filed with the Board recommending clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because of his good record in New Jersey while a fugitive from justice; because of the favorable attitude of the trial District Attorney and the favorable letters of the Chiefs of Police of Erie and of Carteret, New Jersey, and other recommendations for clemency, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have concluded that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and six months' imprisonment, effective on November 21, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Mike Ezbicki, alias Michael H. Ezbicki, be commuted to one year and six months' imprisonment, expiring on November 21, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 181, 183, 184, 185, 186 and 213, September Term, 1928 and at Nos. 36, 37, 38, 39 and 40, December Term, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Beaver, Otto M. Solkovy pleaded guilty to eleven indictments charging him with larceny by bailee, embezzlement and fraudulent conversion, and on October 4, 1928, he was sentenced in the aggregate, on Nos. 185, 184, 185, 186 and 213, September Term, 1928, to pay a fine of five dollars, costs and to undergo imprisonment in the Western Penitentiary for a period of not less than seven and one-half years nor more than fifteen years. Sentence was suspended upon the remaining bills of indictment.

The applicant is a native of Austria-Hungary, but a naturalized citizen of the United States, forty-three years of age. He is married and has a wife and three children, aged seventeen, fourteen and eleven years, respectively, all residing in the City of Pittsburgh.

The applicant worked in a bank at Aliquippa for fifteen years. He then entered the real estate and insurance business. In addition thereto, he held the office of Justice of the Peace of said borough, having been twice elected to that office. In the course of business he had a number of clients whose insurance be carried waiting for them to pay delinquent insurance premiums. Applicant had to settle with the insurance companies in which he had written the policies. In his effort to take care of these obligations he drew checks on his account in the bank in which he had deposited all moneys received from the real estate and insurance business and also moneys paid to him as Justice of the Peace. He used about fifty-five hundred dollars in this manner, but before he could make collections of rents, he was arrested. Since his arrest on August 28, 1928, he has made restitution to the amount of seventeen hundred sixty-six dollars and sixty-five cents. The surety



company paid another one thousand dollars, making a total of twenty-seven hundred sixty-six dollars and sixty-five cents paid, or one-half of the amount of the total defalcations. The applicant did not appropriate this money to his own use with the intention of profiting thereby. He used the funds to pay premiums to insurance companies for delinquent policyholders. He was carrying his insurance clientele until they were able to meet their obligations to him, which they failed to do. Neither the applicant nor his family profited in any way from these moneys.

The applicant has now served two years and one month of his term of imprisonment. He was never before charged with or convicted of crime. The Warden of the Penitentiary certifies to his excellent prison record. His family is in destitute circumstances. His wife is in a hospital as a charity patient.

There were filed with the Board a number of letters recommending clemency. The trial Judge and trial District Attorney in a joint letter filed indicate a favorable attitude toward the present application, because restitution has been substantially made by the applicant, because of the destitution of his family and because of his high standing in the community before his conviction. The president of the bank in which the applicant was employed for fifteen years recommends pardon. The president of the Beaver Trust Company, the Prothonotary of Beaver County, two of the County Commissioners, the prosecutors in two cases, and others, recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; his excellent prison record; the term of imprisonment already served; because substantial restitution has been made; because the applicant's family is in destitute circumstances and requires support; and because of the favorable attitude of the trial Judge and trial District Attorney and recommendations of prominent citizens, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and one month's imprisonment, effective on November 4, 1930.

We, therefore, "after full hearing, on due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Otto M. Solkovy be commuted to two years and one month's imprisonment, expiring on November, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1 to 38 inclusive, Nos. 125 to 167, inclusive and No. 674, September Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, William D. Rodgers, together with Rudolph C. Bender, Samuel B. Lush, Isidor Griver, Alexander A. Roseman and Jacob Marbin, was charged with conspiracy to cheat and defraud, false pretenses, and making false statements in writing, and obtaining property thereby. When arraigned for trial the applicant entered pleas of not guilty to all indictment and was found guilty on indictment No. 674. He was immediately ordered to be tried on the other indictments before the same panel of jurors. By advice of counsel he withdrew his plea of not guilty, and with the consent of Court, entered pleas of nolo contendere, which pleas were accepted, and the applicant was adjudged guilty. On December 6, 1925, on indictment No. 4, September Sessions, 1925, charging conspiracy to cheat and defraud, the applicant was sentenced by the Court to pay costs, and to undergo imprisonment in the Philadelphia County

Prison for a term of ten years. Sentence was suspended on the remaining bills of indictment.

The applicant is fifty-four years of age, and a native-born citizen of the United States. He is, by occupation, a real estate broker, and at the time of his arrest was engaged in the real estate business as a member of the firm of Magee and Rodgers, 1200 Locust Street, Philadelphia, and was an officer and director in seventeen building and loan associations. These associations, although originally independent had interlocking directorates. The applicant became acquainted with his co-defendants through these associations. The applicant and his co-defendants believed that these associates could be operated for the mutual profit of officers, directors and stockholders. The associations loaned money to the purchasers of real estate and some of the money was used to improve properties in which the applicant and his co-defendants were interested. Immediately prior to the arrest, the real estate market in Philadelphia became very much deflated, values dropped and many of the loans became unsound. As a result of the investigation of the State Banking Department the latter took over the books and papers of the association and found a hopeless financial muddle which was followed by the arrest of the applicant and his associates.

The applicant has now served five years of his term of imprisonment. He was never before charged with or convicted of crime. He is the sole support of an aged and infirm mother, seventy-six years of age, who is now in destitute circumstances. All of the men who were convicted at the same time and charged with the same offenses have been either paroled or have had their sentences commuted by this Board. The sentences of Roreman and Marbin were commuted almost a year ago. Lush was paroled in November, 1927. Griver served his full sentence and is now discharged from prison.

There were filed with the Board a number of letters recommending clemency from the County Controller of Delaware County and prominent citizens of Philadelphia.

A representative of the District Attorney's office present at the oral hearing of this applicant stated that they did not oppose clemency; and that four of the applicant's co-defendants have received shorter sentences and are now out of jail.

In consideration of all the circumstances of this case, the prior good record of the applicant; the term of imprisonment already served; because of the fact that the applicant is the sole support of his aged mother who is in destitute circumstances; because of the recommendations of the County Controller of Delaware County and other prominent citizens who are personally acquainted with the applicant, and in further consideration of the fact that the District Attorney's office is not opposed to the present application, and that the applicant's co-defendants are at liberty, we have concluded that he has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to five years' imprisonment, effective on November 6, 1930.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said William D. Rodgers be commuted to five years' imprisonment, expiring on November 6, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 906, May Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Andrew Vogt pleaded guilty to an indictment charging

him with assault and battery, aggravated assault and battery and assault and battery with intent to kill, and on May 23, 1929, was sentenced to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than two years, nor more than four years.

The applicant is thirty-eight years of age. At the time of his arrest, he was engaged in the produce business in Philadelphia. He is unmarried.

On the morning of May 5, 1929, between eight and nine o'clock, the applicant in company with six other men left his boarding place, where they had been all night drinking. When they reached the corner of Jasper and Somerset Streets, they began pushing one another with the result that the applicant became angry, made objection, words passed, and the applicant pulled out a pistol and shot Thomas Dowdell (one of the party) in the chest and William Norton (another companion) in the neck.

The testimony in the case was not transcribed, but Dowdell and Norton, the victims of the shooting, filed with the Board an affidavit in which they recite the above facts and aver that the shooting was the result of the drunken condition of the applicant as a result of the night's party; that they do not believe, had he been in his proper senses, he would have inflicted any bodily injury upon them. They further state that they have no hatred or animosity toward the applicant, and join in his petition for a pardon.

The applicant has now served one year and six months of his term of imprisonment. His prior record is good with a single exception. In 1915, he received a sentence of three months for the larceny of an automobile, but the sentence was subsequently reduced and he was placed on probation for one year.

In consideration of all the circumstances of this case; the prior good record of the applicant with a single exception; because of the term of imprisonment already served, and more particularly because of the statements contained in the affidavit of Dowdell and Morton, the victims of the shooting and their favorable attitude, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and six months' imprisonment, effective on November 25, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Andrew Vogt be commuted to one year and six months' imprisonment, expiring on November 23, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1296, 1298 and 1300, March Term, 1926, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, William Kennedy pleaded guilty to three indictments charging him with assault, being armed with an offensive weapon and on April 5, 1926, he was sentenced in the aggregate by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than twenty-five years, nor more than fifty years. Francis O'Tery was jointly indicted and convicted with the applicant and received a like sentence.

The applicant is twenty-one years of age, a native-born citizen of the United States. Shortly before his arrest he was a student in the public schools of Philadelphia and lived with his mother and sister in that city.

Early in 1926, while the applicant was a school boy sixteen years of age, he was persuaded by evil associates to leave home and was subsequently influenced by them to commit certain crimes, the character of which can be briefly described as follows:

On March 13, 1926, the applicant together with one, Francis O'Tery, being armed with offensive weapons, took the sum of fifty-three cents from one, Milton Barto. On the same day the applicant, together with O'Tery assaulted one, David Koldner, from whom it does not appear that they obtained any money or goods of any nature whatsoever. Later on the same day, the applicant and O'Tery assaulted one, Edward Cronin of Burlington, New Jersey, from whom they are alleged to have obtained goods to the value of eleven dollars. The applicant having been arrested and charged with the commission of these offenses, pleaded guilty and was sentenced as hereinbefore stated.

The applicant has now served four years and seven months of his term of imprisonment. He was never before charged with or convicted of crime. At the time of the commission of these offenses he was a school boy only sixteen years of age. These offenses were all committed on the same day and the result of impulse rather than criminal tendencies. No actual violence was employed.

There was filed with the Board a letter from Doctor Herbert Goddard, Vice-President of the Board of Trustees of the Eastern Penitentiary, in which he strongly recommends clemency. The trial Judge has filed with the Board a letter in which he states that he has watched the applicant's progress in the Penitentiary and that he seems to have developed an entirely different outlook on life and that he believes that he has undergone a regeneration. He concludes: "If in view of what the authorities report, your Board should see fit to grant him a commutation, I think it would be well worth the experiment."

In consideration of all the circumstances of this case; the extreme youth of the applicant when these crimes were committed; his prior good record; the long term of imprisonment already served and because of the strong recommendation for clemency on the part of Doctor Goddard, Vice-President of the Board of Trustees of the Penitentiary, and the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to four years and seven months' imprisonment, effective on November 5, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed upon the said William Kennedy be commuted to four years and seven months' imprisonment, effective on November 5, 1930."

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 3, June Sessions, 1929, in the Court of Oyer and Terminer, in and for the County of Luzerne, Luigi Bonomo, alias Luger Bonman, pleaded nolo contendere to an indictment charging him with statutory rape, and on June 15, 1929, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than four years nor more than eight years.

The applicant at the time of his sentence was twenty-two years of age. He is of Italian descent but American born. He is by occupation a laborer in the mines.



On the evening of March 24, 1925, the applicant, in company with three other boys, in an automobile belonging to one of the number, took two girls to the outskirts of the Borough of Yatesville. The one girl of Polish descent was apparently more than sixteen years of age; the other, an Italian girl who appeared mature and more than sixteen years of age, was only fifteen years of age. The boys bought ice cream and cigarettes and treated the girls. When they came to a woods, the applicant and the Italian girl left the others and the latter alleged that the applicant committed fornication. The other girl reported the matter to the local police, who apprehended the boys but only the applicant was arrested. There was no element of bastardy in the case. While the applicant was out on bail, he offered to marry the girl, but the girl's stepfather refused to permit the marriage and countered with a proposal that the applicant pay him the sum of fifteen hundred dollars. No charges were made against the other occupants of the car and the applicant, believing that he might be shown mercy, pleaded *nolo contendere*, but received the sentence above stated.

The applicant has now served one year and five months of his term of imprisonment. He was never before charged with or convicted of crime. He offered to marry the girl. Since the age of sixteen years, he has helped to support the family which is now in destitute circumstances, the mother being seriously ill and the minor children without means of support. The applicant was only twenty-two years of age when the crime was committed.

In consideration of all the circumstances of this case, the youth of the applicant when the crime was committed; the term of imprisonment already served; his prior good record; the need which his family has of support, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and five months' imprisonment, effective on November 15, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Luigi Bonomo, alias Luger Bonman, be commuted to one year and five months' imprisonment, expiring on November 15, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 65, February Sessions, 1928, in the Court of Oyer and Terminer in and for the County of Luzerne, Edward Doucett pleaded guilty to an indictment charging him with pandering, and on June 9, 1928, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than ten years.

The applicant is thirty-seven years of age, of French-Canadian parentage, but born in the United States, and is by occupation an iron worker. At the time of his arrest, he conducted a gasoline station and store, on the State Highway near Shickshinney, Luzerne County, and also kept a hotel in Alden. He resided in Newport Township, Luzerne County. He is married.

The Commonwealth alleged that the applicant in his hotel in Alden, and at his gasoline station on the State Highway near Shickshinney, maintained a bawdy house. Mary Michaelowski, the applicant's alleged sweetheart, engaged in prostitution at his home in Alden. The applicant traveled to Scranton

for the purpose of purchasing merchandise, such as candy and tobacco, etc., which he sold in his places of business. While eating in a lunch room, he became acquainted with Salvatore Pasqualle, Daniel Palmatissa, Charles Moskowitz and Isadore Zeigler. As a result of this acquaintance, he drove Pasqualle and Mary, his alleged sweetheart, to the city of Wilkes-Barre and thence to his hotel in Alden. On or about November 12, 1926, the Shawnee Inn, conducted by Ruth Ferris, located in the Borough of Plymouth, was raided by State troopers. As a result of a statement made by Mary Michaelowski, who was in the Inn, the four men and the applicant were arrested and charged with pandering. It was further alleged by the Commonwealth that Mary Michaelowski had been reported missing from the city of Scranton; that the police were searching for her and finally traced her to Luzerne County. It is further alleged by the Commonwealth that the applicant knew of this, after which he and the other defendants transported her to Shickshinney; that business was bad and Palmatissa finally took her to Plymouth and placed her in the Shawnee Inn where the police found her at the time of the raid. All five men were subsequently indicted for pandering. All entered pleas of not guilty. At the trial Pasqualle was found guilty on all counts and was sentenced to from five to ten years in the Luzerne County Prison. Palmatissa and Zeigler were found guilty on one count and sentenced to from three to six years, while Moskowitz was acquitted. The applicant failed to appear for trial and his bail was forfeited. Later he was arrested and pleaded guilty. He was first sentenced to the County Prison, but upon his own request the sentence was modified, and he was sent to the Eastern Penitentiary. He also pleaded guilty to the charges of keeping a bawdy house in Alden, but sentence was suspended on the latter charge.

The applicant has now served two years and five months of his term of imprisonment. He was never before charged with or convicted of crime.

There was filed with the Board, a numerously signed petition of citizens certifying that they have known the applicant upwards of five years and that "his reputation in the community as an honest, industrious and law-abiding citizen is of the very best."

In consideration of all the circumstances of this case; the prior good record of the applicant, and the term of imprisonment already served, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and five months' imprisonment, effective on November 9, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Edward Doucett be commuted to two years and five months, effective on November 9, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 5 and 6, April Sessions, 1930, in the Court of Oyer and Terminer in and for the County of Clinton, Dean W. McAulay pleaded guilty to two indictments charging him with burglary and larceny and on May 1, 1930, was sentenced by the Court in the aggregate to pay a fine of two dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than two years nor more than four years.

The applicant is a native-born citizen of the United States, twenty-nine years of age, a tinner and carpenter by occupation. At the time of his arrest, he resided in Lock Haven, Pennsylvania. He has a wife and three children, aged nine, seven and three years respectively, residing in Salona, Penn-

sylvania. The wife is in poor health. The family is in destitute circumstances and a charge on the poor district.

James Fred Stahl, who was jointly indicted and convicted with the applicant, came to board at the latter's home about two weeks before the alleged crimes were committed. On the evening of February 15, 1930, Stahl took a truck which belonged to the applicant, without the applicant's knowledge, and robbed two stores in Lock Haven and took merchandise therefrom to the home of the applicant. The following day, Chief of Police Harvey and the Game Warden came to the applicant's home and made a search for the merchandise which had been stolen the previous night. When the applicant learned what the officers were looking for he gave them the merchandise in the same condition as it was when it was brought there by Stahl. The value of the merchandise was \$17.86.

Stahl and the applicant were both arrested and placed in the Lock Haven jail from which Stahl escaped. He tried to induce the applicant to leave with him, but the applicant refused to accompany him. Stahl has never been apprehended. The applicant being unable to read or write other than to sign his name, and thought when he pleaded guilty that he was pleading guilty to having stolen goods in his possession and not to the charge of burglary and larceny as laid in the indictment. The applicant took no part in committing the crime; had no knowledge of its commission, and did not leave his home on the night of the robbery.

The applicant has now served approximately seven months of his term of imprisonment. He was never before charged with or convicted of crime. His wife is in poor health. His family is in destitute circumstances and a charge on the poor district.

There were filed with the Board, a number of letters recommending clemency. Assistant United States Attorney Reich writes the Board that the applicant has been of considerable assistance to the Department of Justice in connection with the investigation of violations of the Federal Law and asks that the Board take this into consideration when acting on the present application. The trial District Attorney writes the Board that he believes that the applicant was led astray by Stahl; that he is easily influenced, but if given a chance he believes he will become a good and useful citizen. He recommends that the applicant be paroled but not pardoned. The two associate Judges of Clinton County in a letter filed with the Board, recommend that the applicant be not pardoned but paroled so that he can work and support his family which is destitute. The prosecutor in the case writes the Board recommending clemency believing that the applicant has been sufficiently punished and that he was influenced by Stahl. The Alderman who originally heard the case in a letter filed with the Board indicates that he favors clemency. William Neff, a contractor, writes the Board that the applicant's family requires his support and that if he is released, he will give him employment.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the recommendations of the trial District Attorney, the assistant United States District Attorney, the associate Judges, the prosecutor, and the Alderman who originally heard the case; because of the destitute condition of the applicant's family, and the further fact that employment has been offered the applicant if released, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to seven months' imprisonment, effective on December 1, 1930.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Dean W. McAulay be commuted to seven months' imprisonment, expiring on December 1, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 108 and 119, February Sessions, 1929, in the Court of Oyer and Terminer in and for the County of Northampton, Michael Long was convicted of felonious arson and conspiracy, and on October 7, 1929, was sentenced by the Court, on No. 119, charging felonious arson, to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two and one-half years nor more than five years. Sentence was suspended on No. 108, charging conspiracy.

The applicant is a native of Austria-Hungary, thirty-nine years of age. He is now a naturalized citizen of the United States. At the time of the commission of the crimes with which he is charged, the applicant conducted a retail milk and dairy business in the City of Bethlehem. He is married and the father of six minor children.

The applicant came in contact with one, Frank Terr, who was likewise in the milk and dairy business, wholesale and retail. Terr had considerable difficulty in competing with another wholesale and retail dealer, Alfred T. Helms, and suggested to the applicant that he procure someone to burn down Helms' dairy. The applicant mentioned this conversation to one, Peter Toliczski, who suggested one, Joseph Hochauser, to do the burning. The applicant took Hochauser to a point within five hundred yards of the Helms' dairy on September 22, 1928, the day on which the dairy was burned. Hochauser was jointly tried and convicted with the applicant for the crime of felonious arson and has since been committed to the Farview State Hospital for the Criminal Insane at Waymart. After the burning, the applicant delivered money, the exact amount of which is unknown, from Terr to Toliczski to be delivered to Hochauser. The applicant pleaded guilty to the charge of conspiracy. Terr, who was acquitted on the charge of arson, because of lack of evidence, pleaded not guilty to the charge of conspiracy. Before the trial, the applicant communicated with the District Attorney's office and co-operated with them in an effort to secure the conviction of Terr in the conspiracy case. At the trial, the applicant testified against Terr who was convicted, and is now serving a sentence of not less than two nor more than four years in the Northampton County prison. There was no evidence that the applicant received any of the money received by Terr nor received any benefit from his criminal acts.

The applicant has now served one year and one month of his term of imprisonment.

The trial Judge has filed with the Board a letter in which while not recommending pardon, he states that he does not oppose it. He also states that Terr was the moving spirit in the commission of the crime and that he would not have been convicted without the co-operation of the applicant who is entitled to consideration because of this fact. The trial District Attorney has filed with the Board, a strong letter recommending clemency in which he states that Terr instigated the commission of these crimes. He also stated that the applicant bore a good reputation in his community. Frank P. McCloskey, attorney for Helms, who assisted the District Attorney in the prosecution of Terr, has filed with the Board, a letter in which he states that it was through the testimony of the applicant that Terr the instigator of the burning of Helms' creamery was convicted, and that the applicant would have taken no part in the commission of this crime had it not been for the persuasion of Terr. The Treasurer of the E. P. Wilbur Trust Company of Bethlehem also recommends clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant with a minor exception; the term of imprisonment already served; because of the fact that the applicant's wife and six children are in destitute circumstances and require his support; because of the fact that Terr, the master mind in these crimes, was acquitted on the charge of arson, because of the recommendations of the trial District Attorney, the Treasurer of the E. P. Wilbur Trust Company and others, and because of the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the



minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and one month's imprisonment, effective on November 7, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Michael Long be commuted to one year and one month's imprisonment, effective on November 7, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1095 to 1097, inclusive, and Nos. 1165 to 1177, inclusive, of May Sessions, 1929, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, Morris Mogerma pleaded guilty to indictments charging him with subornation of perjury; fraudulently procuring to be acknowledged recognizance in the name of another person not consenting thereto, and conspiracy to procure the fraudulent taking of surety, and on May 28, 1929, was sentenced by the Court, on No. 1177, charging subornation of perjury, to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two years nor more than seven years; to date from May 14, 1929. On the same day sentence was suspended on No. 1176, charging subornation of perjury, and defendant placed upon probation for the period of seven years from and after the expiration of sentence upon bill No. 1177.

The applicant is thirty-six years of age and a native of Russia. He came to this country when sixteen years of age and has resided in Philadelphia since that time. He is now an American citizen.

Applicant for the past twelve years has been engaged in the restaurant business in said city. Prior thereto, he conducted a cigar and candy store for five years. He has a wife and three children, aged sixteen, fourteen and six years, respectively.

The charges against the applicant arose from the alleged course of conduct by and between Simon Shapiro and one, Harry Roiter. In April, 1928, Shapiro (Whose real name is Robert Shapiro.) and the applicant decided to use the deed to a certain piece of real estate, located at No. 2624 Warnock Street, Philadelphia, owned by Robert Shapiro's father, as bail and in the course of a year Robert Shapiro, under the name of Simon Shapiro, entered thirty-seven bonds, involving forty-one defendants and amounting to a total of twenty-five hundred dollars. A number of the defendants so bailed were never produced, nor did they appear at the time of their trials and nine bonds were sued out by the County of Philadelphia to the amount of fifty-four hundred dollars. The assessed value of the property in question was alleged by the two men to be thirty-five hundred dollars, whereas the actual assessment was only twenty-five hundred dollars, and the encumbrance was stated to be eighteen hundred dollars, when in fact it amounted to twenty-eight hundred dollars. In addition, when bail was entered, they falsely stated that there was no bail outstanding. Shapiro and the applicant in the furtherance of their scheme decided to take title to another piece of real estate for the purpose of entering additional bail, and a piece of real estate at Oak Lane Avenue, Philadelphia, the title to which was then in the name of Norman Goldstein, was conveyed to their nominee, one Charles Katz, who was a fictitious person and turned out to be Shapiro himself. This property was assessed at twenty thousand dollars, although the assessment in the bail bond as entered was given as twenty-five thousand dollars. In addition, the encumbrances as set forth

when bail was entered were fixed at two mortgages, when in truth there were three to the amount of twenty-five thousand dollars. This deed was entered by Shapiro, under the name of Charles Katz, twenty-eight times, involving twenty-eight defendants. When this deed was first presented the first man used by them to enter bond was Harry Roiter, who entered three bonds in one day aggregating eighteen hundred dollars. Shapiro, under his father's name, Simon Shapiro, identified the person named in the deed. The prisoner and Shapiro were accustomed to enter this bail at various Magistrates' Courts in the police stations of the city and the history of their activities indicates that the applicant introduced Robert Shapiro as Charles Katz and in one case identified him as such on the bail-piece and that the applicant, in addition, gave a fictitious name in the identification, to wit: that of Max Kaplan.

The applicant has now served one year and six months of his term of imprisonment.

Prior to his pleas of guilty the applicant by his counsel entered into an agreement with the District Attorney's office, whereby the said office would recommend that the applicant have imposed upon him on all the bills of indictment a flat sentence of two years' of imprisonment in the county prison. This agreement was made with John H. Maurer, Assistant District Attorney, but the Court was not a party thereto. Relying upon this information conveyed to the applicant by his counsel the former agreed to enter pleas of guilty. Notwithstanding the agreement of counsel referred to, the trial Judge imposed the sentence above stated, refusing to follow the suggestion of the District Attorney's office.

The family of the applicant, as a result of his imprisonment, is in dire need and his wife has been compelled to seek employment in order to support the family.

In consideration of all the circumstances of this case; the term of imprisonment already served; because of the fact that the applicant was moved to enter pleas of guilty as the result of an agreement between his counsel and the District Attorney's office, which the Court declined to ratify; because of the need which the applicant's family has of support, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and six months' imprisonment, effective on November 14, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Morris Mogerma be commuted to one year and six months' imprisonment, expiring on November 14, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1296, 1298, and 1300, March Sessions, 1926, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Francis O'Tery pleaded guilty to three indictments charging him with assault, being armed with an offensive weapon, and on April 5, 1926, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than twenty-five years, nor more than fifty years. William Kennedy was jointly indicted and convicted with the applicant and received a like sentence.

The applicant is a native-born citizen of the United States, twenty-two years of age. Prior to his arrest for the present offenses he had been employed in a box factory and by the

Wagner Electric Company, and resided with his parents in the city of Philadelphia.

Early in 1926, the applicant, then being seventeen years of age, together with one William Kennedy, committed a series of crimes, the character of which can be briefly described as follows:

On March 13, 1926, the applicant together with Kennedy, being armed with offensive weapons, took the sum fifty-three cents from one Milton Barto. On the same day, together with said Kennedy, they assaulted one, David Koldner, from whom it does not appear that they obtained any money or goods of any nature whatsoever. Later on the same day they assaulted one Edward Cronin, of Burlington, New Jersey, from whom they were alleged to have obtained goods to the value of eleven dollars. The applicant having been arrested and charged with the commission of these offenses, pleaded guilty thereto and received the sentence hereinbefore stated.

The applicant has now served four years, seven months of his term of imprisonment. No actual violence was employed in the perpetuation of these crimes. During his incarceration he has learned the printing trade and has become an expert linotypist and can doubtless obtain a permanent position if released. William Kennedy, his co-defendant, has been pardoned by this Board.

In consideration of all the circumstances of this case; the extreme youth of the applicant when these crimes were committed; the term of imprisonment already served; because of the fact that during his incarceration he has learned a trade which will insure permanent employment if released, and in consideration of the fact that his co-defendant, William Kennedy, has already been pardoned by this Board, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to four years and seven months' imprisonment, effective on November 5, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Francis O'Tery be commuted to four years and seven months' imprisonment, expiring on November 5, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania,

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 52, September Sessions, 1924, in the Court of Quarter Sessions of the Peace in and for the County of Centre, John Kelly, alias John McBurney, pleaded guilty to an indictment charging him with breaking and escaping from the penitentiary, and on August 18, 1924, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than ten years nor more than twenty years; sentence to be computed from the completion of the present sentence from Westmoreland County for murder. Subsequently, on October 4, 1924, the sentence theretofore imposed on the applicant was cancelled and sentence was suspended.

The applicant is a native-born citizen of the United States, thirty-three years of age. He is unmarried. He became a carpenter and later intended to enter the automobile business and pursued a course of instruction in a school at Youngstown, Ohio. His last residence was at the home of his grandmother in Westmoreland County.

When thirteen years of age, the applicant was convicted of taking a gun from his stepfather's trunk and was sentenced to the Morganza Reform School and discharged at the termination of two years and nine months. On March 30, 1915, at the age of eighteen years, the applicant was arrested and charged with blowing up the house of Noah Pannazzi in Derry Township, Westmoreland County, with dynamite, causing the death of five persons. At No. 5, May Term, 1915, in the Court of Oyer and Terminer, for said County, he was convicted of murder and recommended to the extreme mercy of the Court. On May 21, 1915, he was sentenced to a term of from fifteen years and three months to twenty years in the Western Penitentiary. The applicant's conviction of murder was brought about by an unfriendly cousin, one George Donahue, who a few days afterwards confessed that his testimony at the trial was false. Nevertheless, the applicant's attorneys (having been appointed by the Court for his defense) made no effort to secure a new trial for him and he was committed to the penitentiary as sentenced.

On October 2, 1923, the applicant was transferred to Rockview and assigned as a nurse in the hospital. His duties were unpleasant and he applied for a transfer which was given him. However, he was so discontented on account of his experience in the hospital, that he determined to escape. On the eve of August 10, 1924, he left the prison farm. Several hours later he was apprehended while walking along the railroad towards Tyrone.

The applicant has now served sixteen years and three months in the penitentiary, being more than the minimum term of his original sentence for murder.

The present District Attorney has filed with the Board, a letter in which he states that the facts set forth in the application are correct and that he knows of no reason why pardon should not be granted. The trial Judge is dead. The present Judge has filed with the Board a letter in which he recommends clemency. Fred B. Healy, Clerk to the Board of County Commissioners of Center County, and a former Deputy Warden of the Penitentiary, writes the Board that the applicant was a model prisoner; that he is easily influenced and when the other two men of a more hardened type prevailed upon him to escape, he did not have the will-power to refuse. He recommends clemency.

In consideration of all the circumstances of this case; the long term of imprisonment already served; because of the favorable attitude of the present District Attorney; the recommendation of the present Judge and of the former Warden of the Penitentiary, we have concluded that the applicant has been sufficiently punished, so far as the sentence for breaking and escaping penitentiary is concerned, and that if now pardoned on the latter charge, he will become eligible to parole on his original sentence for murder.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John Kelly, alias John McBurney, for breaking and escaping penitentiary.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 372, November Sessions, 1926, in the Court of Quarter Sessions of the Peace, in and for the County of Allegheny, Charles F. Golden was convicted of conspiracy; making a false count and a false return of an election and failing to deliver ballot box with tickets, voters' list and other papers enclosed, and on February 24, 1928, was sentenced in the aggregate by the Court to pay a fine of eighteen and three-quarter



cents, costs, and to undergo imprisonment in the Allegheny County jail for a period of one year. J. W. Bolster, who was jointly indicted and convicted with the applicant, received a like sentence. Mrs. Anna Conklin, who was also jointly indicted with the applicant, was convicted of making a false count and a false return of election and recommended to the extreme leniency of the Court.

The applicant is a native-born citizen of the United States, forty-three years of age. He is a life-long resident of the city of Pittsburgh. At the age of twenty-two years, he entered the service of the city as a fireman in the Bureau of Fire, Department of Public Safety, serving continuously until the date of his sentence and rising by successive promotions to the rank of Captain. He is married and has a daughter aged seventeen years.

On October 5, 1928, after having served seven months and nineteen days of his sentence, he was paroled by the Court, and at the expiration of his sentence, on February 23, 1929, was discharged from parole.

The election involved in the applicant's conviction and sentence was the Primary Election held in the County of Allegheny on May 18, 1926. His co-defendants were election officers, but the applicant was not a member of the Election Board, nor connected therewith.

The applicant as already stated served seven months and nineteen days of his term of imprisonment, was discharged on parole and since February 23, 1929, has been at liberty. By reason of his conviction and sentence, he is not only disqualified as a voter, but cannot re-enter the employ of the Bureau of Fire, Department of Public Safety, in order to complete the few months' service necessary to entitle him to the pension provided by the ordinances of the city and the laws of Pennsylvania. He was never before charged with or convicted of crime.

There were filed with the Board a number of letters recommending clemency. The trial District Attorney in his letter filed with the Board says inter alia, with reference to the present application, "As a result of his conviction and sentence he has been disfranchised and finds it very difficult to get a position. A number of defendants later convicted of practically the same offense, were let down with a much lighter sentence than Golden; therefore, I would favor that he be granted a pardon at this time, which would restore his civil rights." The Warden of the County Prison certifies to the applicant's excellent record. The Chief of the Bureau of Fire recommends clemency. The director of physical education, Y. M. C. A. of Pittsburgh, certifies to the applicant's good conduct. The Mayor of the city also recommends clemency. Representative Wettach and Senator Coyne recommend pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; his excellent prison record; because of the fact that since his discharge from parole he has deported himself well; in consideration of the fact that if pardoned he may resume all the rights of citizenship and qualify himself for a pension under the Fire Department of the city of Pittsburgh; and because of the recommendations of the trial District Attorney, the Mayor of the city, Senator Coyne, and other prominent citizens of the city of Pittsburgh, we have concluded that the applicant has been sufficiently punished and that if now liberated, will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Charles F. Golden.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 43, June Sessions, 1926, and Nos. 4, 5, 6, 17, 22, 23, 24, 25, 27, 28, 30, 32, 35, 41, and 45, September Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Allegheny, Bernard Harris pleaded nolo contendere and guilty upon numerous charges of robbery and receiving stolen goods, and on September 27, 1926, was sentenced in the aggregate to pay a fine of eighteen and three-quarter cents, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than five years, nor more twenty-five years. Sentences were imposed on Nos. 4, 17, and 22, September Sessions, 1926, and suspended on the remaining indictments.

When the application for pardon came to be heard by the Board, counsel for the applicant withdrew from the consideration of the Board, all of the sentences except the one imposed at No. 22, September Sessions, 1926, and the application was heard and considered upon said sentence alone, which was as follows, to wit, a fine of six and one-quarter cents, costs, and imprisonment of not less than one year, nor more than five years in the Western Penitentiary; this sentence to begin and take effect at the expiration of sentence at No. 17, September Sessions, 1926.

The applicant is a native-born citizen of the United States, of Jewish descent. He lost his mother in 1921 and the father was so engrossed in his business as a wholesale and retail dealer in tobacco that the applicant was neglected and fell in with evil companions. In 1925 he was arrested for stealing an automobile and sentenced for a period of from three to six months in the County jail, although he claimed that he did not know that the man who was driving and who had invited him into the car had stolen the automobile.

The applicant, together with four other men associated themselves together, in May, 1926, in a series of robberies and received stolen goods in connection therewith. They were armed with revolvers and assaulted pedestrians on the highway and relieved them of valuables and money, all of which led to his trial and conviction. The applicant was the youngest of his companions and was under their influence and domination. He neither carried nor had in his possession a revolver, but drove the automobiles used in their escapades and at no time did he leave the automobile for the purpose of committing crime.

The applicant has now served four years and two months of his term of imprisonment. He was never before charged with or convicted of crime, except in the one instance above mentioned. The Warden of the Western Penitentiary certifies to the applicant's excellent prison record.

There were filed with the Board a number of letters recommending clemency. The assistant trial District Attorney writes to the Board that he has no objection to the granting of a pardon in No. 22, September Sessions, 1926, the last sentence imposed, whereby the applicant would be placed on parole for the remainder of the maximum sentences in the other cases. The trial Judge has filed a letter with the Board in which he states that the purpose of the three sentences and the suspension of the remaining sentences was to give the applicant a course of training which would make it probable that at the expiration of the minimum sentences, he could be released on parole for a long enough period with the probability that he could live at liberty and obey the law. He further states that his release should depend upon his prison record and state of health and mind, and that if the Board is satisfied that he will live an orderly life if released, he would not object to a pardon on the last indictment, whereby he would become eligible for parole on the two sentences, amounting to a minimum of four and a maximum of twenty years, leaving a parole period of more than fifteen years. One of the prosecutors in the case writes the Board that the applicant was the youngest of the gang and that his part in the crimes was driving the automobile. He states that he does not believe that he was one of the hold-up men, nor that he carried a gun. He recommends clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant with a single exception; the term of imprisonment already served; his excellent prison

record; because of the favorable attitude of the trial Judge and one of the prosecutors in the case and the recommendations of persons personally acquainted with the applicant and his family, we have concluded that he has been sufficiently punished, so far as relates to the sentence imposed at No. 22, September Sessions, 1926. Nevertheless, the remaining two sentences shall stand.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Bernard Harris, on sentence imposed at No. 22, September Sessions, 1926.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., November 26, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 5, September Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Huntingdon, Herbert J. Bryson was convicted of murder in the second degree, and on January 5, 1923, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than fourteen years, nor more than eighteen years.

The applicant is a native-born citizen of the United States, fifty years of age, and a physician by profession. At the time of his arrest for the present offense he was engaged in the active practice of his profession in Cassville, Huntingdon County, Pennsylvania. His proper place of residence is Washington, D. C.

In 1908 the applicant enlisted in the National Guard of the District of Columbia, serving until 1917. While in the Guard he served as a medical officer on the Mexican Border. Upon the entry of the United States into the World War, he was assigned to the Forty-second or Rainbow Division, as a major. In October, 1917, he embarked for France. He participated in the Chateau Thierry, and St. Mihiel offensive and Argonne defensive and offensive. Later, he was assigned to the Army of Occupation. After overseas service of more than two years, he returned and was honorably discharged from the service in August, 1920. He resumed practice at Washington. Upon his return to civil life, he found difficulty in readjusting himself to routine affairs, due in part, at least, to the fact that he was afflicted with a form of paresis, as the uncontradicted testimony at the trial later developed. While in a disturbed mental state, produced or aggravated by his service overseas, he became infatuated with a married woman named Helen Haines, considerably beneath him in breeding and social standing. He left a fairly lucrative practice, abandoned his family and friends in Washington, and removed to Robertsdale, Huntingdon County, Pennsylvania, in 1920, where he was joined by this woman, who with his sanction, posed as his wife. After a short time he moved to Cassville, a small mining town in the same county. On the evening of April 8, 1922, the tragedy occurred, which resulted in the death of Helen Haines, and the applicant's arrest on the charge of murder. The only real evidence against the applicant was the dying declaration of the deceased, in which she stated that they had engaged in an altercation about some trivial matter, during which she had thrown a lamp at him and fled to her room; that he then followed her, broke open the door and shot her. The cause of the quarrel was not revealed in the testimony, but was later learned to be an unjustifiable, jealous accusation against him and one of his patients. Her dying declaration was to some extent substantiated by circumstantial evidence. She was taken to the hospital at Huntingdon where she was operated upon in an

unavailing effort to save her life. At the trial, counsel for the applicant interposed the defense of insanity, and showed by testimony of numerous experts that he was suffering from paresis, which had affected him mentally as well as physically. That this evidence was a mitigation of the offenses in the minds of the jury is shown by their verdict of murder in the second degree.

The applicant has now served seven years and ten months of his term of imprisonment. Prior to his sentence, he had been imprisoned since April 8, 1922. He was never before charged with or convicted of crime.

There were filed with the Board a number of letters recommending clemency. The trial Judge who in 1924 opposed a pardon, has filed with the Board a letter dated August 14, 1930, in which he states: "I am thoroughly satisfied that the ends of justice have now been met in this case, and that this application should be favorably considered." The trial District Attorney has filed with the Board a letter in which he states, *inter alia*: "I feel Doctor Bryson has been sufficiently punished and favor his application for pardon. As a physician he was a man of unusual intelligence and ability before he got into this trouble and if released from prison now, he no doubt would be a useful citizen." Samuel I. Spyker, who assisted the District Attorney in prosecuting the applicant, writes the Board that he has personally observed the applicant during his imprisonment and believes that his pardon would be entirely right and proper at this time and therefore recommends clemency.

Doctor Sandy, Director, Bureau of Mental Health, Pennsylvania Department of Welfare, by request of the Board, made a physical examination of the applicant, in October, 1930. In his report to the Board, he concludes that the applicant had a stroke or shock of some severity, of probable syphilitic origin, but that present indications do not indicate that he was a victim of paresis. He concludes: "There is no indication of mental disease at this time," and recommends that he be granted clemency.

In consideration of all of the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; and because of the recommendations of the trial Judge, trial District Attorney, the attorney who assisted in the prosecution and Doctor Sandy, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to seven years and ten months' imprisonment, effective on November 5, 1930.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Herbert J. Bryson be commuted to seven years and ten months' imprisonment expiring on November 5, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2 May Term, 1925, in the Court of Oyer and Terminer, in and for the County of Westmoreland, George Nahas was convicted of felonious arson, and on September 2, 1927, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years, nor more than ten years.

The applicant is a native of Syria, but a naturalized citizen of the United States, forty-one years of age. At the time of



his arrest he was employed as a mill worker in the Monessen Plant of the American Sheet and Tin Plate Company, but owing to the depression in the steel business, worked but two or three days per week and in addition thereto, canvassed from house to house for a Pittsburgh concern selling Walker Products. The applicant is unmarried and resided in the City of Monessen.

The fire which was made the basis of the present charge, occurred on March 16, 1925, between the hours of 2.00 and 2.30 A. M., in a building owned by James Nahas, in the City of Monessen. The latter was a distant relative of the applicant. The building involved in the charge of arson, was a brick structure, four stories high, known as the Monessen Hotel Property. On the first floor James Nahas, the owner, conducted a pool room, and his upper floors were used and occupied by roomers and lodgers. A portion of the second floor was also used by James Nahas as a dwelling for himself and the members of his family. He and his family were absent on the morning of the fire, having gone to visit relatives in New Castle. The applicant occupied a room on the second floor of the building.

Before his departure for New Castle, James Nahas arranged with the applicant that the latter should manage the pool room for him during his absence. On Saturday night, March 14, at the close of business, the applicant closed the pool room, went to his room on the second floor of the building and retired for the night. He spent the greater part of the afternoon and early evening of the following day at the home of his brother-in-law, Mike Moses. In the early evening, in company with Moses, he visited the home of John Daniels, a friend, where the two remained until about 10.30 P. M. The applicant then drove Moses to the latter's home and afterwards parked his car in a garage on 12th Street, a block or more from the Nahas building in which he lived. Leaving the garage he went to a restaurant where he made the acquaintance of Isaac Bather, with whom he lunched and after they had chatted together the two separated about 1.30 A. M., the applicant going directly to the building and to his room on the second floor where he retired for the night. Sometime after two o'clock in the morning he was awakened by the noise of shots discharged in the street and cries of fire. Upon arising he discovered his room and the building were filled with smoke. Quickly getting together his clothing he threw them out of a rear window and jumped to the ground, a distance of about fifteen feet. While outside the building in the act of clothing himself, an officer accosted him and inquired if there were others in the building. The applicant replied that he did not know, but suggested that the officer enter the building, which he did. Later upon returning, the officer told the applicant he could find no other persons there. About this time the city fire department arrived and in due time the fire was extinguished. An examination of the premises later disclosed the fact that five kegs were located in different parts of the building, each containing twenty-five gallons of carbon oil. The evidence produced at the trial was entirely circumstantial. It was not shown that the applicant had any interest, financial or otherwise to destroy the building, nor was any reasonable motive shown for such action by him. The strength of the Commonwealth's case lay in the proofs that the applicant was the only occupant of the building when the fire was discovered, although it was also shown that other persons had access to the building at the time of the fire. The applicant had two trials and was both times convicted. After the second trial he became a fugitive, but was apprehended several months later and received the sentence above stated.

The applicant has now served three years and three months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent as shown by a letter filed by the Warden of the Penitentiary.

There were filed with the Board a number of letters recommending clemency from city officials and citizens of Monessen. There was also filed with the Board a letter from the trial Judge who presided at both trials, in which he strongly recommends pardon on the ground that the applicant's guilt was purely circumstantial, and because there was no proof of any motive, financial or otherwise, on the part of the applicant to burn the building. Additional strength is given to the Judge's recommendation by his statement that during his service of nine years on the bench, he had suggested the granting of a pardon in but one other case.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; and because of the recommendations of prominent citizens of Monessen who have personally known the applicant for many years; and in consideration of the strong recommendation of the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to three years and three months' imprisonment, effective on December 2, 1930.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said George Nahas be commuted to three years and three months' imprisonment expiring on December 2, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 181, September Term, 1928, in the Court of Oyer and Terminer, in and for the County of Montgomery, Lewis Finley was convicted of statutory rape, bastardy and adultery, and on February 9, 1929, was sentenced on the charge of statutory rape to pay a fine of \$100.00, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than four years nor more than eight years. On the charge of bastardy he was sentenced by the Court to pay the sum of \$50.00 to Nancy Daniels for lying-in expenses, and to enter bond in the sum of \$500.00 with approved surety to the Directors of the Poor of Montgomery County, and to pay the sum of \$5.00 per week towards the support of the male bastard child born October 26, 1928, begotten on her person by the said Lewis Finley, to be computed from this date and to continue until the child arrives at the age of sixteen years, if he should so long live. On the charge of adultery sentence was suspended.

The applicant is a native-born American citizen, forty-seven years of age. His occupation is that of acetylene gas welder and he was so employed at the time of his arrest, and for many years prior thereto, with the Cruse Kemper Corporation of Ambler, Pennsylvania. He resided at Spring House, Lower Gwynedd Township, Montgomery County. He has a wife and child about ten years of age. At the time of his arrest the applicant was living in the family relationship with his wife and child.

The applicant, a married man, was charged with having committed the crimes above referred to on the person of Nancy Daniels, the thirteen-year-old stepdaughter of Earl Leamey.

The applicant has now served one year and ten months of his term of imprisonment. He was never before charged with nor convicted of crime; his wife and child are in destitute circumstances and his wife is required to support herself and child on her own earnings.

There was filed with the Board a number of letters recommending clemency, also a numerously-signed petition of the friends and neighbors of the applicant, in which they ask clemency on the ground that the applicant has been sufficiently punished and that his wife and son are in need of his support.

The trial Judge, in a letter addressed to the attorney for the applicant and filed with the Board, states, in acknowledging receipt of a copy of the application for pardon: "I will further add that the case is one in which the Board of Pardons, in my opinion, should give favorable consideration."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; the destitute condition of the applicant's wife and child; because of the petition of citizens and numerous letters filed recommending clemency; and in further consideration of the recommendation of the trial Judge; we have concluded that the applicant has been sufficiently punished in so far as the charge of statutory rape is concerned, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court for the said offense should be commuted to one year and ten months' imprisonment, effective on December 9, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Lewis Finley for the crime of statutory rape, be commuted to one year and ten months' imprisonment, expiring on December 9, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 207, 208, and 209, July Sessions, 1925, and at Nos. 377, 378, and 379, August Sessions, 1925, in the Court of Quarter Sessions of the Peace in and for the County of Philadelphia, Jean Roberts, alias Louis Ferarro, was indicted for assault and battery with intent to rob, and robbery, being armed with an offensive weapon, carrying concealed deadly weapons, aggravated assault and battery and conspiracy to rob. The applicant was convicted of robbery at No. 207 with one, Nicholas Amicone, as co-defendant, and convicted at No. 209 of carrying concealed deadly weapons. At No. 377, 378 and 379 he was jointly indicted with one, Charles Andrilla; Andrilla was acquitted by the Jury while the applicant pleaded guilty to all three bills. On July 13, 1925, he was sentenced by the Court, in the aggregate, to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seven and one-half years nor more than fifteen years.

The applicant is a native of Italy but a citizen of the United States twenty-three years of age. He is a mechanic by occupation. He is unmarried. He was a resident of the city of Philadelphia.

The applicant appears to have led a clean life until the early summer of 1925 when he began to associate with evil companions. The first crime with which he was connected was that of robbery. He, together with one Nicholas Amicone, met a colored man at Rittenhouse Square and after some conversation, they went out to Fairmount Park. The colored man was despoiled of his clothing and both men were afterwards arrested in the park with his clothing in their possession. About a month after sentence had been imposed, a confession was made to the police by one Charles Andrilla, implicating the applicant in the robbery of Mrs. Annie Beniamo, which occurred one or two days before the previous crime. It appeared from the testimony that Mrs. Beniamo was robbed in her home of the sum of \$365.00 by several men and the applicant admitted that he was one of the men although he did not actually go into the house when the robbery was committed.

The applicant has served five years and five months of his term of imprisonment. He was never before charged with or convicted of crime. He was only eighteen years of age when these crimes were committed. Charles Andrilla, his co-defendant in the robbery of Mrs. Beniamo was acquitted by the jury. There was filed with the Board a large number of letters

recommending clemency, from persons who were personally acquainted with the applicant.

In consideration of all the circumstances of this case; the youth of the applicant when these crimes were committed; his prior good record; the term of imprisonment already served; in consideration of the fact that Andrilla, his co-defendant in the one robbery, was acquitted by the jury, and in consideration of the large number of letters filed recommending clemency, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to five years and five months' imprisonment, effective on December 13, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Jean Roberts, alias Louis Ferarro be commuted to five years and five months' imprisonment, expiring on December 13, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. WALKER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 457, 458, 459 and 460, July Session, 1928, in the Court of Oyer and Terminer in and for the County of Philadelphia, Thomas Brogan, alias Thomas C. Byers, was convicted of robbery, entering with intent to commit a felony, assault and battery, aggravated assault and battery, and assault and battery with intent to kill, and on August 3, 1928, was sentenced by the Court, in the aggregate, to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seventeen and one-half years, nor more than thirty-five years.

The applicant is a native-born citizen of the United States, twenty-eight years of age. He is an insurance agent by occupation, but at the time of his arrest he was unemployed. He resided in the City of Philadelphia with his parents.

On about April 5, 1925, Mrs. Joseph Payne and her brother, Arthur HESSIE, were assaulted and robbed in the home of Mrs. Payne, 1062 North Sixty-seventh Street, Philadelphia, at about 1.30 P. M. At the time of the said robbery both victims were beaten about the head with a piece of pipe, and a diamond ring, valued at three hundred dollars was taken from Mrs. Payne. The person who committed the crime, after leaving the Payne house, was pursued by a number of workmen who were employed on a building operation adjoining the Payne home. He made his escape. On the same day about 5.00 P. M. detectives arrested the applicant and one Harry Harris in a drug store at Eighth and Race Streets. They were taken to the City Hall and slated as suspicious characters. About 10.30 P. M. the same evening both men were released on copies of the charge to appear the next morning for hearing before the Magistrate. That official was informed by Detective HACKETT that both men had been arrested on suspicion of the holdup and robbery of Mrs. Payne and her brother, but that they had no evidence to hold them, as their pictures were not recognized by the complainants. About three months later, to wit: July 13, 1928, the applicant and Harris were arrested and later that afternoon the applicant was identified by Mrs. Payne and her brother as the men who held them up and assaulted them. One week later the defendants were brought to trial and convicted upon the evidence of Mrs. Payne and her brother, Arthur HESSIE.

The applicant has now served two years and four months of his term of imprisonment. There were filed with the Board two letters from the trial Judge in which he states that



he believes the applicant's conviction was a case of mistaken identity; that had the same evidence been presented to him at the trial which is now before the Board in the form of affidavits, he would not have imposed sentence or at least would have granted a new trial.

A number of affidavits were filed with the Board from men employed in the building operation adjoining the Payne home and who saw the robber flee from the house. They all state that the applicant was not the fleeing robber. Other witnesses who have no interest in the case have accounted for the presence of the applicant at the time of the alleged robbery at a place far removed from the alleged occurrence. This testimony is new evidence discovered since the trial. I now appears that the crime was actually committed by one John O'Donnell, alias John Ridell, a professional criminal now serving a life term in Dannemora Prison, New York, who was in and about the City of Philadelphia at the time of the commission of this crime, and who bears a striking resemblance to the applicant.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; the term of imprisonment already served; because of the favorable attitude of the trial Judge and the affidavits of witnesses who were not heard at the trial, and whose testimony tends to show that the applicant was not the actual perpetrator of the crime, we have concluded that he has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and four months' imprisonment, effective on December 3, 1930.

We, therefore, "after full hearing, upon due public notice and in open sessions," recommend that the minimum sentence of imprisonment heretofore imposed on the said Thomas Brogan, alias Thomas C. Byers, be commuted to two years and four months' imprisonment expiring on December 3, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 476, 477 and 479, May Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Arthur R. Ball pleaded guilty to three indictments charging him with assault, being armed with an offensive weapon, with intent to rob, robbery, being armed with an offensive weapon, robbery and in the commission thereof beating, striking and ill-using, entering with intent to steal and rob, and conspiracy to enter and rob, and on May 20, 1925, was sentenced by the Court, in the aggregate, to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years, nor more than twenty years. Howard Williams and William Lynch were jointly indicted with the applicant and received like sentences.

The applicant is a native-born citizen of the United States, thirty-two and one-half years of age. He is by occupation a sheet metal worker and at the time of his arrest, was employed by Walter L. Ball, Fairmount Avenue, Philadelphia, and resided in that city with his wife and three children, aged twelve, nine and seven years respectively.

On the morning of May 4, 1925, the applicant went to the saloon of Joseph Gmack, situate at the corner of Delaware Avenue and Pine Streets, Philadelphia. At 9.30 A. M., while drinking there alone, he met William Lynch, who prior thereto was unknown to him. They drank together in the saloon until 11.00 o'clock the same morning. Lynch then called a cab and together they went to an apartment at Thirteenth and Masters Streets, where they drank more liquor.

They remained there until about 1.00 P. M., when they returned to the Gmack saloon to get more whiskey. Considerable whiskey was consumed by the applicant and he was so intoxicated he was compelled to remain in the cab while Lynch went into the saloon for whiskey. The applicant remembers no more until he awoke on the floor of a rooming house at Thirteenth and Columbia Avenue about 9.00 o'clock that evening. He left this place and went to his home and went to bed. The following morning he found his watch and signet ring missing. He went to the Gmack saloon and asked Gmack if he knew the whereabouts of his watch and ring. The saloon keeper referred the applicant to a man named Smith who was in the saloon at the time and Smith advised the applicant to go to 1435 North Thirteenth Street, where he could obtain his watch and ring. Smith accompanied the applicant to the place, where, through the intervention of Smith, he recovered the watch, but not the ring. He was then arrested and taken to the Central Police Station. He was detained there about a week for identification in connection with other offenses, but he was not identified. He was then taken to Moyamensing Prison and remained there about a week, when he was brought up for trial. By advice of his counsel he entered pleas of guilty and received the sentence above mentioned. As before stated, the applicant was too intoxicated to leave the cab when they returned to the saloon at 1.00 P. M., and consequently does not know what occurred in the saloon. Gmack testified at the trial that during the occurrence in the saloon the applicant was in the cab outside, drunk.

The applicant has now served five years and seven months of his term of imprisonment. He was never before charged with or convicted of crime. His co-defendant, Williams, was pardoned by this Board at the current session. Three men, including his former employer, have offered to give him employment if he is released. Their letters are on file with the Board.

In consideration of all the circumstances of this case; the grave doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served; because employment has been offered him if released by three responsible parties; because his wife and three children require his support and because his co-defendant, Williams, who received a like sentence, has been pardoned by this Board, we have concluded that he has been sufficiently punished, and while we are not satisfied that he should have an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to five years and seven months' imprisonment, effective on December 20, 1930.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Arthur R. Ball be commuted to five years and seven months' imprisonment, expiring on December 20, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 476, 477 and 479, May Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Howard Williams was convicted of assault, being armed with an offensive weapon, with intent to rob, robbery, being armed with an offensive weapon, with intent to rob, and in the commission thereof, beating, striking and ill-using; entering with intent to steal and rob, and conspiracy to enter and rob. And on May 20, 1925, was sentenced in the aggregate to pay costs and to undergo imprisonment in the Eastern Penitentiary for a term of not less than

ten years, nor more than twenty years. William Lynch and Arthur R. Ball were jointly indicted with the applicant. Lynch and Ball pleaded guilty. All received a like sentence.

The applicant is a native-born citizen of the United States, twenty-four years of age and by occupation a chauffeur but at the time of his arrest was out of employment. He is married and has one daughter five years of age.

At 10.00 o'clock on the morning of May 8, 1925, the applicant left his residence in the City of Philadelphia to get something to eat. He walked south on Thirteenth Street to Pearl Street, where he entered a restaurant, where he ordered food. In the restaurant he was arrested by four detectives and taken to City Hall. There he was questioned about the robbery of the Gmack saloon at Delaware Avenue and Pine Street on May 4, 1925; he denied all knowledge of this. He was, however, held for identification for one week in the City Hall during which time Gmack, the saloon keeper, came to identify him as one of the men implicated in the robbery. Gmack failed to do so. The following day Gmack and his wife were again asked to identify him, but could not identify him with certainty. After talking with the detective, they finally identified the applicant as one of the robbers. Ball, one of his co-defendants, had a slight acquaintance with the applicant. Lynch, the other co-defendant, had been known to him approximately five years. Ball made a statement at the trial of the case to the effect that the applicant was not with him any part of the day of May 4, 1925, the day of the robbery. At the time of the trial the applicant learned for the first time the facts of the case, for which he was being held, which facts were: Lynch and Ball had been drinking in Gmack's saloon and left there in a taxicab. They returned to the same place in the afternoon. Ball remained in the cab because he was very intoxicated. Lynch went into the saloon to get more whiskey, but Gmack refused to sell. As a result of the refusal Lynch became angry and struck Gmack over the head and took the liquor and money alleged to have been stolen.

The applicant has now served five years and seven months of his term of imprisonment. Prior to the present conviction two criminal charges were preferred against him, but in both cases he was acquitted by a jury. He was nineteen years old when the present robbery was committed.

There was filed with the Board a letter from the Superintendent of Printing in the Eastern Penitentiary, in which he certifies to the applicant's good conduct in prison and also to his efficiency as stockman and cutter in the printing department. There was also filed with the Board a letter from Frederick Grundy Iron Works, Incorporated, in which they offer employment to the applicant if released. The applicant's wife and daughter are partly dependent on his father for support, and require the support of the applicant.

Arthur R. Ball, jointly indicted and convicted with the applicant, who received a like sentence, was pardoned by this Board at the current session.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his prior good record; the term of imprisonment already served; because employment has been offered him if released; because his family is destitute and requires support; because the applicant's co-defendant, Ball, has been pardoned by this Board, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to five years and seven months' imprisonment, effective on December 20, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Howard Williams, be commuted to five years and seven months' imprisonment, expiring on December 20, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 440, September Sessions, 1917, in the Court of Oyer and Terminer, in and for the County of Luzerne, William Loudenberg was convicted of murder in the first degree. Subsequently, a new trial was granted, and at the second trial the applicant was convicted of murder in the second degree, and on April 20, 1918, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than twenty years, less one day, nor more than twenty years.

The applicant is a native-born citizen of the United States, fifty-nine years of age. He is by occupation a coal miner and worked in and around Wilkes-Barre and Parsons, Luzerne County. At the time of his sentence, he was married, but since his incarceration his wife has secured a divorce and remarried. The applicant has three children, aged nineteen, seventeen and fifteen years respectively.

The applicant, after spending the day in the woods adjacent to the town of Parsons, returned to his home and procured hard cider from his cellar, drinking to excess and remaining in an intoxicated condition for a period of four or five days. As a result of this circumstance his wife and children, on August 21, 1917, left the home and went to live at the home of Thomas Reese, a neighbor. Two days later, to wit, August 23, 1917, the applicant, hearing that his wife was at the home of Reese, called there in order to effect a reconciliation. He asked if he could talk with his wife, his intention being to prove that he had not pawned a revolver which he owned and which his wife had accused him of pawning in order to procure whiskey. This accounts for the applicant having the revolver on his person at that time. Mrs. Reese, who was sitting on the porch with her husband, called the applicant's wife to the front porch. The applicant then asked her: "I want to know if you won't come home with me," and her reply was: "Not until you quit drinking." The applicant knowing the circumstances under which she left home tried to explain to her that he had not pawned the revolver and drew it from his pocket and showed it to her. Mr. Reese, seeing the revolver and fearing that the applicant was going to fire, sprang to his feet and grappled with the applicant. They both fought for the possession of the revolver. During the struggle, the revolver was discharged and Mrs. Reese exclaimed: "I am shot." The applicant was then beaten into an unconscious condition. Mrs. Reese was taken to the Wilkes-Barre City Hospital where she died within fifteen minutes.

The applicant has now served twelve years and eight months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is good.

A number of letters were filed with the Board recommending clemency. The trial District Attorney and trial Judge, in their letters to the Board, do not recommend clemency, but evince a favorable attitude.

In consideration of all the circumstances of this case; the age of the applicant; his prior good record; the term of imprisonment already served; his excellent prison record; because of the letters of recommendation filed with the Board and the favorable attitude of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court be commuted to twelve years and eight months' imprisonment, effective on December 20, 1930, conditioned, however, that the applicant remain away from Luzerne County.

We, therefore, "after full hearing, upon due public notice and in open sessions," recommend that minimum sentence of imprisonment heretofore imposed on the said William Loudenberg be commuted to twelve years and eight months'



imprisonment, expiring on December 20, 1930, conditioned however, that the applicant remain away from Luzerne County.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 60 and 61, January Sessions, 1928, in the Court of Oyer and Terminer, in and for the County of Lehigh, Raymond Seibert was convicted of burglary, entering in the night with intent to commit a felony, breaking and entering in the daytime with intent to commit a felony, carrying concealed deadly weapons, assault and battery, larceny and receiving stolen goods, and on January 23, 1928, was sentenced by the Court in the aggregate to pay a fine of two hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than five years nor more than ten years.

The applicant is a native-born citizen of the United States, twenty-four years of age, is married and has a son six years old. He resided in the city of Allentown. Prior to January 1, 1927, he was employed as a salesman and branch manager for the International Machine Corporation of New York City. Prior thereto, he was employed as store manager for the Atlantic and Pacific Tea Company at Allentown.

On the night of November 17, 1927, in company with one, Paul Helsel, the applicant visited several pool rooms and drank until about midnight. He and Helsel then drove in his car to an apartment house in the city of Allentown, and while the applicant remained in the car, Helsel went into the apartment house. A few minutes later he called the applicant from the car and the latter joined him in the house, went upstairs with him where Helsel handed him a watch and ring. They then left the apartment house and drove to Trexlertown near Allentown, and parked the car outside of a garage. The applicant had been drinking heavily and claims that he did not recall what had happened after the car was parked until he was shot by W. S. Hall, the prosecutor, in Indictment No. 60. After having been shot, the applicant remembers getting into his car and driving back to Allentown and when within a block of the Allentown hospital, remembers that he was arrested. He was placed in the hospital where he was treated for gun shot wounds. He remained there from that time until December 6, 1927, when he was removed to the Lehigh County Prison. Helsel was never apprehended.

The applicant has now served two years and eleven months of his term of imprisonment. His prior record is good with a single exception. He served a term of eight months in the County prison on the charge of forgery. The applicant has been a model prisoner as shown by letter on file from Penitentiary authorities. Employment has been offered him if released by three responsible parties, to wit, Day & Zimmerman Engineering and Construction Company, Philadelphia; Roy Zeigler Company, Norristown, and Benjamin Quillman Hardware Company, Norristown. Letters on file with the Board indicate these offers. The applicant's wife and child require his support.

There were filed with the Board, letters from W. S. Hall, the prosecutor in No. 60, in which he recommended clemency. The trial District Attorney evinces a neutral attitude. The trial Judge in a letter filed, states that he is advised by the Penitentiary authorities that the applicant has reformed and has given apparent evidence of his purpose to remake his life. He states that he has no objection to a pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant, with a single exception;

the term of imprisonment already served; his excellent prison record; the fact that Helsel, his accomplice, has never been apprehended; the fact that employment has been offered him by three responsible parties, and the further fact that his wife and child require his support; because of the recommendation of the prosecutor in one of the two cases, and the favorable attitude of the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and eleven months' imprisonment, effective on December 23, 1930.

We, therefore, "after full hearing, upon due public notice and in open sessions," recommend that the minimum sentence of imprisonment heretofore imposed on the said Raymond Seibert be commuted to two years and eleven months' imprisonment, expiring on December 23, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 14 and 16, May Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Philip S. Kaplan was convicted of assault, being armed with an offensive weapon (two charges), and on May 11, 1925, was sentenced by the Court, in the aggregate, to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than fifteen years nor more than thirty years.

The applicant was born in Warsaw, Poland, and is thirty-four years of age. He is a naturalized citizen of the United States and a mechanical engineer by occupation. At the time of his arrest he resided in the City of Philadelphia and was employed as a gas fitter and electrician. He is married and has four children living with his wife's parents.

The applicant was arrested on suspicion of having robbed Blitzstein's Bank, Fourth and Lombard Streets, Philadelphia, on March 21, 1925. He was taken to the City Hall for identification. A colored man was brought to identify him. The colored man, on being asked if the applicant was the man, replied, "yes." Later he was taken before a Magistrate and held without bail for Court. He was tried before Judge Audenreid, and later the Judge granted him a new trial. Before the second trial additional charges were preferred against him to the effect that he had participated in a robbery on March 23, 1925. Six bills of indictment were found by the Grand Jury, but four of them were nolle prossed, and conviction was had on the two above stated. The applicant denied all knowledge of the robbery committed on March 23, 1925. Samuel Stein testified at the trial that he was not sure that the applicant was the robber; that he did not see his face. Israel Brody stated that the applicant was the man who committed the crime, but his statement differs in regard to the clothing worn by the applicant at the time of the commission of the alleged crime. Brody testified that the applicant wore a dark suit with stripes, a cap and a spring topcoat. On the other hand, Abie Cohen, a co-defendant in the case, and against whom other charges were being tried, took the stand and testified that the applicant wore a light green suit, army shirt and hat.

The applicant has served five years and seven months of his term of imprisonment. During his incarceration the applicant has perfected a well-drilling apparatus and has been granted two patents on the same.

There were filed with the Board a number of letters with regard to the applicant's character and inventive ability. The Manager of the Stollwerk Chocolate and Royal Cocoa Com-

pany, of Camden, New Jersey, a former employer, has offered to give the applicant employment if released. Herbert Smith, Warden of the Penitentiary, writes the Board that the applicant's record in prison has been good.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; the term of imprisonment already served; his excellent prison record; because of the number of letters on file testifying to the applicant's good conduct, his inventive genius, and the value and importance of his inventions, and because employment has been offered him if released, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to five years and seven months' imprisonment, effective on December 21, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Philip S. Kaplan, be commuted to five years and seven months' imprisonment, expiring on December 21, 1930.

ARTHUR H. JAMES.  
Lieutenant Governor,

JAMES A. WALKER.  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1094, 1095, 1096, and 1097, October Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Philadelphia, John Nelson pleaded guilty to indictments charging him with murder, voluntary manslaughter, assault and battery, aggravated assault and battery and failure to stop and render assistance to person injured by automobile. All of these offenses charged grew out of the killing of one, William Hoben, Sr. The applicant pleaded guilty to the charge of murder, which the Court, after hearing, adjudged to be murder in the second degree, and on November 1, 1923, was sentenced by the Court at No. 1094, to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than six years nor more than twelve years.

The applicant is a native-born citizen of the United States, thirty-six years of age. He is married and has eight children, the oldest being fourteen years of age. At the time of his arrest, he resided with his family in the City of Philadelphia. Since his confinement, his wife has been obliged to place all the children in institutions and she supports herself by working as a nurse in St. Vincent's Hospital. When arrested for the present offense, and for five years previous thereto, the applicant was a member in good standing of the Philadelphia police force. He had been a licensed operator of motor vehicles in the State of Pennsylvania for fifteen years and had never been involved in an accident of any kind.

On October 18, 1926, the applicant was off duty for the day. He had been to a party the previous night with his wife and liquor was served, and in the course of the day of the tragedy, he had several drinks of whiskey, and late in the afternoon he left his home to get his automobile from a repair shop. Shortly after 5.30 in the evening, he left his home, drove north on 22nd Street; thence east on Allegheny Avenue. While passing the intersection of 17th Street and Allegheny Avenue, the applicant noticed a crowd of people standing in the roadway waiting for a street car. He passed them and continued on his way, unaware that he had struck one of them. Two days later he was arrested and then knew for the first time that he had struck William Hoben, Sr. and had injured him so severely that the latter died shortly after his admission to the hospital. Desiring to atone for his unintentional offense, he pleaded guilty to the charge of murder and was sentenced as above.

The applicant has now served four years and one month of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent as shown by a letter from the Deputy Warden. For two years, he has been engaged in working as a carpenter outside the prison walls in the construction of the new Eastern State Penitentiary at Graterford, and is a first class mechanic as shown by a letter from the field superintendent.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because his family, consisting of a wife and eight children, are in destitute circumstances and require his support, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to four years and one month's imprisonment, effective December 1, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said John Nelson be commuted to four years and one month's imprisonment, expiring on December 1, 1930.

ARTHUR H. JAMES.  
Lieutenant Governor.

JAMES A. WALKER.  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 908, March Sessions, 1925, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Joseph A. Stevens was convicted of assault with intent to rob, robbery, being armed with an offensive weapon, and at No. 909, March Sessions, 1925, in the Court of Quarter Sessions of the Peace, in and for the said county, the said Joseph A. Stevens was convicted of conspiracy to enter and rob, and on October 23, 1923, was sentenced by the Court, at No. 908, to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a term of not less than eight years nor more than sixteen years.

The applicant is a native-born citizen of the United States, thirty years of age. He is by occupation, an automobile mechanic, and at the time of his arrest was so employed in the City of New York. His place of residence is in said city.

At 8.55 a. m., on December 11, 1924, the jewelry store of S. Rosenblatt & Son, at 2649 Germantown Avenue, Philadelphia, was robbed by three men who entered the store while the fourth man remained in a touring car across the street from the said store. They secured money and jewelry to the value of \$69,025.00. Germantown Avenue runs generally north and south in the neighborhood of the store which is on the easterly side of the avenue. North of the jewelry store is Shelmire's store at the southeast corner of Germantown and Lehigh Avenues. On the opposite side of the street, but further to the south, is a lunch room. In front of the lunch room was the Buick touring car in which the robbers made their escape. At the steering wheel of the car sat a chauffeur, alleged by the Commonwealth to be the present applicant.

The applicant was arrested at his home in New York City on December 19, 1924. He resisted extradition and presented strong evidence of an alibi, but was finally brought to Philadelphia on March 6, 1925, which he avers was the first time he had ever been in the city. Of the three men who entered the store, one, John Feenicks was convicted on a separate trial and sentenced to from fifteen to thirty years in the Eastern Penitentiary. Another, Michael Flynn was acquitted by a jury on account of deficient identification. The third, Herman Gross, had in the meantime, committed another crime in New York City for which he was convicted and sentenced to a term of



approximately thirty years. Feenicks, Flynn and Gross were well known to the police in the cities of Philadelphia and New York. The applicant admits that he had previously known Gross having met him in New York, but never saw Feenicks or Flynn until he was arrested. These three men were identified as the three men who entered the store, and the applicant as the driver of the car.

The applicant has now served five years and two months of his term of imprisonment. He was never before charged with or convicted of crime. Employment has been offered the applicant, if released, by Dr. Fishburg, a physician, having an office on Fifth Avenue in New York City. A number of letters recommending clemency were filed with the Board by persons residing in New York City, including three physicians who were personally acquainted with the applicant.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because Flynn, one of the applicant's co-defendants who entered the store was acquitted by a jury and escaped punishment; because employment has been offered him in New York City, if released, by Dr. Fishburg, who was one of the applicant's chief alibi witnesses when he fought extradition in New York State; because of the letters recommending clemency filed with the Board, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to five years and two months' imprisonment, expiring on December 23, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence heretofore imposed on the said Joseph A. Stevens be commuted to five years and two months' imprisonment, expiring on December 23, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 55 and 56, April Sessions, 1928, in the Court of Oyer and Terminer, in and for the County of Allegheny, Sam Koneski and Fred Simonetti, who were jointly indicted for murder, voluntary manslaughter and involuntary manslaughter, were convicted of voluntary manslaughter and on March 1, 1929, were each sentenced to pay a fine of six and one-fourth cents, costs and to undergo imprisonment in the Western Penitentiary for a term of not less than four nor more than eight years. Joseph Bassetti, John Micklow, John Koneski, Elic Simon, John Kubic, Louis Branzet and Julius Frank were named as additional co-defendants in the indictments above mentioned. Of the latter group, John Koneski, Micklow and Bassetti were convicted of voluntary manslaughter, while Kubic, Simon, Branzet and Frank were acquitted by the jury.

Applicant Koneski is a native-born citizen of the United States, twenty-one years of age and at the time of his arrest was employed as a coal miner and lived with his father and mother at Russellton, Allegheny County. He is unmarried and has two brothers and four sisters. Applicant Simonetti was born in Italy and owes allegiance to that country. He came to this country when he was four years of age. He is twenty-one years old. At the time of his arrest he was a coal miner by occupation. He is unmarried. He resided with his stepfather and mother at Russellton, Allegheny County. He has two sisters and three brothers.

On March 6, 1928, the body of Michael Yarsavage was found lying in Walters' Chapel Cemetery, Indiana Township, Alle-

gheny County. After investigation by the authorities, all of the above named persons, including the two applicants, were arrested and held for trial. Yarsavage was a stranger in the community, having arrived at Russellton, near the cemetery, in the afternoon of the preceding day. He was talked to by three of the defendants, Simon, Kubic and Branzet, as they walked along the main highway of Russellton in the direction of Rural Ridge. While they walked together they met the other men, including the two applicants. Yarsavage claimed he was looking for someone, but it was rumored in the community that he was seeking work in the mines and the defendants, being striking miners, talked with him about taking their jobs. Simon, Kubic and Branzet stopped along the highway as the others proceeded to a point where a direct road turning to the left led in the direction of the cemetery. At the junction of the road Yarsavage struck applicant Simonetti, knocking him to the pavement and then started up the dirt road with applicant Simonetti following. Some distance up the dirt road Yarsavage and applicant Simonetti engaged in a further struggle with Yarsavage getting the best of it. Micklow went to the rescue of applicant Simonetti, striking Yarsavage, no serious injury being inflicted on the latter. Micklow, with Frank, then left the scene of trouble and returned to the highway. John Keneski, Bassetti and both applicants, continued on the roadway following Yarsavage. The testimony revealed that no real harm had been inflicted on Yarsavage up to the time they approached the cemetery several hundred yards from the scene of the first trouble. There was no direct testimony of the infliction of the blows which caused the death of Yarsavage, but there was testimony as to the removal of several fence pailings, and from all the circumstances the jury came to the conclusion that some of the defendants had beaten Yarsavage with the fence pailings removed from the cemetery fence. The testimony revealed that applicants Koneski and Simonetti followed Yarsavage after the others had stopped and by reason of the fact that the applicants had gone farther than the other defendants, the trial Judge made a distinction in sentencing the five defendants against whom a verdict of manslaughter had been returned. The applicants denied having inflicted the blows that caused the death of Yarsavage and there was evidence of the tracks of an automobile through the snow to the cemetery fence near the point where the body of Yarsavage was found, which left room for the inference that other persons might have been in the vicinity after the applicants left.

Both applicants have now served one year and nine months of their respective terms of imprisonment; neither had previously been charged with or convicted of crime. They were only nineteen years of age when this alleged crime was committed.

A number of letters were filed with the Board recommending clemency. The writers are personally acquainted with the applicants. The present District Attorney has filed with the Board a letter in which he states: "The assistant District Attorney who tried the above case in Court tells me that he is of the opinion that older men who were involved in this killing were found not guilty by reason of insufficient evidence and that the two defendants above named (the applicants), were possibly under the influence of those older heads at the time of the killing. Three of the defendants who were convicted have been released from the Workhouse and I am unable to discover any reason why the two applicants before your Board should have been given any longer sentences than the other three."

In consideration of all the circumstances of this case; the youth of the two applicants when the alleged crime was committed; the prior good record; the terms of imprisonment already served; because of the letters filed with the Board recommending clemency; because three of the co-defendants of the applicants have already been released from imprisonment, and in consideration of the letter of the present District Attorney, we have concluded that both applicants have been sufficiently punished; and while we are not satisfied that they should be granted absolute pardons, we have determined that the minimum sentences of imprisonment heretofore imposed by the Court should be commuted to one year and nine months' imprisonment, effective on December 1, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentences of imprisonment heretofore imposed on the said Sam Koneski

and Fred Simonetti, respectively, be commuted to one year and nine months' imprisonment, expiring on December 1, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 762, 763, 764, 765 and 766, August Sessions, 1929, and Nos. 1210 and 1211, September Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Roy P. Wahl pleaded guilty to seven indictments charging him with fraudulently making a written instrument (three charges), fraudulent conversion (two charges), false pretenses and larceny, and on September 24, 1929, he was sentenced by the Court on Bill No. 762, to undergo imprisonment in the Eastern Penitentiary for a period of not less than two and one-half years nor more than five years.

The applicant is a native-born citizen of the United States, twenty-nine years of age. At the time of his arrest his occupation was that of salesman for James A. Head, Inc., of Birmingham, Alabama, dealers in bank and office supplies. His proper place of residence is in Minneapolis, Minnesota, where his wife, parents, brothers and sisters reside. He is a member of a respectable family, a high school graduate and a seminary student of four years' standing intending to prepare for the priesthood.

The applicant's downfall dates from his employment as a salesman for aluminum by the Super-Maid Cook Ware Corporation of Illinois. The applicant was assigned to the territory of Trenton, New Jersey, and vicinity, and worked under the direction of the Division Manager named Byers, with whom he lived, who in turn, reported to the District Manager, Gutilius, in Philadelphia. A few months after the applicant had been working as a salesman, an auditor of the Company discovered that the bonus by which the Company stimulated its salesmen was too big a bait, for they were anticipating sale deliveries in turning in slips to secure credit on the bonus. When the applicant won a bonus, Byers, the Division Salesman, and Gutilius, the District Manager, also became entitled to a bonus. There was no necessary intent to defraud the Company if the goods were actually afterwards delivered. The salesmen were simply super-selling the Super-Maid. Accusing the applicant of irregularity, the auditor discharged him; Byers was censured and Gutilius was demoted and transferred. All the papers and records belonging to the applicant which he might have used advantageously at his subsequent trial were seized by the auditor and retained by the Company. A year later the applicant became a salesman for a firm dealing in bank and office supplies at Birmingham, Alabama, and there he met with Harold Schaible whom he had known before and who had also worked for the Super-Maid Corporation. Schaible was wanted by the Company to answer charges of embezzlement. He was arrested and held pending an investigation. The applicant offered to help Schaible and assisted in procuring an attorney for him to fight extradition, which was finally refused by the Governor of Alabama. The applicant having thus further incurred the hostility of the Super-Maid, continued in his employment at Birmingham.

One year and a half after the applicant ceased to be a salesman for the Super-Maid Company, the latter Company brought charges against the applicant and had him extradited and brought to Philadelphia to stand trial. Removed from relatives and friends the applicant decided to enter a plea of guilty, trusting to the mercy of the Court. The alleged crime with which he was charged was the signing of a customer's name to an installment contract for the purchase of \$71.30 worth of aluminum ware. The record indicates that this was

done in Trenton, New Jersey, almost two years before any indictment was found. Though sentenced on one indictment, six were held over him, four involving the same transaction. Two others apparently dealt with another matter, but the alleged loss to the Super-Maid was less than \$100. The penalty imposed was to cover all charges. The notes of testimony show that the applicant was without counsel and confronted by a public and a private prosecutor.

The applicant has now served one year and three months of his term of imprisonment. He was never before charged with or convicted of crime. The applicant has always denied wrongdoing. There was no testimony that he had signed the customer's name to the installment contract. All but one of the witnesses against him were employees of the Company. The applicant was not represented by counsel and lacked sufficient opportunity to be fully heard. All of his papers available as evidence had been taken by the auditor and retained by the Company. The alleged crime was over a year and a half old before any effort was made to apprehend the supposed culprit, although they knew his whereabouts. There was no indictment pending when it was sought to extradite the applicant.

There was filed with the Board a letter from the trial Judge, dated December 1, 1930, as follows: "Upon a careful review of testimony in the above matter, which was tried before me, I feel that the ends of justice have been amply served by the term served to date by the Defendant and I am prepared to be recorded as favoring the application for pardon." A number of letters were filed from former employers and others certifying to the applicant's good conduct.

In consideration of all the circumstances of this case; the doubt as to the guilt of the applicant; his prior good record; the term of imprisonment already served, and in consideration of the recommendation of the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the court should be commuted to one year and three months' imprisonment, effective on December 24, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Roy P. Wahl be commuted to one year and three months' imprisonment, expiring on December 24, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 667 and 668, October Sessions, 1928, in the Municipal Court of Philadelphia County, Criminal Division, Charles Welden Austin was convicted of subornation of perjury and conspiracy, and on October 11, 1928, was sentenced at No. 667 for subornation of perjury, to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than four years nor more than eight years.

The applicant is a native-born citizen of the United States, thirty-one years of age. He served in the Navy and in the Army and was over-seas during the World War. His occupation is that of helper and pipe fitter. At the time of his arrest, he was employed by the Reiser Wet Wash Laundry, Philadelphia, and resided in that city. He is unmarried.

The applicant, in company with one Dorothy Beaky, on or about October 3, 1928, procured a marriage license to enable the applicant to marry Ruth T. Allen, which was the name given by Dorothy Beaky to the Clerk of the Court in obtaining the marriage license and the name by which the applicant



knew her. The Commonwealth contended that Ruth T. Allen, was Dorothy Beaky (which was the fact), and that her real age was seventeen years. The applicant contended that Dorothy told him that she was nineteen years old; that she looked as if she were that age; that he had met her but a few days before their marriage; that she told him she came from South Carolina and that her father was a retired farmer.

At the trial it appeared that Dorothy Beaky was a resident of Philadelphia, a runaway from home and apparently seventeen years of age. The Commonwealth produced the detectives who made the arrest but who knew nothing about the circumstances of the case; also her father and mother, who likewise could tell nothing about the conspiracy or subornation of perjury, and the private prosecutor, Dorothy Beaky, herself, the wife of the applicant whose testimony was used against him. The application for the marriage license was offered in evidence, but there was nothing to show that the girl did not do what she did voluntarily and without inducement, except her own weak testimony. The marriage was never consummated and the applicant was willing either to permit an annulment or to support his wife. No annulment proceedings have ever been instituted.

The applicant has served two years and two months of his term of imprisonment. He claims that his sentence was excessive in that the Act of 1860 providing punishment for the offense for which he was sentenced fixes the maximum term of imprisonment at seven years. It is not certain that the applicant knew Dorothy Beaky's correct name and age and if he did, he permitted the girl he was marrying to misstate her name and age, which is rather a common offense. He was not represented by counsel at the trial. The wife's testimony was used against him. The girl had a record in the Morals Court of Philadelphia County and had previously been declared incorrigible in an application made by her grandmother. She was a runaway from home and according to her own story had slept several nights in an automobile by herself and slept a few nights before her marriage with another man in a rooming house.

There were filed with the Board a number of letters recommending clemency from persons who are personally acquainted with the applicant.

In consideration of all the circumstances of this case; the term of imprisonment already served; the excessive sentence imposed by the Court; in consideration of the letters filed with the Board by persons acquainted with the applicant, which show him in a favorable light so far as his general character is concerned, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and two months' imprisonment, effective on December 11, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Charles Welden Austin be commuted to two years and two months' imprisonment expiring on December 11, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 260, 261, 330, 546, 547, 548, 549, 550 and 551 May Term, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Peter Ott, alias Peter Joseph Ott, was indicted for conspiracy (three counts), entering to steal (three counts), burglary, larceny and operating an

automobile without the consent of the owner. He pleaded guilty in all but the first two indictments in which he was convicted. On July 3, 1924, he was sentenced in the aggregate to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seven years nor more than nineteen years.

The applicant is a native-born American citizen of German descent, thirty years of age, a mechanic by occupation, but at the time of his arrest temporarily out of employment; a resident of the City of Philadelphia, and at the time of his conviction had a wife and one child. The wife has secured a divorce since his incarceration.

The convictions and aggregate sentence were the result of the series of crimes above indicated which extended over a period of approximately three weeks.

The applicant was temporarily out of employment and fell among evil companions and when once embarked in the arena of crime continued until he was finally apprehended by the police authorities.

The applicant has now served six years and five months of his term of imprisonment. He was never before charged with or convicted of crime. The Warden of the Penitentiary certifies to his excellent prison record. He has a child nine years of age who is now being supported by the parents of the applicant who are advanced in years.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because his nine-year-old child is dependent on him for support, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to six years and five months' imprisonment, effective on December 3, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Peter Ott, alias Peter Joseph Ott, be commuted to six years and five months' imprisonment, expiring on December 3, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, June Term, 1916, in the Court of Oyer and Terminer, in and for the County of Indiana, Frank Borgia, alias Frank Borge, was convicted of murder in the first degree and on October 21, 1916, was sentenced by the Court to be hanged. Subsequently, in October, 1917, the sentence of death was commuted to life imprisonment.

The applicant is a native of Italy, forty-two years of age, and a coal miner by occupation. At the time of his arrest for the present offense he resided with his family in Iselin, Indiana County. The family consisted of a wife and three children who are now of the ages of fourteen, fifteen, and seventeen years, respectively, and reside with their mother in Brooklyn, New York.

About a year after the applicant's marriage (which occurred in Passaic, New Jersey, they removed to Iselin where he obtained employment in the mines and lived in a house provided by the mining company. Sam Russo, an unmarried Italian miner, became a boarder in their home. In April, 1915, the applicant learned through a friend of Russo's that while he (the applicant) had temporarily left his home to seek work in another locality, Russo had attacked his wife and had sexual relations with her. The applicant immediately demanded the

truth from his wife. She informed him what had happened. He then told her that she would have to kill Russo, if she was not guilty, otherwise he would kill her. She claimed that Russo forced his attentions on her under a threat to kill her and her children. The wife insisted that on account of what had happened they remove from Iselin, which they did. When Russo desired to accompany the family, the wife told him that she did not care to have him as a boarder any longer. On May 2, 1915, the applicant and his wife went to Iselin and spent the day at the house of Lizzie Ross, with whom Russo boarded. The applicant gave a revolver to a neighbor and asked her to give to his wife. The wife was informed that the revolver was there and that the applicant desired her to take it. This was at 5:00 o'clock in the evening. The applicant told his wife that if Russo had attacked her against her will she should shoot him and if it was not against her will she would be afraid to shoot Russo and in the latter event, the applicant would shoot her. Two other men and the applicant were sitting outside of one of the houses talking. The applicant's wife was walking up and down when Russo came along and passed her. She shot him twice in the back. The applicant followed him into his house and fired two more shots and as he was sitting on the top of the stairs, the wife fired at him twice again and the applicant then took her away. As the result of this fusillade Russo died.

Angeline Borgia, the wife of the applicant who was jointly indicted with him on the charge of murder and convicted, was pardoned in 1923, after an imprisonment of seven years.

The applicant has been incarcerated in the Penitentiary for fourteen years and two months. He was never before charged with or convicted of crime. The trial District Attorney is dead. The present District Attorney has filed with the Board a letter in which he states that he is not personally familiar with the facts of the case, but that the history of the case as contained in the application is substantially correct, with one exception, to wit: that the intimacy between Russo and the applicant's wife was voluntary. He also states that the applicant, who had been confined in the Farview Hospital for the Criminal Insane, was recently removed from that institution to the Penitentiary at Pittsburgh for the reason that he was not in further need of medical treatment.

The applicant's family consisting of a wife and three children, are supported by the wife and members of her family with whom they reside and require the support of the husband.

In consideration of all the circumstances of this case; the prior good record of the applicant; the long term of imprisonment already served; because the applicant's family is destitute and requires his support; because the applicant's wife was pardoned after serving but seven years in the Penitentiary, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the sentence of life imprisonment heretofore imposed by the Court should be commuted as of December 21, 1930, and the said applicant be placed on probation for the period of five years and ten months.

We, therefore, "after full hearing upon due public notice, and in open session," recommend that the sentence of life imprisonment heretofore imposed on the said Frank Borgia, alias Frank Borge, be commuted as of December 21, 1930, and the said applicant be placed on probation for the period of five years and ten months.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 738, April Sessions, 1922, in the Court of Quarter Sessions of the Peace, in and for the County of Allegheny, John Gergurich was convicted of open lewdness, and at Nos.

739, 740 and 741, in the same term of Court, pleaded nolo contendere to indictments charging him with similar offenses, and at No. 598, June Sessions, 1922, in the same Court, pleaded guilty to an indictment charging him with a similar offense. On September 20, 1922, he was sentenced by the Court, in the aggregate, to pay a fine of thirty-one and one-quarter cents (\$.31¼), costs, and to undergo imprisonment in the Allegheny County Prison for a term of one year.

The applicant is a native-born citizen of the United States, forty-two years of age. At the time of his sentence, he was a police officer in the City of Pittsburgh, and had served in that capacity for a period of nine and three-quarter years. He resided in that city with his wife. He served overseas in the World War for a period of twenty-three months. During the past seven years he has been employed as a private watchman for the Jones and Laughlin Steel Company in Pittsburgh.

No notes of testimony were taken at the time of the trial, but from the agreement as to the facts signed by the assistant trial District Attorney and applicant's counsel, it appears that the applicant at various times and at different sections of the city exposed his person. The latter alleged that he did not intend a violation of the law, and produced a number of witnesses to prove his moral character.

The applicant has long since served his term in the County prison. He was never before charged with or convicted of crime. He maintains that his guilt was technical. His record since his discharge from prison has been good as shown by a number of letters from citizens of Pittsburgh on file. He claims an assurance that if a pardon is granted, he will be re-instated as a police officer.

The assistant trial District Attorney has filed with the Board, a letter in which he states that in consideration of the time that has elapsed since the commission of these offenses, and the fact that the man has paid the penalty inflicted by the law, he would not object to this application for pardon.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his good record for the past seven years since his discharge from prison, and because a pardon would render him eligible for reinstatement to the police force, we have concluded that he has been sufficiently punished and that if now released he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said John Gergurich.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 639, August Sessions, 1916, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Andrew Amoroso was convicted of entering with intent to steal, larceny and receiving stolen goods, and on November 3, 1916, was sentenced by the Court to pay costs, and to undergo imprisonment in the Philadelphia County Prison for a period of four months. Subsequently, on December 5, 1916, the sentence was reconsidered and suspended and the said Amoroso was placed on parole for a period of one year.

The applicant is a native-born citizen of the United States, thirty years of age. His occupation at the time of his arrest was that of an errand boy. At that time he resided in the City of Philadelphia. He is now married and has two children.

The crime of which the applicant was convicted was committed on July 15, 1916. He was charged with having entered



the house of one John Ingino with intent to steal, and with having carried away certain jewelry valued at \$61.50. The building was entered in the early hours of the morning. In the afternoon of the same day, one John McCloskey, a neighbor of the applicant, eight years his senior, approached the latter and asked him to hold two pieces of jewelry for him, to wit: a stick pin and a ring. About fifteen minutes after the applicant became possessed of the jewelry as aforesaid, he was arrested by a member of the Philadelphia Police force, who lived in the neighborhood, and through the window of his home saw the transfer of the jewelry. The latter proved to be part of the jewelry stolen from the place entered earlier in the day. There was no evidence offered at the trial of any breaking or entering on the part of the applicant, nor was there any evidence of the applicant's theft of the jewelry in question. The only testimony produced at the trial was the fact that the applicant was in possession of articles recently stolen and it was upon this evidence alone that he was convicted.

The applicant was only sixteen years of age when the alleged crime was committed. His prior record was good. He served thirty-two days of his sentence in the Philadelphia County Prison. The court evidently took into consideration the questionable character of the evidence upon which the applicant was convicted and therefore imposed a light sentence which was shortly thereafter suspended. It is now fourteen years since the applicant was sentenced and released from prison. While at liberty, he has suffered hardship and his conviction has proven an obstacle in obtaining employment.

The applicant has made application for a position as patrolman on the Philadelphia Police force but he is not eligible therefor on account of his conviction. The present application is made to qualify him for this position and to clear his record.

In consideration of all the circumstances of this case; the extreme youth of the applicant when the alleged crime was committed; the grave doubt as to his guilt; because of the fact that the sentence originally imposed was a light one and within a period of thirty-two days was suspended; because of his prior good record and unobjectionable conduct since his release fourteen years ago; and because of the further fact that a pardon will qualify him for the position of patrolman which he now seeks and clear his record, we have concluded that he should be freed of the stigma incident to his conviction and restored to all the rights, duties, and privileges of citizenship.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Andrew Amoroso.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 740, 741 and 745, August Sessions, 1926, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, William Kazman was convicted of certifying on election returns as correct, return which they knew to have been fraudulently deposited therein; writing false names in voters' list of voters, and conspiracy so to do, and permitting to vote at a primary, persons not entitled to do so, and on April 14, 1927, was sentenced in the aggregate to pay costs, and to undergo imprisonment in the Philadelphia County Prison for a term of six months.

Harry J. Wachs was jointly indicted with the applicant for certifying on election returns as correct, return which they knew to have been fraudulently deposited therein, and upon conviction of this and another offense against the election laws, was sentenced to pay a fine of one thousand dollars

(\$1,000.00), costs and to undergo imprisonment in the Philadelphia County Prison for a term of two years. He was pardoned by this Board at the current session.

The applicant is a native-born citizen of the United States, thirty-eight years of age. At the time of his conviction he resided in the city of Philadelphia and was employed as a clerk by the City of Philadelphia. He is married.

The applicant was judge of an election board which served in the Primary Election for the Fortieth Division of the Twenty-fourth Ward of the City of Philadelphia, in the year 1925. The violations of law complained of by the Commonwealth were shown at the trial to be more in the nature of negligence on the part of the applicant, than criminal fraud.

The applicant was never before charged with or convicted of crime. He served all but fourteen days of the six months' sentence imposed upon him by the Court and was discharged on parole. It was the first election in which he presided as an election officer. He is now employed as a salesman in the City of Philadelphia. The applicant not only has suffered by reason of his imprisonment, in mental anguish and social standing, but cannot vote or exercise certain of the privileges of citizenship. The object of the present application is to clear his record and to permit him to again resume all of his rights as a citizen.

There were filed with the Board letters from Blakely D. McCaughn, Clerk of Quarter Sessions of Philadelphia, and from Joseph Gilfillan, former Sheriff and law partner of George S. Graham, member of Congress, recommending clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because his subsequent record so far as we are advised has been unobjectionable; because of the recommendations of McCaughn and Gilfillan, prominent citizens of Philadelphia, and because Wachs, his co-defendant, who received a sentence of two years has been pardoned by this Board, and in order that the applicant may be restored to all the rights of citizenship, we have concluded that he has been sufficiently punished and if now pardoned he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said William Kazman.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 735, 740, and 741, August Sessions, 1926, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Harry J. Wachs pleaded guilty to Bill No. 735 charging him with the unlawful registration of voters by registrars, and was subsequently convicted of certifying on the election returns as correct, a return which they knew to have been fraudulently deposited therein; writing false names in voters' list of voters, and conspiring so to do, and on November 18, 1926, was sentenced by the Court in the aggregate to pay a fine of one thousand dollars (\$1,000.00), costs, and to undergo imprisonment in the Philadelphia County Prison for a term of two years.

The applicant is a native-born citizen of the United States, thirty-eight years of age. He is an insurance and real estate broker by occupation and resides in the City of Philadelphia. He has a wife and two children.

An investigation by the Committee of Seventy in the City of Philadelphia, disclosed discrepancies in the election returns, registration and voting lists in the Fortieth Division of the

Twenty-fourth Ward of that city, in the Primary Election of 1925. Subsequently the applicant, together with four others, comprising the election board of that division, were arrested, indicted and tried for certain violations of the election laws. William Kazman, the judge of election, for his part in these violations, was sentenced to pay costs, and to undergo imprisonment in the Philadelphia County Prison for a term of six months. He was pardoned by this Board at the current session.

The applicant was never before charged with or convicted of crime. He served eighteen months of the two-year sentence imposed by the Court and was discharged on parole. He never before acted as an election officer and his derelictions of duty may have been due more to ignorance than to criminal intent. The applicant was the most severely punished of all his co-defendants in these cases and his sentence was one of the most severe ever meted out in an election case in Pennsylvania. His conviction and disfranchisement have caused him serious embarrassment and have hindered him in his business and social relations. The object of the present proceeding is to re-establish him in all of his rights of citizenship.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; the severity of the sentence imposed; because of his subsequent unobjectionable record so far as we have been advised; in consideration of the fact that Kazman, one of his co-defendants, the judge of election, has been pardoned by this Board; in consideration of the fact that the applicant by reason of his disfranchisement is denied the privilege of voting, and is under the stigma incident to his conviction and sentence, we have concluded that he has been sufficiently punished and that if he is now pardoned he will prove himself a useful and law-abiding citizen.

We, therefore, "after full hearing upon due public notice and in open session," recommend that a pardon be now granted to the said Harry J. Wachs.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 254, December Sessions, 1920, in the Court of Oyer and Terminer, in and for the County of Philadelphia, John E. Murray was convicted of murder in the second degree, and on November 7, 1921, was sentenced by the Court to undergo imprisonment in the Eastern Penitentiary for a period of not less than nineteen years nor more than twenty years.

The applicant is a native-born citizen of the United States, thirty-one years of age; he is a mechanic by occupation and was employed by the Motor Parts Company, now the Wilking Manufacturing Company, in the City of Philadelphia, where he resided with his parents and two sisters. He is unmarried.

On the evening of Decoration Day, 1920, six young men of the approximate age of twenty-two years set out upon what at first appeared to be an adventure, but which ended up in tragedy. All of them, with possibly one exception, had led correct lives up to that evening. The six men referred to were Thomas McHale, John Donahue, James Melaugh, Eugene Walsh, Charles J. Blum, alias Yockey, and the applicant. Before the evening was passed, they had held up and robbed at least eight persons of small sums of money, and during one of these robberies, a man, Nickola Ostah, was shot and killed. About six weeks after the tragedy, these men were arrested and charged with the murder of Ostah, and also with the robberies in which they had participated. The applicant was

placed on trial for murder on January 26, 1921. Two days later, a verdict of murder in the first degree was rendered by the jury. Subsequently, a new trial was granted, which resulted as first above stated.

The murder was committed about 10:45 P. M. under these circumstances: Ostah, a Pole, together with a friend, Katherine Cap, were walking along South College Avenue, near 22nd Street, Philadelphia, when an automobile, containing the six men above named, drew up to them. McHale, Blum and the applicant alighted from the automobile and demanded that Ostah turn over to them, the money which he had on his person. Katherine Cap ran away. Ostah turned away from the three men, apparently with the intention of running. He was struck at Ostah with a black-jack and then shouted to the applicant to shoot. The latter who had been standing five or six feet from Ostah and covering him with a gun, discharged it. Ostah turned and ran for a full city block when he collapsed. The three men entered the automobile and drove away. Ostah died the following morning. It appeared that the six men did not believe that the shot had taken effect and were unaware of the fact that a general alarm had gone out and continued to rob a number of other persons. Walsh, one of the defendants, a witness for the Commonwealth testified: "I said to Murray: 'I think you hit that man,' and Murray said: 'I didn't hit that man. I didn't shoot to hit him.'" Subsequently, after the applicant's trial, his co-defendants pleaded guilty to murder. The Court fixed the degree as murder in the second degree and sentenced them to the Philadelphia County Prison as follows: Blum, for a period of eighteen years; McHale, for a period of fifteen years; Donahue and Melaugh for terms of seven years, respectively, and Walsh for five years. Approximately six months after sentence, Walsh was discharged on parole. In May, 1924, Donahue was similarly discharged, and in January, 1925, Melaugh, and in June, 1925, McHale, were also discharged on parole.

The applicant has now served nine years and one month of his term of imprisonment. He was twenty-two years of age when this crime was committed. He was never before charged with or convicted of crime. There was no evidence that the crime was premeditated nor that the applicant had any intention of killing Ostah.

The applicant's father, an aged man, is almost blind, and his mother is crippled with rheumatism. The applicant's sister, Mary, is the sole support of the family, consisting not only of the parents above named, but a sister suffering from tuberculosis and her daughter aged eleven years. The applicant's co-defendants with the exception of Blum, have long since been discharged on parole and while there was no evidence that they had fired the fatal shot, their guilt, under the law, is as grave as that of the applicant who did fire the shot. Employment has been offered him if released.

In consideration of all the circumstances of this case; the comparative youth of the applicant when the crime was committed; the lack of motive; his prior good record; the term of imprisonment already served and because of the fact that the applicant's family are in destitute circumstances and require his support, and in further consideration of the fact that four of his co-defendants have already been discharged on parole, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to nine years and one month's imprisonment, effective on December 7, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum sentence heretofore imposed on the said John E. Murray, be commuted to nine years and one month's imprisonment, expiring on December 7, 1930

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.



## Commonwealth of Pennsylvania.

## Board of Pardons.

Harrisburg, Pa., December 17, 1930

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, June Sessions, 1929, in the Court of Oyer and Terminer, in and for the County of Dauphin, and at No. 11, of the same term, in the Court of Quarter Sessions of the Peace, in and for the said County, Chester Young pleaded guilty to two indictments charging him with the larceny of a clock and with robbery, and on May 28, 1929, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than two years, nor more than four years.

The applicant is a native-born American citizen, twenty-nine years of age. He is by occupation a cement finisher. At the time of his arrest, he was not employed and had not been employed for two months previous thereto. He is unmarried. His place of residence was in the City of Harrisburg where he resided with his father.

As before stated, the applicant was out of work. He became despondent and associated with evil companions. On or about January 25, 1929, he and another boy named John A. Groft, both of whom had been drinking, stopped at the office of Doctor William Wright in the City of Harrisburg. The applicant, considerably intoxicated, entered Doctor Wright's office, took a clock from the office and walked out with it. After he sobered up he was ashamed to return the clock and not knowing what to do with it, threw it into the Susquehanna River. The following month the applicant being still out of employment, became more and more discouraged, continued his evil associations, and drank bad liquor. On or about February 1, at 10:00 o'clock in the morning, the applicant in company with Charles Zerbe, Earl Stuckey and Harry Drewett went to the drug store of J. K. Garland at 1933 North Sixth Street, Harrisburg, and while the others went inside to rob, the applicant remained outside to watch. When Mr. Garland went to the rear of the drug store, the boys inside robbed him. They secured fifty-six dollars, of which the applicant received as his share thirteen dollars. In April, the applicant who was detained in the Dauphin County Prison on suspicion of having stolen the clock (although no formal charge had been made), confessed his crimes to the District Attorney who had been sent for. He implicated the three boys, two of whom stood trial for robbery, were convicted and sentenced to the Huntingdon Reformatory. Drewett is a fugitive from justice. Groft, who was jointly indicted with the applicant for the larceny of the clock, stood trial and was acquitted.

The applicant has now served one year and seven months of his term of imprisonment.

There were filed with the Board letters from the trial District Attorney and trial Judge in which both recommend pardon. Both state that through the voluntary confession of guilt made by the applicant, they were enabled to convict the others against whom there was no evidence prior to the confession. The trial Judge states that had he been in possession of all the information which he now has, the sentence imposed would not have been so severe.

In consideration of all the circumstances of this case; the term of imprisonment already served; because through the voluntary confession of the applicant the authorities were enabled to convict the perpetrators of a bold robbery; because of the fact that the applicant's co-defendant on the charge of larceny was acquitted by the jury and more particularly because of the strong recommendations of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and seven months' imprisonment, effective on December 23, 1930.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Chester Young

be commuted to one year and seven months' imprisonment, expiring on December 28, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 2, December Term, 1920, in the Court of Oyer and Terminer, in and for the County of Franklin, George Doleman pleaded guilty to an indictment charging him with arson and burning a storage house, and on December 11, 1920, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than twelve years nor more than thirteen years.

The applicant is a native-born citizen of the United States, colored, unmarried, and thirty years of age. At the time of his arrest he was working as a helper in the furniture store of P. Nicklas Brothers, in the Borough of Chambersburg, Franklin County, and resided in that borough.

On the morning of November 2, 1920, the building occupied by P. Nicklas Brothers furniture store and warehouse caught fire. These buildings were situated on South Main Street in the Borough of Chambersburg. The store fronted on the street and the buildings extended along an alley for a considerable distance. The buildings were in an important section of the borough and adjoined other business buildings on Main Street. The fire destroyed the Nicklas buildings, and the adjoining buildings were badly damaged.

The applicant at the time of the fire worked for P. Nicklas Brothers as a helper. He was not quite of full age, and resided with his father and brothers on South Main Street, about four squares south of the fire. His mother is dead. He had never before been in trouble. He was never especially bright but had intelligence sufficient to discern right from wrong. After the fire started he helped fight the flames. On the day of the fire, acting on some information, police officers took the applicant to the office of Walter K. Sharpe, attorney for P. Nicklas Brothers, and there he signed a paper in the nature of a confession of guilt. This confession, a copy of which is attached to the certified Court record, is not at all satisfactory as a confession. The applicant admits setting fire to some inflammable matter by carelessly casting a match into it. He also stated he did not like one of his employers, but liked the other ones. No real motive is shown in the confession. After signing the confession he was placed in jail and at the trial pleaded guilty and was sentenced as before stated. At the trial no witnesses were heard and nothing offered except the statement of the officers, the confession and witness as to his previous good reputation.

The applicant has now served ten years of his term of imprisonment. He was never before charged with or convicted of crime. He was only twenty years of age when the crime was committed.

There was filed with the Board a numerously-signed petition of citizens recommending clemency. The trial Judge is dead, but the trial District Attorney has filed with the Board a letter recommending clemency.

In consideration of all the circumstances of this case; the youth of the applicant when the crime was committed; his previous good record; the term of imprisonment already served; because of the petition of citizens recommending clemency, and in consideration of the recommendation of the trial District Attorney (the trial Judge being dead), we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we

have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to ten years, effective on December 11, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said George Doleman be commuted to ten years' imprisonment, expiring on December 11, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, December Sessions, 1921, in the Court of Oyer and Terminer, in and for the County of Armstrong, Charles Lyle pleaded guilty to an indictment charging him with murder, the degree of which was adjudged by the Court to be murder in the second degree, and on December 23, 1921, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than nineteen and one-half years nor more than twenty years.

The applicant is a native-born citizen of the United States, fifty-seven years of age. He is a coal miner by occupation and at the time of his arrest was working as an attendant at a sub-station of the Hicks Coal Company, at Leechburg, Pennsylvania, and resided in Leechburg.

On August 24, 1917, while the applicant was at work in the coal mine, a large slab of slate loosened itself from the roof of the mine, fell upon him and as a result he suffered fractures of both legs. He was confined in the hospital and at home for almost two years. He remained a cripple in both legs. It also left him in a low physical condition. In 1919 the applicant returned to work for the Hicks Coal Company as a night watchman and later was shifted to day attendant at a sub-station of the same company. At these jobs he was obliged to carry a revolver. He did no physical work during the time of his illness and even after he returned to work as a watchman and attendant, whereas formerly he had been active physically. During this time, on account of his physical condition and inactivity, the applicant became obsessed with the idea that his wife did not want him any longer as a husband and that she was too familiar with other men. However, during this entire period, from the time of his injury to the time of the tragedy, he lived with his wife and children, and was at all times a kind husband and father.

In August, 1920, the applicant's wife opened a restaurant in Leechburg. She came in contact with male customers and was friendly with certain of them, which strengthened the applicant's belief that his wife no longer cared for him and was unfaithful to him. In the early evening of March 31, 1921, the applicant, when he left work, was informed that his services were no longer required. On his return home from work he informed his wife that he had lost his job. She said: "If you have no job, you have no home." He then left the house, met some friends, began drinking and got drunk. He returned to his wife's restaurant before midnight. His wife, sister-in-law and his son, Albert, were in the restaurant. He was in a drunken and moody condition and after silence for about a half-hour, he drew his gun and began shooting, hitting his son (who recovered in a short time) and hitting his wife, who died fifteen minutes after being shot. The applicant alleges that the entire incident of the killing is a blank and that he did not know he had shot anyone until he awoke in jail the following day.

The applicant has now served nine years of his term of imprisonment. He was never before charged with or convicted of crime. The Warden of the Penitentiary certifies to the applicant's good prison record. There was filed with the Board a letter from Dr. Everwine, who states that he examined the applicant immediately after the murder and found him to be under the influence of liquor. He states that the applicant became obsessed with the idea that his wife was untrue to him. He adds that the applicant was not an habitual drunkard. There was filed with the Board a letter from the trial District Attorney which evinces a favorable attitude. A number of letters were filed recommending clemency. The trial Judge states to the Board that he has "no objection to the granting of a pardon to this man." A daughter in St. Louis, Missouri, has offered to provide a home for the applicant.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because a home has been offered him if released; because of the favorable attitude of the trial District Attorney and the trial Judge, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court, should be commuted to nine years' imprisonment, effective on December 23, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Charles Lyle be commuted to nine years' imprisonment, expiring on December 23, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 438, September Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Luzerne, May Kebort was convicted of manslaughter, and on November 13, 1926, was sentenced by the Court to pay a fine of one thousand dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than six years nor more than twelve years.

The applicant is of German descent, thirty-nine years of age. At the time of her arrest she lived with her husband and daughter in Lafflin, Luzerne County, Pennsylvania. The husband has since died but the daughter, unmarried, is working her way through the schools of New York City.

The applicant and George W. Kern, were neighbors at Port Blanchard, Luzerne County. The applicant was living with her husband and daughter, and Kern, who was retired, lived with his wife and son. In 1924 Kern requested the applicant to take care of his home and invalid wife. She made frequent visits to his home and she and Kern became friendly. Kern's wife died in 1925, and from that time the meetings were frequent and clandestine, and their relationship became illicit. The husband of the applicant was suspicious of their actions and ordered Kern out of his home. On June 26, 1926, the applicant and Kern went to Wilkes-Barre in Kern's coupe to do some shopping. They decided to take a motor trip along the Sullivan Trail. They stopped at a road-house and drank a large amount of wine. On their return trip shots were fired from a revolver in the automobile, the car overturned, and both the applicant and Kern were removed to the Pittston Hospital. The revolver was taken into the car by the applicant in her vanity box and placed on the shelf in the back of the car.



Doctors Murphy and Lenahan, witnesses for the Commonwealth testified in substance that the examination at the hospital showed that Kern had four bullet wounds on his person and that he died on August 11, 1926, from meningitis, and that the applicant had four wounds on her body. She was charged with murder committed in Luzerne County. Her trial was scheduled for the September Term, 1926, but on account of her physical condition, it was continued until the November Term when she was convicted and sentenced as above stated.

The applicant has now served four years and one month of her term of imprisonment. She was never before charged with or convicted of crime. A large petition was filed with the Board recommending clemency. The petitioners are personally acquainted with the applicant and certify that her reputation in the community as an honest, industrious and law-abiding citizen was of the very best.

There were also filed with the Board a number of letters recommending clemency. One from the Deputy Warden of the Lackawanna County Prison, who certifies to her good prison record. The prison's physician advises the Board that her physical condition is bad; that she has varicose veins in her legs making it very difficult for her to get about and also suffers from nephritis, requiring a diet different from that served in prison. The Mayor of Pittston and others recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; her impaired physical condition; because of the petition filed recommending clemency and numerous letters to the same effect, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that she should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to four years and one month's imprisonment, effective on December 12, 1930.

We, therefore "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said May Kebort be commuted to four years and one month's imprisonment, effective on December 12, 1930

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 208, February Term, 1920, in the Court of Oyer and Terminer in and for the County of Philadelphia, Charles Miller was convicted of murder in the second degree, and on October 21, 1920, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than fourteen years nor more than sixteen years.

The applicant is a native-born citizen of the United States, colored, and forty-one years of age. He is a teamster by occupation and at the time of his arrest was so employed at Hog Island, Philadelphia, Pennsylvania.

At midnight, on Saturday, October 5, 1919, a group of five or six colored men were engaged in a crap game on Thirteenth Street, just below South, in the City of Philadelphia. The game had been in progress for some time when the applicant and his brother, Elijah, joined the game. The Miller brothers were both employed in connection with the Government's operations at Hog Island. Shortly after their entry into the game a fight ensued between the applicant and another man, whom the former claimed had improperly appropriated fifty cents belonging to him. The applicant chased the man referred to a distance of a few hundred feet and was returning to the game when Charles B. Jones appeared on the scene. The latter was a colored police officer charged with special duties on the

Vice Squad and was not in uniform at the time. Immediately following the arrival of Jones an altercation arose between him and the applicant. Two witnesses for the Commonwealth who were participants in the game testified at the trial that the Miller brothers were strangers in the neighborhood; that Officer Jones broke up the crap game and ordered the crowd to desist; that the witnesses recognized him as an officer although he was not in uniform. Lisby, a colored barber, was looking out of the window at the group when Jones broke up the game. He testified that he observed the officer and applicant clinching and that it was his impression that Jones was hitting the applicant over the head with a blackjack. The physical encounter lasted for a few moments and then he heard the shots and saw Jones fall in the center of the street. At this particular moment the same witness testified that Elijah Miller, the brother, was at the corner of Rodman Street and called to the applicant to run, whereupon both ran up Rodman Street. At the trial the applicant admitted having fired the shot which killed Jones but set up the defense that he did not know that he was a policeman and that he shot him only when he had been repeatedly hit on the head with a blackjack. Elijah Miller, the brother corroborated him. The applicant, at the trial, exhibited to the jury the marks of the blackjack on his head which were visible one year after the trial.

The applicant has now served ten years and two months of his term of imprisonment. He was in prison one year before the trial. His prior record is good. In 1916 he was sentenced to three years in the Florida State Prison on the charge of larceny, but was subsequently pardoned. Employment has been offered him, if released, by the president of the Lawrence-McFadden Company, Philadelphia, as appears by a letter on file in this Department. While in prison, he has engaged in the operation of a laundry which cares for the laundry of the resident members of the prison staff and he has devoted the proceeds of this business to the support of his son. For eight years he has been a janitor in the office of Dr. Bowman, moral instructor of the Penitentiary, and the latter has agreed to act as his moral preceptor if released. There was also filed with the Board a letter from the assistant trial District Attorney in which he states: "I am of the opinion from his record and what I gleaned of the case at the time that the Board would be justified in granting the application."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because employment has been offered him if released; and because Dr. Bowman, moral instructor of the Penitentiary, has agreed to look after his future moral welfare, and, in further consideration of the recommendation of the assistant trial District Attorney, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to ten years and two months' imprisonment, effective on December 21, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Charles Miller be commuted to ten years and two months' imprisonment, expiring on December 21, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 13, October Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Lackawanna, Michael Provprack, alias Michael Prompovitch, was convicted of statu-

tory rape, and on April 11, 1927, was sentenced to pay a fine of one dollar, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than seven and one-half years nor more than fifteen years.

The applicant is a native-born citizen of the United States, of Hungarian parentage, twenty-five years of age. At the time of his arrest he was employed as a laborer in the mines and resided with his parents in the City of Scranton. He has a wife and a son three and one-half years of age, born since his conviction.

The crime in question was alleged to have been committed about 11:30 P. M. on May 21, 1926, in the city of Scranton. At the trial it was shown that one Alma Holtzman, a girl about fifteen years of age (whose age was in dispute), in company with a young man, was sitting in a Ford coupe which was parked with lights dimmed on the side of Keyser Avenue, Scranton. When the girl and her companion were starting their car to drive on, they were approached by three young men, two of whom jumped on the running board of the car, and compelled them to stop. These men forced Alma Holtzman to get out of the car and into a Maxwell coupe which it was claimed was being driven by the applicant. She was taken a short distance into the woods in the car and while the two young men held her she was assaulted, in the car, by the applicant.

The applicant has served three years and eight months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent as shown by a letter from the Warden of the Penitentiary. The applicant's wife and small child require his support.

There was filed with the Board a numerous-signed petition of citizens who believe him to be innocent of the crime charged, and declare him to be honest, conscientious, upright, and moral, and recommend clemency. One of the jurors who convicted the applicant, in a letter filed, requests clemency. The Warden of the Penitentiary has filed with the Board a letter in which he strongly recommends pardon. The trial Judge, relying on the judgment of the Warden, also recommends clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his excellent prison record; because his wife and small son require his support; because of the petition of the citizens and the recommendations of the Warden of the Penitentiary and the trial Judge, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to three years and eight months' imprisonment, effective on December 11, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Michael Provprack, alias Michael Prompovitch, be commuted to three years and eight months' imprisonment, expiring on December 11, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 28. March Sessions, 1928, in the Court of Quarter Sessions of the Peace, in and for the County of Butler, Ray Davison pleaded guilty to an indictment charging him with statutory rape, and on March 17, 1928, was sentenced by the Court to pay a fine of \$500.00, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than five years nor more than ten years.

The applicant is a native-born American citizen, twenty-five years of age. He is a carpenter by occupation and at the

time of his arrest he was employed by D. C. Stewart, General Contractor, Ben Avon, Allegheny County. He resided in Butler County. He is at the present time unmarried and has no children.

The applicant was married on November 23, 1925. His wife deserted him in January, 1927, when the man to whom she is now married began his action for divorce from his former wife. In the fall of 1927, he was living with his widowed mother and sister in Mars, Butler County, and kept company with Violet McNany. She knew that he had been married and was not living with his wife, and intended to get a divorce. While she was under sixteen years of age she was apparently a woman fully grown. The applicant claims that she never revealed her age. They were madly in love and as a result of intercourse between them, with her consent, she became pregnant. Both the applicant and the girl desired her to leave home until after the child was born and until after the applicant had secured a divorce, at which time it was their intention to be married. Members of her family objected to this and insisted upon her undergoing an illegal operation. Against the real wishes and desires of both, an illegal operation was performed on her by Doctor V. F. Thomas, of Evans City, Pennsylvania. She became ill and required the services of another physician who immediately sent her to the Presbyterian Hospital at Pittsburgh, where she died in January, 1928. The applicant had been with her constantly during her illness and was arrested at the door of her room in the hospital and taken to Butler County and charged with the crime of statutory rape. Against the advice of counsel, he refused to defend, pleaded guilty to the indictment and was sentenced as above-stated. The applicant's wife divorced him and married her sweetheart who had procured a divorce from his wife in the fall of 1927. The applicant is now unmarried and needed for the support of widowed mother.

The applicant has now served two years and nine months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record is excellent, as shown by letter from the Warden of the Penitentiary. He was twenty-two years of age when this crime was committed. Doctor Thomas, the physician who performed the illegal operation, has been pardoned by the Board.

There were filed with the Board letters from the parents, two brothers and sister of the deceased girl requesting clemency. William H. Martin, who was private counsel for the family of the deceased girl, at the time of the trial, has filed a letter with the Board recommending clemency. The Burgess, Borough Secretary, and Justice of the Peace of Mars wired the Board urging pardon. A petition of citizens of Mars and vicinity was also filed with the Board requesting clemency. They testify to the good reputation of the applicant. The trial District Attorney has also filed a letter with the Board which shows a favorable attitude toward the present application.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; his good prison record; because his widowed mother requires his support; in consideration of the petition of citizens; the recommendations of the family of the deceased girl, the recommendation of the private counsel for the family at the time of the trial; the recommendations of the Burgess, the Borough Secretary and Justice of the Peace of Mars, and the favorable attitude of the trial District Attorney, we have concluded that the applicant has been fully punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to two years and nine months' imprisonment, effective on December 17, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Ray Davison be commuted to two years and nine months' imprisonment expiring on December 17, 1930

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.



Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 9, October Sessions, 1924, in the Court of Oyer and Terminer, in and for the County of Blair, Daisy R. Woods, alias Margaret Hayes, alias Cleveland, pleaded guilty to an indictment charging her with murder, and on October 20, 1924, was sentenced by the Court to pay a fine of fifty dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than eight years nor more than sixteen years.

The applicant is a native-born citizen of the United States, thirty-one years of age. By occupation she is a waitress and at the time of her arrest was a restaurant keeper. Her restaurant was located at 1216 Fourth Street, Altoona, Pennsylvania, where she resided. She was married and divorced and never had any children.

On August 16, 1924, Archie Cleveland, a roomer in the home of the applicant (which was in the same building as the restaurant she kept), had been drinking, and was in and out of the restaurant all day. The applicant ordered him to leave and he refused. She informed him that if he did not leave, she would go to a neighbor's and stay there all night. About 11:45, he left the restaurant and she thought he had gone. At 12:00 she closed the restaurant and went into the house and found Cleveland there. She started to leave when he, with an ice pick in his hand, stepped between her and the door. She ran for the kitchen door but it was locked. He came towards her with the ice pick upraised to strike her when she reached in a drawer of the kitchen cabinet and found a revolver which she had placed there a month before when she loaned money to a man from Pittsburgh and took the revolver as security. She took the revolver and started for the front door and told Cleveland to let her alone. He began to strike her with the ice pick. In the turmoil the gun went off, the bullet entering his stomach, and he died several hours later. There were no eyewitnesses to the tragedy. Upon advice of counsel, she pleaded guilty to the indictment for murder.

The applicant has served six years and two months of her term of imprisonment. She was never before charged with or convicted of crime. The present District Attorney, after examining the application and notes of testimony and after having talked with the officers in charge of the prosecution, filed a letter with the Board in which he states that he believes the applicant is entitled to such favorable action as the Board may see fit to take. The Superintendent of the Allegheny County Workhouse, in a letter filed with the Board, dated November 24, 1930, states that the applicant has been in his custody since November, 1924, and that her conduct there had been good.

In consideration of all the circumstances of this case, the prior good record of the applicant; the term of imprisonment already served; her good prison record, and because of the favorable attitude of the present District Attorney, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that she should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to six years and two months' imprisonment, effective on December 20, 1930, conditioned, however, that the applicant immediately return to Virginia.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Daisy E. Woods, alias Margaret Hayes, alias Cleveland, be commuted to six years and two months' imprisonment, expiring on December 20, 1930, conditioned, however, that immediately upon her release she return to Virginia.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 630, 631, 632, 633 and 634, November Sessions, 1924, in the Court of Quarter Sessions of the Peace, in and for the County of Philadelphia, Edward Donnelly was convicted on five indictments charging attempted robbery, entering with intent to commit a felony, conspiracy to rob, assault and battery, aggravated assault and battery, battery to kill and carrying concealed deadly weapons, and at Nos. 630, 631, and 633, was sentenced, in the aggregate, to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than fifteen years nor more than thirty years. Sentence was suspended at Nos. 632 and 634, charging conspiracy to rob and carrying concealed deadly weapons.

The applicant is a native-born citizen of the United States, twenty-seven years of age. At the time of his conviction he was engaged in the illicit sale of intoxicating beverages. He is married and has a wife living in California. He has one child, aged six years, residing in Malvern, Pennsylvania.

The applicant, Edward Brennan and James Baily entered the tin can and bottle store of Ruby Gulkis, at 703 East Passyunk Avenue, Philadelphia, at about 10:30, on the morning of November 19, 1924. Harry Gulkis, a brother, and others were in the store at the time. The applicant, Brennan and Baily (partners in bootlegging), met by appointment on the morning of the day in question for the purpose of calling on various customers to whom whiskey had been delivered and making collections for the same. The visit to the Gulkis' store was to make a collection for fifteen cases of whiskey that had been delivered there a week previous. The applicant and Brennan, at suggestion of Gulkis, went into his office, which was in the rear of the store, and the door was closed. Baily remained in the store.

At the trial, the Commonwealth contended that the applicant held up Ruby Gulkis and that in the melee which followed Brennan and Baily escaped; that the brother, Harry Gulkis, reached from behind and grabbed the applicant's gun just as the same was being discharged at Ruby Gulkis and the bullet went wild; that this was the only shot fired; that when the policemen arrived on the scene he found the applicant lying on the floor overpowered by the two Gulkis brothers and another man. Ruby Gulkis was bleeding from a gash in the head and was taken to a hospital.

There were filed with the Board the affidavits of Edward Brennan and James Baily, co-partners and companions of the applicant. Brennan was the only eye witness of the affair in the office, with the exception of the Gulkis brothers. Brennan deposes that after the office door was closed an argument arose between Ruby Gulkis and the applicant as to the quality and price of the liquor which had been delivered; that during the course of the argument Harry Gulkis, the brother, came into the office; that an altercation ensued between the latter and the applicant during which Harry struck him in the eye; that a general fight followed at which time, Baily and Brennan managed to escape.

Brennan states that at no time was there a revolver in evidence and that, to the best of his knowledge, the applicant did not have a revolver in his possession; that at no time was there any attempt to rob or to commit any offense whatever on the persons of the Gulkis brothers and that the visit to the store was for the sole purpose of collecting the money due for whiskey sold and delivered; that affiant was arrested for his part in the affair but neither of the Gulkis brothers appearing against him he was discharged; that within three months after the applicant's conviction and sentence, a man who was connected with the Gulkis store visited him and asked him if he wouldn't compromise the claim due for whiskey; that within several months thereafter this same man, who appeared to be working for the Gulkis brothers, gave him eight hundred twenty-five dollars (\$825.00), the original price claimed for the whiskey; that he took the money, adjusted Baily's share with him, but never gave the applicant any portion of the money received.

Baily, in his affidavit, states that during the melee no revolver was shown; that he did not have one in his possession, and, so far as he knew, neither Brennan nor the applicant had revolvers; that there was no attempt made to rob or com-

mit any offense, and that the sole purpose of going to the Gulkis' store was to collect money due for the whiskey sold and delivered; that he was arrested for his part in the affair, but, the Gulkis brothers not appearing against him, he was discharged. He further states that the Gulkis brothers knew Brennan, the applicant and himself, as they were all in the bootlegging racket and had prior dealings and that he received from Brennan his share of the money.

The applicant has now served six years and one month of his term of imprisonment. He was twenty-one years of age when sentenced.

There was filed with the Board a letter from Allen M. Matthews, Treasurer of the Board of Trustees of the Eastern State Penitentiary, in which he strongly recommends clemency, offering to become sponsor for the applicant. He believes that the applicant has been morally rehabilitated. The trial Judge has filed two letters with the Board. In the first, he strongly recommends that a rehearing be granted the applicant. In the second, addressed to the Attorney General and filed with the Board, he states that he now believes that the applicant has truly reformed and can safely be liberated. He adds that the late President of the Board of Trustees, Alfred Fleisher, Allen M. Matthews, a member of the Board, Reverend Linn Bowman, Chaplain of the Penitentiary, Charles Edwin Fox, former District Attorney, and others have taken a great interest in the applicant. Doctor Herbert Goddard, Vice-President of the Board, told him that he would be pleased to stand as the applicant's sponsor—that Mr. Matthews will, in fact, act as his sponsor—and that Mr. Joseph Cunningham, who is connected with the Ford Automobile Agency in Philadelphia, has a position ready for him in Chester. He concludes his letter by recommending the applicant's commutation of sentence.

In consideration of all the circumstances of this case, the comparative youth of the applicant when sentenced; the term of imprisonment already served; because the applicant bears evidence of having truly reformed; because his small son needs his support, because employment has been offered him if released; because the Treasurer of the Board of Trustees will sponsor him; because of the statements contained in the affidavits of Brennan and Baily, partners and eye-witnesses and more particularly because of the strong recommendations of the trial Judge and the statements contained in his letters, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to six years and one month's imprisonment, effective on December 20, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed upon the said Edward Donnelly be commuted to six years and one month's imprisonment, expiring on December 20, 1930.

ARTHUR H. JAMES,

Lieutenant Governor.

JAMES A. WALKER,

Secretary of the Commonwealth.

WILLIAM A. SCHNADER,

Attorney General.

JAMES F. WOODWARD,

Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 36, October Term, 1919, in the Court of Oyer and Terminer in and for the County of Lackawanna, Pasquale Mossotti pleaded guilty to an indictment charging him with murder, the degree of which was adjudged by the Court to be murder in the second degree, and on November 22, 1919, was sentenced by the Court to pay a fine of one dollar, costs and to undergo imprisonment in the Western Penitentiary for a period of not less than fourteen years nor more than twenty years.

The applicant is a native of Italy, sixty-one years of age and owes allegiance to that country. He came to America in 1908. He has a wife and five children in Italy. He was by occupation a laborer and at the time of his arrest was working for

the Delaware and Hudson Railway Company as a track layer and lived in the City of Carbondale.

On or about June 9, 1919, the applicant and one Angelo Molanaro came out of a saloon where they had been drinking together. They had gone but a short distance until two shots were fired and Molanaro fell to the street. The applicant fearing he too would be shot, started to run. He was intoxicated and continued running to the borders of the town. The applicant heard some one call out and tell him to get away and stay away or he would get it next. The applicant ran it to a field and there went to sleep and slept until the following day. When he awoke he wondered what he was doing there and started back to town. On his return to town he was arrested. Molanaro was taken to the hospital where he died. He declared at the hospital that he saw no one around and for that reason the applicant must have shot him, although he admitted they had been good friends. The applicant had no knowledge of having shot his friend and has always maintained his innocence. He was without funds to employ counsel and the Court appointed an attorney to defend him. During the trial the interpreter told him he had better plead guilty or he would be sent to the chair. Fearing he would not be able to establish his innocence, he pleaded guilty to the charge of murder and was sentenced as aforesaid. The above is a history of the crime as contained in the application.

The applicant has now served approximately eleven years and one month of his term of imprisonment. He was never before charged with or convicted of crime. The Superintendent of the Western Penitentiary certifies to his excellent prison record.

There was filed with the Board two letters from Judge Maxey who was the trial District Attorney. In the first letter Judge Maxey states that he has no objections to favorable action to the application. He also states: "Judge Newcomb, the sentencing judge informs me that he has not." In the second letter Judge Maxey states in connection with the present application: "I hope that his case may be reopened and that his application for a pardon may be favorably acted upon. I believe that the eleven years that this man has served in prison satisfy the requirements of justice. Mossotti is now sixty-three years of age and I hope that he may be given an opportunity during the remaining years of his life to achieve social usefulness and happiness."

In consideration of all the circumstances of his case; the age of the applicant; his prior good record; the long term of imprisonment already served; his good prison record; and because of the favorable attitude of the trial Judge and the strong recommendation of the trial District Attorney, Judge Maxey, we have concluded that the applicant has been sufficiently punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to eleven years and one month's imprisonment, effective on December 22, 1930.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Pasquale Mossotti be commuted to eleven years and one month's imprisonment expiring on December 22, 1930.

ARTHUR H. JAMES,

Lieutenant Governor.

JAMES A. WALKER,

Secretary of the Commonwealth.

WILLIAM A. SCHNADER,

Attorney General.

JAMES F. WOODWARD,

Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 6, March Sessions, 1924, in the Court of Oyer and Terminer, in and for the County of Blair, Harry P. Albright pleaded guilty to murder in the second degree, and on March 17, 1924, was sentenced by the Court to pay a fine of



fifty dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than nine nor more than eighteen years.

The applicant is a native-born citizen of the United States, fifty-eight years of age, a laborer by occupation, and at the time of his arrest was employed by the Pennsylvania Railroad Company at Altoona, in which city he resided with his wife. There were no children.

The applicant and his wife lived apart from each other for approximately twenty years, during which time and previous thereto the behavior of the wife was very bad. She was arrested many times for drunkenness and disorderly conduct and was a notorious prostitute. After this long period of separation the applicant became ill and was a patient in the Altoona Hospital, at which place the applicant's wife called upon him on several occasions, and after he had been restored to health they agreed to live together again as man and wife, after promises had been made by her that she would be a dutiful wife. She behaved for a time, but later became as bad as ever, holding drinking parties in their home during the absence of her husband; leading the life of a prostitute, and was arrested many times.

Upon the day of the murder the applicant, who was away working during the day, returned home and found a drinking party in progress, there being twelve to fourteen guests present. He was asked to drink and refused, but finally was prevailed upon to do so and became intoxicated. When his wife hit him over the head with a beer bottle he fired a shot into the wall to intimidate her, and when several male friends of her's endeavored to take the revolver from him it was discharged and the woman killed.

The applicant has now served six years and nine months of his term of imprisonment. He was never before charged with or convicted of crime. His prison record was good, as is shown by a letter from the Deputy Warden of the Penitentiary. There were filed with the Board a number of letters recommending clemency, from Representative Hartsock; Chief of Police Tillard; the Sheriff of the County, and Commissioners Corsuch, Royer and Brumbaugh, and other prominent citizens, all certifying that the applicant was a peaceable and well behaved citizen while his wife was a notoriously bad woman. There was also filed with the Board a letter from the trial District Attorney, who is now the President Judge of the County, in which he states that: "having in mind the facts and circumstances of the crime for which Harry P. Albright was tried and convicted, his previous good behavior; his age and the time already served, I am convinced that the Board of Pardons would be justified in favorably acting upon his petition for pardon, and therefore join the petitioner in making this request."

In consideration of all the circumstances of this case; the age of the applicant; his prior good record; his excellent prison record; the term of imprisonment already served; because of the many letters filed recommending clemency, from the Chief of Police of Altoona, the Sheriff of the County, the County Commissioners and others, and in further consideration of the recommendation of the trial District Attorney, who is now the President Judge, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment should be commuted to six years and nine months' of imprisonment, effective December 17, 1930.

we, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Harry P. Albright be commuted to six years and nine months' imprisonment, expiring on December 17, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 1, August Sessions, 1929, in the Court of Oyer and Terminer, in and for the County of Mifflin, Adolph Lehmann entered the plea of guilty of voluntary manslaughter to an indictment charging him with murder, and on August 27, 1929, was sentenced by the Court to pay a fine of one hundred dollars, costs, and to undergo imprisonment in the Western Penitentiary for a period of not less than three years nor more than six years.

The applicant is a native of Baden, Germany, twenty-seven years of age, and owes allegiance to that country. He is a butcher by occupation, but was employed by Miller Brothers, owners of the 101 Ranch and Wild West Shows, and had personal charge of Mr. Zack Miller's horses and two saddles valued at \$10,000 and \$7,500, respectively. He is unmarried.

The applicant has been employed for a period of three years by the Miller Brothers. On the morning of May 22, 1929 the show arrived at Lewistown, Pennsylvania, and upon the applicant's arrival at the tent where hay was kept for the horses he saw the space which had been reserved for the hay for Zack Miller's horses, occupied by buffalo. The applicant and another cowboy moved the buffalo from the space and just as they had finished transferring them to another location a colored man who had charge of the buffalo came in and inquired what was the meaning of the moving of the buffalo. The applicant replied that he ought to know better than to put the buffalo in the space in which, for more than three years, he had kept hay. The colored man said he would put the buffalo back in this space. An altercation arose between them, which was summarily concuded when the chief of the cowboys came and ordered the colored man out of the tent. The applicant placed the hay in the space the buffalo had occupied and went to breakfast. After breakfast, he returned to the tent and again encountered the man with whom he had had the altercation. The latter had in his hand the quirt which he had taken from the applicant during the former altercation. When the applicant asked him for the quirt he struck at him. The applicant backed away. The man reversed the quirt in his hand, which was loaded with lead, grasping the tassel part, and again struck the applicant. In making this second attack he arose from the bale of hay on which he had been sitting, and, as he struck at the applicant, the latter pulled a pistol out of his pocket and shot him. The man was taken to the hospital and died twenty-eight hours later. After the shooting, the applicant went into the main tent and told Mr. Zack Miller what he had done. The latter advised him to go to the police station, which he did. He was then arrested and placed in prison.

The applicant has now served one year and four months of his term of imprisonment. He was never before charged with or convicted of crime. A letter was filed with the Board from Frank Schmidt, residing in Chicago, in which he agrees to give the applicant, if released, a home and employment. Z. F. Miller, the applicant's employer, has filed with the Board a letter in which he states that the applicant had worked for him at different times for about four years and that he had never been in trouble. He states that he would give him a job if he were released. He adds, "I am thoroughly familiar with the circumstances surrounding this unfortunate affair and know the negro who was killed to have been a very quarrelsome and vicious man. It was my understanding that at one time he was convicted of poisoning some performing dogs. I learned of this after the unfortunate occurrence of which Lehmann was convicted." He concludes by recommending pardon.

The trial Judge and trial District Attorney, in letters filed with the Board, both recommend clemency.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because employment and a home have been offered him if released; in consideration of the letter from the applicant's former employer and the recommendations of the trial Judge and trial District Attorney, we have concluded that the applicant has been sufficiently punished, and, while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprison-



ment heretofore imposed by the Court should be commuted to one year and four months' imprisonment, expiring on December 27, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Adolf Lehmann be commuted to one year and four months' imprisonment, expiring on December 27, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 121, 122, and 124, April Sessions, 1922, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Mario Lopez, alias Morris Jaffer, alias Steve Vukmanis, was convicted of assault, being armed with an offensive weapon, assault, with intent to rob; assault and battery with intent to kill, and conspiracy to rob, and on April 10, 1922, was sentenced by the Court in the aggregate to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than twenty-eight years, six months, nor more than thirty years.

The applicant is of Italian birth, a citizen of the Republic of Argentina, thirty-eight years of age, and unmarried. He was an interpreter by occupation, but for a time prior to his arrest for the present offense he had been employed as a fireman on ocean-going steamers. He had resided with his parents in the City of Buenos Aires, Argentina, almost his entire life, but at the time of his arrest he resided in the City of Philadelphia.

On March 13, 1922, Robert McGirr and Gordon Hood, bank messengers in the employ of the Southwestern National Bank, Philadelphia, shortly after noon had \$13,500.00, in cash, in their joint possession. They proceeded to walk northward along the east side of Broad Street and as they approached Rodman Street, two men jumped upon them and knocked Hood out of the way, seized the package of currency being carried by McGirr, and climbed into an automobile which had been parked facing east on Rodman Street, with a man at the wheel. McGirr then followed the two men and jumped on the running board of the automobile. The man whom he later identified as John Vantage, struck him over the head with the butt of a revolver causing him to fall off in the street. The automobile proceeded on its course until finally two police officers took up the chase, commandeering a motor truck, and followed the bandit car. The applicant was identified as having jumped from the bandit car on Eighth Street and having walked southward on said street. One of the officers jumped from the truck and arrested Lopez. The other officer continued after the bandit car. Vantage leaped from the bandit car and ran into a pool room. The officer pursued him and as he approached, Vantage opened fire with a revolver, shooting the officer through the left arm. The officer then attempted to beat him into submission but before he had time to do so, Vantage had fired another shot into the officer's back. Finally the officer with the aid of another officer who had been attracted to the scene, subdued Vantage and placed him under arrest. The bandit car, after Vantage leaped from it, disappeared. Joseph Weiner was later arrested and identified as the driver of the car. Vantage, Weiner and the applicant were jointly indicted by the Grand Jury. When the cases were called for trial, Weiner was granted a severance and was subsequently tried and acquitted by the Jury. The applicant was convicted and sentenced as before stated. Vantage received a like sentence. When the applicant was arrested he was walking on the street near his home, and was not armed with any weapon, nor did he have any money on him.

During the trial the applicant was not represented by counsel and could not speak or understand the English language. He did not testify in his own behalf, nor was an interpreter

available to interpret the testimony of the witnesses against him. The entire trial lasted but twenty minutes. The officials of the Penitentiary state that when the applicant was admitted into that institution, he could neither speak, nor understand the English language.

The applicant was arrested but once before his present trouble, charged with disorderly conduct and was discharged by the Magistrate. He has now served eight years and eight months of his term of imprisonment. Arrangements have been made to deport him to Buenos Aires.

In consideration of all the circumstances of this case; the prior good record of the applicant, with a minor exception; the long term of imprisonment already served; the fact that Weiner, one of his co-defendants, who drove the car, was acquitted by the Jury, and because arrangements have been effected whereby the applicant will be deported to Argentina, we have concluded that he has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to eight years and eight months' imprisonment, effective on December 10, 1930, upon the express condition that the applicant immediately upon his release be deported.

We, therefore, "after full hearing upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed upon the said Mario Lopez, alias Morris Jaffer, alias Steve Vukmanis, be commuted to eight years and eight months' imprisonment, expiring on December 10, 1930, upon express condition that the applicant be immediately deported.

ARTHUR H. JAMES,  
Lieutenant Governor.  
JAMES A. WALKER,  
Secretary of the Commonwealth.  
WILLIAM A. SCHNADER,  
Attorney General.  
JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 22, April Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Venango, Edmond L. Flick was convicted of forgery, and on July 8, 1929, was sentenced by the Court to pay a fine of one dollar, costs, and to undergo imprisonment in the Western Penitentiary for a term of not less than two years nor more than four years.

The applicant is a native-born citizen of the United States, twenty-eight years of age. He is a bank clerk by occupation and at the time of his arrest, was the cashier of the Citizens Bank of Pleasantville, Pennsylvania. He resided in that County, and has a wife and two sons, age three and eight years, respectively, who are now residing with his father and mother on a farm in Venango County.

In October, 1927, the applicant became cashier of the Citizens Bank of Pleasantville, Pennsylvania, after having been employed for seven years in the Oil City National Bank of Oil City, Pennsylvania. Forest B. Kuhns, a contractor, carried an account at the Citizens Bank and frequently made loans of several thousand dollars. The applicant and Kuhns were very friendly, the former having frequently accommodated Kuhns in the bank by making loans to him, which he urgently needed. On September 24, 1928, the bank was burned, broken into and robbed and its records partially if not completely destroyed. Certain evidences of indebtedness to the bank, contained in a metal box in the safe, were removed by Sylvester Watson, colored, the janitor, a self-confessed forger who pleaded guilty, and was sentenced by the Court of Quarter Sessions of Venango County, at No. 17, November Sessions, 1928, on the charges of burglary, larceny, and arson. After the robbery and burning of the bank, as aforesaid, the bank officials made a check-up of its affairs and records and found among the evidences of indebtedness to the bank, a note purported to have been signed by the said Forest B. Kuhns, in the sum of one thousand, two hundred thirty dollars (\$1,230.00). Mr. Kuhns'



attention was called to this note and he denied ever having signed it. A few weeks later, the applicant was arrested and subsequently indicted for the forgery of Kuhns' signature on the said note.

At the trial, the applicant was convicted and received the sentence hereinbefore stated. The applicant admitted that he had signed Kuhns' signature to the note and had not attempted to disguise his handwriting but claimed that Kuhns had authorized him to sign the latter's name to the note for the purpose of putting it into the bank to replace a note of like amount which was then in the assets of the bank and to which the officials of the bank were objecting as not being sufficiently secured, although the bank officials for some months prior thereto had knowledge of this alleged unsecured note being among the assets of the bank. The applicant received none of the proceeds from the Kuhns' note nor anything of value in connection with this particular note or the note which it replaced in bank. Kuhns admitted that some time after he learned that the note bearing his signature was in the bank and had been put there by the applicant, that he took the applicant into his employ in the City of Oil City and kept him employed for about two weeks.

The applicant has now served one year and five months of his term of imprisonment. He was never before charged with crime, except that at No. 7, January Sessions, 1929, in the same Court, he was acquitted by a jury on the charge of wilful and malicious breaking and entering and larceny, in connection with the robbery and burning of said bank. His wife and two small boys are in need of his support. Employment has been offered the applicant, if released, by former County Commissioner Tate, who has a store at Cranberry, Pennsylvania, and by George R. Bugbee, Justice of the Peace and real estate dealer at Pleasantville, Pennsylvania.

There were filed with the Board a number of letters recommending clemency. The City Treasurer of Oil City, Commissioners Gates, Ritchey and McElhaney, County Chairman Phipps, Wm. S. McKay, President of the First National Bank, Greenville, Sheriff Voorhees, Prothonotary Swyers, the Chief of Police of Oil City, the Vice President of the Franklin Trust Company and others, in letters filed with the Board, asked clemency. The trial District Attorney writes the Board that the applicant's wife and two boys need his care and support and under all the circumstances he doubts if the interests of the Commonwealth will be conserved by his further incarceration and, therefore, "makes no opposition to the application." The present District Attorney writes the Board with regard to the general good reputation of the applicant and his family. He makes no recommendation but states: "I am not familiar with the material facts of the case but believe the case comes within that class wherein the notoriety derived from the case and the fact that the defendant was convicted is, in itself, the more severe punishment."

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment already served; because of the many letters of recommendation filed with the Board from county officials, bankers and others; because of the favorable attitude of the present District Attorney and trial District Attorney; because employment by two responsible parties has been offered the applicant if released and because his wife and two small boys are in need of his care and support, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and five months' imprisonment, effective on December 8, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed upon the said Edmond L. Flick be commuted to one year and five months' imprisonment, expiring on December 8, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 1016 and 1017, August Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Nathan Devoughan was convicted of murder in the second degree, and on December 3, 1926, was sentenced by the Court to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than six years nor more than twelve years.

The applicant is a native born citizen of the United States, sixty-four years of age, colored. He is married and has two children. At the time of his arrest he was a resident of Philadelphia and was employed at the Baldwin Locomotive Works as a pile driver and blacksmith's helper.

The applicant shot and killed Seaborn Fanning on July 17, 1926, at the house of one James Harris, 8410 Erwig Avenue, Philadelphia. At the time of the shooting there were about five people present besides the deceased and the applicant, although only one person of the five was called by the Commonwealth as a witness. Prior to the shooting the applicant was at his home. James Harris and Seaborn Fanning came and requested him to go to the house of Harris with one Peter Stewart in order to straighten out a matter or difficulty between Stewart and a man named Lane who had previously been cut by Stewart. The applicant complied with their request and went to Harris' house where all of them except the applicant engaged in gambling pending the arrival of Lane. Everybody in the party was drinking with the exception of the applicant who did not drink pursuant to the orders of his physician. After a time a quarrel ensued between Fanning and Stewart, the former claiming that Stewart had refused to pay a bill of one dollar. In a few minutes the parties went downstairs and both Stewart and Fanning seized knives. The latter seized a butcher knife which belonged in the house. At the time Fanning was in a drunken condition and had locked the front door and placed himself in the back door with the knife in his hand. The applicant desiring to go home, approached the back door and asked Fanning what he intended to do with the knife. Fanning replied that he intended to kill every nigger there. The applicant then said: "Don't bother me with your knife. I ain't done nothing to you." Fanning replied: "I don't give a damn. I am going to kill everybody." Thereupon Fanning advanced toward the applicant and struck at him over the table which was between them. The applicant backed away toward the wall of the room but Fanning kept on approaching. The applicant then seized his pistol which was tied up in a newspaper and tore the paper off and warned Fanning to keep away. The latter, however, kept on coming and struck at the applicant again and this time the point of the knife penetrated the applicant's shirt and struck the back of the building and loan book which he had in his pocket. The applicant then fired his gun downward at the floor to frighten Fanning, but the bullet struck him in the stomach and adjacent organs causing a hemorrhage from which he died within a few hours.

The possession of the gun by the applicant was explained as follows: He had had the gun for about eleven years and during this period it had been fired but once. On the day before the shooting the applicant had made arrangements to sell the gun to his cousin, Thomas Brown, and when he left the house he took the gun with him for the purpose of delivering it to Brown, but the latter not being at his home the applicant proceeded to the Harris house as he had set out to do. The gun at all times was kept wrapped in a newspaper and tied with a string. He had known Fanning for less than a year but had had no quarrel with him and, therefore, there was no reason why he should have shot Fanning except in self-defense. The only eye-witness for the Commonwealth was Harris, who was the brother-in-law of Fanning. The latter boarded with him at the time of the tragedy. He testified that no words passed between the applicant and Fanning, that there was no quarrel between them or anything from which the applicant might have taken offense.

The applicant claimed that he fired but one shot which was in self-defense while the deceased was advancing upon him with a butcher knife and had him backed against the wall.

that there was no way of escape, and that he did not intend to kill the deceased and that the killing was accidental.

In consideration of all the circumstances of this case; the prior good record of the applicant; his age; the term of imprisonment already served, we have concluded that the applicant has been severely punished and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to four years' imprisonment effective on December 3, 1930, upon the express condition, however, that the applicant immediately return to North Carolina, his native state.

We, therefore, "after full hearing, upon due public notice, and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Nathan Devoughan be commuted to four years' imprisonment, expiring on December 3, 1930, upon the express condition, however, that the applicant immediately return to North Carolina, his native state.

ARTHUR H. JAMES.  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER.  
Attorney General.

JAMES F. WOODWARD.  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 241, March Sessions, 1929, in the Court of Quarter Sessions of the Peace, in and for the County of Delaware, Charles F. Zoll pleaded guilty to an indictment charging him with highway robbery, larceny and receiving stolen goods, carrying concealed deadly weapons, wantonly pointing and discharging a gun and conspiracy, and on March 22, 1929, was sentenced to pay a fine of one thousand dollars, costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than five years nor more than fifteen years.

The applicant is a native-born American citizen, twenty-five years of age. At the time of his arrest, he was unemployed. His residence was in the City of Philadelphia, where he lived with his mother and two sisters. He is unmarried.

In the early morning of January 8, 1929, a truck belonging to John Hillyard, an expressman of Eddystone, Pennsylvania, was apparently held up in Lansdowne Avenue, in the Borough of Yeadon, Pennsylvania, and carried off. The truck was carrying plush and cloth to the value of approximately twenty thousand dollars from mills in Delaware County to New York. Eight men, to wit, William H. Schwalbe, Frank McGlinchey, Rocco Matio, Nicholas Bartilucci, Joseph Bogash, Tony Kelly, Louis Lasch and the applicant were jointly indicted for the robbery, while the applicant was also indicted for carrying concealed deadly weapons, wantonly pointing and discharging a gun, conspiracy, larceny and receiving stolen goods. The applicant entered a plea of guilty to all the indictments and was sentenced as above stated. Schwalbe pleaded guilty to the robbery and not guilty to all of the remaining indictments. He was acquitted on all charges except that of robbery (to which he pleaded guilty) and received a sentence of from eight to twenty years in the Eastern Penitentiary. Matio was acquitted on all charges. McGlinchey pleaded guilty to all indictments, and involved Hillyard, the owner of the truck, in a conspiracy to have the truck, which was heavily insured, robbed. Hillyard was subsequently convicted of conspiracy and fraudulent conversion and sentenced to pay a fine of five hundred dollars and to undergo imprisonment for a term of from one to two years. A part of the goods and materials on the truck were sold to Lasch, who, as aforesaid, pleaded not guilty but was convicted of conspiracy, larceny and receiving stolen goods and sentenced to pay a fine of one thousand dollars, and to undergo imprisonment for a term of three to six years. In June,

1930, Lasch, the receiver of the stolen goods, was paroled on the payment of one thousand dollars, fine and costs. At the September Sessions of this Board, Schwalbe's minimum sentence of imprisonment was commuted to one year and six months, as of September 21, 1930.

The applicant has now served one year and nine months of his term of imprisonment.

There was filed with the Board, a letter from George W. Small, private detective, New York City, in which he offers the applicant employment if released. Charles F. Smith, Superintendent of Police of Haverford Township, Delaware County, the prosecutor in the case, recommends clemency. Samuel Seigle, Superintendent of Police of the same township, also recommends pardon. Thomas Wideman, member of the House of Representatives, recommends clemency.

In consideration of all the circumstances of this case: the term of imprisonment already served; because employment has been offered him if released; because of the recommendation of the prosecutor in this case, Representative Wideman and others, and in further consideration of the fact that Schwalbe and Lasch, two of the applicant's co-defendants are out on parole; that Matio, another co-defendant, was acquitted by the jury; that McGlinchey, another co-defendant, received a jail sentence of from one to two years, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to one year and nine months' imprisonment, expiring on December 22, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Charles F. Zoll be commuted to one year and nine months' imprisonment, expiring on December 22, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER.  
Attorney General.

JAMES F. WOODWARD.  
Secretary of Internal Affairs.

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At Nos. 555, 556, 557 and 560, October Sessions, 1923, in the Court of Oyer and Terminer, in and for the County of Philadelphia, John Kanowski was indicted for robbery, entering to steal, assault and battery and carrying concealed deadly weapons. He pleaded guilty to all of the indictments excepting the last one, in which the jury found him guilty, and on October 18, 1923, was sentenced by the Court in the aggregate to pay costs and to undergo imprisonment in the Eastern Penitentiary for a period of not less than ten years nor more than twenty years.

The applicant is of German and Polish parentage, but a native-born citizen of the United States, twenty-seven years of age. Both of his parents died when he was four years of age and he was reared by an aunt, residing in Pittsburgh. He attended the public schools of that city. His occupation prior to his arrest was that of a painter, although he had been a waiter. At the time of his arrest he was out of employment. He came from Pittsburgh to Philadelphia to seek work on October 5, 1923. He is unmarried.

The applicant made efforts to secure employment in Philadelphia and in the course of his wanderings, made the acquaintance of Morris Noble and another person, who was later involved in the robbery. The three men were in the vicinity of Sixth and Lombard Streets, Philadelphia, where the drug store of Maurice H. Cohen is located. It was suggested by the third man, who is now a fugitive, that they go in and hold up the drug store. The applicant consented and



went into the store with the others, although he was unarmed, and his only participation in the robbery was the rifling of the cash register. Noble and the other man held up the proprietor and took from him some money and his watch and chain. The applicant offered no violence of any kind. They were apprehended not far from the place where the crime was committed. The money taken from the cash register by the applicant was recovered.

At the trial, the applicant was not represented by counsel and entered pleas of guilty to all indictments but the one involving the carrying of concealed deadly weapons.

The applicant has now served seven years and two months of his term of imprisonment. His prior record is good except that about six years prior to the present charge, was placed on probation in Pittsburgh on the charge of larceny and when he failed to report to his parole officer, he was brought before the Court and sentenced to the Huntingdon Reformatory where he was confined thirteen months. At the time of the present offense, the applicant was twenty years of age.

A number of letters were filed with the Board recommending clemency. Maurice H. Cohen, the prosecutor, in his letter filed with the Board states that the applicant, at the time of the robbery offered no violence and merely rifled the cash register. On account of his youth, he recommends clemency. John S. Michalski, who conducts a drug store in Cleveland, Ohio, has written the Board that the applicant, as a boy, worked in his drug store in Pittsburgh for five or six years. He asks the Board to grant clemency. He has also written to the Secretary of the Board that he will give the applicant, if released, a position in the drug store which he is managing. Frank Sonnefeld, the brother-in-law of the applicant, who for seventeen years has been indictment clerk in the District Attorney's office in Pittsburgh, has written the Board offering a home to the applicant if released and will watch over him. He states that Mr. Ball, who is in the warehouse business in Pittsburgh, has a job awaiting the applicant if he is pardoned.

In consideration of all the circumstances of this case; the prior good record of the applicant, with a single exception; the term of imprisonment already served; the youth of the applicant when the crime was committed; because of the recommendation of the prosecutor in this case; because the applicant, when released, has been offered a position by a former employer, and a home; we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to seven years and two months' imprisonment, effective on December 18, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed upon the said John Kanowski be commuted to seven years and two months' imprisonment, expiring on December 18, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs

Commonwealth of Pennsylvania.

Board of Pardons.

Harrisburg, Pa., December 17, 1930.

His Excellency, John S. Fisher, Governor.

Sir: At No. 888, March Sessions, 1926, in the Court of Oyer and Terminer, in and for the County of Philadelphia, Craw-

ford Thomas pleaded guilty to an indictment charging him with murder, the degree of which was subsequently adjudged to be murder in the second degree, and on July 2, 1926, was sentenced by the Court to pay costs, and to undergo imprisonment in the Eastern Penitentiary for a period of not less than six years nor more than twelve years.

The applicant is a native-born citizen of the United States, colored, fifty-two years of age. His occupation is that of a rigger. He is married. His residence is with his brother in the City of Philadelphia.

In July, 1914, the applicant was employed as a yard foreman for The Barrett Company. He had a wife and five children to support and found it hard to make a living, so decided to take a roomer. A few weeks after Courtney A. Green came to live at the applicant's home, he became suspicious of his wife and Green, and one evening, returning home from work, he found his suspicions verified and immediately ordered Green out of his home. After this occurrence, the applicant's wife admitted wrongdoing, but claimed that Green had given her narcotics in order to accomplish his purpose. The day after Green was ordered out of the applicant's home, his wife left him and went to Green. They remained together as man and wife for three weeks. She then returned to the applicant's home, saying that she was sorry and would not transgress again if the applicant would take her back on account of the children. The applicant took her into his home but she did not keep her promise and continued to meet Green. The applicant returning from his place of employment in the month of February, 1925, found that his wife and Green had moved all of his furniture to another house and were living as man and wife, and took the children with them. In April, 1925, Green became tired of the applicant's wife and ordered her out. He sold all of the applicant's furniture and property that they had taken with them. After this occurrence, the applicant's wife again came to him and asked him to take her back into his home, which he had refurbished. The applicant again took her in and moved to another street, and after a period of three weeks, came home and found his wife and Green in bed together. He left his home, but kept on supporting the children. In June, 1925, the applicant's wife and Green lived as man and wife at 1122 Brown Street, where they were arrested for the violation of the liquor laws and for maintaining a disorderly house. After this occurrence, the applicant's wife moved to Eighth and Paris Streets, where she lived with Green until she was arrested by the Pennsylvania Society to Protect Children from Cruelty and was sentenced to the Philadelphia House of Correction where she served forty-five days and was released after promising to lead a different life and take care of her children. She did not keep her promise. After one week, she went again to live with the applicant where she stayed only one week and went again to live with Courtney Green and gave birth to a child which the applicant adopted and supported.

On March 10, 1926, after the applicant was warned that Green was going to kill him the first time he saw him, the applicant lost his patience and about 7:30 P. M. he went to the house at 876 North Eighth Street, Philadelphia, where his wife and Green were living as man and wife, to try and induce her to come home as the children were sick. As he walked into the room, Green reached towards his pocket, and the applicant took out his pistol and shot Green, who died immediately. He then left the house, walked the streets for a few hours, and then voluntarily surrendered. At the trial, he first pleaded not guilty, but subsequently withdrew his plea and pleaded guilty to the indictment.

The applicant has now served four years and five months of his term of imprisonment. He was never before charged with or convicted of crime. The Barrett Company, his former employer, through David Joyce of the chemical department, has offered employment to the applicant if released. The applicant's five children are now being cared for by the Bureau of Colored Children of Philadelphia.

There was filed with the Board, a letter addressed to the applicant from the agent of the Pennsylvania Society to Protect Children from Cruelty which gives a detailed account of the misconduct of Pearl Thomas, wife of the applicant, covering a period extending from October, 1924, to June, 1927.

In consideration of all the circumstances of this case; the prior good record of the applicant; the term of imprisonment

already served; because employment has been offered him if released; because the applicant's five small children require his support, we have concluded that the applicant has been sufficiently punished, and while we are not satisfied that he should be granted an absolute pardon, we have determined that the minimum sentence of imprisonment heretofore imposed by the Court should be commuted to four years and five months, expiring on December 2, 1930.

We, therefore, "after full hearing, upon due public notice and in open session," recommend that the minimum sentence of imprisonment heretofore imposed on the said Crawford

Thomas to be commuted to four years and five months' imprisonment, expiring on December 2, 1930.

ARTHUR H. JAMES,  
Lieutenant Governor.

JAMES A. WALKER,  
Secretary of the Commonwealth.

WILLIAM A. SCHNADER,  
Attorney General.

JAMES F. WOODWARD,  
Secretary of Internal Affairs.

# ONE HUNDRED AND FORTY-NINTH SEMI-ANNUAL REPORT OF THE DOLLAR SAVINGS BANK OF PITTSBURGH.

## THE DOLLAR SAVINGS BANK

338-344 Fourth Avenue, Pittsburgh, Pa. December First, Nineteen Hundred Twenty-Nine

### LIABILITIES

Amount due Depositors, December 1, 1929	\$43,435,661.41
Miscellaneous Liabilities	3,871.50
Reserve for Depreciation	150,000.00
Surplus	3,356,448.56
<b>Total Liabilities</b>	<b>\$46,945,981.47</b>

### ASSETS

Loans on Bonds and Mortgages	\$13,443,474.31
U. S. Government Bonds	3,994,824.14
Railroad Bonds	7,741,920.33
City of Pittsburgh Bonds	1,455,500.00
City of Philadelphia Bonds	3,061,500.00
City of Titusville Bonds	55,000.00
City of DuBois Bonds	53,000.00
City of Oil City Bonds	28,000.00
City of McKeesport Bonds	84,000.00
City of Sharon Bonds	70,000.00
City of Scranton Bonds	199,000.00
Borough Improvement Bonds	2,749,785.00
School District Bonds	3,658,700.00
Sub-District School Bonds	2,004,500.00
Allegheny County Bonds	3,961,863.80
Westmoreland County Bonds	100,000.00
Street Railway Bonds	203,400.00
Township Improvement Bonds	501,000.00
Miscellaneous Bonds	99,200.00
Collateral Loans	12,503.00
Depositors' Loans	418,924.54
Real Estate (sold under agreement)	139.03
Real Estate, Bank Building and Lot	300,000.00
Interest Due	2,108.45
Cash in Banks and on Hand	2,704,141.82
<b>Total Assets</b>	<b>\$46,945,981.47</b>

The undersigned Auditing Committee respectfully reports that they have examined the assets of the Bank and find them to correspond with the foregoing report.

D. F. COLLINGWOOD,  
HENRY A. PHILLIPS,  
WM. E. EVANS,  
FRANCIS B. NIMICK,  
J. W. LLOYD,  
JAMES R. STERRETT,  
ROBT. R. GORDON,  
ALFRED C. POLLOCK,  
Auditing Committee.

Pittsburgh, Pa., December 17, 1929.

LIST OF DEPOSITORS OF THE DOLLAR SAVINGS BANK OF PITTSBURGH, PA., WHO HAVE NOT MADE A DEPOSIT WITHIN TWO YEARS, AND WHOSE DIVIDENDS, WHICH HAVE NOT BEEN ENTERED UPON THEIR PASS BOOKS, AMOUNT TO AT LEAST FIVE DOLLARS. THIS STATEMENT IS PUBLISHED ANNUALLY IN ACCORDANCE WITH THE CHARTER.

### A

63281 Anderson, Lizzie P.	\$	332.96
74453 Adams, Esther E.		19.61
94888 Anderson, John M.		22.07
135199 Algeo, Mary M.		21.59
150492 Arnfeld, Arthur		11.62
160827 Addison, Charles		13.54
379894 Armstrong, C. Dudley		34.43
390493 Augustine, Elizabeth		220.95
390633 Arbuthnot, Charles 3rd		81.14
410389 Abraham, Walter S.		34.45
410732 Armstrong, Elizabeth S.		854.29
410890 Armstrong, John		783.21
453388 Adams, Henry		34.36
475413 Anderson, Clara M.		716.77
195518 Adolph, Rosalie		164.20
205258 Adams, Josephine		92.38
209546 Arndt, Chas. L.		1,474.04
225273 Andrews, Wm. M.		29.62

238072 Abraham, Dora V.	296.06
242604 Addison, Mary F.	13.82
245093 Ashworth, Emma J.	112.23
256468 Adams, Maggie	30.03
363051 Anderson, Wm. S.	521.24
368449 Ambrose, Jos.	744.14
412453 Adams, Emma D.	1,139.72
406974 Armstrong, Zelia M.	137.51
407593 Arrott, Charles Ramsey	351.40
176449 Armstrong, Elizabeth	498.23
206383 Anglock, Henry L.	761.19
208926 Adams, Auguste	2,223.12
363375 Apel, August H.	458.13
412531 Aderson, Jennie	482.01
289424 Anderson, Philip	23.65
292802 Allston, Flora	6,049.64
384970 Armstrong, Dudley C.	181.64
394710 Augustine, Elizabeth	50.40
395098 Anderlessen, Louisa	167.59
290003 Armstrong, Martha	71.40
296562 Ashworth, David C.	3,575.76
250146 Arrott, Lyde R.	129.77
337628 Anderlessen, Louis	283.82
371458 Abbott, Howard H.	61.41
373768 Anthony, Marion T.	454.47
375076 Abate, Pasquale	163.91
391006 Ambrosene, Frank	1,298.72
392163 Allen, Jesse H.	32.40
302407 Adams, Frank N.	112.03
305769 Albright, James S.	59.23
311995 Allen, Edna	112.03
316125 Anderson, Sopha O.	221.04
318753 Ade, Freda	56.77
349133 Anderson, Sarah E.	3,335.62
349756 Allison, Harry B.	15.09
359137 Adams, Frederick O.	297.52
402090 Andriessen, Louisa	160.83
403438 Adams, J. Jarvis, Jr.	41.91
403565 Adisey, Sam	1,004.22
309530 Armstrong, Mary J.	217.54
358257 Allen, Elsie	1,763.55
360262 Ayres, Fannie R.	42.09

### B

31034 Boston, William J.	114.31
74323 Blair, Elizabeth S.	41.53
109994 Brown, John A. S.	263.17
117491 Boyer, Rachel L.	94.80
119005 Burford, Adelia H.	599.16
124556 Berg, Maria	17.01
129242 Bartley, Mary	4,292.19
131186 Burns, Belle	11,833.20
139070 Benham, Margaret L.	3,332.20
142785 Boggs, Mary E.	14.73
149647 Baker, Clara B.	703.70
152015 Barclay, John, Jr.	111.82
158971 Boyle, Anna L.	28.89
161097 Barr, Alfred H.	426.24
323033 Brenneman, Martha E.	139.24
327776 Bates, Agnes	176.01
328334 Brenner, Edith L.	177.59
329170 Bauman, John C.	215.85
329450 Bell, Esther Jane	420.46
329525 Breeze, Emeline	1,309.64
330853 Brady, Annie R.	2,631.00
377343 Brunn, Mary M.	41.40
380191 Burford, George H.	14.97
380327 Barndt, Ludwig	2,131.23
380538 Coyle, Michael F.	211.22
386775 Burke, Eleanor L.	118.82
386940 Baker, Adia V.	24.81
387225 Brisley, Anna	112.22
387790 Boyd, Margurite L.	617.16
387791 Boyd, Hazel E.	802.07
388329 Buckner, Lucille	23.22
388360 Burns, Nona	333.92
390039 Bickel, Annie	23.15
390772 Burk, Mary	35.13
166659 Beam, Ben. S. Jr.	21.29
163630 Burford, Elizabeth G.	182.29
168732 Burford, Elsie McK.	267.68



170384	Biber, Annie E.	35.87	373085	Brown, Nellie W.	119.89
173413	Barbberger, Carl H.	208.74	375115	Bjurstrom, Carl F.	147.26
193115	Baker, M. Gertrude	26.77	391480	Blankette, Ruth	91.18
198719	Boyer, Cyrus	1,262.19	392115	Bauer, John	571.28
202322	Barnes, Agnes C.	52.91	392238	Baird, Jno. L.	48.81
211546	Binns, Edw. H.	311.19	393318	Babin Andras	2,089.88
215666	Beading, Geo. E.	16.18	393334	Baton, Elizabeth Mca.	1,446.24
216818	Belnap, Lena	3,444.9	393411	Baker Jennie	7,297.94
218146	Brown, Maud B.	18.62	260336	Bradley, Ada May	387.80
229159	Bernauer, Rhoda	250.58	269559	Byles, Caroline	543.36
231483	Bauman, Wm.	1,714.6	275150	Beuzen, S. Hammer	840.31
231893	Bloom, Geo.	724.9	281003	Honestadt, Joseph	163.52
238501	Bollens, Constantinus	23.37	333303	Boyle, Joseph R.	15.25
239264	Brooks, Jennie	27.01	336432	Brandt, Emma A.	157.18
240551	Besser, Lucia H.	70.15	336594	Brenner, Simon	330.67
241032	Brooks, Josephine	10.15	241338	Benning, Jane	137.11
241847	Barton, Hugh A.	694.03	343255	Lates, E. Pearl J.	379.57
246768	Bickel, Annie	351.16	344155	Brunn, Mary M.	16.10
249464	Beadle, Mary	1,038.50	360354	Brunner, George	2,697.85
251107	Beaver, Wm.	11.63	361221	Bayar, David	701.55
361104	Bred, Chas. H.	136.59	367341	Paul, William Ray	41.09
361789	Below, Grace L.	2,048.50	312266	Bustler, William M.	77.63
361900	Breckenbach, Jenette	2,602.30	312464	Burnell, Tula L. T.	581.22
361963	Brooks, Elva W.	711.86	320377	Barry, Bridget	17.68
362594	Butler, Nora	16.01	332189	Bauman, John C.	110.06
364240	Brady, Mary F.	1,249.50	342163	Breakirow, William H.	19.77
368122	Buchanan, Geo. H.	21.14	342888	Bartley, Hazel	119.65
368306	Bell, Fred L.	14.59	343357	Bickell, Maudie J.	453.26
368864	Billun, Peter	236.51	245499	Booth, Wm. T.	28.62
370295	Burgess, Jennie	25.16	347691	Bechtel Wm. M.	28.70
370382	Beggs, Anna M.	40.61	348897	Blank, Nick	300.82
411999	Buchanan, Horace G.	5,974.35	349852	Behler Frank E.	545.51
412451	Block, Peter	54.59	350240	Bechter, Marie H.	230.95
405523	Budkus, Eliz.	126.32	350480	Barks, Emma	51.84
169788	Baur, Margaretha	120.25	352295	Bolland, Frank J.	20.16
175994	Black, Agnes M.	12.14	352337	Binns, R. H. Jr.	102.67
200906	Bowers, George	1,678.76	353004	Bradshaw, Jean B.	31.97
216833	Brownfield Chas. W.	35.63	353177	Berglund, Mabel D.	41.39
231778	Bigenwald Josephine T.	9,724.19	353698	Bauman, Margareta A.	833.56
242037	Baret, Luc Celestine	74.53	353931	Ballantyne, Pauline V.	93.91
249205	Balz, Christ	681.19	354363	Bradshaw, Chas. L.	163.89
251728	Butterworth, Sara	1,660.50	354558	Boucher, Walter S.	338.00
363348	Bossert, Katherine M.	441.85	355164	Behm, Christopher	18.72
368301	Brown, Henry S.	17.04	355446	Bozay, Roza	188.08
369158	Barrett, Martin	216.80	356557	Bowie, Elizabeth W.	102.73
369613	Barthberger, Edw. W.	107.79	359030	Bornscheuer, Clara	166.05
411855	Boehm, Wendellin	2,911.97	402618	Boldizar, Joseph	132.05
412685	Eaugman, Besse	103.76	403154	Brunner, Amelia, extr.	2,727.22
407075	Bigger, Susan B.	404.72	403825	Beatty, Katherine M.	57.39
390828	Bechtold, Julia	326.30	300988	Brennan, Maria	38.69
404042	Becker, Agnes	349.20	313369	Boale, John A.	2,044.60
404660	Bender, August R.	62.55	314225	Barton, Maud E.	103.51
405085	Breslin, Katherine	319.02	346522	Brown Emma M.	221.21
405272	Betts, Ida	796.10	346783	Backhouse, Mary E.	1,327.73
405640	Braun, Walter L.	202.53	352148	Burgard, Philipp	309.35
410877	Lurke, Veronica Mary	61.92	352889	Brennemon, George E.	69.56
282231	Burkhart, Frank J.	6,677.22	C		
283399	Black Jeanette B.	239.02	53840	Charlton, Maggie J.	139.49
286555	Brown, Joe F.	14.63	57283	Cameron, Mary	511.10
288356	Broderick, Mary	13.98	68704	Crosby, Hannah	2,032.22
289576	Bvers, Adele	369.14	75151	Campbell, Mary M.	313.51
290519	Baird, Sarah M.	20.17	89192	Clair, Jessie	31.10
292398	Broadhead, Mary E.	156.12	103344	Carroll, Maggie	657.17
294263	Bontempo, Tony	481.12	119037	Carroll, James	19.22
297880	Brady, Ellen B.	1,129.93	120535	Cosgrave, Fannie	17.44
298438	Borovetz, Harry	1,530.01	126455	Coster, Katie	2,803.65
382532	Berry, Catharine	44.16	130961	Carroll, Edward F.	172.01
384867	Bond, Jennie F.	33.28	138543	Cashdollar, Mary M.	1,176.78
385978	Bond, Sadie	75.59	139259	Craig, Henrietta B.	78.93
394779	Brehler, Martin	475.52	139842	Connor, Mary	876.99
395155	Boss, Fred R.	56.14	140957	Coll, Sarah	948.17
395563	Ball, Gordan H.	1,150.05	143936	Conn, Bertha	64.70
396425	Brown, Mary M.	1,003.38	148887	Coyne, Annie A.	298.88
397159	Becherer, Carl	71.55	160454	Conlon, Marcella Q.	169.43
397259	Betz, Katherine A.	29.86	321804	Catz, Jacob	18.65
408034	Barrett, Jas. W.	618.51	322292	Campbell, Margaret E.	1,185.97
403149	Barclay, Lyda	59.49	323864	Collins, Helen McF	239.10
403896	Bowen, Jos.	946.82	324044	Corbett, Julia	11.14
409307	Boon, Albert T.	723.94	325234	Cooper, Agnes	78.05
393888	Bloom Margt	250.53	326271	Campbell, Chas.	88.37
399928	Burke Dorothy E.	1,229.32	327291	CoDuda, Sam	190.52
400137	Beck, Mollie	1,849.03	327829	Confer, Lulu	1,546.60
293415	Blattner, Marie M.	202.83	329556	Catz, Lize	17.14
395195	Brunner, Elmer A.	69.24	330657	Calhoun, John C.	1,146.87
395651	Burda, Mike	650.49	330794	Clark, Margaret	38.81
408349	Barrett, Patrick	1,193.86	376001	Cusick, Nora	165.74
409913	Burns, Mary J. E.	579.93	383981	Coates, Iola M.	23.13
261317	Booker, Emma	14.69	389450	Cronin, Margaret T.	89.37
261359	Brown, Etta E.	18.63	166122	Cartwright, Wm. A.	430.29
264073	Barbelli, Martino	1,301.02	170305	Carroll, Mary	94.30
264385	Burke Edwd. L.	5,293.47	177923	Coleman, Mary E.	35.39
265583	Bachrach Henry	731.96	181340	Cochrane Nannie	4,710.98
266099	Bakau, Jeoronima	803.71	186053	Collins, Ida B.	112.17
267886	Bell, Laura V.	12.81	186837	Croco, Annie	219.61
269145	Burke Sara F.	12.28	191914	Cavanaugh, Annie	520.46
270929	Bell, Wm.	68.25	198577	Cargo, Wm. F.	31.07
272981	Boyle Frank	60.14	203524	Colwell, Lizzie	2,410.54
274947	Bambarger, Jno. H.	13.54	204855	Cohen, Jacob	1,489.30
275578	Bulford, Harriet M.	36.49	206673	Colgrove, James	49.79
332772	Bradshaw, Charles L.	191.59	211570	Clarkson, Caroline B.	23.43
335096	Brooks, James B.	591.47	211814	Cummings, Maggie	86.21
363321	Rehman Rona W.	342.03	220131	Clark, Mary J.	199.42
368456	Baker, Mary J.	1,737.02	220292	Cuff, Maud H.	19.75
369335	Bucina, Ethel	1,041.50	224821	Casy Margaret E.	112.34
336013	Baxter, Ella M.	227.11	231927	Cavett, Emma	56.55
371641	Bonnenberger Agnes	111.45	232284	Cothery, Joseph H.	14.13
372810	Bauer, Ellen	15.76	233934	Connelly, S. Agnes	48.33





403572	Dow, Harry G.	\$	168.40	409209	Fritz, Elmer J.	\$	811.34
303126	Dawson, William B.		277.84	399128	Ford, Blanche C.		20.17
357951	Ductor, Paul		13.16	399567	Friday, John A.		2,215.77
360390	Donnelly, Patrick		1,461.33	258689	Fisher, Cora E.		177.55
E				383914	Finn, Ella R.		652.62
91473	Evans, Susie		286.76	260497	Flynn, Joseph		70.08
101855	Edwards, George B.		20.84	275639	Foley, Mary A.		45.44
161691	Ehmann, Joseph F.		8,810.83	277129	Farron, Alice		30.79
324553	Edelberg, Sigfried		472.74	332905	Fleming, Carrie		24.91
376533	Edmunds, Margaret		42.74	333452	Flaherty, John J.		16.77
378453	Ebbert, Robert W.		165.60	334392	Fulmer, George W.		1,772.81
390874	Ebbert, James K.		42.51	335825	Friedman, Anna		549.05
404739	Eddie, Joseph		40.51	373349	Foster, Sarah		14.71
145793	Eckler, Edith M.		139.79	374431	Fontana, Annibale		38.93
182472	Evans, Lizzie		1,755.78	375612	Fording, Eugene H.		41.58
219735	Elder, Nan J.		1,436.90	391900	Frank, Bella		1,139.07
232730	Evans, Lizzie		275.89	392401	Finney, Emma		37.87
254742	Erhart, Josef		39.67	392401	Finney, Emma		37.89
370297	Evans, Evaline		87.94	392556	Foust, Mae		2,302.30
403256	Ellisher, William		91.01	392657	Foust, Esma		2,309.89
408716	Eastland, Marie		47.85	392803	Ford, Esther M.		169.60
363197	Ehrlinger, Anna R.		238.40	393812	Ford, Randolph		130.07
370539	Eyler, Emma F.		52.90	268805	Fellen, Peter		1,285.24
282586	Eagleson, Algernon S.		12.54	336090	Finn, Eleanor A.		210.06
299295	Eberle, Forest S.		84.50	375883	Farmerie, John L.		104.31
396624	Eckert, William H.		1,028.68	375685	Feller, Nicholas		108.78
409666	Ewing, Florence M.		1,250.33	373349	Foster, Sarah		14.71
409861	Evans, Elizabeth B.		45.82	315512	Foster, Walter R.		13.99
393494	Emmart, Clarissa		7,632.25	317355	Fox, William V.		1,525.53
298978	Eberle, Rosa		978.18	341210	Filipan, Martin		489.54
400343	Everson, Clara R.		225.10	342461	Fawcett, Olive		371.67
336304	Engbarth, George		65.07	350505	Fehrenbach, Charles		632.28
337161	Engle, Annie R.		1,631.61	353168	Fox, May E.		61.51
266203	Eckert, Katherine		101.88	356574	Flis, Stany		1,530.40
333961	Evans, D. Lillian		1,092.17	402547	Fitzsimmons, Anna M.		129.91
338229	Eberle, Anna E.		212.10	354722	Foley, Mary J.		76.91
372787	Emmerick, Anna		151.31	356103	Falace, Nicola		623.11
373074	Ewing, May D.		280.53	357664	Finley, John M.		503.06
375548	Eber, Herman L.		359.95	G			
314674	Elias, Benjamin		33.91	85469	Goldman, David		203.12
343125	Evans, Esther H.		178.79	102664	Glenn, Frank D.		69.93
348325	Eichenlaub, Cornelia E.		39.95	105023	Garland, Eliza M.		25.36
350944	Emery, Caroline K.		903.74	120937	Gillespie, Robert A.		19.61
359321	Eberts, Minnie		15.83	158707	Green, Willard J.		11.56
360222	Epstein, Sarah		648.92	323150	Green, Anna M.		47.26
360606	Enright, Thomas		662.80	325236	Geib, Frances		644.94
301821	Evans, Lena		105.03	327594	Green, William H.		423.76
312748	Eastley, Carrie		513.03	330231	Glass, Margaret		53.63
316172	Ekert, Carrie		1,572.33	377565	Greely, Mary		2,333.16
317201	Edwards, Robert J.		180.82	378811	Geer, William E.		24.18
344260	Eyman, William H.		1,299.88	379039	Griffin, Patrick		231.31
353204	Eaborn, John T.		101.46	379595	Godini, Anthony		933.37
358372	Erhardt, Peter H.		3,101.69	380337	Graham, Anna C.		208.52
F				383559	Green, Lula		24.36
40830	Foight, Harry S.		191.48	388253	Gavan, Catherine		952.97
60558	Fisher, Mazie		95.29	404387	Gies, Martha B.		40.23
83612	Flanagan, Gerald E.		117.80	404437	Geiger, C. Elizabeth		81.57
132968	Fraser, James H.		16.48	410326	Geary, Charles J.		1,114.71
134950	Foxall, George W.		24.73	410770	Gill, Margaret		73.13
154155	Frame, Alexander J.		5,075.99	410802	Gratton, James		2,523.41
324508	Fisher, Elizabeth		1,997.33	410804	Gratton, Lillian M.		2,523.41
325012	Frazier, Earle E.		495.36	170533	Gould, Janie B.		1,184.63
328713	Fleming, Lillian B.		131.69	200335	Gresser, Alice		134.19
329521	Fritz, Lizzie		875.85	213985	Goodall, Josephine		1,244.49
376233	Frazier, Dorcas B.		98.82	223347	Getty, James C.		2,853.95
376650	Forbet, Katie		305.17	227022	Geyer, Clara		751.47
377236	Fierst, Helen A.		46.34	230911	Graham, Emille K.		80.13
379036	Feeney, Bridget		199.15	234785	Gillander, Jean		65.13
388264	Ford, Randolph		167.91	244001	Grange, Augustus B.		14.83
404853	Fitzgibbon, James A.		34.21	246227	Graham, Margaret I.		2,695.51
387264	Fife, Hattie E.		38.83	258225	Goldberg, Harry		14.35
194973	Ferree, Ralph N.		35.23	362230	Geib, Adam		2,318.69
197880	Flannery, Mary E.		58.77	411129	Galterio, Thomas		302.24
223930	Friesell, William H.		79.93	411144	Gallagher, Hugh		335.53
228519	Fisher, William H.		20.28	411148	Getty, Jane E.		298.96
238063	Frey, Robert H.		31.19	411394	Greenberg, Ida		111.45
365259	Foey, Mary		18.70	411704	Groetsch, Thomas		1,279.26
367438	Fallon, Gertrude		863.17	407159	Gibbsch, Mollie		593.58
367458	Fierman, Jacob		122.05	407454	Gable, Amelia A.		276.10
368992	Ford, Mary H.		863.53	183522	Good, Emma		2,425.62
369120	Fischer, Harry F.		32.83	231211	Garman, Leora J.		1,693.93
369460	Fitz, Arabella S.		135.44	234180	Goddard, Bertha A.		327.07
369693	Friedman, Ida		489.56	234812	Grieb, Carrie C.		1,383.87
370655	Friedman, Minnie		2,782.98	234712	Grieb, Eva M.		133.43
412267	Farrell, Perry		58.25	250141	Grieb, Mary T.		1,163.11
203919	Flanagan, Mary E.		728.65	361138	Grates, George E.		52.67
212426	Finnegan, Mary		6,000.01	364514	Gray, Eliza L.		52.13
221031	Fitzgibbon, Mary A.		223.12	354672	Gleann, Edith S.		47.02
411182	Ford, James H.		113.73	357762	Gieg, Mary H.		11.23
411034	Fehring, Mary		355.12	412334	Gush, Mary J.		110.73
412172	Foster, Sarah		1,978.00	407207	Gieger, Ferdinand C. L.		255.31
408837	Forrest, Catherine		108.76	283336	Gregory, John		31.54
284862	Ferguson, Georgina		1,218.01	285082	Gunselmann, Anna		1,545.66
287305	Flaherty, Sarah		320.73	294298	Gertler, Susan H.		25.01
290189	Friedman, Solomon		1,141.59	295953	Graham, David F., Jr.		46.12
291718	Fawcett, Mary		304.24	296428	Gormley, Anna		1,672.36
296009	Felty, Samuel J.		37.36	297313	Green, Nona		2,781.03
293265	Fibus, Jacob		1,220.25	293870	Gibbs, Cyrenus W.		55.33
381528	Frown, John		45.38	384287	Greenberg, Pearl		12.74
383959	Fisher, Mary		479.77	394039	Goodwin, Elizabeth		92.32
384650	Fulmer, Lucy		468.57	395183	Giesey, George A.		110.26
397231	Foy, Edna J.		39.30	397510	Gordon, Louis		62.53
397690	Ferree, Mary E.		41.67	405522	Geyer, John		61.57
408363	Finney, Edith M.		116.43	403570	Grivalsky, Mery		437.17
408870	Farrell, May		249.26	393325	Grant, Goldie		124.13
				399655	Geisler, Margaret A.		159.98





## J

2796	Jarvis, Washington	165.56
38193	Joyce, Kate	11.51
35520	Jonsson, Frank B., Jr.	17.10
74440	Jarvis, Frank W.	25.14
100128	Jackson, Sarah	633.7
183386	Jubb, George S.	32.03
189987	Jordan, Calvin B.	44.59
147124	Johnston, Harriet	43.86
185366	Junk, Annie M.	38.56
312097	Junker, Maria	3,409.13
330287	Jackson, Leanova	174.18
376152	Johnson, Rachel P. C.	42.49
388653	Joyce, Martin	135.1
161689	James, Sarah	13.66
186268	Jones, Silas A.	730.69
200547	Johnston, Ellen	11.66
205168	Jones, Arthur D.	95.18
223315	Jenkins, Nevada	15.72
228155	Jackson, Lily	65.41
231793	Jaffe, Bertha	1,303.39
252203	Junker, Fred	633.1
362140	Johnston, Josephine L.	688.93
363975	Jones, Jean M.	171.97
365906	Joseph, Charles H.	17.1
412093	Jacoby, Charlotte	1,183.77
214551	Jackson, Clarence C.	5,119
233897	Jones, Amos	5,741.66
362227	Jones, Frances S.	45.57
365842	Jones, Isabella E.	8.14
412638	Johnston, Mary L.	183.11
285868	Jones, Sabina	50.05
291057	Jackson, John W.	23.16
297705	Jackson, Bessie	11.67
385343	Jordan, Margaretha S.	61.50
394350	Jarratte, Myrtle	31.67
396269	Johnston, Catherine	49.97
361020	Jennings, Peter V.	363.60
395254	Jarglo, Frank	408.14
399302	Jarvis, Emma S.	306.71
260348	Jackson, Mary Ann	40.24
274957	Johnson, James	31.88
276238	Johnston, Frederick C.	15.08
279697	Johnson, Archer A.	429.47
330291	Jennings, Dorothy E.	63.82
333729	Joyce, Mary	1,049.01
335639	Jones, Thomas T.	833.53
335978	Johnson, Edwin A.	69.82
339463	Johnson, Carrie C.	73.87
371991	James, Hallie L.	177.01
372181	Johnston, Nellie B.	45.33
392315	Jasko, Frances	446.52
393818	Jones, Jane S.	1,892.23
272538	Jones, William J.	43.65
337036	Jenemann, Frank J.	1,243.98
357581	Johnson, Etta M.	724.71
303020	Jacobs, Isidor W.	164.63
312840	Jenkins, Mary E.	63.03
196554	Johnson, Fred	30.64
243655	Judge, Anna	355.01
344058	Johnston, Edwin F.	31.92
350777	Joyce, Mary H.	121.30
351272	Jenkins, Anna G.	72.87
353271	Jacob, Anna W.	49.75
359294	Jordan, Margaret	58.72
402458	Jew, Edward W.	56.23
401358	Janglo, Anna	280.63

## K

62240	Kenan, Annie	1,911.43
75881	Kane, Florence N.	28.29
83134	Kerr, Lide E.	31.66
99999	Kirkpatrick, Mary B.	46.72
104571	Kenna, Bernard P.	1,262.87
120320	Kramer, John C.	4,239.54
149606	Keller, Mary	2,146.72
153724	Keenan, Sarah J.	14.15
157628	Keiser, Louise	76.10
159030	Krider, Conrad	177.42
162008	Kerr, Harry T.	11.57
321238	King, Michael	319.65
321255	Keenan, Mary R.	238.65
321461	Kirsch, Rora	22.04
323345	Kissick, Joseph	135.91
226610	Kalb, Annie	42.53
328483	Kennedy, Francis T.	303.38
330634	Kansill, Charlie	41.17
377177	Kessler, William T.	256.53
377659	Kellher, Julia	345.20
378234	Kissick, Ida M.	85.82
388644	Kuras, Elizabeth	427.04
389107	Kylander, Harold C.	1,249.83
390265	Kennedy, Frank T.	136.58
390383	Kennedy, Sadie A.	536.53
390641	Krieger, Lillie	104.23
404960	Korman, Anna	126.98
405800	Kelly, Helena	289.27
171788	Kirk, Eliz.	12.39
174508	Kelly, Patrick	14.77
176097	Keenan, Owen, tr.	2,073.00
180652	Kennedy, Lula D.	582.19
182073	Kriegelmeier, Annie	1,424.51
185275	Kirchner, Andrew D.	421.64
194970	Kennedy, Anna B.	18.74
208961	Kirk, William Nesbit	23.62
215190	Kane, Maggie	1,156.73
219685	Kinsley, Sarah	162.06

222461	Kline, George	286.07
222470	Kelly, Kate	14.74
235118	Kaplan, Joseph A.	66.42
236914	Kaufman, Sam	32.40
252018	Neehen, Lizzie	30.59
362123	Kern, Louisa	1,159.49
362692	Kock, Louisa K.	281.62
365136	Kerr, Mary	721.32
366267	Krotzer, Reed M.	29.56
363246	Kerr, Agnes G.	174.00
38803	Kane, Alice	89.00
370249	Kraus, Joseph F. A.	16.54
403634	Kemmler, William H.	71.24
403985	Kemper, Theodore A.	1,196.31
175518	Kretz, Mary	1,047.66
362914	Kilpatrick, Grace	38.47
365892	Kennelly, Rose	342.10
366951	Kaufman, Augusta	36.25
367180	Kralik, Amalia	1,352.57
412812	Krotzer, Clyde M.	21.52
166376	Kruse, Feltonella	123.05
267798	Keller, Alfred	675.21
270347	Kearins, Matthew	12.05
271890	Kawaliawski, Enli	1,256.10
277084	Kerr, Emma	63.50
278210	Knepper, Margaret M.	38.90
278700	Kasberger, Mary	4,133.6
279552	Kalin, M.	53.14
333793	Kerr, Ada M.	51.28
333031	Kaplan, Hanna	09.96
338284	Kimas, Arthur W.	556.12
359493	Keeler, Henry	211.32
339711	Kirk, Charles L.	125.46
340215	Kapsanis, Peter J.	13.68
374138	Kane, Michael	16.78
374167	Kerr, John G.	18.14
393112	Kelly, Beatrice	103.93
393576	Kelly, Ellen M.	36.83
264269	Kidd, Jesse A.	74.25
265100	Kroegher, John H.	5,245.34
276178	Kinczus, Apollinary	54.07
373815	Klug, Richard	1,638.75
281829	Kirk, Alice	491.86
286125	Kim, William C.	2,083.36
239583	Kelly, Hattie	235.92
289786	Kistler, Margaret M.	281.51
291389	Kelly, Mary	16.56
293966	Kelly, Annie	2,150.69
299451	Krebs, Bernard J.	64.66
383485	Kulher, Louis	63.16
394236	Kovell, Anna	197.73
396826	Key, Oliver	50.45
408345	Kennedy, Annie	997.70
409538	Key, B. Frank	893.61
409910	Koritar, Mary	557.47
398210	Klans, Clara E.	187.62
399126	Kerigan, Anna M.	162.97
400356	Klein, Peppie	2,052.59
381335	Kienz, Charles H.	3,348.57
381957	Kuder, August F.	1,149.37
398617	Kaiser, Caroline B.	192.97
301265	Kenny, John D.	25.05
301423	Keller, George R.	537.96
305563	Kilker, Gertrude T.	252.12
307608	Kerr, Joseph J.	84.25
313541	Kalchthaler, Mathilda	291.46
316596	Kaylor, Ida	289.36
318975	Kretzier, Goldie	29.13
319466	Kudrav, Mike	42.23
343630	Kassel, John	840.14
343958	Kuznick, Peloks	52.13
345587	Kantork, William	26.33
345753	Kress, Helen H.	389.25
346052	Kennedy, Grace	412.75
351576	Kerr, Howard B.	45.95
351633	Krutz, Minnie	23.65
352545	Keller, Elizabeth M.	11.93
354804	Krings, John C.	34.13
355958	Koerner, Clara C.	1,740.65
356546	Kennedy, Margaret	19.22
358490	Kramer, Louis	81.89
360401	Kraly, Mary	72.53
401474	Kretzier, Susie G.	76.56
401485	Kalb, May L.	53.41
401587	Kischel, Steve	658.26
401662	Kapphan, Mary J.	32.57
305349	Kennedy, Isabel	82.75
308532	Kessler, Margaret	6,292.21
314934	Kiss, Luj	68.50
354400	Kaintz, Albert	51.78
356877	Kenna, James J.	47.68
401448	Koceski, Leon	1,196.50
402367	Keposztas, Meri	217.54

## L

20069	Leek, Sarah A.	1,695.63
20332	Leek, Mary	2,164.96
42180	Lister, Sarah	4,454.38
80761	Lanahan, James S.	252.39
104302	Lanahan, Frank J.	781.73
117365	Lawson, Viola C.	2,630.50
129334	Lewis, Frank W.	3,827.67
140483	Ludwick, Alice E.	687.93
161437	Logan, Jennie F.	335.12
322478	Leahy, Joseph M.	213.31
324475	Lackey, Leola E.	41.27







22240	Neale, Emma C.	91.31
22248	Newton, Jane A.	1,398.57
22248	Neal S. Forrester	1,512.56
411933	Nilles, Catherine	1,617.97
365607	Nixon, Essie L.	133.52
369214	Neel, Mary A.	5,143.63
279963	Newby, Elizabeth	51.76
278704	Neumann, Frederick	725.54
336655	Niehof, Hypatia H.	163.40
340337	Newbury, Jennie D.	2,355.57
362433	Nixon, Lily L.	30.99
373558	Nicholson, Clarine	327.19
399845	Novak, Terezia	1,114.91
309932	Newby, Elizabeth	1,461.94
313313	Nedde, Gertrude	23.29
314754	Norris, Olive R.	727.56
315559	Nelson, Mary S.	264.10
347021	Neil, Clara	1,942.38
353106	Neale, Charles, T. III	644.20
356400	Newman, Jay R.	67.45
346907	Neely, James H.	224.10
352649	Nobie, Katharine B.	80.76
360031	Niedhammer, Anna A.	64.17

## O

46699	O'Reilly, Jeremiah	37.23
323352	Olschar, Antonie	1,096.98
323219	Oalla Caterina	19.46
324350	O'Keefe, Anna	5,770.10
376827	Orient, Michael Jr.	207.60
377482	Orbin, Mary E.	21.35
386331	Ohl, T. Errol	60.93
386982	Ogden, Mary M.	49.41
404123	O'Connell, James J.	132.63
170392	Ohl, Kate B.	18.82
178612	O'Brien, Lizzie	1,327.24
208795	O'Donnell, Margaret J.	100.18
246335	O'Donnell, Bridget	3,620.61
258965	Osborne, Frederica	712.58
361880	O'Donnell, James F.	43.15
406884	O'Neill, Elizabeth	231.32
178228	O'Connell, Katie R.	893.72
189210	O'Neill, Margaret	247.43
255357	O'Brien, Kate	717.42
363193	O'Donnell, Michael V.	92.89
294504	O'Brien, Ellen	1,308.11
285379	Orr, Maxine L.	170.73
285440	O'Malley, John T.	455.92
384363	O'Reilly, Thomas D.	16.95
299940	Ogden, Mary	776.38
384863	O'Reilly, Thos. D.	16.95
279812	O'Reilly, Alice	566.61
391935	O'Hare, Elizabeth	549.83
392017	O'Toole, Flisties tr.	2,410.14
334687	Osborne, Sarah M.	113.43
312556	O'Brien, Della	26.48
319403	O'Donnell, Margaret J.	37.63
346773	O'Donnell, Mollie A.	18.92
352571	O'Conner, Sarah	59.05
356220	Osborne, Boodie	13.80
316975	O'Conner, Ellen	2,821.52

## P

59509	Porter, Nancy J.	2,034.47
61161	Perryhill, Emma	502.03
62384	Piatt, Mary E.	4,190.78
104786	Perry, Dora	4,297.75
105331	Pickersgill, Lily V.	29.22
138070	Pearsall, Walter	202.19
139410	Pickering, Thomas Jr.	67.59
146178	Piedra, Robert	63.58
157564	Pasquinelli, Giovanni	83.64
156867	Patton, Ellen M.	7,592.30
221265	Peleckis, Frank	1,445.51
321465	Payne, Mary B.	41.51
321610	Pearce, Sara	65.16
376136	Powers, Melissa J.	523.59
376265	Pease, Anna	43.34
376322	Paul, Robert T.	257.57
376749	Powell, William Sr.	336.09
377203	Patterson, Albert H.	50.02
377323	Pincus, Max	83.39
379259	Pollitt, Annie M.	5,559.88
386281	Pasquarelli, Antonetta	2,776.94
386813	Paterson, John S.	267.80
389665	Pearce, Nellie	64.78
199499	Page, Margaret H.	79.58
203233	Patton, Cassie A.	602.91
203373	Pryor, Will	132.69
208929	Payne, Minnie	1,835.68
224323	Phillips, G. Albert	417.94
229999	Page, Arthur E.	29.46
234399	Pershing, Helen R.	103.03
243005	Paerson, Charley	37.23
247717	Pearce, Andrew O.	4,135.14
362380	Parsons, John	102.17
369504	Prescott, Clara	3,101.59
403835	Prescott, William	220.19
407032	Pleunik, Mary	164.15
407050	Peciukas, Tadasuz	680.15
366959	Pisano, Angelamaria	176.97
280148	Prendergast, Margaret	14.58
311427	Power, Anna M.	80.75
337050	Ploesch, Marie	144.02
340326	Patterson, May H.	443.22
371204	Peffer, John M.	2,811.85
373460	Por, Anna E.	33.82

380597	Patterson, James W.	50.93
276718	Pitback, Virehek	29.96
334303	Pearce, Tillie	84.55
337645	Papencordt, Anna M.	937.84
338198	Powers, Frank I.	638.43
374508	Petro, Jennie	2,458.24
288404	Pfabe, Anna	616.72
296385	Phylbin, Delie	435.32
383375	Portman, Agnes C.	28.04
393555	Phillips, Hanna	28.53
396395	Potts, John C.	163.01
397092	Penny, Ada D.	174.69
397956	Paxson, Anna K.	138.63
403245	Phillips, Ida	163.65
399182	Peetz, Emma E.	1,553.66
400970	Perrett, Albert	132.89
400971	Page, Mary H.	667.37
400993	Peinkas, Jones	66.97
295018	Pease, Martha C. R.	18.63
385308	Petwoff, Fred	2,953.08
395731	Paulus, John, Jr.	555.10
306915	Peters, Elmer S.	99.20
314784	Powers, Tom	218.58
314503	Pyles, Dalsy Dell	171.74
319715	Pearlstein, Max	27.02
342457	Powers, Raymond	2,795.35
344446	Parsons, Oliver	38.34
345514	Peacock, Irene M.	196.60
347603	Puhlman, Emily J.	904.19
346035	Pease, Harry	29.06
350749	Phillips, Isabella C.	468.38
352201	Perry Marie H.	158.29
359038	Pemberton, Anna B.	42.03
402044	Pavlick, John F.	172.96
403269	Pandula, Adam	4,104.77
301055	Pringle, Allison A.	961.55
304070	Presy, John A.	1,458.41
310796	Page, Anna K.	63.66
313991	Pearce, Tillie	103.36
352892	Paulin, Anna L.	120.40
353278	Pabst, Mary E.	108.83
354493	Prager, Mary M.	111.45
355463	Petterson, Anna	3,450.02
356152	Platt, John N.	74.70

## Q

191305	Quinn, Emma B.	1,411.86
246300	Quinn, Grace J.	2,821.25
211333	Quinette, Maggie E.	712.63
270129	Queenan, Patrick	478.08
339303	Quigley, Walter B.	48.17

## R

64554	Royce, Charles N.	20.33
78820	Ritchev, Ellen C.	15.34
94240	Reinemann, Henrietta	15.05
93138	Richardas, Ella	11,309.22
123774	Robinson, Kate W.	4,077.39
138602	Read, Sarah A.	129.74
155012	Reott, Theresa	317.42
162205	Robinson, Mary	517.35
161598	Rcse, Caroline B. W.	62.41
164726	Richmond Fannie G.	40.64
322283	Resslery, Mary	573.63
324548	Rhodes, Henry C.	49.36
324931	Reynolds, Annie M.	229.87
325123	Ross, Charles C.	233.19
327564	Roth, Melinda W.	142.48
326994	Rosner, Karl	278.09
377698	Robb, Clyde J.	83.04
378162	Reed, M Howard	505.64
386325	Rowse, Joseph S.	242.96
386438	Resnick, Mollie	188.92
389378	Richards, William	556.74
401615	Rougraff, Emil	670.03
405054	Reese, Gladys C.	380.94
8825	Reager, Carrie	138.78
324407	Ryan, Charles K.	4,881.38
181500	Ross, Charles	229.96
184012	Ritchie, Maggie B.	130.25
200938	Ramsey, Margaret	117.59
210360	Rafferty, Mary	26.38
222551	Rankin, Calvin A.	6,254.32
224032	Rohm, Annie M.	14.19
231925	Rider, John W.	20.37
237496	Rinehart, Elizabeth R.	13.87
241381	Rowan, Bridget	242.87
243954	Randolph Hattie	41.03
244215	Rodgers, Helena	16.49
256282	Rcse, Anna	409.53
362748	Reid, Ebenezer	333.55
363050	Rankin, Bessie S.	162.33
363644	Russo, Frank	516.43
363856	Reineman, Augustus P. admr.	43.71
364142	Ripp, Abraham	593.54
365283	Riethmiller, Henry	17.81
365447	Raskauskas, Margaret A.	27.36
365471	Ramsey, James D.	128.12
365490	Rice, Albert A.	123.23
365935	Rigg, Mark A.	31.48
368495	Roths, August	19.39
368913	Ruben, Jacob A.	105.24
370040	Robinson, William B.	562.58
370501	Rogers, Hannah	125.55
411133	Runsky, Zuzanna	1,234.35
411221	Riley, Margaret	1,031.39
411780	Reinecker, Fred O.	2,954.63



363341 Robinson, Agnes L.	1,235.25	363341 Robinson, Mary	\$ 22.47
363342 Robinson, John A.	1.71	363342 Robinson, Emma	73.95
363343 Robinson, Loretta	42.00	363343 Robinson, Anne	85.50
363344 Robinson, Della	12.00	363344 Robinson, Louis C.	134.44
363345 Rodgers, Julius M.	42.00	363345 Smith, S. Adelaide	79.78
363346 Rogers, William R.	130.40	363346 Siger, Anna	1,417.04
363348 Raiston, John A.	79.99	363348 Stanion, George H.	86.31
363349 Ross, Charles C.	295.75	363349 Shaw, Elizabeth B.	397.89
363351 Rinn, Margaret	41.59	363350 Smith, Mary E.	815.87
363353 Rogers, Della	21.65	363351 Schutzman, Ethel	380.33
363355 Rock, Katherine	36.05	363352 Shaffer, Annie	38.44
363356 Roney, Katherine M.	1,137.03	363353 Schafer, Mollie	774.64
363357 Rubin, Samuel	82.00	363354 Smith, Annie	524.02
363358 Russell, Josephine	230.50	363355 Smith, Maggie J.	18.13
363359 Rosenblom, Anna	1,507.93	363356 Singleton, Herbert W.	12.45
363362 Robin, Philip	40.43	363357 Schack, Fred, tr.	16.25
363363 Kelly, John	169.44	363358 Samson, Harry G.	134.67
363365 Roos, Ada C. tr.	18.83	363359 Skews, James	3,827.88
363367 Riddell, George W.	114.53	363360 Skillen, Edith	483.39
363368 Rimmel, Elizabeth	21.89	363361 Steele, Andrew C.	42.57
363369 Rau, Maria	15.38	363362 Stanton, Mary	456.49
363371 Red, William J.	1,410.59	363363 Smith, Jennie	347.05
363373 Rhey, Margaret A.	74.60	363364 Steinkamp, Marie	17.35
363374 Reithmiller, Henry	22.66	363365 Sebold, Maude E.	29.79
363375 Rhine, Mary C.	56.93	363366 Sheridan, Mary E.	16.94
363376 Russa, Fortunata	497.03	363367 Scully, Kate	2,501.59
363378 Rogers, Mary E.	132.93	363368 Schafer, Caroline A.	13.42
363382 Reichhold, Minnie M.	49.20	363369 Schrum, Estella	625.87
363383 Rappa, Frank	3,909.01	363370 Strop, Harry B.	395.31
363384 Rench, Joseph	23.72	363371 Smith, Emma	872.22
363385 Roster, William E.	536.60	363372 Sigh, Mary	2,913.3
363386 Reitenauer, Maud A.	55.18	363373 Stewart, James O.	1,053.50
363387 Reall, Mary	61.43	363374 Sword, Alexander	40.03
363388 Reckley, Mary T.	144.53	363375 Showalter, Walton E.	383.23
363389 Knader, Leona E.	243.74	363376 Smith, Lizzie B.	1,568.37
363390 Richards, Mame	20.97	363377 Salt, Mary A.	15.53
363391 Rice, Annie	77.37	363378 Shraden, Annie	53.64
363392 Rucker, Ruth E. Y.	312.70	363379 Scanlon, Richard	5,839.87
363393 Reynolds, Lottie E.	903.75	363380 Smith, Louis J.	301.16
363394 Roseberg, William A.	845.14	363381 Smith, Maggie	687.19
363395 Roberts, Annie	594.21	363382 Searing, Charles A.	15.57
363396 Ruehl, William E.	113.45	363383 Swenson, John F.	29.80
363397 Rowan, Patrick F.	1,853.39	363384 Schneiderlochner, Martha	95.65
363398 Raymond, Elizabeth	47.23	363385 Scott, Marion E.	44.70
363399 Rattigan, Annie	120.92	363386 Silverman, Mortimer	20.26
363400 Rothschild, Sara	252.77	363387 Scull, Maria	229.08
363401 Reid, Ellen	558.19	363388 Scott, Max	118.96
363402 Riley, Ida E. I. J.	137.93	363389 Solow, Fannie	50.13
363403 Reine, Sam	32.91	363390 Sgal, Joseph	532.35
363404 Reiber, F. Edwin	43.44	363391 Salvia, Leonardo	57.76
363405 Richards, Harry E.	24.92	363392 Schlusser, Ida	174.65
363406 Rickel, Jacob J.	191.44	363393 Santamaria, Thomas	95.09
363407 Ries, Elizabeth	672.74	363394 Sacks, Charles	45.85
363408 Riehm, Floyd L.	27.21	363395 Smith, Nellie	767.09
363409 Ryan, Olive J.	164.75	363396 Stiteler, Katherine P.	158.39
363410 Rinker, Austin J.	2,512.61	363397 Sumner, William G.	17.98
363411 Richter, Frank	29.94	363398 Sunderman, Annie M.	123.64
363412 Rucker, Clara E.	49.03	363399 Swoger, Edna H.	673.40
363413 Reed, Jennie	643.40	363400 Simmon, Wasil	3,938.57
363414 Rafferty, Hugh	50.55	363401 Shand, Ida M.	811.60
363415 Reinheimer, Rudolf	18.16	363402 Schultz, Jennie L.	683.92
363416 Rote, Simon E.	655.31	363403 Schreiner, Jacob H.	118.82
363417 Roncaglione, Martine	3,550.20	363404 Schulte, Barbara	452.61
363418 Ross, Charles C.	117.94	363405 Sbasnick, John	117.40
363419 Rose, Ruda B.	3,698.22	363406 Schwartz, Minnie	2,240.06
		363407 Simmins, Peter H.	2,008.91
		363408 Swan, Gottlieb	1,974.64
		363409 Sherrick, Isaac	51.42
		363410 Sheldon, Carolina	1,251.04
		363411 Shepler, Elsie B.	1,222.62
		363412 Shubin, Clarissa	112.36
		363413 Smith, Katherine J.	510.27
		363414 Shoemaker, Marshall S.	1,749.50
		363415 Stanier, W. E. Clyde	44.96
		363416 Siratofsky, Suzie	312.60
		363417 Smith, Margaret J.	493.03
		363418 Stanier, William	25.52
		363419 Sadwick, Annie	3,335.63
		363420 Schwarzel, John	28.23
		363421 Sweney, James	14.61
		363422 Skinnell, Elizabeth	16.07
		363423 Sallows, Harriet G.	29.17
		363424 Sloan, Clara V.	947.88
		363425 Stoernell, Joseph A.	623.40
		363426 Schmidt, Katharine	103.53
		363427 Schiter, Anna	7.25
		363428 Sabisch, Barbara	2,103.57
		363429 Stefanek, Andy P.	44.16
		363430 Shaw, Bella	3,102.14
		363431 Szezyplenski, Aleksander	1,782.75
		363432 Sedlmair, Joseph	1,038.60
		363433 Stiteler, Katherine P.	86.40
		363434 Smith, John F.	30.15
		363435 Standley, Catharine I.	263.22
		363436 Siebert, Elizabeth S.	49.75
		363437 Strother, Amanda	372.34
		363438 Scott, Sara B.	172.83
		363439 Slerge, Pitor	1,255.03
		363440 Scheidler, Tillie	141.10
		363441 Sullivan, Mary	34.28
		363442 Schmitzer, Ida	232.76
		363443 Schu, Laurette	50.93
		363444 Snyder, Park McK.	57.37
		363445 Samuels, Cella	450.47
		363446 Serry, Mary	07.00
		363447 Scott, Bessie McN.	218.18
		363448 Seil, John G.	109.92
363449 Schoenrich, Evah L.	157.45		
363450 Sigal, Lena	127.98		
363451 Smith, Raymond L.	652.03		
363452 Schneider, Joseph	3,826.10		
363453 Sissman, Abraham	43.43		
363454 Shaffer, Mary F.	71.53		
363455 Shea, Thomas L.	1,501.34		
363456 Sharer, Harry S.	120.75		
363457 Sarver, Anna A.	561.30		
363458 Seder, Jacob	246.50		
363459 Smith, Florence	70.52		
363460 Shialabba, Frances	365.36		
363461 Stoyanovitch, Troyan	153.02		
363462 Straube, Freda	103.02		
363463 Stragand, Cecell	1,250.93		
363464 Stefanowicz, Wicenty	10,217.42		
363465 Salling, Philip	382.60		
363466 Spivey, Charles S.	270.53		
363467 Strouss, John A.	575.97		
363468 Schuppert, Clara	9,605.97		
363469 Swindell, Katie	15.54		
363470 Sunderland, William	4,915.31		
363471 Smith, Sophie	359.33		
363472 Succop, Johanna E.	698.30		
363473 Sprott, Hugh F.	3,260.31		
363474 Stuart, Alice J.	13.27		
363475 Scott, Rachel	175.50		
363476 Scott, Martha J.	55.95		
363477 Stoner, Carrie M.	27.40		
363478 Schmitt, Louisa	4,149.29		
363479 Schmidt, Catherine	14.47		
363480 Seberry, Mary A.	832.92		
363481 Smith, Lydia M.	18.49		
363482 Scanlon, Della T.	10,741.97		
363483 Stifansin, Rose	678.43		
363484 Sproul, John H.	20.50		
363485 Staubs, Teresa	3,081.65		
363486 Stack, Meri	11.80		
363487 Swartzlander, Margaret	109.30		
363488 Speer, Bertha	110.28		





Pittsburgh, Pa., December 16, 1930.

Interest paid to depositors at the rate of 4½ per cent.  
per annum for past four years

LIST OF DEPOSITORS OF THE DOLLAR SAVINGS BANK OF  
PITTSBURGH, PA., WHO HAVE NOT MADE A DEPOSIT WITHIN  
TWO YEARS, AND WHOSE DIVIDENDS, WHICH HAVE NOT  
BEEN ENTERED UPON THEIR PASS BOOKS, AMOUNT TO AT  
LEAST FIVE DOLLARS. THIS STATEMENT IS PUBLISHED AN-  
NUALLY IN ACCORDANCE WITH THE CHARTER.

## A

305769	Albright, James S.	61.96
316100	Alfente, Joseph	14.30
316125	Anderson, Sophia O.	220.04
318456	Adams, Elizabeth	58.83
318753	Ade, Freda	59.33
359552	Armstrong, William F.	15.52
360493	Augustine, Elizabeth	230.97
390513	Armstrong, Elizabeth C.	131.24
390633	Artuthnot, Charles, 3rd.	84.83
391005	Ambrosene, Frank	1,357.31
392373	Austin, Rose A.	78.03
392741	Austin, Harriet M.	136.07
393163	Allen, Jesse H.	33.86
413333	Anderson, Clara E. L.	1,288.03
414400	Adams, Frank E.	131.04
417413	Anderson, Clara M.	749.70
465518	Adolph, Rosalie	171.75
205258	Adams, Josephine	94.63
205385	Anglock, Henry L.	793.03
205346	Andt, Charles L.	1,541.09
348301	Arnfeld, Abe	454.18
349756	Allison, Harry B.	15.77
356078	Appel, Ethel F.	16.58
359136	Adams, Frederick O.	352.94
360262	Ayres, Fannie R.	44.92
401095	Amsler, Mary	1,227.16
403438	Adams, S. Jarvis, Jr.	43.78
410389	Abraham, Walter S.	363.25
410732	Armstrong, Elizabeth S.	893.14
410890	Armstrong, John	824.05
354173	Alexander, Robert H.	145.04
289424	Anderson, Philip	21.71
290003	Armstrong, Martha	71.40
292802	Allston, Flora	6,324.57
331702	Arnfeld, Maurice	224.80
363051	Anderson, William S.	544.95
363375	Apel, August H.	478.56
365437	Ambruster, Wilhelmina E.	49.72
402064	Alexander, John	205.83
400586	Andree, Kathryn V.	20.19
32353	Aultman, John B.	37.33
63281	Anderson, Lizzie P.	348.08
74453	Adams, Esther E.	20.49
94888	Anderson, John M.	23.06
411031	Ambrozic, Joseph	3,236.32
415571	Adamson, Emily	540.49
150492	Arnfeld, Arthur	11.90
232777	Auron, Annie	960.63
234782	Albert, William J.	95.25
235273	Andrews, William M.	29.32
245038	Ashworth, Emma J.	117.33
256468	Adams, Maggie	30.63
368449	Amrose, Joseph	777.98
373768	Anthony, Marion T.	475.12
394710	Augustine, Elizabeth	52.67
242804	Addison, Mary F.	15.43
371254	Arrott, Charles F.	67.95

## B

163659	Beam, Ben S.	22.96
169788	Baur, Margaretha	120.25
173713	Bartberger, Carl H.	218.23
192487	Brownlee, Janet L.	247.28
182692	Beck, Catherine	537.79
193115	Baker, Gertrude M.	27.96
202322	Barnes, Agnes C.	55.29
211546	Binns, Edward H.	325.33
215886	Beadling, George E.	16.90
342189	Bauman, John C.	115.05
342463	Breakiron, William H.	20.65
345499	Booth, William T.	29.90
346062	Blair, Flossie F.	45.79
346522	Brown, Emma M.	231.26
346783	Backhouse, Mary E.	1,388.11
347691	Bechtel, William M.	29.98
348997	Blank Nick	314.43
349826	Bender, Mae M.	110.77
350480	Barks, Emma	57.31
352148	Burgard, Philipp	323.42
353177	Berglund, Mabel D.	43.28
353634	Baughman, James	13.46
353682	Blockinger, Michael A.	341.13
353698	Balmaln, Margaretta A.	909.11
353931	Ballantyne, Pauline V.	98.16
354393	Bradshaw, Charles L.	171.31
354558	Boucher, Walter S.	353.37
355164	Behm, Christopher	19.55
355306	Brooks, Louis	27.67
402267	Buhlak, William	2,263.63
402349	Butler, Abe	27.10
402414	Becker, Albert C.	233.02
402854	Brennan, Anna P.	20.09
403826	Beatty, Katherine M.	59.98
341018	Backoefer, Anna M.	874.44

300338	Barszewska, Mary	\$ 41.63
300835	Brunton, Flora	13.73
301221	Bayar, David	722.46
308499	Burrows, Frank	2,614.53
312266	Busier, William M.	81.14
312464	Burnell, Tula L. T.	610.73
320577	Barry, Bridget	17.63
386731	Bartley, Ethel	4,758.99
386940	Baker, Aida V.	25.91
387513	Bulmer, Elizabeth	1,129.69
387776	Burt, William N., Jr.	51.91
387760	Boyd, Marguerite L.	645.23
387791	Boyd, Hazel E.	838.56
390772	Burk, Mary	59.77
391490	Blankette, Ruth	95.32
392215	Bauer, John	597.26
392238	Baird, John L.	51.01
392941	Brake, Annie E.	210.50
393334	Baton, Eliza McA	1,825.37
393411	Baker, Jennie	7,629.97
403034	Barrett, James W.	677.99
408135	Batung, Mary E.	518.56
408349	Barrett, Patrick	1,248.15
409156	Burga, Angela	606.29
409907	Boon, Albert T.	756.86
409913	Burns, Mary J. E.	606.29
414052	Brown, Elizabeth A.	2,237.22
414200	Behr, Victor J., Jr.	139.76
414456	Behan, John J.	75.21
414711	Boyd, Helen A.	110.71
349931	Barker, Bertha	67.63
360245	Bamford, John D.	877.59
285283	Baummann, Catherine	348.88
288356	Broderick, Mary	13.98
289576	Byers, Adele	385.93
290519	Baird, Sarah M.	21.07
292398	Broadhead, Mary E.	163.22
294263	Bontempo, Tony	503.01
297880	Brady, Ellen B.	1,181.32
322268	Bioion, Karal	1,311.78
322772	Bradshaw, Charles L.	200.29
332901	Bell, Robert C.	502.15
333209	Boyle, Joseph R.	15.93
334424	Bersner, Carrie E.	1,506.36
335096	Brooks, James B.	618.37
335738	Bell, Blanche T.	25.75
336452	Brandt, Emma A.	164.33
336456	Baker, Mary J.	1,847.48
337250	Brandt, Emma A.	114.64
337571	Blair, Alexander C.	827.30
339217	Ballentyne, Lucie B.	129.40
361104	Breed, Charles H.	142.77
361900	Brickenbach, Jennette	2,720.79
361963	Brooks, Elva W.	813.23
362594	Butler, Nora	16.73
364240	Brady, Mary F.	1,306.33
366122	Buchanan, George H.	22.09
382309	Bowman, Sadie	773.54
382532	Berry, Catherine	46.16
384867	Burgo, Jennie F.	34.79
399888	Bloom, Margaret	261.90
399928	Burke, Dorothy E.	1,285.25
400201	Boyle, Haver J.	22.13
400773	Brown, Charles M.	177.15
404042	Becker, Agnes	364.97
405085	Breslin, Katherine	333.54
405640	Braun, Walter L.	211.57
286555	Brown, Joe F.	14.63
401660	Bender, August R.	65.38
31034	Boston, William J.	120.00
44836	Bigham, Charles G.	424.59
74323	Blair, Elizabeth S.	43.40
117491	Boyer, Rachel L.	99.09
124556	Berg, Frank	17.78
326745	Burns, Mary J.	585.94
326948	Briscoe, Mary T.	52.93
327651	Boon, John A.	74.67
327776	Bates, Agnes	184.01
328334	Brenner, Edith L.	185.66
329170	Bauman, John C.	225.65
330853	Brady, Annie R.	2,751.62
377477	Billinger, Ethel K.	160.88
379241	Bauer, Joseph	121.93
380538	Boyle, Michael F.	220.82
412080	Bowen, Curt	583.30
412685	Baughman, Besse	113.68
412707	Barker, Vera E.	56.66
415512	Burns, Mary J. E.	273.24
415612	Burgo, Angelo	1,093.05
415714	Becker, Charles	2,462.94
139070	Benham, Margaret L.	3,379.66
142785	Boggs, Mary E.	18.99
149647	Baker, Clara B.	735.38
152015	Barclay, John, Jr.	116.83
158971	Boyle, Anna L.	29.97
376392	Byers, Fred E.	53.95
412840	Bloom, Elsie	81.35
373085	Brown, Nellie W.	125.31
374087	Bardoner, Lillie D.	20.61
395155	Boss, Fred R.	58.68
395738	Barna, Metro	1,500.28
397159	Becherer, Carl	74.80
397259	Betz, Katherine A.	31.19
406212	Beschel, Christina	42.31
403523	Budkus, Elizabeth	126.28
405891	Bradley, Edward H.	985.76
407821	Baldwin, Ida	32.87





355841 Dunbar, Ella	5.253.71	392805 Ford, Esther M.	177.29
359959 Doyle, Helen M.	102.87	408333 Flinnay, Edith Mosena	121.31
403309 Downs, Charles	56.74	408448 Fischer, Albert	137.39
403372 Dow, Harry G.	176.94	408721 Feldstein, Clara	137.44
355917 Delaney, 'Allye A.	35.94	409870 Farrell, May	289.59
357951 Ductor, Paul	13.75	413278 Folan, Margaret	12.78
293586 Doole, Sarah	12.97	311534 Frank, Robert F.	47.70
294496 Duff, James E.	1,055.12	194973 Ferree, Ralph N.	38.70
294660 Demut, Julie	644.77	197880 Flannery, Mary E.	61.70
324242 Diebach, Rush A.	303.69	212426 Finnegan, Mary	642.71
335535 Dempsey, Mary A.	228.49	356212 Falce, Guiseppo	509.61
335818 Donaldson, Nan S.	439.66	359287 Keller, Nicholas	124.31
338328 Davis, Margaret J.	492.20	402547 Fitzsimmons, Anna M.	138.70
340634 Dixon, John	635.96	403318 Friedel, Edmund P.	173.70
361225 Dietrich, Frederick J.	43.10	215888 Ferguson, Lizzie	207.13
361281 Doyle, Patrick E.	259.76	410007 Feeney, Mary	35.71
362035 Duncan, Cora A.	1,136.84	241862 Ferguson, Georgina	1,129.24
364091 Deutsch, Frank	995.63	288183 Fry, Samuel McK.	52.65
364331 Davis, James R.	140.31	290199 Friedman, Solomon	1,194.63
400321 Davies, George A.	27.85	296009 Felty, Samuel J.	37.33
41706 Davison, Catherine A.	658.97	297685 Franz, John	132.22
41714 Davison, Matilda G.	979.51	298089 Fisher, Cora E.	185.50
77151 Dickson, Edward	3,476.16	332906 Fleming, Carrie	23.12
106624 Daly, Kate	959.71	333452 Flaherty, John J.	17.51
112435 Dougherty, Mary	577.81	335826 Friedman, Anna	374.02
124509 Dougherty, Annie	2,034.23	340124 Forster, Alma E.	117.25
321160 Dohn, Louis A.	28.88	340178 Fox, Emilie	93.73
329392 Dixon, Mary	267.30	365259 Foley, Mary	14.31
378030 Douglas, Earl M.	43.23	381528 Frown, John	43.87
379201 Dickey, Bessie M.	107.53	383969 Flsher, Mary	501.78
411818 Donnelly, Mildred A.	178.35	385181 Forner, Alice	53.73
412877 Drummond, Dessie B.	2,013.15	385837 Froelick, Carrie M.	79.27
412900 Doyle, James C.	2,403.29	399128 Ford, Blanche C.	21.77
176728 Donovan, Tim	2,254.55	405447 Flaherty, Annie	107.52
149137 Discamps, Guvenal	31.39	404533 Fitzgibbon, James A.	7.75
149723 Dickey, William W.	80.83	40330 Foight, Harry S.	237.71
157171 Donaldson, Peter C.	165.54	60553 Flsher, Mazie	92.61
159260 Dennerline, Christopher	1,822.59	131036 Faust, Isabell	337.84
163269 Dewar, Margaret J.	64.66	322605 Ferguson, Samuel J.	442.34
164958 Donahoe, William	16.17	328713 Fleming, Lillian B.	140.50
412533 Duffy, Margaret M.	232.73	376650 Forbet, Katie	319.74
222624 Donaldson, Thomas I.	28.96	377236 Fierst, Helen A.	16.93
225374 Davis, Clarissa H.	597.48	379036 Feeney, Bridget	203.91
228970 Dolan, Patrick	18.17	411182 Ford, James H.	118.38
231420 Donnan, James	2,185.69	412267 Farrell, Perry	612.29
233412 Denman, Gertrude	50.27	415138 Frasher, Octavia	111.46
249468 Downing, Nellie	63.31	415150 Fresch, Albert J.	762.76
254387 Davis, Kate	445.95	132986 Fraser, James H.	16.45
256369 Driscoll, Mary A.	445.49	134950 Foxall, George W.	21.73
263471 Douglas, William C.	103.86	221081 Fitzgibbon, Mary A.	233.43
271820 Dwyer, Della	2,911.97	328063 Frey, Robert H.	39.49
274800 Denain, Frank A.	419.47	260497 Flynn, Joseph	70.03
276832 Doye, William	50.48	263124 Flaherty, Mary	71.57
369161 Dilworth, Mary	30.74	268605 Feilen, Peter	1,264.74
371564 Davison, Ella	565.97	275639 Foley, Mary A.	45.44
373047 Donnell, Clara E.	957.74	277129 Farran, Alice	32.66
373374 Davis, Margaret J.	129.67	368992 Ford, Mary H.	903.03
374166 Daniel, Abe	41.86	369120 Fischer, Harry F.	34.74
374251 Donovan, Milfred	229.71	369693 Friedman, Ida	511.31
374876 Duffy, Agnes	308.07	370855 Friedman, Minnie	2,392.57
375246 Downing, Anna	371.57	373349 Foster, Sarah	15.33
370221 De Graff, Eleanor S.	14.75	375612 Forduz, Eugene H.	43.25
		375683 Farmerie, John L.	102.03
		375685 Feller, Nicholas	113.76
		397491 Flx, Anna	282.15
		397690 Ferree, Mary E.	45.67
		406837 Forrest, Catherine	117.65
E			
201821 Evans, Lena	109.85		
383462 Ebert, Anna M.	2,035.71		
391293 Elterich, Lena W.	142.84		
393602 Eggert, Elizabeth E.	315.51		
409361 Evans, Elizabeth B.	47.87		
411609 Ewing, Eliza	58.71		
219733 Elder, Nan J.	1,572.34		
343125 Evans, Esther H.	186.50		
347020 Ekland, E. Veridia	202.33		
360222 Epstein, Buford B. Admr.	678.42		
360606 Enright, Thomas	692.92		
402958 Easley, Thomas H.	7,995.42		
243388 Easleson, Algernon S.	12.54		
263377 Erwin, Mary	719.99		
299295 Eberle, Forest S.	32.32		
337161 Engle, Annie E.	1,740.33		
359229 Eberle, Anna E.	253.11		
365794 Easton, W. Earl	238.37		
406322 Estep, Margaret	835.74		
81473 Evans, Susie	299.77		
101855 Edwards, George B.	20.84		
104693 Eagleson, Kate S.	12.87		
325814 Edmunds, Evan	357.09		
326550 Evans, Sam	111.05		
376322 Edmunds, Margaret	41.65		
376452 Ebbert, Robert W.	173.11		
376124 Erhardt, Bartholomew J.	3,013.62		
161991 Ehmman, Joseph F.	9,211.70		
293826 Emanuel, Charlotte	720.42		
294742 Erhart, Josef	39.67		
266203 Eckert, Katherine	105.49		
370207 Evans, Evaline	91.82		
370540 Evler, Emma F.	55.28		
371888 Eichmiller, Sarah F.	21.67		
394220 Ererson, Fred E.	46.65		
F			
300519 Flagg, Lucius C.	452.35		
317122 Fellman, Heinrich	1,034.96		
319008 Fettermann, Margaret S.	9.26		
319348 Forster, Alma E.	163.35		
387264 Flfe, Hattie E.	46.61		
392401 Finney, Emma	39.58		
		301196 Gilchrist, Louise J.	1,437.34
		309459 Gill, John	364.16
		313059 Garvey, James	100.40
		314914 Geist, Christ	27.51
		315143 Gratz, Katie	285.50
		386660 Gilmore, Eva J.	124.73
		387723 Gambogi, Mary	3,142.41
		388255 Gavan, Catherine	936.29
		382358 Grelle, Mary E.	65.37
		390365 Grabb, Lucy	22.14
		391073 George, James M.	279.52
		392114 Guest, Sidney	54.67
		408407 Gassman, Frederick J.	213.61
		409373 Gennaro, Concetta	2,677.66
		409440 Gibson, Samuel	2,452.83
		413401 Glenn, William	272.33
		413497 Gerstenschlager, Alex L.	11,260.76
		414192 Grossman, Sadie L.	10,270.73
		311694 Gaunt, Marie	1,027.71
		170533 Gould, Janie B.	1,237.74
		184474 Gilliland, Josephine	32.80
		200210 Grubbs, John B.	40.89
		211385 Garner, Caroline	791.31
		213985 Goodall, Josephine	1,501.69
		341245 Gaeffe, Annie E.	77.91
		341812 Gallagher, Pauline	777.68
		343088 Gray, Eliza L.	39.20
		343720 Grinberg, Barbara	10.12
		344386 Gardella, Bartolomeo	1,174.76
		245081 Glasman, Morris	6,675.23
		244133 Gerlitz, Freda	14.01
		346201 Gibbs, Cyrenus W.	37.72
		347165 Geisler, Irvy H.	20.63
		350225 Goss, Alex E.	25.82
		352327 Gaeffe, Frank J. F.	48.92
		359302 Griffiths, Nellie P.	1,370.35
		360831 Gilgen, Minnie	122.79
		401135 Gebhard, Charles	2,011.66



402012	Greves, Alice	37.84	349453	Hallett, Annie M.	639.45
402823	Gamble, Maude A.	403.51	350445	Hubner, Louise K.	36.48
342567	Greer, Fannie	23.27	350565	Henemann, Edward R.	196.32
347296	Gaston, Agnes H.	46.66	351698	Hutchinson, Ernest E.	44.92
350069	Guthrie, Katherine E.	37.10	352321	Hood, James A.	115.79
351332	Gaston, Marie J.	130.10	352484	Hirsch, Richard	105.67
289082	Gunselmann, Anna	1,615.97	353263	Hough, Roy H.	128.81
294298	Gertler, Susan H.	26.17	353597	Hollerick, Marya	29.11
295953	Graham, David F., Jr.	48.81	354691	Hoffman, M. Magdalen	93.69
298999	Gross, Frank	1,154.39	355653	Holmes, Lillian S.	223.51
335849	Goldberg, Fannie	83.05	356513	Haggerty, Dennis J., Exr.	1,360.51
337790	Goode, Robert B.	514.50	357758	Hauck, Elsie J.	264.95
338166	Graff, Alice Morgan	92.77	359276	Huntley, Gladys G.	227.65
336045	Gruber, J. Harry	129.56	360055	Hodel, Jeannette	56.64
339692	Giles, Anna B.	42.13	360290	Havnar, Mary H.	50.71
364514	Gray, Eliza L.	54.49	401830	Hagen, Clifford H.	68.73
364956	Glaser, Charles W.	95.40	403289	Hodel, Charles F.	6,197.73
365671	Grau, Barbara	3,942.16	403619	Huston, Junius D.	18.77
381675	George, Zale R.	22.69	286863	Hausel, Charles M.	273.93
384785	Geary, Cora M.	605.90	290155	Hughes, Anna B.	3,387.51
398760	Goldenson, Dora B.	81.75	292701	Hirschfield, Libe D.	1,071.31
400769	Gaughan, Sidney	32.73	294733	Hartman, Edward V.	243.39
404387	Gies, Martha B.	42.10	295265	Hogan, Della	459.60
405671	Ginniff, Nellie A.	111.76	299434	Hotz, Mary A.	1,880.04
405825	Guest, Elizabeth	112.17	331432	Huber, Catherine	753.57
102664	Glenn, Frank D.	73.08	331559	Hassinger, Alice	136.08
105026	Garland, Eliza M.	26.49	333854	Hell, Simon J.	224.35
115300	Gardner, Pawhattan	67.86	333951	Hultz, John P., Jr.	76.27
120937	Gillespie, Robert A.	20.49	334005	Hays, Nell H.	2,868.38
323150	Green, Anna M.	49.40	334423	Hillard, H. Raymond	136.08
325236	Gelb, Frances	674.26	336370	Heath, Frances A.	224.35
327594	Green, William H.	443.02	337580	Howland, Esther M.	74.11
330231	Glass, Margaret	56.11	337846	Haggerty, Dennis J.	532.21
337588	Gook, Julia	2,275.72	339571	Hell, Simon J.	1,485.87
378113	Grounds, Mattie S.	110.25	340348	Heppenstall, Miriam E.	41.92
378811	Geer, William E.	25.26	362931	Hughes, Michael F.	225.27
379069	Griffin, Patrick	297.23	363516	Hazlett, Maud M.	3,172.94
380097	Graham, Anna C.	215.49	364698	Houston, Alice E.	1,717.82
380847	Grubbs, Elmer G.	133.82	364931	Holl, Hannah A. M.	575.63
380954	Green, Anna M.	80.41	365054	Hodgson, Joseph W.	68.95
411148	Getty, Jane E.	312.53	365106	Hasley, Samuel	18.03
411394	Greenberg, Ida	116.51	381451	Holz, Genevieve M.	45.65
163935	Glenn, Joseph E.	231.72	384605	Hamilton, James C.	43.24
165671	Giltentboth, Martha	574.88	384673	Hurley, Bridget	901.86
223347	Getty, James C.	2,983.79	385621	Haackler, Stephen A.	182.70
227022	Geyer, Clara	764.73	385627	Hay, Southard	128.94
230911	Graham, Emilie K.	83.77	398714	Head, Anna	34.22
234785	Gillander, Jean	68.18	398826	Henry, La Verne	3,374.87
238210	Garner, Edward	2,209.99	398855	Hathaway, Wilson S.	355.53
244001	Grange, Augustus B.	14.88	399502	Hill, Evelyn R.	42.15
246227	Graham, Margaret I.	2,762.92	400148	Helfrich, Mary	21.10
258225	Goldberg, Harry	14.99	400334	Hampsey, Alexander R.	60.36
259038	Gij, Emma	138.90	403641	Hildabiddle, Katherine	132.47
264216	Getty, Mary Edna	2,848.30	403695	Hamilton, Gertrude L.	40.35
269234	Greenwood, Charles H.	16.47	403918	Hirsch, Hattie	111.46
276646	George, Martha McC.	118.55	410944	Hetrick, Lillian S.	1,212.67
367762	Gregg, Mary H.	15.23	194464	Herbick, Marie K.	338.83
372003	Goodwin, Virginia M.	44.55	348194	Hyland, Patrick	1,143.13
373292	Grubbs, Adam M.	489.03	354197	Holland, Aime	1,450.80
375003	Grable, Osmyn A.	47.29	354692	Hoffman, Mary	991.25
375038	Green, Anna M.	24.61	360393	Hays, John C.	691.94
375647	Glick, Blanche	30.41	360609	Hast, William J.	23.39
394089	Godwin, Elizabeth	97.02	22401	Herbster, Charles, exr.	445.23
396629	Grey, Vada	411.64	104563	Hall, Mahala B.	1,052.97
397214	Gorza, Frank	583.87	111073	Hagerty, Jerry	230.00
407454	Gable, Amelia A.	283.66	114232	Hamilton, Louis H.	3,538.64
394134	Gallagher, Margaret V.	16.33	118335	Horrocks, John	138.89
			122473	Hays, William H., admr.	1,394.90
			130229	Hemmlrich, Rosa G.	49.04
			321742	Herbick, Nicholas	28.39
			323300	Hess, Minnie F.	195.74
			326793	Heizenroether, William C.	191.44
			328496	Hall, Annie	69.02
			329265	Heckert, Nora	21.98
			330546	Hartill, Nancy	1,306.67
			330807	Hassinger, Alfred L.	117.14
			330841	Hawk, Louisa	80.59
			378443	Horgan, Walter L.	15.14
			379964	Hirschfield, Henry	16.41
			380382	Hasley, A. Mary	81.69
			411763	Hesh, Annie	82.13
			412184	Hindman, Emma C.	1,311.35
			412502	Heege, Mary C.	617.30
			415713	Haag, Charles G., Jr.	4,032.62
			115910	Hunter, Flora H.	380.14
			321938	Hammerly, Elizabeth	10.30
			153804	Healy, Mary	1,046.21
			223078	Hobbs, Robert G.	25.20
			227476	Hancock, Emma P.	19.61
			227683	Hill, Eula S.	314.21
			230589	Hoffman, Jennet	2,525.07
			233028	Hammond, Ann	24.17
			242200	Hepplewhite, Ida J.	13.99
			245071	Hopkinson, Jennie	3,232.04
			258494	Hill, Hannah	157.44
			259098	Hough, Bert R.	92.91
			262813	Holland, Agnes	4,280.87
			265215	Haugh, Patrick	133.68
			265426	Hoyt, Martha C.	463.35
			271644	Heising, August	50.74
			275912	Harmon, Ruth E.	13.09
			275979	Hodges, John H.	27.55
			276180	Humbries, Ida M.	14.75
			277549	Heimbuecher, Simon J.	1,779.83
			279549	Henderson, Mary M.	113.13
			280491	Harris, Sarah F.	594.24
			368404	Hotz, Mary A.	112.30
					370.74

## H

368558	Hellman, William J.	97.47	176097	Keenan, Owen	2,167.31
369279	Hoffman, Ralph D.	41.24	194970	Kennedy, Anna B.	19.57
369540	Hester, James	181.30	208961	Kirk, William N.	24.89
369878	Hughes, Nehemiah I.	214.11	198508	Kleber, Fredericka	36.39
370528	Hutchison, Liola K.	1,973.27	343958	Kuznicka, Feloks	64.94
371003	Hershey, James W.	61.29	344525	Killan, Ellen	46.32
373397	Hindman Thompson F.	76.79	345587	Kantock, William	27.42
373664	Hill, Martha R.	12.07	345753	Kress, Helen H.	403.95
374941	Humpstead, William	26.63	351576	Kerr, Howard B.	43.01
375161	Hoyt, Marie C.	94.22	351633	Kruvitz, Minnie	24.72
401086	Hudie, Emma S.	1,276.67	354501	Krings, John C.	35.66
405633	Helm, John T.	61.11	355877	Kenna, James J.	49.52
295101	Hawthorne, Maud E.	17.16	360001	Kraly, Mary	75.81
391796	Hood, Linnie M.	31.03	401448	Koceski, Leon	1,250.92
406629	Hannah, Elizabeth J.	73.87	401474	Kretzler, Susie G.	80.02
408764	Haller, Alice D.	196.99	401485	Kolb, May L.	55.82
406824	Harvey, James	72.63	401588	Kischel, Annie	756.87
223180	Helm, William S.	887.74	401985	Kohout, Bertha	960.86
I					294.33
391367	Ingersoll, Elizabeth L.	248.68	289786	Kistler, Margaret M.	16.86
397849	Ireland, Margaret	19.75	291889	Kelly, Mary	2,248.46
294865	Irvine, Rachel E.	192.30	293966	Kelly, Annie	67.53
381337	Isgig, Grace F.	767.59	299451	Krebs, Bernard J.	57.61
403378	Ingersoll, Elizabeth A.	181.91	323202	Klein, James	29.19
J					63.70
303020	Jacobs, Isidor W.	172.09	337031	Kaplan, Hanna	56.39
319401	Johnston, Anna M. D.	61.34	337396	Koch, Julius F.	1,081.64
319654	Jochumsen, Frederick	32.01	338222	Keener, John D.	582.12
393559	James, Alice	394.92	338284	Kimes, Arthur W.	18.63
176169	James, Sarah	11.27	340215	Kapsanis, Peter J.	79.82
205168	Jones, Arthur D.	100.14	362113	Keller, John C.	1,212.67
214551	Jackson, Clarence G.	33.93	362123	Kern, Louisa	89.91
343665	Judge, Anna	363.89	362914	Kilpatrick, Grace	30.71
344058	Johnston, Edwin F.	33.31	366267	Krotzer, Reed M.	39.88
344270	Jack, William S.	480.31	366526	Kallman, Charles	2,573.94
350777	Joyce, Mary H.	126.81	384126	Kelly, Lucy A.	198.14
351272	Jenkins, Anna G.	76.15	388210	Kress, Clara E.	170.38
353271	Jacob, Anna W.	51.93	398126	Kerigan, Anna M.	283.53
359294	Jordan, Margaret	61.37	399646	Klein, Hanna D.	4,276.43
402458	Jew, Edward W.	53.83	399684	Klein, Gola	131.81
403302	Jack, L. Samuel, Sr.	33.34	404960	Kornman, Anna	67.46
351312	Jackson, Charles T.	428.60	404730	Kenner, Charles P.	32.64
402141	Jacob, Albert L.	42.89	83134	Kerr, Lide E.	48.81
290937	Jekucanis, Martin	2,494.47	99999	Kirkpatrick, Mary B.	343.32
291057	Jackson, John W.	30.59	123894	Kirst, Amelia	334.17
297705	Jackson, Bessie	11.97	321238	King, Michael	249.48
392901	Jennings, Dorothy	63.70	391255	Keenan, Mary R.	141.15
333729	Joyce, Mary	1,073.74	323345	Kissock, Joseph	49.53
333978	Johnston, Edwin A.	72.97	326910	Kalb, Annie	46.17
337036	Jenemann, Frank J.	1,405.10	370934	Kansill, Charlie	63.51
339463	Johnson, Carrie C.	77.20	377365	Kirkwood, Bertha J.	30.75
362140	Johnston, Josephine Z.	690.32	377850	Krebs, J. Grace	45.55
362227	Jones, Frances S.	45.33	379889	Knauber, C. Gladys	14.78
363975	Jones, Jean M.	173.85	153724	Keenan, Sarah J.	79.55
365842	Jones, Isabella E.	89.32	157628	Keiser, Louise	11.57
365906	Joseph, Charles H.	17.89	162008	Kerr, Harry T.	299.98
381020	Jennings, Peter V.	385.31	222461	Kline, George	14.74
383363	Jordan, Arthur C.	136.52	230976	Kelly, Katie	153.10
398269	Johnston, Catherine	46.94	222054	Keck, Will	20.53
8796	Jarvis, Frank W. Ex.	173.07	252018	Keehen, Lizzie	77.63
38493	Joyce, Annie, Exrx.	12.12	264269	Kidd, Jesse A.	133.87
55520	Johnson, Frank B., Jr.	17.10	267798	Keller, Alfred	703.87
74440	Jarvis, Frank W.	26.59	270347	Kearins, Matthew	12.05
100428	Jackson, Sarah	638.85	271890	Kawaliawski, Enih	64.07
322097	Junker, Maria	3,585.06	276178	Kinczus, Abolinary	1,181.45
330287	Jackson, Leanova	182.39	277541	Keenan, Mary A.	40.63
330353	Jacobson, Anna S.	638.71	278700	Kasberger, Mary	4,191.24
412093	Jacoby, Charlotte	1,551.38	279752	Kalin, Mark	37.89
415300	Jordan, Martha E.	1,676.64	368246	Kerr, Agnes G.	181.96
415371	Johnston, Elizabeth A.	325.31	369803	Kane, Alice	94.00
415374	Jackson, Edgar	548.32	370249	Krause, Joseph F. A.	17.06
138366	Jub, George S.	54.40	371328	Keller, John C.	97.89
139887	Jordan, Calvin B.	46.59	374138	Kane, Michael	18.57
147218	Johnston, Het	45.32	374167	Kerr, John G.	16.86
163576	Junk, Annie M.	40.29	396926	Key, Oliver	52.72
228155	Jackson, Lily	68.41	397220	Kaminski, Leon	103.15
233897	Jones, Amos	6,005.96	L		
220315	Jenkins, Nevada	16.43	303610	Lemmon, Elizabeth	692.92
230348	Jackson, Mary Ann	42.66	304041	Lonsabaugh, Sarah J.	127.78
272539	Jones, William J.	43.65	303837	Lemley, Cassius McC.	201.60
274957	Johnson, James	36.43	312023	Langkamp, Mary V.	3,469.83
276288	Johnson, Frederick C.	15.03	315188	Lavine, Belle	27.08
276997	Johnson, Archer A.	449.10	319402	Lamont, Matilda	26.32
372181	Johnston, Nellie B.	43.42	385683	Lutz, M. Catherine	62.13
394350	Jarratts, Myrtle	33.95	387358	Lands, Carrie	27.68
395122	Joyce, Catherine	712.38	388112	Lowmola, Angelo	618.07
209300	Jones, James	597.72	389332	Lowman, Anna R.	58.67
K					31.81
301205	Kenny, John D.	26.18	390246	Latter, Charles F.	121.73
301452	Kleiter, Amanda	862.18	393211	Vingle, George	69.51
303549	Kennedy, Isabel	85.03	403150	Laird, Thomas	4,473.96
307308	Kerr, Joseph J.	54.25	413484	Lieberman, Abe	1,580.86
313570	Kahn, Caroline	3,411.73	414794	Livingston, Sara J.	548.98
318975	Kretzler, Goldie	30.44	172347	Leach, Mary J.	2,391.68
319405	Kudrny, Mike	44.16	175763	Lewis, Zetta M.	2,329.30
271775	Kiesick, John	672.66	178939	Lamerton, Jessie	62.72
290946	Kennedy, Frank T.	142.76	185026	Lee, Thomas J.	128.73
290978	Kennedy, Sadie A.	530.91	184187	Lozan, Andrew	176.76
290985	Kennedy, Annie	913.53	187331	Lally, Augustan M.	43.10
290993	Kreger, Dorothy	91.54	197602	Lapp, Emma R.	5,103.73
413303	Kindworth, Mildred	393.55	200398	Lewis, James	119.01
290574	King, Annie	107.93	202157	Landy, Thomas	420.49
171788	Kirk, Elizabeth	12.39	203781	Lawson, Viola C.	17.15
174508	Kelly, Patrick	14.77	209065	Lea, Jennie M.	24.55
			343269	Lee, Anna A.	42.17
			345965	Long, John H.	



347108 Lewis, Louise M.	74.78	202031 Mayers, Albert C.	808.95
354454 Lees, Matthew	2,962.51	202330 Monaghan, Bridget	162.73
354472 Letimer, Mary	246.27	204230 Moore, Hugh D.	25.73
354546 Lupori, Frank	732.03	205728 Murray, Matilda W.	37.57
354816 Laughlin, Josephine	50.10	210287 Millhiser, John, Jr.	824.75
355716 Lewis, Harry G.	155.93	212201 Moody, Martha E.	1,445.05
355520 Lundy, Ella	15.76	216543 Mulholland, Thvra N.	132.04
357211 Lester, David M.	53.77	217258 Murphy, Mary J.	157.70
359147 Lowe, Mary V.	98.67	311071 Mynio, Joseph	109.33
403668 Latta, George H.	140.37	312411 Munster, Anna C.	101.09
403716 Leonard, Alvin G.	133.14	313018 Moosmann, Anthony F.	3,840.42
341596 Lewis, Wilhelmina	1,013.42	313621 Monaghan, Elizabeth	116.42
357161 Lewis, Jessamin DeH.	27.93	349676 Muller, Joseph	22.77
281943 Landis, William F.	893.37	351603 Mallon, Joseph	52.14
282042 Lynn, James	85.00	352817 Mullen, Michael D.	69.19
286017 Leibesner, Amelia	859.91	354779 Montcomary, Andrew T.	676.91
291488 Jeger, Andrew J.	1,831.36	356249 Maubhy, Mary	172.56
295287 Levitin, Minnie	461.78	356332 Martin, William E.	75.93
295385 Landerbaugh, Philip A.	17.53	357623 Munn, Silas A.	20.20
296200 Lee, Thomas	17.20	359235 Meinel, Bertha W.	119.94
332375 Long, John H.	26.29	359382 Murray, William W.	47.55
332433 Laffey, Bridget	39.67	360097 Mahoney, Margaret, Exrx.	811.65
363343 Lytle, Ralph McK.	237.99	361472 Merchant, Margaret	113.11
362461 Leonard, John E.	33.25	401050 Meyer, Anna	20.63
363910 Lebeau, Morris	137.74	401623 Marshall, David P.	201.89
364671 Lang, Earl J.	115.32	401116 Mullen, Bernard M.	35.33
365352 Lyle, Elizabeth T.	103.57	402341 Miller, Thomas E.	63.77
362997 Larkin, John W., Sr.	315.23	402121 Maloney, Mary C.	39.33
332014 Larkin, James	143.55	402496 Miller, Sadie	681.32
383330 Love, Kathleen McB.	890.10	196343 Merriman, Bella	153.75
383470 Lewis, Harry G.	35.91	197542 Moreth, Mary	716.24
405032 Levin, Simon M.	105.17	351176 Moore, Margaret	235.24
200289 Leek, Mary, Exrx.	1,676.57	354847 Murray, Mary	235.02
200332 Leek, Mary	2,262.82	359421 Miller, Mary E.	31.21
42130 Lister, Sarah	4,458.48	401835 Murray, James D., Jr.	319.30
88428 Lawson, Bella D.	2,237.70	283208 Mahan, Hattie	1,115.67
90761 Lanahan, James S.	313.61	285194 Miller, Perry A.	21.17
104202 Lanahan, Frank J.	817.28	235893 Minsky, Abe	89.91
117365 Lawson, Viola C.	2,749.97	289382 Madden, Margaret	16.17
129219 Lathwood, John A.	29.53	289593 Murdoch, William P.	213.45
129334 Lewis, Frank W.	2,479.27	291049 Montgomery, Annie D.	297.75
322478 Leahy, Joseph M.	223.00	291180 Marshall, Margaret	787.47
376300 Laylander, Edith B.	107.54	291228 Mansbery, Kate W.	930.87
378160 Layman, Walter H.	66.79	291516 Monaghan, Bridget	193.05
379254 Logan, Kate	94.90	293496 Murdoch, Sadie S.	74.00
379619 Lloyd, David	901.61	298616 Meighan, Margaret	11.99
380197 Lingegrover, Julia E.	555.00	331114 Morgan, Sarah D.	48.33
411156 Long, John	387.24	331313 Monfalcone, Laura E.	18.91
412888 Levine, Morris S.	67.98	332045 Marsh, Mabel P.	123.86
415081 Livingston, Annie L.	4,503.70	335169 Mockett, Essie C.	77.33
415256 Luke, Josephine W.	548.32	335264 Meskill, Mae	373.22
77895 Lowe, Arthur W.	12.09	336869 Morgan, Minnie C.	2,357.23
157481 Logue, Charles M.	26.90	337148 Mellett, Rosa	90.61
161437 Logan, Jennie F.	336.12	337319 MacMillan, Alice F.	67.33
240502 Leitzell, Mary A.	288.47	338979 Moore, Vivian S.	41.61
242637 Lydon, Bridget	27.71	339993 Marchant, Margaret A.	184.20
264576 Loughrey, John E.	109.71	339772 Moxey, Arthur C.	512.97
264953 Luther, Lizzie	243.77	339924 Macpherson, Malcolm	385.21
276107 Lineham, Katie M.	11.93	361197 Mullen, Mary E.	679.43
278153 Leventon, Frank	209.34	362635 Montgomery, Olga G.	27.49
367836 Lauth, Matilda	34.95	362796 Mullen, Gertrude M.	144.65
368357 Lewis, Francis R.	126.31	363834 Moore, Clyde J.	223.55
371822 Lewis, Louise P.	176.89	365504 Miller, J. William	1,547.71
373134 Lesscoe, Charles S.	41.05	365672 Merchant, Margaret	32.76
373636 Lipovitch, Joseph	2,198.10	365946 Meszaros, Joseph	69.97
374120 Lott, George B.	3,100.46	366296 Meyer, Katherine	45.46
384847 Laurine, Sophia	301.70	366807 MacMillan, Alice F.	14.43
386074 Laurent, Louise K.	55.60	366910 Moser, Minnie P.	75.05
396997 Levine, Rav L.	59.65	381146 Mullen, Mary E.	345.55
396180 Lietz, Walter M.	275.01	381502 Meehan, Mary A.	65.78
396783 Lesh, Amalia	338.07	382439 Murrie, Edna K.	15.25
397821 Lapyczak, Frank	851.83	384194 Moorehead, Dora B.	30.01
406901 Lang, Sophia	1,589.52	384243 Martin, Lillian	139.07
407220 Lowry, Ellen	74.74	385512 Murrar, Margaret	397.23
407329 Lazars, Yetta	2,716.63	398066 Mercer, Harry S., Jr.	40.77
		398209 Mitchell, John G.	291.34
		398537 Mackley, Katharine G.	218.09
		398852 Minsinger, Myrtle	249.12
		401117 Nash, Nicholas O.	22.03
		399341 Meyer, Edward L.	19.79
		404775 Mabon, Anna V.	363.92
		404776 Mabon, Paul T.	363.02
		53369 Mahon, James	11.25
		70442 Means, Samuel M.	60.20
		75647 Maeder, Fred	41.26
		113861 Malline, Earl G.	31.38
		120205 Moore, Sarah	282.65
		123099 Mitten, Annie	2,085.80
		130741 Meade, Mary A.	769.40
		321100 Mercer, Marjorie E.	19.91
		323610 Mannheim, Albert	18.91
		323781 Marsil, Sam	51.17
		324711 Merkancki, Reth	11.99
		325791 Matthews, Henry	2,834.46
		326167 Mytkowska, Hipsia	85.74
		328206 Meyer, Sophia F.	760.35
		328595 Morozowicz, Margaret A.	57.25
		376821 McGee, George A.	281.51
		377912 Marshall, Merelith R.	521.33
		380775 Mossey, James L.	6,116.55
		380382 Mastandrea, Giovanna	33.39
		411370 Mabel	2,123.32
		411675 Manning, Julia H.	116.65
		411773 Muldoon, Josephine	115.34
		411926 Muzzio, Josephine	220.33
		133191 Mitchell, Margaret M. M.	116.64
		135808 Melrath, Annie M.	630.10
302319 Morton, William A.	252.66		
302334 Mangham, Mary E.	497.14		
303602 Mooney, Katherine C.	17.78		
313936 Mazer, Sallie	8,914.35		
315912 Mitchell, L. Clara	12.08		
318870 Mitchell, George H.	34.12		
320227 Murphy, James	2,412.80		
320246 MacIsaac, Bertha L.	212.79		
320500 MacMillan, Alice F.	287.13		
366333 Matheny, Edna	308.72		
387050 MacDonald, John	1,765.51		
387150 Marchese, Antonio	671.40		
387178 Mikszan, Helen	247.17		
388095 Marks, Joseph Exr.	1,165.33		
389475 Melford, Ella V. A.	1,114.91		
389523 Maxwell, Maud P.	26.65		
390992 Moore, Margaretta E.	790.27		
391507 Mateer, Nora E.	47.33		
391514 Myers, Selma	328.35		
406398 Melnick, Jacob	174.88		
406607 Millett, Justus	1,435.33		
406625 Munhall, Walter F.	172.53		
409290 Meyer, John A.	2,229.03		
410403 Millett, Justus	1,173.35		
172222 Maude, De Ette	301.72		
173974 Mullooly, Teresa	13.41		
177256 Moore, Maggie	270.81		
193931 Morrow, Margaret A.	1,023.37		
195143 Merriman, James E.	789.53		







318594	Smith, William G.	\$	336.71	362578	Scull, Maria	\$	239.47
387305	Schafer, Mollie		809.85	262652	Scott, Max		124.33
388465	Schoenrich, Evah L.		161.60	363037	Schoepf, John		1,825.29
388968	Sigal, Lena		153.78	363186	Snee, Kate O.		75.27
389385	Sharpe, Patrick		142.31	365180	Snyderman, Nathan		16.54
389905	Sissman, Abraham		45.39	365908	Sohl, Mary		1,281.74
390013	Shaffer, Mary F.		74.80	366117	Stern, Valentine		1,863.00
390463	Sichelstiel, Anna L.		134.83	366207	Solow, Fannie		37.77
390627	Steger, Charlotte		117.41	366702	Sigal, Joseph		608.82
391316	Steinmetz, Mary A.		93.34	381837	Sipe, Estella G.		123.63
392067	Sell, John G.		91.38	382112	Sch John G.		111.39
392298	Schuring, Mary A.		96.98	382398	Sturgis, Margaret		4,356.44
392337	Smith, Kate		44.70	383576	Stoernell, Joseph A.		656.98
392425	Simmons, Lulu		1,380.58	384764	Schmidt, Katharine		103.23
393379	Shapiro, Frank		458.91	385303	Seymour, Lansing S.		56.72
408526	Strother, Amanda		389.26	385860	Schwartz, Libbie		2,567.90
408683	Stultz, Eva L.		228.92	385963	Steffaniak, Andy P.		46.16
408924	Sheppard, Isadore O.		3,142.80	398203	Sterling, Elizabeth W.		378.28
409060	Scott, Sara B.		180.67	398228	Seibert, Andrew R.		523.10
409176	Sparks, Ella B.		478.84	398660	Sullivan, Mary		35.33
409412	Sebestyen, Elizabeth		57.33	399187	Sohn, Laurette		53.25
409688	Siergej, Pitor		1,312.13	399652	Snyder Park McK.		60.48
413560	Sperber, Anna M.		2,304.46	400197	Sullivan, Lillie J.		66.12
414287	Salsgiver, Taylor		824.79	400465	Skelly, Mary		44.61
414661	Smith, Mayme L.		364.53	400470	Serry, Mary		97.02
305054	Slagle, Arthur D.		170.38	400847	Scott, Bessie McN.		228.03
166941	Smith, Annie		679.01	400869	Shaffer, Mary		50.05
178651	Smith, Annie		547.86	404122	Smith, Lillie M.		128.83
179788	Smith, Maggie J.		18.97	405502	Seder, Jacob		237.69
179804	Singleton, Herbert W.		12.45	405947	Smith, Florence		73.71
180665	Schack, Fred		16.25	362162	Silverman, Mortimer		21.16
184225	Skews, James		4,002.02	37380	Schuppert, Clara		10,043.02
193186	Scott, Lizzie F.		170.49	41904	Saling, Philip		399.99
200223	Smith, Jennie		347.05	54543	Stewart, Elizabeth T.		67.40
200763	Simmons, Peter H.		2,100.29	60211	Swindel, Katie		15.54
201397	Steinkamp, Marie		18.12	39837	Sutton, Clara J. H.		13.89
201525	Soltis, Andy		1,469.90	92558	Succop, Johanna E.		730.05
201844	Sebolt, Maude E.		31.12	98248	Spratt, Hugh F.		3,408.63
201857	Sheridan, Mary E.		17.34	98602	Stuart, Alice J.		13.83
201896	Scully, Kate		2,615.70	105614	Scott, Rachel		183.46
204557	Swan, Gottlieb		2,064.45	130094	Stoner, Carrie M.		28.64
205072	Seidel, Hugo C.		2,375.00	323290	Schaefer, Henry H.		359.22
206917	Schafer, Caroline A.		13.75	325017	Scott, Rose		1,659.79
215051	Sigh, Mary		3,051.30	327795	Staubs, Teresa		3,221.84
342785	Sullivan, Mary D.		18.30	329581	Sauer Peter		159.71
342834	Sokol, Endi		16.51	376163	Sippel, Barbara		78.82
342865	Sella, Adelina		202.11	376663	Snyder, Minnie		73.05
345024	Smith, Anna S.		242.87	377868	Sizar, Anna		1,481.51
347509	Schofield, John S.		422.34	378848	Schellman, Flora		1,382.21
348585	Schusler, Louise		276.10	379180	Stanton, George H.		100.67
493347	Sly, Mary E.		39.72	380166	Smith, Mary E.		852.97
350011	Silwka, Zofia		469.67	380695	Schutzman, Ethel		357.61
350594	Sella, Casare		97.49	411130	Schuring, Charles W.		537.44
351175	Sussman, Walter		29.50	411277	Sullivan, Mary M.		503.83
351211	Sohngen, Philip G.		28.42	411939	Schuler, Philip J.		1,252.76
352248	Sims, William A.		19.11	412444	Street, Dorothy V.		47.91
352838	Schwartz, John J.		148.81	412579	Skirble Frank		50.76
353955	Sieling, Sarah E.		710.17	43196	Sunderland William		4,915.31
354896	Stikowski, John		18.44	139853	Schmitt Louisa		4,336.03
355324	Stuart, Reuben R.		46.40	142469	Schmidt, Catherine		14.47
355903	Schaefer, Henry H.		212.91	153872	Snyder, Bernhard		717.30
357169	Sekerka, Martin		55.88	155226	Seberry, Mary A.		870.78
357714	Seltzer, Nathan		32.63	155347	Smith, Lydia M.		18.49
357871	Steiner, Harry E.		38.18	158743	Spivey, Charles S.		282.82
358807	Silverman, Abraham		37.51	374062	Seymour, Lansing S.		91.97
359771	Snowden, Emma R.		764.77	374070	Snyder, Anna B.		2,081.61
359836	Shrum, Daniel E.		32.13	374085	Schneider, Harry E.		64.18
360366	Sotak, Anna		16.49	374317	Smith, Samuel W.		133.82
401614	Strothers, Herbert		62.13	374799	Seder, Bessie S.		1,099.78
402109	Steinberg, Liebbe R.		1,624.96	375324	Sacks, Ida		26.97
402552	Swab, Sallie G.		55.19	375476	Sherry, Mary E.		152.06
402782	Sauters, F. Mabon		116.24	375669	Smith, W. Allen		169.58
402897	Smith, Mary G.		81.68	394774	Schmidt, Martha		22.52
403051	Studie, Magdalena		367.96	394939	Smith, Ella S.		309.66
403141	Stohr, Susie		109.10	396095	Shook, Wilbert W.		1,372.31
403464	Swan, John W. H.		69.12	396856	Stittler, Katherine P.		90.31
403847	Schmid, Watson B.		316.82	397039	Strandley Catherine I.		275.18
403863	Stevens, David		1,062.22	397936	Seibert, Elizabeth S.		51.98
401115	Shniabba, Frances		381.91	403030	Stoller, William F.		1,251.21
401218	Stoyanovitch, Troyan		165.81	407118	Schmitt, John H.		62.46
401285	Straube, Freda		107.70	396175	Szezyolenski, Alexander		1,863.42
401296	Solomon, Helen F.		365.30	222372	Sherlock, Isaac		53.74
401833	Stefanowicz, Wicenty		10,632.29	223261	Sheldon, Carolina		1,307.96
203476	Stumme, Lizzie		77.60	223895	Sykes, Annie E.		465.69
352695	Schellhaas, Margaret H.		348.78	228501	Sword Alexander		40.03
410614	Simon, Emanuel		6,330.92	230812	Schuster, Lottie		4,460.24
284594	Siratoofsky, Suzie		328.80	232710	Steding, Louls A.		109.11
285803	Sadwick, Annie		3,539.66	236204	Smith, Lizzie B.		1,630.71
285807	Schmidt, Ellenora		70.23	240919	Salt, Mary A.		15.53
291287	Sweeney, James		14.61	243681	Sheraden, Annie		53.64
294200	Skinnell, Elizabeth		16.47	246368	Scanlon, Richard		6,105.55
294988	Schnelbach, Mary A.		2,730.25	250771	Searing, Charles A.		15.25
296050	Sallows, Harriet		30.48	256952	Swenson, John F.		31.13
296693	Seymour, Lansing S.		171.08	257517	Seberry, Mary A.		824.10
332040	Shiels, Eileen		4,708.79	261414	Souison, Charles E.		16.93
332249	Steel, Edward		87.74	265946	Schutlenkoph, Otto		83.68
334268	Siratoofsky, Andrew		358.49	266419	Stern, Pearl		32.89
334356	Szlmanski, Kazymierz		663.94	267772	Soltis, Mike		23.40
334974	Stewart, Carita M.		147.80	269081	Surenon, Lillie		2,923.85
335326	Stroga, Frank		114.06	271678	Sieffer, Mary C.		29.81
336123	Spurrier, Bertha V.		93.51	278000	Sangborn Charles		1,204.16
336939	Straka, Mary		337.93	278333	Schneider, Charles E.		29.73
338134	Stevens, Elizabeth		66.03	280874	Sonneborn, Helen		2,201.35
361013	Schneiderlochner, Martha		99.99	367181	Salvia, Leonardo		60.27
361784	Scott, Marion E.		46.70	369016	Schoenberger, Freda		18.85
862083	Smicropo, Marietta		148.74	369259	Sacks, Charles		47.90
362330	Shubin, Carlissa		117.46	370208	Sumner, William G.		18.77



370256	Schallenger, Emma	\$	814.53	392512	Walls, Margaret	\$	2,035.83
370328	Sunderman, Annie M.		129.24	392864	Warmbt, Bruno		91
371185	Schleigh, George H.		61.85	392995	Wessel, Charles E.		2,511.60
371855	Stone, Samuel		79.71	393074	Weber, Helen M.		1,359.29
373619	Simkunos, Jnozopos		102.63	393754	Wilson, Margaret		122.06
161613	Shaw, Anna D.		404.18	409459	Wick, Robert L.		116.34
327464	Sproul, John H.		21.42	409592	Weibel, John G.		65.23
329687	Stack, Meri		11.80	413101	Wilson, N. Jennie		338.00
329825	Simcsik, Annie		2,283.07	413739	Wasson, Marion B.		92.12
T							
310923	Townsend, Edith B.		55.15	414122	Wirth, Peter		646.24
311455	Tosh, Alice		257.71	414778	Wocssner, Margaretha		120.90
316623	Thompson, Annie		260.77	168241	Wright, Sara C.		223.59
387815	Then, Michael A.		31.45	180209	Weir, David M.		1,477.66
389849	Tea, Charles M.		144.12	180928	William, Maggie		93.55
390800	Thompson, Alex.		110.11	185063	Warrick, Sue C.		4,977.90
391877	Till, Sarah		4,560.81	186194	Wright, Elmer		1,354.09
391918	Tygar, Sarah E.		41.87	187381	Worthington, Carrie A.		371.90
392739	Tehe, Mike		1,455.28	190439	Weber, Ida M.		225.94
409601	Taliaferro, Catherine W.		770.26	192172	Whitehill, Catherine		20.61
409433	Thomas, Anna C.		117.82	192272	Wolwicz, Frank		322.39
409675	Togliatti, Marcelle		585.00	193133	Weetman, Elizabeth		1,391.66
409945	Tranter, Henry		357.20	211453	Wilsch, May		68.05
414710	Toth, John		448.01	219940	Waiter, Frederick L.		36.51
414743	Townsend, Grace R.		110.71	344039	Wilbraham, Isabella		60.21
196200	Talandis, Peter		1,281.59	344763	White, Ella R.		1,023.25
212920	Thompson, Robert H.		419.65	347059	Walcsak, Josefa		1,372.31
345961	Trust, Edward		125.30	348230	Wright, Margaret		111.12
346616	Till, Jane R.		250.61	348929	Wallace, Glancy O.		2,668.64
347159	Taylor, Mary J.		391.40	352839	Wagner, George A.		123.92
353937	Tortorelli, Michael		14.31	354283	Wilson, William M.		235.14
359082	Thomson, Edwin L.		46.99	401396	Woods, Emma B.		1,982.44
180654	Todd, Elizabeth		11.13	410157	Winter, Margaret		234.05
284781	Traynor, Rose		2,108.23	208026	Wakefield, James A.		990.45
332566	Taylor, Meta L.		132.43	348185	Welch, Phoebe A.		114.82
332812	Toth, Andl		595.95	350330	Wolfe, Janet S.		40.51
334322	Thompson, Mary E.		927.32	354159	Wilson, Nellie M.		36.59
335501	Turner, Lettie C. E.		155.42	282456	Werner, Justus H.		2,903.52
338735	Tambellini, Tommaso		11.04	288748	Wilson, Michael H.		50.23
361819	Torasso, Catherine		1,391.03	288878	Walper, Riddle J.		745.62
362286	Taylor, Kathryn		58.53	292847	Wilds, Katherine		614.45
365892	Thompson, Annie B.		63.45	297146	Wormald, Alice		198.01
365227	Terwilliger, John		631.82	331162	Wandless, Meldren H.		429.88
4065	Thompson, Margaret J.		5.34	331773	Wuori, Sophie		24.85
46228	Thels, Matilda		94.41	332101	Weyman, Ida		23.36
46099	Tinker, Amelia C.		101.94	334549	Watson, Mary E.		1,435.39
326604	Thomas, Owen F.		14.92	334986	Weinert, Henry O.		165.11
378797	Totten, Edna R.		24.20	336194	Willock, George J.		29.55
412889	Tarn, T. R.		147.30	339332	Ward, William H. B., Jr.		347.77
144764	Thornton, Annie		924.51	339758	Werk, Bessie E.		68.60
226028	Thomas, Susie		59.95	340133	Wood, Howard B.		1,070.01
233288	Tremelling, Hannah		32.81	340736	Wallace, Ernest J.		84.35
247607	Tench, Marguerite L.		134.43	361233	Willock, George J.		2,875.37
277682	Taylor, Frances M.		6,018.63	361353	White, Ulysses G.		56.25
367310	Tierney, Timothy		73.69	361984	Watt, Mary A.		197.65
367523	Tucker, Louis		30.87	361663	Wilcox, Charles C.		1,011.13
375671	Tinker, Sara		134.22	381691	Winters, Margaret		337.11
394019	Taylor, John		3,470.36	398287	Wineland, George C.		1,055.21
394896	Turiich, Josephine		263.93	400519	Wells, Egon C.		869.54
U							
304473	Ulm, Minnie		67.61	404441	Wilson, Mina E.		687.81
228178	Underwood, Sarah J.		1,276.98	404531	Wilson, N. Jennie		994.62
407187	Uptegraff, Suzanne G.		142.40	401369	White, Olive I.		851.14
298054	Urboitis, Joseph		323.44	405625	Walsh, Mary		1,095.13
124865	Unverzagt, Maggie		158.63	404534	Wilson, Mary C.		37.88
V							
307067	Voland, Charles H.		66.98	35018	Woodside, Ida		2,084.82
505223	Varley, Myles		271.55	46497	Wilson, William P.		31.71
308673	Volper, Celia		490.12	47946	Worthington, Albert		1,253.02
319453	Volz, Henry		5,233.64	89313	Winfield, Fannie K. McK.		1,608.14
303064	Voeley, Edward G.		45.11	91757	Welfer, Frank M.		166.99
393657	Volbrecht, William J.		152.28	120584	Walton, Mima L.		57.97
413095	Vita, Fred		1,444.57	321107	Wibur, Samuel P.		61.48
413036	Vita, Anthony		1,931.55	325916	Wilson, Nellie M.		82.56
413181	Vita, Amelia M.		1,210.56	326840	West, Hannah		46.45
253340	Vincus, Pavil		10,830.67	327195	Walters, Ruth H.		17.13
184722	Volgel, Christina C.		284.84	329501	Walls, Mary		85.78
341114	Vail, Martha M.		19.99	377495	Walmisley, Ida		116.53
355978	Vensel, John R.		14.51	377839	Welsbrod, Joseph T.		412.37
361060	Vaughan, Nora		99.12	378182	Waggoner, George H., Jr.		183.06
362332	Velte, Lillian A.		196.34	378182	Wert, Annie V.		109.23
363766	Velte, Ralph C.		217.87	412935	Wagner, Mary J.		23.56
383827	Voland, Elizabeth		82.76	415498	Winkelman, Wilbert N.		15.73
384978	Vogel, Michael		1,217.32	48419	Wallace, Mary M.		658.93
72001	Van Horne, Mollie H.		8,972.55	94240	Walter, Mathilda, Admx.		15.64
328498	Vetter, Edwd J.		59.39	133254	Weaver, Fannie		17.59
379718	Van Kirk, Archer W.		391.73	136283	Wilmot, Mary		78.54
412341	Volk, Margaret		1,141.90	139902	Woernli, Anna M.		13.66
154194	Vandergrift, Elizabeth		99.97	149887	Wertz, Martha G.		13.00
W							
301193	Wetter, Ella E.		822.75	377679	Watkins, Ella		348.66
301849	Wellersbacher, Elizabeth F.		45.58	227750	Ware, Mamie		29.42
307818	White Sophie		83.69	228119	Willer, Cora M.		41.06
307839	Wolfe, Emma J.		15.14	235677	Washington, Bertha		103.94
305935	Wilbraham, Isabella		41.05	235757	Wurthner, Annie		290.35
313630	White, Howard		642.71	248875	Winkleavass, Robert		98.22
316034	Wood, Katherine		791.03	252511	Williams, Nelly		61.31
318153	Webster, Herbert		60.21	258630	Weinman, James B.		145.25
320140	Walsh, Maurice		40.25	259181	Wallace, Robert J.		272.60
387141	Waterman, Evalyn		39.20	272596	Wimmer, Mary R.		25.22
388446	Welsinger, Edna M.		167.84	276658	Wilkinson, William		16.74
390559	Wissman, Alice		111.53	277344	Walker, Luella		435.33
390738	Weber, Albert		36.97	367079	Weibel, John T.		102.91
				367523	Wcomer, S. Clarence		170.75
				372235	Walker, Carrie M.		22.63
				375572	Walsh, Rose I.		37.63
				391020	Wilcox, Charles C.		10.56
				394473	Williams, Mary M.		52.79
				394611	Welsinger, Frank C.		513.52
				395924	Welshman, Elizabeth		
				397810	Wilson, Nellie M.		

407122 Wagner, Henry .....	2379.59	333703 Young, John H. ....	1942.13
273205 Woods, Emma B. ....	99.68	338151 Yetter, George P. ....	53.09
407139 Warren, Elizabeth R. ....	130.69	376101 Yetter, Mamie A. ....	248.14
Y		Z	
304781 Yechimowicz, Antony .....	1,484.84	386509 Zeth, Anna C. ....	1,083.71
391577 Youden, George S. ....	46.16	413097 Zaborowski, Dorothy .....	64.91
233486 Yenell, Anna L. ....	1,229.06	248704 Zimontis, Juzups .....	32.24
249824 Young, Hattie F. ....	11.75	340502 Ziringer, Roscoe I. ....	33.40
371280 Yound, Couine W. ....	134.04	398491 Zell, Frances L. ....	273.66
203870 Young, Anna M. ....	451.61	399134 Zisek, Martin .....	426.23
250104 Young, Charles .....	12.27	70383 Zimmerman, Clara B. ....	89.87
356689 Young, Henrietta A. ....	742.51		
350344 Yanik, Stanislaw .....	30.34		
293579 Yagle, Elizabeth M. ....	65.94		

W. E. von BONNHORST, Treasurer,  
Pittsburgh, Pa., January 1st, 1931.

## REPORT OF THE AUDITORS OF THE WESTERN SAVING FUND SOCIETY OF PHILADELPHIA FOR THE YEAR 1929

### EIGHTY-THIRD ANNUAL REPORT OF THE AUDITORS

#### ASSETS

Par Value	Book Value
\$4,640,000.00 U. S. Government Securities .....	\$4,630,989.27
5,413,000.00 State, County and Municipal Securities .....	5,400,750.00
30,414,200.00 Railroad Bonds .....	29,217,486.30
13,943,000.00 Railroad Equipment Trust Certificates .....	13,748,094.03
365,000.00 Street Railway Bonds .....	274,937.51
4,450,200.00 Miscellaneous Securities .....	4,334,101.26
5,677,200.00 Real Estate Mortgages .....	5,672,200.00
1.00 Judgment of Record .....	1.00
529,077.48 Call Loans .....	529,077.48
621,549.39 Real Estate .....	621,549.39
3,249,899.24 Cash .....	3,249,899.24
<b>\$69,303,127.11</b>	<b>\$67,679,136.41</b>

#### CREDITS

Deposits .....	\$59,891,813.40
Contingent Account .....	7,787,323.01
	<b>\$67,679,136.41</b>

The UNDERSIGNED, Auditors appointed by the President Judges of the Courts of Common Pleas of Philadelphia, to audit and settle the accounts of THE WESTERN SAVING FUND SOCIETY OF PHILADELPHIA, in conformity with the provisions of Article 1 of the "Act" incorporating the said Society, approved eighth February, 1847, having been duly sworn according to law faithfully so to do:

Certify that the Assets of the said Society, at the close of business on the thirty-first day of December, 1929, have been examined and verified by them, and that the cost thereof as set forth in the above Schedule agree with the books and the balance sheet of the Society.

The amount due to depositors, including interest, on the first day of January, 1930, and the Surplus or Contingent Fund are correctly stated and are in agreement with the books and the balance sheet.

JOHN C. HINCHEY,  
THOMAS RIDGWAY,  
CHAS. J. BIDDLE.

The Society also holds for 2,840 Depositors, U. S. of America Liberty Loan Bonds and Treasury Certificates, deposited severally by them for safekeeping, of which the par value is \$490,800.

JOHN C. HINCHEY,  
THOMAS RIDGWAY,  
CHAS. J. BIDDLE.

#### ASSETS

Par Value	U. S. GOVERNMENT SECURITIES	Book Value
\$3,190,000. United States of America 4 1/4% Fourth Liberty Loan Bonds, 1933-38 .....		\$3,180,939.27
1,450,000. United States of America 4 1/4% Treasury Bonds of 1947-52 .....		1,450,000.
<b>\$4,640,000.</b>		<b>\$4,630,939.27</b>

#### STATE, COUNTY AND MUNICIPAL SECURITIES

400,000. Allegheny County, Pa., 4 1/4% Miscellaneous Bonds, 1942-47 .....	\$400,000.
100,000. City of Bethlehem, Pa., School District 5% Bonds, 1936-41 .....	100,000.
100,000. City of Birmingham, Alabama, 4 1/4% Public School-Bldgs. Bonds, 1943-45 .....	100,000.
100,000. City of Boston, Mass., 3 1/4% Bonds, 1940 .....	100,000.
75,000. City of Camden, N. J., School & Repavement 4 1/2% Series 1915, 1945 .....	75,000.
50,000. City of Cincinnati, Ohio, Viaduct 4 1/2% Series 1935 .....	50,000.
100,000. City of Cincinnati, Ohio, Police & Fire Department 4 1/2% Series 1935 .....	100,000.
140,000. City of Cleveland, Ohio, Water Works 4 1/2% Series 1930-46 .....	140,000.
50,000. City of Cleveland, Ohio, 5% Deficiency Bonds, 1931 .....	49,437.50
100,000. City of Cleveland, Ohio, School District 4 1/4% Building Bonds, 1935 .....	100,000.
100,000. City of Harrisburg, Pa., 4 1/4% School District Bonds, 1937-50 .....	103,000.
100,000. City of Jersey City, N. J., Refunding Assessment 4s, 1935 .....	100,000.
70,000. City of Jersey City, N. J., Water 4 1/2% Series 1961 .....	70,000.
300,000. City of Knoxville, Tenn., Water 4 1/2% Gold Bonds, 1953-63 .....	299,250.
130,000. City of Miami, Florida, Municipal Improvement 5% Bonds, 1930-38 .....	130,000.
100,000. State of Missouri, 4 1/4% Road Bonds, 1944 .....	100,000.
95,000. City of Nashville, Tenn., School 5s, 1931-35 .....	95,000.
300,000. City of Nashville, Tenn., 4 1/4% Gold Bonds, 1930-52 .....	300,000.
100,000. City of Newark, N. J., Funding 4 1/2% Series I, 1944 .....	100,000.
300,000. City of Newark, N. J., Funding 4 1/2% Series II, 1944 .....	300,000.
150,000. County of New Castle, Delaware, Building Commission 4 1/2% Series 1951-61 .....	150,000.
100,000. City of Norfolk, Va., Appropriation 4 1/2% Series 1942 .....	93,500.
200,000. City of Norfolk, Va., Refunding 4 1/2% Series 1945 .....	197,500.
100,000. City of Norfolk, Va., 4 1/2% Public Improvement Bonds, 1947 .....	99,750.
300,000. City of Philadelphia, Pa., 3 1/4% Miscellaneous Improvement Loan, 1934 .....	300,030.
200,000. City of Philadelphia, Pa., 4% Miscellaneous Loan, 1937-43 .....	200,000.
28,000. City of Philadelphia, Pa., 4 1/2% Loan of June 29, 1916, 1948 .....	28,000.
350,000. City of Philadelphia, Pa., 20-50 Year Loan of March 1, 1928, 4 1/2% Bonds, 1929 .....	300,000.
75,000. City of Philadelphia, Pa., 4% Loan of January 7, 1915, 1946 .....	69,562.50
250,000. City of Pittsburgh, Pa., 4 1/4% Miscellaneous Bonds, 1942 .....	250,000.
25,000. City of Reading, Pa., General Improvement 5% Bonds, Series T, 1951 .....	25,000.
150,000. City of Reading, Pa., 4 1/4% General Improvement Bonds, Series X, 1936-40 .....	150,000.
175,000. City of St. Louis, Mo., 4 1/4% Gold Bonds 1930-41 .....	175,000.
100,000. City of St. Paul, Minn., High School 4s, 1940 .....	100,000.
100,000. City and County of San Francisco, Cal., 4 1/2% Water Bonds, 1935-44 .....	99,500.
50,000. City of Seattle, Wash., Water Extension 4 1/2% Series 1932 .....	49,500.
100,000. Union County, N. J., 4 1/4% Park Bonds, 1931-40 .....	100,000.
100,000. State of West Virginia, 4 1/2% Gold Bonds, 1942 .....	99,750.
100,000. City of Wilmington, Del., Sinking Fund 4 1/2% Series 168, 1923 .....	100,000.
<b>\$5,413,000.</b>	<b>\$5,400,750.</b>



## ASSETS

Far Value	RAILROAD SECURITIES	Book Value
\$200,000.	Alabama Great Southern R. R. Co., 1st Con. Mtge. 4% Gold Bonds, Series B, 1943 .....	\$196,250.
775,000.	Allegheny Valley Railway, Gen. Mtge. 4s, 1942 .....	775,000.
241,000.	Atchison, Topeka & Sante Fe Railway Co., Gen. Mtge. 4% Gold Bonds, 1955 .....	232,373.75
300,000.	Atchison, Topeka & Sante Fe Railway Co., Calif.-Ariz. Lines, 1st & Ref. Mtge. 4½% Bonds, Series A, 1962 .....	299,250.
300,000.	Atlantic Coast Line R. R. Co., Gen. Unified Mtge. 4½% Bonds, Series A, 1964 .....	297,706.25
150,000.	Atlantic Coast Line R. R. Co., Louisv. & Nash. Col. 4% Gold Bonds, 1952 .....	143,625.
150,000.	Baltimore & Ohio Railroad, 1st Mtge. 4% Gold Bonds, 1948 .....	144,375.
100,000.	Baltimore & Ohio Railroad, 1st Mtge. 5% Gold Bonds, 1948 .....	100,000.
600,000.	Baltimore & Ohio Railroad, Pitts. Lake E. & W. Va. Sys., Ref. Mtge. 4s, 1941 .....	563,598.06
90,000.	Baltimore & Ohio Railroad, Toledo, Cin. Div., 1st Lien & Ref. Mtge. 4s, 1959 .....	90,000.
100,000.	Bangor & Aroostook R. R., St. John River Extension, 1st Mtge. 5s, 1939 .....	98,750.
125,000.	Peche Creek Extension R. R., 1st Mtge. 3½s, 1951 .....	112,469.50
600,000.	Central Pacific Railway, 1st Rfdg. Mtge. 4s, 1949 Cpn. ....	546,812.50
100,000.	Central Pacific Railway, 1st Rfdg. Mtge. 4s, 1949 Reg. ....	95,000.
80,000.	Central Railroad of New Jersey, General Mtge. 5s, 1987 .....	80,000.
325,000.	Chesapeake & Ohio Rwy., 1st Consolidated Mtge. 5s, 1939 .....	325,000.
100,000.	Chesapeake & Ohio Rwy., Potts Creek Branch, 1st Mtge. 4s, 1946 .....	88,000.
125,000.	Chicago, Burlington & Quincy R. R. Co., 1st & Ref. Mtge. 4½% Bonds, Series B, 1977 .....	120,937.50
116,200.	Chicago & Eastern Illinois Railway, Gen. Mtge. 5s, 1951 .....	97,000.
300,000.	Chicago & Erie Railroad, 1st Mtge. 5s, 1982 .....	300,000.
250,000.	Chicago, Indianapolis & Louisville Rwy., Rfdg. Mtge. 4s, Series C, 1947 .....	235,062.50
256,000.	Chicago, Rock Island & Pacific Rwy., General Mtge. 4s, 1938 .....	250,245.
500,000.	Chicago Union Station Co., 1st Mtge. 4½s, Series A, 1963 .....	498,750.
300,000.	Chicago Union Station Co., 1st Mtge. 6½s, Series C, 1963 .....	294,750.
150,000.	Chicago & Northwestern Railway, 4½% General Mtge. Gold Bonds, 1987 .....	150,000.
1,000.	Chicago & Western Indiana R. R., General Mtge. 6s, 1932 .....	1,000.
500,000.	Chicago & Western Indiana R. R., Consolidated Mtge. 4s, 1952 .....	460,075.04
200,000.	Choctaw & Memphis R. R., 1st Mtge. 5s, 1949 .....	200,000.
300,000.	Choctaw, Oklahoma & Gulf R. R., Consolidated Mtge. 5s, 1952 .....	300,000.
200,000.	Cleveland, Cin., Chic. & St. Louis Rwy.—St. Louis Div.—1st Col. Tr. Mtge. 4s, 1990 .....	169,340.
250,000.	Cleveland, Lorain & Wheeling Rwy., 1st Mtge. 5s, 1933 .....	250,000.
100,000.	Cleveland, Lorain & Wheeling Rwy., General Mtge. 5s, 1936 .....	100,000.
100,000.	Cleveland & Marietta Railway, 1st Mtge. 4½s, 1935 .....	99,875.
100,000.	Cleveland & Pittsburgh R. R., General Mtge. 4½s, Series A, 1942 .....	100,000.
200,000.	Cleveland Short Line Railway, 1st Mtge. 4½s, 1961 .....	200,000.
450,000.	Cleveland Union Terminal Co., 1st Mtge. 4½% Sinking Fund Gold Bonds, Series C, 1977 .....	450,000.
250,000.	Connecting Railway Company, 1st Mtge. 4% Gold Bonds, 1951 .....	240,000.
50,000.	Connecting Railway Company, 1st Mtge. 5% Bonds, 1951 .....	50,000.
250,000.	Dayton & Michigan R. R., Consolidated Mtge. Extended 4½s, 1931 .....	219,375.
50,000.	Delaware & Hudson R. R. Co., 1st & Rfdg. 4% Gold Bonds, 1943 .....	45,875.
204,000.	Delaware River R. R. & Bridge Company, 1st Mtge. 4s, 1936 .....	204,000.
250,000.	Detroit Terminal & Tunnel, 1st Mtge. 4½s, 1961 .....	237,087.28
650,000.	Erie Railroad, Consolidated Mtge. Prior Lien 4s, 1996 .....	581,395.
184,000.	Erie & Pittsburgh Railroad, General Mtge. 3½s, Series B & C, 1940 .....	172,700.
250,000.	Great Northern Rwy. Co., General Mtge. 4½% Gold Bonds, Series D, 1976 .....	235,625.
50,000.	Great Northern Rwy. Co., General Mtge. 4½% Gold Bonds, Series E, 1977 .....	46,625.
250,000.	Greenbrier Railway, 1st Mtge. 4s, 1940 .....	235,250.
100,000.	Holidaysburg, Bedford & Cumberland Railroad, 1st Mtge. 4s, 1951 .....	93,573.70
422,000.	Illinois Central Railroad, Louisv. New Or. & Tex. Col. Trust, 4% Gold Bonds, 1953 .....	378,393.75
100,000.	Illinois Central R. R. Co. & Chic. St. Louis & New Orleans R. R. Co., Jt. 1st Ref. Mtge. 4½% Bonds, Series C, 1963 .....	97,250.
400,000.	Jamestown, Franklin & Clearfield Railroad, 1st Mtge. 4s, 1959 .....	373,200.
175,000.	Kansas City, Fort Scott & Memphis Rwy. Co., Rfdg. Mtge. 4% Gold Bonds, 1936 .....	169,312.50
600,000.	Kansas City Terminal Rwy., 1st Mtge. 4s, 1960 .....	527,375.
100,000.	Lake Shore & Michigan Southern Rwy., 1st Mtge. 3½s, 1997 .....	86,000.
150,000.	Lehigh Valley Railroad, Consolidated Mtge. Annuity 6s .....	150,000.
200,000.	Lehigh Valley Harbor Terminal Rwy., 1st Mtge. 5% Gold Bonds, 1954 .....	190,500.
50,000.	Long Dock Company of New Jersey, Consolidated Mtge. 6s, 1935 .....	50,000.
120,000.	Long Island Railroad, 1st Consolidated 5s, 1931 .....	120,000.
84,000.	Long Island Railroad, General Mtge. 4s, 1938 .....	74,043.75
500,000.	Long Island Railroad, Unified Mtge. 4s, 1949 .....	471,812.50
200,000.	Milwaukee, Sparta & Northwestern Rwy., 1st Mtge. 4s, 1947 .....	282,816.25
310,000.	Nashville, Chattanooga & St. Louis Rwy., 1st Mtge. 4% Gold Bonds, Series A, 1978 .....	300,312.50
100,000.	New York Central Railroad Company, Rfdg. & Impvt. Mtge. 5% Bonds, Series C, 2013 .....	100,000.
475,000.	New York Connecting Railroad, 1st Mtge. 4½s, 1953 .....	462,250.
200,000.	New York Connecting Railroad, 1st Mtge. 5% Gold Bonds, Series B, 1953 .....	198,500.
50,000.	New York & Erie Railroad, 1st Mtge. Extended 4s, 1947 .....	50,000.
100,000.	New York, New Haven & Hartford R. R., 6% Convertible Debentures, 1948 .....	100,000.
100,000.	New York, Philadelphia & Norfolk R. R., 1st Mtge. 4s, 1939 .....	99,881.25
100,000.	New York, Philadelphia & Norfolk R. R., 4% Stock Trust Cfts., 1948 .....	477,518.75
500,000.	New York Short Line Railroad, 1st Mtge. 4s, 1957 .....	500,000.
150,000.	New York, Susquehanna & Western R. R. Terminal, 1st Mtge. 5s, 1943 .....	150,000.
50,000.	Norfolk & Southern Railway, 1st Mtge. 5s, 1941 .....	50,000.
50,000.	Norfolk & Western Railroad, 1st Mtge. 6s, 1931 .....	50,000.
50,000.	Norfolk & Western Railroad, New River Division 1st Mtge. 6s, 1932 .....	50,000.
100,000.	Norfolk & Western Railroad, Improvement & Extension Mtge. 6s, 1934 .....	100,000.
300,000.	Norfolk & Western Railroad, Divisional 1st Lien & Gen. Mtge. 4% Gold Bonds, 1944 .....	273,000.
212,000.	Northern Pacific Rwy. Co., Prior Lien Rwy. & Land Grant 4% Gold Bonds, 1997 .....	207,187.50
200,000.	Northern Pacific Rwy. Co., Rfdg. & Impvt. 4½% Bonds, Series A, 2047 .....	192,125.
200,000.	Ogdensburg & Lake Champlain Rwy., 1st Mtge. 4s, 1948 .....	184,000.
200,000.	Ohio Connecting Railway, 1st Mtge. 4s, 1943 .....	200,000.
100,000.	Oregon-Washington R. R. & Navigation Co., 1st & Rfdg. 4% Mtge., Series A, 1961 .....	91,375.
60,000.	Pennsylvania Company, 4% 15-25 Year Loan of 1906, 1931 .....	57,050.
350,000.	Pennsylvania Company, 3½% Guaranteed Trust Cfts., Series A, 1937 .....	292,250.
350,000.	Pennsylvania Company, 3½% Guaranteed Trust Cfts., Series B, 1941 .....	293,125.
100,000.	Pennsylvania Company, 40 Yr. 4% Guaranteed Gold Trust Cfts., Series E, 1952 .....	83,500.
200,000.	Pennsylvania Railroad, Consolidated Mtge. 4s, 1948 .....	193,655.
1,000,000.	Pennsylvania Railroad, Consolidated Mtge. 4½s, of 1915, 1960 .....	1,000,000.
225,000.	Pennsylvania, Ohio & Detroit R. R. Co., 1st & Ref. Mtge. 4½% Gold Bonds, Series A, 1977 .....	219,612.50
334,000.	Pere Marquette Railway Co., 1st Mtge. 5% Gold Bonds, Series A, 1956 .....	334,000.
200,000.	Philadelphia & Baltimore Central Railroad, 1st Mtge. 4s, 1951 .....	183,750.
200,000.	Philadelphia & Washington R. R., 1st Mtge. 4s, 1943 .....	248,875.
100,000.	Philadelphia & Reading Railroad, Consolidated Mtge. Extended 4s, 1937 .....	200,000.
200,000.	Philadelphia & Reading Railroad, Improvement Mtge. Extended 4s, 1947 .....	100,000.
513,000.	Pine Creek Railway, 1st Mtge. 6s, 1932 .....	200,000.
62,000.	Pittsburgh, Cin., Chic. & St. Louis Rwy., Con. Mtge. 4½s, Series A & B, 1940-42 .....	513,000.
500,000.	Pittsburgh, Cin., Chic. & St. Louis Rwy., Con. Mtge. 4½s, Series C, 1942 .....	62,000.
500,000.	Pittsburgh, Cin., Chic. & St. Louis Rwy., Gen. Mtge. 5% Gold Bonds, Series B, 1975 .....	493,750.
555,000.	Pittsburgh, Youngstown & Ashtabula Rwy., 1st Gen. Mtge. 4s, 1948 .....	474,561.25
300,000.	Reading Company, Jersey Central Collateral 4s, 1951 .....	528,001.50
400,000.	Richmond-Washington Company, 4% Guaranteed Collateral Trust, 1943 .....	288,239.53
	St. Louis, Iron Mtn. & Southern Rwy., Con. & Land Grant Mtge. 5s, 1931 .....	400,000.

EIGHTY-THIRD ANNUAL REPORT OF THE AUDITORS OF THE WESTERN SAVING FUND SOCIETY, PHILADELPHIA, 1929 (Continued)

Par Value	ASSETS	Book Value
200,000.	St. Louis, Peoria & Northwestern Rwy., 1st Mtge. 5s, 1948 .....	200,000.
100,000.	St. Louis-San Francisco Rwy. Co., Prior Lien 4% Gold Bonds, Series A, 1950 .....	88,250.
150,000.	Shamokin, Sunbury & Lewisburg R. R., Second Mtge. 5s, 1945 .....	150,000.
450,000.	Southern Pacific Company—San Francisco Terminal 4s, 1st Mtge. 1950 Reg. ....	409,082.50
50,000.	Southern Pacific Company—San Francisco Terminal 4s, 1st Mtge. 1950 Cpn. ....	45,687.50
360,000.	Southern Pacific Company—Central Pacific Stock Collateral Gold 4% Bonds, 1949 .....	324,800.
380,000.	Southern Pacific Company—Oregon Lines 1st Mtge. 4½% Bonds, Series A, 1977 .....	380,000.
250,000.	Southern Railway Company, 1st Consolidated Mtge. 5% Gold Bonds, 1994 .....	250,000.
100,000.	Terminal Railroad Association of St. Louis, 1st Mtge. 4½s, 1939 .....	99,875.
176,000.	Terminal Railroad Association of St. Louis, 1st Consolidated Mtge. 5s, 1944 .....	176,000.
100,000.	Terminal Railroad Association of St. Louis, Gen. Mtge. Rfdg. 4% Bonds, 1953 .....	88,500.
6,000.	Tioga Railroad, 1st Mtge. Extended 5s, 1930-35 .....	6,000.
460,000.	Union Pacific Railroad, 1st Lien & Ffdg. Mtge. 4s, 2008 .....	437,012.50
250,000.	Vandalla Railroad, Consolidated Mtge. 4s, Series B, 1957 .....	239,715.
700,000.	Virginian Railway Company, 1st Mtge. Gold 5s, Series A, 1962 .....	700,000.
50,000.	Wabash Railroad, 1st Mtge. 5s, 1939 .....	50,000.
500,000.	Washington Terminal Company, 1st Mtge. 4s, 1945 .....	500,000.
137,000.	West Shore Railroad Company, 1st Mtge. 4s, 2361 Cpn. ....	118,162.50
176,000.	West Shore Railroad Company, 1st Mtge. 4s, 2361 Reg. ....	159,431.25
500,000.	Western New York & Pennsylvania Railroad, 1st Mtge. 5s, 1937 .....	500,000.
100,000.	West Jersey & Sea Shore Railroad, 1st Con. Mtge. 4s, Series A & D, 1936 .....	92,000.
400,000.	Winston-Salem Southbound Railway, 1st Mtge. 4s, 1960 .....	374,715.44
\$30,414,200.		\$29,217,486.30

## RAILROAD EQUIPMENT TRUSTS

60,000.	Atlantic Coast Line R. R., 6½% Equipment Trust, Series D, 1930-36 .....	\$59,159.
121,000.	Baltimore & Ohio R. R., 4½% Equipment Trust Cfts., Series B, 1932-40 .....	117,888.94
10,000.	Baltimore & Ohio R. R., 4½% Equipment Trust Cfts., Series C, 1930 .....	9,924.38
412,000.	Baltimore & Ohio R. R., 4½% Equipment Trust Cfts., Series D, 1931-41 .....	407,021.36
294,000.	Baltimore & Ohio R. R., 4½% Equipment Trust Cfts., Series E, 1930-40 .....	291,567.99
120,000.	Central of Georgia Railway Co., 4½% Equipment Trust Cfts., Series Q, 1930-40 .....	117,631.57
65,000.	Central Railroad of New Jersey, 5% Equipment Trust Cfts., Series K, 1930-34 .....	65,000.
2,000.	Central Railroad of New Jersey, 4½% Equipment Trust Cfts., of 1926, 1930 .....	1,981.07
185,000.	Chesapeake & Ohio Rwy., 5½% Equipment Trust, Series T, 1930-37 .....	184,537.50
24,000.	Chesapeake & Ohio Rwy., 5% Equipment Trust Cfts., Series U, 1931-38 .....	24,000.
311,000.	Chesapeake & Ohio Rwy., 5% Equipment Trust Cfts., Series V, 1931-39 .....	310,897.50
250,000.	Chicago & North Western Rwy. Co., 4½% Equipment Trust Cfts., Series S, 1930-37 .....	250,000.
325,000.	Chicago, Rock Island & Pacific Rwy. Co., 4½% Equipment Trust Cfts., Series O, 1930-42 .....	322,695.09
30,000.	Erie Railroad 5%, Equipment Trust Cfts. Series HH, 1930-31 .....	30,000.
153,000.	Erie Railroad, 4½% Equipment Trust Gold Cfts., Series LL, 1930-41 .....	149,528.30
200,000.	Erie Railroad, 4½% Equipment Trust Cfts., Series NN, 1930-42 .....	197,873.60
150,000.	Erie Railroad, 4½% Equipment Trust Cfts., of 1929, 1934-36 .....	146,186.30
111,000.	Great Northern Rwy., 5% Equipment Trust, Series B, 1930-38 .....	108,310.
10,000.	Great Northern Rwy., 4½% Equipment Trust Cfts., Series C, 1935-37 .....	9,742.81
50,000.	Great Northern Rwy., 4½% Equipment Trust Cfts., Series D, 1936-38 .....	48,727.83
25,000.	Hooking Valley Rwy., 6% Equipment Trust Gold Notes, 1934 .....	25,000.
72,000.	Illinois Central Railroad, 7% Equipment Trust, Series F, 1930-35 .....	72,000.
69,000.	Illinois Central Railroad, 5% Equipment Trust Cfts., Series J, 1934-38 .....	69,000.
340,000.	Illinois Central Railroad, 4½% Equipment Trust Cfts., Series K, 1930-39 .....	334,114.30
87,000.	Illinois Central Railroad, 4½% Equipment Trust Cfts., Series L, 1931-40 .....	85,388.10
522,000.	Illinois Central Railroad, 4½% Equipment Trust Cfts., Series N, 1931-41 .....	514,971.79
191,000.	Lehigh & New England Railroad Company, 4½% Equipment Trust Cfts., Series F, 1932-41 .....	191,000.
70,000.	Louisville & Nashville R. R., 6½% Equipment Trust Cfts., Series D, 1930-36 .....	69,825.
192,000.	Louisville & Nashville R. R., 4½% Equipment Trust Cfts., Series E, 1930-37 .....	183,829.12
24,000.	Louisville & Nashville R. R., 5% Equipment Trust Cfts., Series F, 1930-37 .....	23,712.90
250,000.	Missouri Pacific Railroad Company, 4½% Equipment Trust Cfts., Series F, 1935-44 .....	238,044.10
26,000.	New York Central Railroad, 4½% Equipment Trust of 1917, 1931-32 .....	25,933.71
800,000.	New York Central Railroad, 7% Equipment Trust of 1920, 1930-33 .....	796,000.
279,000.	New York Central Railroad, 6% Equipment Trust Gold Notes, 1931-32 .....	279,000.
546,000.	New York Central Lines, 5% Equipment Trust of 1922, 1930-37 .....	537,632.25
243,000.	New York Central Lines, 4½% Equipment Trust of 1922, 1930-37 .....	234,134.90
336,000.	New York Central Lines, 5% Equipment Trust of 1923, 1930-38 .....	327,150.46
981,000.	New York Central Lines, 5% Equipment Trust of 1924, 1930-39 .....	980,407.50
241,000.	New York Central Lines, 4½% Equipment Trust of 1924, 1930-39 .....	236,577.90
61,000.	New York Central Lines, 4½% Equipment Trust of 1925, 1930-40 .....	60,226.15
150,000.	New York Central Railroad Co., 4½% Equipment Trust Cfts., of 1929, 1930-44 .....	145,809.93
175,000.	Norfolk & Western Railway 4½% Equipment Trust of 1922, 1930-32 .....	170,978.31
200,000.	Norfolk & Western Railway, 4½% Equipment Trust of 1923, 1930-31 .....	194,262.92
340,000.	Norfolk & Western Railway, 4½% Equipment Trust Cfts., of 1925, 1931-35 .....	335,818.69
105,000.	Northern Pacific Railway, 4½% Equipment Trust of 1922, 1930-32 .....	101,143.
412,000.	Pennsylvania Railroad, 5% General Equipment Trust, Series A, 1930-38 .....	408,555.45
569,000.	Pennsylvania Railroad, 5% General Equipment Trust Cfts., Series B, 1930-39 .....	566,797.31
779,000.	Pennsylvania Railroad, General Equipment Trust 4½% Cfts., Series C, 1930-39 .....	767,999.81
86,000.	Pennsylvania Railroad, General Equipment Trust 4½% Cfts., Series D, 1933-40 .....	84,878.24
140,000.	Reading Company, 5% Equipment Trust, Series J, 1930-32 .....	137,644.50
134,000.	St. Louis-San Francisco Railway Co., 4½% Equipment Trust Cfts., Series BB, 1932-41 .....	131,082.06
164,000.	Southern Pacific, 7% Equipment Trust, Series E, 1930-35 .....	164,000.
635,000.	Southern Pacific Co., 5% Equipment Trust, Series F, 1930-38 .....	621,288.21
226,000.	Southern Pacific, 5% Equipment Trust Cfts., Series G, 1930-39 .....	224,491.25
150,000.	Southern Pacific, 4½% Equipment Trust Cfts., Series L, 1930-44 .....	144,475.19
250,000.	Southern Railway, 6% Equipment Trust Gold Notes, 1932-35 .....	250,000.
331,000.	Southern Railway, 5% Equipment Trust, Series Y, 1930-39 .....	323,779.70
140,000.	Southern Railway, 4½% Equipment Trust, Series Z, 1930-39 .....	136,330.60
230,000.	Southern Railway, 4½% Equipment Trust Cfts., Series AA, 1930-41 .....	225,788.70
224,000.	Union Pacific Railroad, 5% Equipment Trust, Series B, 1930-37 .....	219,184.05
15,000.	Virginian Railway Co., 6% Equipment Trust, Series C, 1930 .....	13,896.
100,000.	Virginian Railway Co., 4½% Equipment Trust Cfts., Series E, 1935-40 .....	97,389.65
150,000.	Wabash Railway Co., 4½% Equipment Trust Cfts., Series H, 1930-44 .....	145,829.96
\$13,943,000.		\$13,748,094.93

## STREET RAILWAY SECURITIES

\$300,000.	Interborough Rapid Transit Co., 1st Rfdg. Mtge. 5s, 1966 .....	\$210,000.
65,000.	Philadelphia Rapid Transit Co., 5½% Equipment Trust, Series G, 1931-33 .....	64,987.54
\$365,000.		\$274,987.54



## APPENDIX TO THE

EIGHTY-THIRD ANNUAL REPORT OF THE AUDITORS OF THE WESTERN SAVING FUND SOCIETY PHILADELPHIA, 1929 (Continued)

ASSETS		
Par Value	MISCELLANEOUS SECURITIES	Book Value
\$60,000.	Alabama Power Company, 1st Mtge. 5% Bonds, Series A, 1946	\$80,000.
80,000.	Alabama Power Company, 1st Mtge. Lien & Rfdg. Gold 5% Bonds, 1951	80,000.
163,000.	Alabama Power Company, 1st & Rfdg. Mtge. 4½% Gold Bonds, 1967	161,685.
211,000.	Bell Telephone Company of Pennsylvania, 1st & Rfdg. Mtge. 5% Gold Bonds, Series C, 1960	210,750.
250,000.	Commonwealth Edison Company, 1st Mtge. Collateral 4½% Gold Bonds, Series D, 1957	239,375.
50,000.	Commonwealth Edison Company, 1st Mtge. Collateral 5% Bonds, 1953	50,000.
350,000.	Duke Power Company, 1st & Rfdg. Mtge. 4½% Gold Bonds, 1967	349,187.50
100,000.	Duquesne Light Company, 1st Mtge. 4½% Gold Bonds, Series A, 1967	95,012.50
400,000.	Lehigh Coal & Navigation Company, Funding & Inpyt. Mtge. 4s, 1948	400,000.
300,000.	Lehigh Coal & Navigation Company, Consol. Mtge. Sinking Fund 4½s, Series A, 1954	294,750.
350,000.	Metropolitan Edison Company, 1st Mtge. 4½% Gold Bonds, Series D, 1968	348,062.50
200,000.	New England Telephone & Telegraph Co., 1st Mtge. 4½% Gold Bonds, Series E, 1961	192,746.25
170,000.	New York Dock Company, 1st Mtge. 4s, 1951	141,750.
55,000.	New York Dock Company, 550 shares preferred stock	16,500.
25,000.	New York, New Haven & Hartford R. R., 250 shares stock	16,412.51
100,000.	New York & Hoboken Ferry Co., General Mtge. 5s, due 1946	99,876.25
200,000.	Pacific Telephone & Telegraph Co., 1st Mtge. & Col. Tr. 5% Gold Bonds, 1937	200,000.
6,200.	Philadelphia & Camden Ferry Company, 248 shares stock	18,600.
100,000.	Philadelphia Electric Company, 1st Mtge. Sinking Fund 5s, 1966 Reg.	100,000.
50,000.	Philadelphia Electric Company, 1st Mtge. Sinking Fund 5s, 1966 Cpn.	42,000.
300,000.	Philadelphia Electric Company, 1st Lien & Rfdg. Mtge. 4½% Gold Bonds, 1967	293,937.50
300,000.	Public Service Electric Gas Co., 1st & Rfdg. Mtge. 4½% Gold Bonds, 1967	295,897.50
200,000.	Southern Bell Telephone & Telegraph Co., 1st Mtge. Sinking Fund Gold 5s, 1941	200,000.
300,000.	Southern Public Utilities Company, 1st & Rfdg. Mtge. 5% Gold Bonds, 1943	300,000.
130,000.	United Electric Company of New Jersey, 1st Mtge. Gold 4s, 1949	123,558.75
\$4,450,200.		\$4,334,101.25

## REPORT OF THE AUDITORS OF THE WESTERN SAVING FUND SOCIETY OF PHILADELPHIA FOR THE YEAR 1930

## EIGHTY-FOURTH ANNUAL REPORT OF THE AUDITORS

ASSETS		
Par Value		Book Value
\$4,200,000.00	U. S. Government Securities .....	\$4,192,232.27
5,655,000.00	State, County & Municipal Bonds .....	5,642,550.00
32,627,200.00	Railroad Bonds .....	31,416,312.55
14,227,000.00	Railroad Equipment Trust Certificates .....	11,041,721.54
365,000.00	Street Railway Bonds .....	274,987.54
5,715,720.00	Miscellaneous Securities .....	5,580,683.76
4,914,150.00	Real Estate Mortgages .....	4,909,900.00
1.00	Judgment of Record .....	1.00
65,043.00	Call Loans .....	65,043.00
985,420.28	Real Estate .....	985,420.28
3,691,705.22	Cash .....	3,691,705.22
\$72,446,239.50		\$70,803,787.16

CREDITS	
Deposits .....	\$62,678,425.51
Contingent Account .....	8,125,361.65
	<hr/>
	\$70,803,787.16

The undersigned, Auditors appointed by the President Judges of the Courts of Common Pleas of Philadelphia, to audit and settle the accounts of The Western Saving Fund Society of Philadelphia, in conformity with the provisions of Article I of the "Act" incorporating the said Society, approved 8th February, 1847, having been duly sworn according to law faithfully so to do:

Certify that the assets of the said Society, at the close of business on the thirty-first day of December, 1930, have been examined and verified by them, and that the cost thereof as set forth in the above schedule agrees with the books and the balance sheet of the Society. The amount due to depositors, including interest, on the first day of January, 1931, and the surplus or contingent fund are correctly stated and are in agreement with the books and the balance sheet.

CHAS. J. BIDDLE,  
THOMAS RIDGWAY,  
JOHN C. HINCHLEY.

The Society also holds for 2,668 depositors, U. S. of America Liberty Loan Bonds and Treasury Certificates, deposited severally by them for safekeeping of which the par value is \$467,150.

JOHN C. HINCHLEY,  
THOMAS RIDGWAY,  
CHAS. J. BIDDLE.

ASSETS		
Par Value	U. S. GOVERNMENT SECURITIES	Book Value
\$2,750,000.	United States of America 4½% Fourth Liberty Loan Bonds, 1933-38	\$2,742,232.27
1,450,000.	United States of America 4½% Treasury Bonds of 1947-52	1,450,000.
\$4,200,000.		\$4,192,232.27

## STATE COUNTY AND MUNICIPAL SECURITIES

\$100,000.	Albany Port District, N. Y., 4½% Bonds, 1936-52	\$100,000.
400,000.	Allegheny County, Pa., 4½% Miscellaneous Bonds, 1932-47	400,000.
100,000.	County of Bergen, N. J., 4½% Public Improvement Bonds, 1952-53	100,000.
100,000.	City of Bethlehem, Pa., School District 5s, 1936-41	100,000.
100,000.	City of Birmingham, Ala., 4½% Public School Buildings Bonds, 1943-45	100,000.
100,000.	City of Boston, Mass., 3½% Bonds, 1940	100,000.
75,000.	City of Camden, N. J., School & Repavement 4½s, Series of 1915, 1945	75,000.
78,000.	Cape May County, N. J., 5½% General Construction Bonds, 1933-35	78,000.
50,000.	City of Cincinnati, Ohio, Viaduct 4½s, 1935	50,000.
100,000.	City of Cincinnati, Ohio, Police & Fire Departments 4½s, 1935	100,000.
100,000.	City of Cleveland, Ohio, Water Works 4½s, 1944-46	100,000.
50,000.	City of Cleveland, Ohio, 5% Deficiency Bonds, 1931	49,437.50
100,000.	City of Cleveland, Ohio, School District 4½% Building Bonds, 1935	100,000.
100,000.	City of Harrisburg, Pa., 4½% School District Bonds, 1937-50	100,000.
100,000.	City of Jersey City, N. J., Refunding Assessment 4s, 1935	100,000.
70,000.	City of Jersey City, N. J., Water 4½s, 1961	70,000.
300,000.	City of Knoxville, Tenn., Water 4½% Gold Bonds, 1953-63	299,250.
75,000.	City of Memphis, Tenn., 4½% Miscellaneous Bonds, 1956-58	75,000.
110,000.	City of Miami, Florida, Municipal Improvement 5% Bonds, 1931-38	110,000.
100,000.	State of Missouri, 4½% Road Bonds 1944	100,000.
95,000.	City of Nashville, Tenn., School 5s, 1931-35	95,000.
299,000.	City of Nashville, Tenn., 4½% Gold Bonds, 1932-52	299,000.
100,000.	City of Newark, N. J., Funding 4½s, Series I, 1944	100,000.
300,000.	City of Newark, N. J., Funding 4½s, 1944	300,000.
150,000.	County of New Castle, Delaware, Building Commission 4½s, 1951-61	150,000.
100,000.	City of Norfolk, Va., Appropriation 4½s, 1942	98,500.
200,000.	City of Norfolk, Va., Refunding 4½s, 1945	197,500.

EIGHTY-FOURTH ANNUAL REPORT OF THE AUDITORS OF THE WESTERN SAVINGS FUND SOCIETY, PHILADELPHIA, 1930 (Continued)

Par Value	ASSETS	Book Value
\$100,000.	City of Norfolk, Va., 4½% Public Improvement Bonds, 1947	\$ 99,750.
300,000.	City of Philadelphia, Pa., 3½% Miscellaneous Improvement Loan, 1934	300,000.
200,000.	City of Philadelphia, Pa., 4% Miscellaneous Loan, 1937-43	200,000.
28,000.	City of Philadelphia, Pa., 4½% Loan of June 29, 1916, 1948	28,000.
300,000.	City of Philadelphia, Pa., 20-50 Yr. Loan of March 1, 1928, 4½% Bonds, 1979	300,000.
75,000.	City of Philadelphia, Pa., 4% Loan of January 7, 1915, 1946	69,582.50
250,000.	City of Pittsburgh, Pa., 4½% Miscellaneous Bonds, 1942	250,000.
25,000.	City of Reading, Pa., General Improvement 5% Bonds, Series T, 1951	25,000.
150,000.	City of Reading, Pa., 4½% General Improvement Bonds, Series X, 1936-40	150,000.
125,000.	City of St. Louis, Mo., 4½% Gold Bonds, 1932-41	125,000.
100,000.	City of St. Paul, Minn., High School 4s, 1940	100,000.
100,000.	City and County of San Francisco, Calif., 4½% Water Bonds, 1935-44	99,500.
50,000.	City of Seattle, Washington, Water Extension 4½s, 1932	49,500.
100,000.	Union County, N. J., 4½% Park Bonds, 1931-40	100,000.
100,000.	State of West Virginia, 4½% Gold Bonds, 1942	99,750.
100,000.	City of Wilmington, Del., Sinking Fund 4½s, Series 168, 1938	100,000.
\$5,655,000.		\$5,642,750.

## RAILROAD SECURITIES

\$200,000.	Alabama Great Southern R. R. Co., 1st Con. Mtge. 4% Gold Bonds, Series B, 1943	\$196,250.
775,000.	Allegheny Valley Rwy., General Mtge. 4s, 1942	775,000.
241,000.	Atchison, Topeka & Santa Fe Rwy Co., Gen. Mtge. 4% Gold Bonds, 1995	232,373.75
500,000.	Atchison, Topeka & Santa Fe Rwy. Co., Calif.-Ariz. Lines, 1st & Ref. Mtge. 4½% Bonds, Series A, 1962	499,250.
300,000.	Atlantic Coast Line R. R. Co., Gen. Unified Mtge. 4½% Bonds, Series A, 1964	297,708.25
150,000.	Atlantic Coast Line R. R. Co., Louisville & Nashville Col. 4% Gold Bonds, 1952	143,625.
150,000.	Baltimore & Ohio Railroad, 1st Mtge. 4% Gold Bonds, 1948	144,375.
100,000.	Baltimore & Ohio Railroad, 1st Mtge. 5% Gold Bonds, 1948	100,000.
600,000.	Baltimore & Ohio Railroad, Pitts. Lake Erie & W. Va., Sys. Rfdg. Mtge. 4s, 1941	563,898.06
90,000.	Baltimore & Ohio Railroad, Tol. Ctn. Div., 1st Lien & Rfdg. Mtge. 4s, 1959	90,000.
100,000.	Bangor & Aroostook R. R.—St. John River Exten. 1st Mtge 5s, 1939	98,750.
125,000.	Beech Creek Extension R. R., 1st Mtge. 3½s, 1951	112,469.50
600,000.	Central Pacific Rwy., 1st Rfdg. Mtge. 4s, 1949, Cpu.	546,812.50
100,000.	Central Pacific Rwy., 1st Rfdg. Mtge. 4s, 1949, Reg.	95,000.
80,000.	Central Railroad of New Jersey, General Mortgage 5s, 1987	80,000.
325,000.	Chesapeake & Ohio Railway, 1st Con. Mtge. 5s, 1939	325,000.
100,000.	Chesapeake & Ohio Railway, Potts Creek Branch, 1st Mtge. 4s, 1946	88,000.
125,000.	Chicago, Burlington & Quincy R. R. Co., 1st & Rfdg. Mtge. 4½% Bonds, Series B, 1977	120,937.50
116,200.	Chicago & Eastern Illinois Rwy., Gen. Mtge. 5s, 1951	97,000.
300,000.	Chicago & Erie Railroad, 1st Mtge 5s, 1932	300,000.
250,000.	Chicago, Indianapolis & Louisville Rwy., Rfdg. Mtge. 4s, Series C, 1947	235,062.50
256,000.	Chicago, Rock Island & Pacific Rwy, General Mtge. 4s, 1988	250,245.
500,000.	Chicago Union Station Co., 1st Mtge. 4½s, Series A, 1963	498,750.
300,000.	Chicago Union Station Co., 1st Mtge. 6½s, Series C, 1963	294,750.
250,000.	Chicago & Northwestern Rwy., 4½% General Mtge. Gold Bonds, 1987	250,000.
500,000.	Chicago & Western Indiana R. R., Consolidated Mtge. 4s, 1952	460,075.04
200,000.	Choctaw & Memphis R. R., 1st Mtge. 5s, 1949	200,000.
300,000.	Choctaw, Oklahoma & Gulf R. R., Consolidated Mtge. 5s, 1952	300,000.
160,000.	Cincinnati Union Terminal, 1st Mtge. 4½% Gold Bonds, Series A, 2020	160,000.
200,000.	Cleveland, Cin. Chic. & St. Louis Div., 1st Col. Tr. Mtge. 4s, 1990	169,340.
250,000.	Cleveland, Lorain & Wheeling Rwy, 1st Mtge 5s, 1933	250,000.
100,000.	Cleveland, Lorain & Wheeling Rwy., General Mtge. 5s, 1936	100,000.
100,000.	Cleveland & Maricetta Rwy., 1st Mtge. 4½s, 1935	99,875.
100,000.	Cleveland & Pittsburgh R. R., General Mtge. 4½s, Series A, 1942	100,000.
225,000.	Cleveland Short Line Rwy., 1st Mtge. 4½s, 1941	224,463.75
600,000.	Cleveland Union Terminals Co., 1st Mtge. 4½% Sinking Fund Gold Bonds, Series C,	593,697.50
250,000.	Connecting Railway Company, 1st Mtge. 4% Gold Bonds, 1951	240,000.
50,000.	Connecting Railway Company, 1st Mtge. 5% Bonds, 1951	50,000.
204,000.	Delaware River R. R. & Bridge Co., 1st Mtge. 4s, 1936	201,000.
250,000.	Detroit Terminal & Tunnel, 1st Mtge. 4½s, 1961	237,037.28
109,000.	East Tennessee, Virginia & Georgia Railway Co., 1st Con. Mtge. 5% Bonds, 1956	109,000.
650,000.	Erie Railroad, Consolidated Mortgage Prior Line 4s, 1996	591,395.
184,000.	Erie & Pittsburgh R. R., General Mtge. 3½s, Series R & C, 1940	172,700.
250,000.	Great Northern Railway Co., Gen. Mtge. 4½% Gold Bonds, Series D, 1976	235,625.
250,000.	Great Northern Railway Co., Gen. Mtge. 4½% Gold Bonds, Series E, 1977	240,125.
250,000.	Greenbrier Railway, 1st Mtge. 4s, 1940	235,250.
100,000.	Holidaysburg, Bedford & Cumberland R. R., 1st Mtge. 4s, 1951	93,573.70
422,000.	Illinois Central R. R. (Louisville New Orleans & Tex.), Col. Tr. 4% Gold Bonds, 1953	378,393.75
100,000.	Illinois Central R. R. Co. & Chicago, St. Louis & New Orleans R.R.Co., Jr. 1st Ref. Mtge. 4½% Bonds, Ser. C, 1963	97,250.
400,000.	Jamestown, Franklin & Clearfield R. R., 1st Mtge. 4s, 1959	373,200.
175,000.	Kansas City, Fort Scott & Memphis Rwy. Co., Rfdg. Mtgs. 4% Gold Bonds, 1936	169,312.50
600,000.	Kansas City Terminal Rwy., 1st Mtge. 4s, 1960	527,275.
100,000.	Lake Shore & Michigan Southern Rwy., 1st Mtge 3½s, 1997	86,000.
150,000.	Lchigh Valley Railroad Consolidated, Mtge. Annuity 6s	150,000.
220,000.	Lchigh Valley Harbor Terminal Rwy., 1st Mtge. 5% Gold Bonds, 1954	211,350.
50,000.	Long Dock Company of New Jersey Consolidated Mtge. 6s, 1935	50,000.
190,000.	Long Island Railroad, 1st Consolidated 5s, 1931	126,000.
84,000.	Long Island Railroad, General Mortgage 4s, 1933	74,043.75
500,000.	Long Island Railroad, Unified Mortgage 4s, 1919	471,812.50
100,000.	Michigan Central Railroad Co., Rfdg. & Impvt. Mtge. 5½% Bonds, Series C, 1979	98,500.
300,000.	Milwaukee, Sparta & Northwestern Rwy., 1st Mtge. 4s, 1947	282,816.25
100,000.	Morris & Essex Railroad Company, Construction Mtge. 5% Gold Bonds, Series A, 1955	100,000.
100,000.	Morris & Essex Railroad Company, Construction Mtge. 4½% Gold Bonds, Series B, 1955	98,750.
310,000.	Nashville, Chattanooga & St. Louis Rwy., 1st Mtge. 4% Gold Bonds, Series A, 1978	300,312.50
100,000.	New York Central Railroad Co., Rfdg. & Impvt. Mtge. 5% Bonds, Series C, 2013	100,000.
475,000.	New York Connecting Railroad, 1st Mtge. 4½s, 1953	462,250.
200,000.	New York Connecting Railroad, 1st Mtge. 5% Gold Bonds, Series B, 1953	198,500.
50,000.	New York & Erie Railroad, 1st Mtge. Extended 4s, 1947	50,000.
100,000.	New York, New Haven & Hartford R. R., 6% Convertible Debentures, 1948	100,000.
100,000.	New York, Philadelphia & Norfolk R. R., 1st Mtge. 4s, 1939	99,831.25
500,000.	New York, Philadelphia & Norfolk R. R., 4% Stock Trust Cfts., 1948	477,518.75
500,000.	New York Short Line Railroad, 1st Mtge. 4s, 1957	500,000.
150,000.	New York, Susquehanna & Western R. R. Terminal, 1st Mtge. 5s, 1943	150,000.
50,000.	Norfolk & Southern Railway, 1st Mtge. 5s, 1941	50,000.
50,000.	Norfolk & Western R. R., 1st Mtge. 6s, 1931	50,000.
50,000.	Norfolk & Western, New River Division, 1st Mtge. 6s, 1932	50,000.
100,000.	Norfolk & Western, Improvement & Extension Mtge. 6s, 1934	100,000.
300,000.	Norfolk & Western, Rwy. Divisional, 1st Lien & Gen. Mtge. 4% Gold Bonds, 1944	273,000.
212,000.	Northern Pacific Rwy. Company, Prior Lien Rwy. & Land Grant 4% Gold Bonds, 1997	202,187.50
200,000.	Northern Pacific Rwy. Company, Rfdg. & Impvt. 4½% Bonds, Series A, 2047	192,125.



EIGHTY-FOURTH ANNUAL REPORT OF THE AUDITORS OF THE WESTERN SAVING FUND SOCIETY, PHILADELPHIA, 1930 (Continued)

Par Value	ASSETS	Book Value
200,000.	Ogdensburg & Lake Champlain Rwy., 1st Mtge. 4s, 1948 .....	184,000.
200,000.	Ohio Connecting Railway, 1st Mtge. 4s, 1943 .....	200,000.
100,000.	Oregon-Washington R. R. & Navigation Co., 1st & Rtdg. 4% Mtge., Series A, 1961 .....	91,375.
350,000.	Pennsylvania Company, 3½% Guaranteed Trust Cdfs., Series A, 1937 .....	292,250.
350,000.	Pennsylvania Company, 3½% Guaranteed Trust Cdfs., Series B, 1941 .....	293,125.
100,000.	Pennsylvania Company, 40 Yr. 4% Guaranteed Gold Trust Cdfs., Series E, 1952 .....	88,500.
200,000.	Pennsylvania Railroad Consolidated Mtge. 4s, 1948 .....	193,655.
1,000,000.	Pennsylvania Railroad Consolidated Mtge. 4½s of 1915 (Reg.), 1960 .....	1,000,000.
74,000.	Pennsylvania Railroad Consolidated, Mtge. 4½s of 1915 (Cpn.) .....	74,000.
335,000.	Pennsylvania, Ohio & Detroit R. R. Co., 1st & Ref. Mtge. 4½s old Bonds, Series A, 1977 .....	327,387.50
447,000.	Pere Marquette Rwy. Co., 1st Mtge. 5% Gold Bonds, Series A, 1956 .....	447,000.
100,000.	Pere Marquette Rwy. Co., 1st Mtge. 4½% Gold Bonds, Series C, 1980 .....	97,875.
200,000.	Philadelphia & Baltimore Central R. R., 1st Mtge. 4s, 1951 .....	185,750.
250,000.	Philadelphia, Baltimore & Washington R. R., 1st Mtge. 4s, 1943 .....	245,875.
200,000.	Philadelphia & Reading Railroad, Con. Mtge. Extended 4s, 1937 .....	200,000.
100,000.	Philadelphia & Reading Railroad Con. Impvt. Mtge. Extended 4s, 1947 .....	100,000.
200,000.	Pine Creek Railway, 1st Mtge. 6s, 1932 .....	200,000.
513,000.	Pitts., Cincinnati, Chicago & St. Louis Rwy., Con. Mtge. 4½s, Series A & B, 1940-42 .....	513,000.
112,000.	Pitts., Cincinnati, Chicago & St. Louis Rwy., Con. Mtge. 4½s, Series C, 1942 .....	112,000.
500,000.	Pitts., Cincinnati, Chicago & St. Louis Rwy., Gen. Mtge. 5% Gold Bonds, Series B, 1975 .....	493,750.
350,000.	Pitts., Cincinnati, Chicago & St. Louis Rwy., Gen. Mtge. 4½% Gold Bonds, Series C, 1977 .....	349,300.
500,000.	Pittsburgh, Youngstown & Ashtabula Rwy., 1st Gen. Mtge. 4s, 1948 .....	474,561.25
555,000.	Reading Company Jersey Central, Collateral 4s, 1951 .....	528,001.50
200,000.	Reading Company, General & Refunding 4½% Mortgage, Series B, 1997 .....	198,750.
300,000.	Richmond-Washington Company, 4% Guaranteed Collateral Trust, 1943 .....	288,239.53
400,000.	St. Louis-Iron Mountain & Southern Rwy., Con. & Land Grant Mtge. 5s, 1931 .....	400,000.
200,000.	St. Louis, Peoria & Northwestern Rwy., 1st Mtge. 5s, 1948 .....	200,000.
100,000.	St. Louis-San Francisco Rwy. Co., Prior Lien Mtge. 4% Gold Bonds, Series A, 1950 .....	88,250.
80,000.	St. Louis-San Francisco Rwy. Co., Prior Lien Mtge. 5% Gold Bonds, Series B, 1950 .....	80,000.
150,000.	Shamokin, Sunbury & Lewisburg R. R., Second Mtge. 5s, 1945 .....	150,000.
450,000.	Southern Pacific Company-San Francisco Terminal 4s, 1st Mtge., 1950, Reg. ....	409,062.50
50,000.	Southern Pacific Company-San Francisco Terminal 4s, 1st Mtge., 1950, Cpn. ....	45,687.50
360,000.	Southern Pacific Company-Central Pacific, Stock Col. Gold 4% Bonds, 1949 .....	324,800.
500,000.	Southern Pacific Company-Oregon Lines, 1st Mtge. 4½% Bonds, Series A, 1977 .....	496,700.
350,000.	Southern Railway Company, 1st Con. Mtge. 5% Gold Bonds, 1994 .....	350,000.
100,000.	Terminal Railroad Association of St. Louis, 1st Mtge. 4½s, 1939 .....	99,875.
190,000.	Terminal Railroad Association of St. Louis, 1st Con. Mtge. 5s, 1944 .....	190,000.
100,000.	Terminal Railroad Association of St. Louis, Gen. Mtge. Rtdg. 4% Bonds, 1953 .....	88,500.
5,000.	Tioga Railroad, 1st Mtge. Extended 5s, 1934-35 .....	5,000.
460,000.	Union Pacific Railroad, 1st Lien & Ref. Mtge. 4s, 2008 .....	437,012.50
250,000.	Vandalia Railroad Consolidated Mtge. 4s, Series B, 1957 .....	239,715.
700,000.	Virginian Railway Co., 1st Mtge. Gold 5s, Series A, 1962 .....	700,000.
50,000.	Wabash Railroad 1st Mtge 5s, 1939 .....	50,000.
500,000.	Washington Terminal Company, 1st Mtge. 4s, 1945 .....	500,000.
137,000.	West Shore Railroad Company, 1st Mtge. 4s, 2361, Cpn. ....	118,162.50
176,000.	West Shore Railroad, 1st Mtge. 4s, 2361, Reg. ....	159,431.25
500,000.	Western New York & Pennsylvania Railroad, 1st Mtge. 5s, 1937 .....	500,000.
100,000.	West Jersey & Sea Shore Railroad, 1st Consolidated Mtge, Series A & D, 1936 .....	92,000.
400,000.	Winston-Salem Southbound Railway, 1st Mtge. 4s, 1960 .....	374,715.44

\$92,627,200.

\$31,416,342.55

## RAILROAD EQUIPMENT TRUSTS

\$55,000.	Atlantic Coast Line R. R., 6½% Equipment Trust Cdfs., Series D, 1931-36 .....	\$54,255.
29,000.	Baltimore & Ohio Railroad, 5% Equipment Trust Cdfs., Series A, 1933-38 .....	29,000.
121,000.	Baltimore & Ohio Railroad, 4½% Equipment Trust Cdfs., Series B, 1932-40 .....	117,888.94
412,000.	Baltimore & Ohio Railroad, 4½% Equipment Trust Cdfs., Series D, 1931-41 .....	407,021.36
270,000.	Baltimore & Ohio Railroad 4½% Equipment Trust Cdfs., Series E, 1931-40 .....	267,680.82
110,000.	Central of Georgia Rwy. Co., 4½% Equipment Trust Cdfs., Series Q, 1931-40 .....	107,831.57
50,000.	Central Railroad of New Jersey, 5% Equipment Trust Cdfs., Series K, 1931-34 .....	50,000.
165,000.	Chesapeake & Ohio Rwy., 5½% Equipment Trust, Series T, 1931-37 .....	164,587.50
24,000.	Chesapeake & Ohio Rwy., 5% Equipment Trust Cdfs., Series U, 1931-38 .....	24,000.
321,000.	Chesapeake & Ohio Rwy., 5% Equipment Trust Cdfs., Series V, 1931-39 .....	320,897.50
250,000.	Chesapeake & Ohio Rwy., 4½% Equipment Trust Cdfs., Series of 1930, 1938-43 .....	249,991.14
150,000.	Chicago & Northwestern Rwy. Co., 4½% Equipment Trust Cdfs., Series S, 1932-37 .....	150,000.
50,000.	Chicago & Northwestern Rwy. Co., 4½% Equipment Trust Cdfs., Series X, 1941-45 .....	50,000.
300,000.	Chicago, Rock Island & Pacific Rwy. Co., 4½% Equip. Trust Cdfs., Series O, 1931-42 .....	297,764.40
210,000.	Chicago, Rock Island & Pacific Rwy. Co., 4½% Equip. Trust Cdfs., Series Q, 1937-43 .....	209,320.25
20,000.	Erie Railroad, 5% Equipment Trust Cdfs., Series HH, 1931 .....	20,000.
140,000.	Erie Railroad, 4½% Equipment Trust Gold Cdfs., Series LL, 1931-41 .....	136,823.29
192,000.	Erie Railroad, 4½% Equipment Trust Cdfs., Series NN, 1931-42 .....	189,907.20
150,000.	Erie Railroad, 4½% Equipment Trust Cdfs. of 1929, 1934-36 .....	146,186.30
288,000.	Erie Railroad, 4½% Equipment Trust Cdfs. of 1930, 1935-43 .....	285,760.15
113,000.	Great Northern Rwy. 5% Equipment Trust, Series B, 1931-38 .....	110,402.70
20,000.	Great Northern Rwy., 4½% Equipment Trust Cdfs., Series C, 1935-37 .....	19,742.81
50,000.	Great Northern Rwy., 4½% Equipment Trust Cdfs., Series D, 1936-38 .....	48,727.83
25,000.	Hocking Valley Rwy., 6% Equipment Trust Gold Notes, 1936 .....	25,000.
60,000.	Illinois Central R. R., 7% Equipment Trust, Series F, 1931-35 .....	60,000.
69,000.	Illinois Central R. R., 5% Equipment Trust Cdfs., Series J, 1934-38 .....	69,000.
344,000.	Illinois Central R. R., 4½% Equipment Trust Cdfs., Series K, 1931-39 .....	338,187.60
87,000.	Illinois Central R. R., 4½% Equipment Trust Cdfs., Series L, 1931-40 .....	85,388.10
522,000.	Illinois Central R. R., 4½% Equipment Trust Cdfs., Series N, 1931-41 .....	514,971.79
191,000.	Lehigh & New England R. R. Co., 4½% Equipment Trust Cdfs., Series F, 1932-41 .....	191,000.
60,000.	Louisville & Nashville R. R., 6½% Equipment Trust, Series D, 1931-36 .....	59,850.
183,000.	Louisville & Nashville R. R., 4½% Equipment Trust Cdfs., Series E, 1931-37 .....	180,689.12
19,000.	Louisville & Nashville R. R., 5% Equipment Trust, Series F, 1931-37 .....	18,797.72
51,000.	Missouri Pacific R. E. Company, 5% Equipment Trust Cdfs., Series D, 1937-39 .....	51,000.
250,000.	Missouri Pacific R. E. Company, 4½% Equipment Trust Cdfs., Series F, 1935-44 .....	238,044.10
9,000.	New York Central Railroad, 4½% Equipment Trust of 1917, 1932 .....	8,983.71
600,000.	New York Central Railroad, 7% Equipment Trust of 1920, 1931-33 .....	597,000.
279,000.	New York Central Railroad, 6% Equipment Trust Gold Notes, 1931-32 .....	279,000.
503,000.	New York Central Lines, 5% Equipment Trust of 1922, 1931-37 .....	495,398.75
207,000.	New York Central Lines, 4½% Equipment Trust of 1922, 1931-37 .....	199,246.65
305,000.	New York Central Lines, 5% Equipment Trust of 1923, 1931-38 .....	296,818.
955,000.	New York Central Lines, 5% Equipment Trust of 1924, 1931-39 .....	954,477.50
238,000.	New York Central Lines, 4½% Equipment Trust of 1924, 1931-39 .....	233,610.09
60,000.	New York Central Lines, 4½% Equipment Trust of 1925, 1931-40 .....	59,232.69
140,000.	New York Central Railroad Co., 4½% Equipment Trust Cdfs. of 1929, 1931-44 .....	135,851.64
120,000.	Norfolk & Western Rwy., 4½% Equipment Trust of 1922, 1931-32 .....	117,149.20
100,000.	Norfolk & Western Rwy., 4½% Equipment Trust Cdfs. of 1923, 1931 .....	96,952.30

EIGHTY-FOURTH ANNUAL REPORT OF THE AUDITORS OF THE WESTERN SAVING FUND SOCIETY, PHILADELPHIA, 1929 (Continued)

Par Value	ASSETS	Book Value
\$285,000.	Norfolk & Western Rwy., 4½% Equipment Trust Ctf. of 1925, 1932-35 .....	\$281,319.19
70,000.	Northern Pacific Rwy., 4½% Equipment Trust of 1922, 1931-32 .....	67,315.50
403,000.	Pennsylvania Railroad, 5% General Equipment Trust, Series A, 1931-38 .....	399,652.27
535,000.	Pennsylvania Railroad, 5% General Equipment Trust, Series B, 1931-39 .....	533,044.81
730,000.	Pennsylvania Railroad, 4½% General Equipment Trust, Series C, 1931-39 .....	719,675.12
86,000.	Pennsylvania Railroad, 4½% General Equipment Trust, Series D, 1933-40 .....	84,878.24
80,000.	Reading Company, 5% Equipment Trust, Series J, 1931-32 .....	78,886.50
250,000.	Reading Company, 4½% Equipment Trust Ctf., Series M, 1935-39 .....	250,000.
10,000.	St. Louis-San Francisco Rwy. Co., 5% Eq. Tr. Ctf., Series AA, 1936 .....	10,000.
134,000.	St. Louis-San Francisco Rwy. Co., 4½% Eq. Tr. Ctf., Series BB, 1932-41 .....	131,082.06
223,000.	St. Louis-San Francisco Rwy. Co., 4½% Eq. Tr. Ctf., Series DD, 1931-44 .....	220,848.28
139,000.	Southern Pacific, 7% Equipment Trust, Series E, 1931-35 .....	139,000.
578,000.	Southern Pacific, 5% Equipment Trust, Series F, 1931-38 .....	565,374.17
224,000.	Southern Pacific, 5% Equipment Trust Ctf., Series G, 1931-39 .....	222,641.25
140,000.	Southern Pacific, 4½% Equipment Trust Ctf., Series L, 1931-44 .....	134,528.36
155,000.	Southern Pacific, 4½% Equipment Trust Ctf., Series M, 1939-45 .....	155,000.
250,000.	Southern Railway, 6% Equipment Trust Gold Notes, 1932-35 .....	250,000.
291,000.	Southern Railway, 5% Equipment Trust, Series Y, 1931-39 .....	284,406.20
126,000.	Southern Railway, 4½% Equipment Trust, Series Z, 1931-39 .....	122,574.90
210,000.	Southern Railway, 4½% Equipment Trust Ctf., Series AA, 1931-41 .....	206,154.90
196,000.	Union Pacific Railroad, 5% Equipment Trust, Series B, 1931-37 .....	191,642.67
100,000.	Virginian Railway Company, 4½% Equipment Trust Ctf., Series E, 1935-40 .....	97,389.65
140,000.	Wabash Railway Company, 4½% Equipment Trust Ctf., Series H, 1931-44 .....	135,869.75
\$14,227,000.		\$14,044,721.54

## STREET RAILWAY SECURITIES

300,000.	Interborough Rapid Transit Company, 1st Rfdg. Mtge. 5s, 1966 .....	\$210,000.
65,000.	Philadelphia Rapid Transit Company, 5½% Equipment Trust, Series G, 1931-33 .....	64,987.54
\$365,000.		\$274,987.54

## MISCELLANEOUS SECURITIES

\$60,000.	Alabama Power Company, 1st Mtge. 5% Bonds, Series A, 1946 .....	\$60,000.
80,000.	Alabama Power Company, 1st Mtge. Lien & Rfdg. Gold 5% Bonds, 1951 .....	80,000.
163,000.	Alabama Power Company, 1st & Rfdg. Mtge. 4½% Gold Bonds, 1967 .....	161,685.
211,000.	Bell Telephone Company of Penna. 1st & Rfdg. Mtge. 5% Gold Bonds, Series C, 1960 .....	210,750.
69,000.	Central District Telephone Co., 1st Mtge. 30 Yr. 5% Sinking Fund Gold, 1943 .....	69,000.
250,000.	Commonwealth Edison Company, 1st Mtge. Col. 4½% Gold Bonds, Series D, 1957 .....	239,375.
50,000.	Commonwealth Edison Company, 1st Mtge. Collateral 5% Bonds, 1953 .....	50,000.
385,000.	Consumers Power Company, 1st Lien & Unifying Mtge. 4½% Gold Bonds, Series of 1928, 1958 .....	384,893.75
215,000.	Detroit Edison Company, 1st & Rfdg. Mtge. 5% Bonds, Series A, 1949 .....	215,000.
350,000.	Duke Power Company, 1st & Refunding Mtge. 4½% Gold Bonds, 1967 .....	349,187.50
100,000.	Duquesne Light Company 1st Mtge. 4½% Gold Bonds Series A, 1967 .....	95,012.50
400,000.	Lehigh Coal & Navigation Company, Funding & Impvt. Mtge. 4s, 1948 .....	400,000.
300,000.	Lehigh Coal and Navigation Company, Con. Mtge. Sinking Fund 4½s, Series A, 1954 .....	294,750.
185,000.	Lehigh Coal & Navigation Company, Con. Mtge. Sinking Fund, 4½s, Series C, 1954 .....	183,625.
390,000.	Metropolitan Edison Company, 1st Mtge. 4½% Gold Bonds, Series D, 1968 .....	389,012.50
200,000.	New England Telephone & Telegraph Company, 1st Mtge. 4½% Gold Bonds, Series B, 1961 .....	192,746.25
170,000.	New York Dock Company, 1st Mtge. 4s, 1951 .....	141,750.
55,000.	New York Dock Company, 550 shares preferred stock .....	16,500.
25,000.	New York, New Haven & Hartford R. R., 250 shares stock .....	16,412.51
100,000.	New York & Hoboken Ferry Co., General Mtge. 5s, 1946 .....	99,876.25
200,000.	Pacific Telephone & Telegraph Co., 1st Mtge. & Col. Trust 5% Gold Bonds, 1937 .....	200,000.
150,000.	Pennsylvania Water & Power Company, 1st Rfdg. Mtge. 4½% Gold Bonds, Series B, 1962 .....	142,615.
3,720.	Philadelphia & Camden Ferry Co., 248 shares stock .....	16,120.
50,000.	Philadelphia Electric Company, 1st Mtge. Sinking Fund 5s, 1966, Cpn. ....	42,000.
99,000.	Philadelphia Electric Company, 1st Mtge. Sinking Fund 5s, 1966, Reg. ....	99,000.
325,000.	Philadelphia Electric Company, 1st Lien & Rfdg. Mtge. 4½% Gold Bonds, 1967 .....	321,408.25
300,000.	Public Service Electric & Gas Co., 1st & Rfdg. Mtge. 4½% Gold Bonds, 1967 .....	293,897.50
200,000.	Public Service Elec. & Gas Co., 1st & Rfdg. Mtge. 4½% Gold Bonds, Series due 1970 .....	190,500.
200,000.	Southern Bell Telephone & Telegraph Co., 1st Mtge. Sinking Fund Gold 5s, 1941 .....	200,000.
300,000.	Southern Public Utilities Co., 1st & Rfdg. Mtge. 5% Gold Bonds, 1943 .....	300,000.
130,000.	United Electric Company of New Jersey, 1st Mtge. Gold 4s, 1949 .....	123,558.75
\$5,715,720.		\$5,580,683.76

## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1929.

The subscribers, duly appointed by the President Judges of the Courts of Common Pleas of Philadelphia County, to audit and settle the Accounts of The Philadelphia Saving Fund Society, under the provisions of the Third Section of the Supplement to the "Act" incorporating the said Society, approved March 15, 1824, having been duly qualified respectfully report:—

That, in the performance of the duties assigned them, they have audited and settled the Books and Accounts of The Philadelphia Saving Fund Society for the year ending the thirty-first day of December, 1929, and have examined and ascertained the amount of the Bonds and Mortgages, Real Estate, Public Loans, Railroad

Loans, and the other evidences of the property and effects of the said Society, and agreeably thereto have made out the subjoined statement, which agrees with the books at that date, and exhibits the situation and condition of the said The Philadelphia Saving Fund Society on the first day of January, 1930.

C. BERKELEY TAYLOR,  
FRANCIS B. BIDDLE,  
EMILN C. GUYELIN,

Auditors,

## PUBLIC LOANS

## UNITED STATES BONDS

ASSETS			Par Value	As Charged
Liberty and Treasury Loans .....	1938-1952	4½%	\$18,100,000.	\$17,526,321.88
STATE BONDS				
California State .....	1941-1942	4½%	500,000.	500,000.
Illinois State .....	1937-1956	4	4,500,000.	4,460,313.95
Maryland State .....	1931-1934	4½%	311,000.	311,000.
Maryland State .....	1931-1937	4	318,000.	315,217.50
Mississippi State .....	1946	4½%	470,000.	470,000.



## APPENDIX TO THE

REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1929 (Continued)

ASSETS			Par Value	As Charged
New Jersey State .....	1944	4 1/4	\$1,000,000.	\$987,500.
North Carolina State .....	1935-1936	4 1/2	500,000.	500,000.
Pennsylvania State .....	1951	4 3/4	1,442,000.	1,442,000.
Tennessee State .....	1931-1934	4 1/2	200,000.	200,000.
Tennessee State .....	1942	4 3/4	500,000.	500,000.
West Virginia State .....	1931-1935	4 1/2	292,000.	292,000.
West Virginia State .....	1933	5	100,000.	100,000.
West Virginia State .....	1942-1947	4 1/4	208,000.	208,000.
COUNTY BONDS				
Alleghany County, Md. ....	1947-1952	4 1/4	183,000.	183,000.
Allegheny County, Pa. ....	1930-1947	4 1/4	1,800,000.	1,800,000.
Allegheny County, Pa. ....	1933-1939	4	877,000.	825,769.48
Allegheny County, Pa. ....	1933-1939	4 1/2	200,000.	200,000.
Anne Arundel County, Md. ....	1930-1939	4 1/2	200,000.	200,000.
Ashtabula County, Ohio .....	1930-1935	4	62,000.	61,384.59
Ashtabula County, Ohio .....	1930-1936	5	61,000.	61,000.
Atlantic County, N. J. ....	1930-1948	4 1/2	551,000.	551,000.
Atlantic County, N. J. ....	1939-1946	5	150,000.	150,000.
Baltimore County, Md. ....	1933-1966	4 1/2	497,000.	497,000.
Bergen County, N. J. ....	1930-1935	4 1/2	96,000.	96,000.
Bergen County, N. J. ....	1933	5	218,000.	218,000.
Bergen County, N. J. ....	1937-1939	4 1/4	150,000.	150,000.
Blair County, Pa. ....	1937	4	128,000.	119,040.
Buncombe County, N. C. ....	1933-1937	4 3/4	100,000.	100,000.
Butler County, Ohio .....	1930-1933	4 1/2	150,000.	150,000.
Butler County, Ohio .....	1930-1938	5	72,000.	72,000.
Butler County, Pa. ....	1930-1934	4 1/2	100,000.	100,000.
Cambria County, Pa. ....	1930-1945	4 1/4	267,000.	267,000.
Camden County, N. J. ....	1930-1935	4 1/2	11,000.	11,000.
Cape May County, N. J. ....	1932-1947	4 1/2	412,000.	412,000.
Chautauqua County, N. Y. ....	1928-1939	5	350,000.	350,000.
Cook County, Ill. ....	1938-1947	4	691,000.	672,667.62
Cuyahoga County, Ohio .....	1930-1946	4 1/2	770,000.	770,000.
Davidson County, Tenn. ....	1947	4 1/2	200,000.	200,000.
Dillon, Florence, Williamsburg, Colleton, Beaufort and Jasper Counties, S. C. (Coastal Highway Bonds) .....	1934-1935	4 3/4	200,000.	200,000.
Dillon, Florence, Williamsburg, Colleton, Beaufort and Jasper Counties, S. C. (Coastal Highway Bonds) .....	1936-1939	4 1/2	100,000.	100,000.
Duval County, Florida .....	1933-1939	5	126,000.	126,000.
Essex County, N. J. ....	1948-1949	4 1/2	50,000.	50,000.
Fayette County, Pa. ....	1935-1945	4 1/4	253,000.	253,000.
Fond Du Lac County, Wis. ....	1933-1941	4 1/2	108,000.	108,000.
Forsyth County, N. C. ....	1933-1956	4 1/2	165,000.	165,000.
Franklin County, Ohio .....	1930-1934	5	45,000.	45,000.
Franklin County, Ohio .....	1930-1937	4 3/4	73,000.	73,000.
Franklin County, Ohio .....	1930-1940	4 1/2	66,000.	66,000.
Greenville County, S. C. ....	1935-1943	4 1/2	200,000.	200,000.
Guilford County, N. C. ....	1938-1943	4 1/4	300,000.	300,000.
Hamilton County, Ohio .....	1930-1936	4 1/2	171,000.	171,000.
Hamilton County, Ohio .....	1939-1946	5	70,000.	70,000.
Hamilton, Tenn. ....	1947-1958	4 1/2	416,000.	416,000.
Harris County, Texas .....	1938-1951	4 1/2	100,000.	100,000.
Hudson County, N. J. ....	1930-1950	4 1/2	1,060,000.	1,060,000.
Knox County, Tenn. ....	1947	5	150,000.	150,000.
Lackawanna County, Pa. ....	1931	4	91,000.	91,000.
Lehigh County, Pa. ....	1941	4 1/4	165,000.	165,000.
Lorain County, Ohio .....	1935-1947	4 1/2	220,000.	220,000.
Lucas County, Ohio .....	1930-1931	5 1/2	15,000.	15,000.
Lucas County, Ohio .....	1930-1939	5	540,000.	540,000.
Luzerne County, Pa. ....	1930-1933	4	200,000.	194,000.
Macomb County, Mich. ....	1931-1938	5	114,000.	114,000.
Mahoning County, Ohio .....	1930-1939	5	110,000.	110,000.
Mahoning County, Ohio .....	1930-1941	4 1/2	323,000.	323,000.
Mahoning County, Ohio .....	1930-1943	4 3/4	197,000.	197,000.
Middlesex County, N. J. ....	1932-1938	4 1/4	44,500.	44,174.79
Middlesex County, N. J. ....	1930-1937	4 1/4	298,000.	298,000.
Middlesex County, N. J. ....	1932-1933	4 1/2	30,000.	30,000.
Monmouth County, N. J. ....	1937-1941	4 1/2	205,000.	205,000.
Montgomery County, Md. ....	1932-1960	4 1/2	376,000.	376,000.
Montgomery County, Ohio .....	1930-1934	5 1/2	38,000.	38,000.
Montgomery County, Ohio .....	1930-1946	5	204,000.	204,100.
Montgomery County, Ohio .....	1930-1948	4 3/4	124,000.	124,000.
Montgomery County, Ohio .....	1930-1950	4 1/2	210,500.	210,500.
Morris County, N. J. ....	1935-1941	4 1/2	159,000.	159,000.
Multnomah County, Oregon .....	1932-1947	4 1/2	335,000.	335,000.
Nassau County, New York .....	1932-1940	4 1/4	500,000.	500,000.
New Castle County, Del. ....	1933-1938	4 1/2	73,000.	73,000.
Oakland County, Mich. ....	1930-1938	4	65,000.	63,949.79
Passaic County, N. J. ....	1930-1931	5	91,000.	91,000.
Passaic County, N. J. ....	1930-1946	4 1/4	397,000.	397,600.
Passaic County, N. J. ....	1932-1935	4 1/2	175,000.	175,000.
Richland, Lexington and Saluda Counties, S. C. (Highway Bonds) ..	1935-1937	4 3/4	200,000.	200,000.
HIGHWAY BONDS				
Richland, Lexington and Saluda Counties, S. C. (Highway Bonds) ..	1937-1942	4 1/2	62,000.	61,922.50
St. Louis County, Mo. ....	1931-1948	4 1/2	600,000.	600,000.
Scioto County, Ohio .....	1930-1938	4 1/2	62,000.	62,000.
Shelby County, Tenn. ....	1935-1941	4 3/4	205,000.	205,000.
Shelby County, Tenn. ....	1949	4 1/2	300,000.	300,000.
Spartansburg County, S. C. ....	1931-1947	4 1/2	219,000.	219,000.
Stark County, Ohio .....	1930-1936	5	92,500.	92,500.
Stark County, Ohio .....	1930-1938	4 1/2	551,000.	561,000.
Summit County, Ohio .....	1932-1936	5	200,000.	200,000.
Summit County, Ohio .....	1932-1937	4 1/2	221,000.	221,000.
Tioga County, Pa. ....	1930-1936	4 1/2	130,000.	130,000.
Trumbull County, Ohio .....	1930-1943	4 3/4	381,000.	381,000.
Union County, N. J. ....	1932-1939	4 1/4	40,000.	40,000.
Union County, N. J. ....	1935-1960	4 1/2	550,000.	550,000.
Venango County, Pa. ....	1938-1949	4 1/4	161,000.	161,000.
Wake County, N. C. ....	1935-1937	4 3/4	100,000.	100,000.

## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1929 (Continued)

ASSETS			Par Value	As Charged
Washington County, Pa. ....	1930-1933	43 $\frac{1}{4}$	\$16,000.	\$15,600.
Washington County, Pa. ....	1931	4	75,000.	73,819.25
Wayne County, Mich. ....	1932-1935	5	100,000.	100,000.
Wayne County, Mich. ....	1932-1937	41 $\frac{1}{4}$	122,000.	122,000.
Wayne County, Mich. ....	1933-1935	43 $\frac{1}{4}$	300,000.	300,000.
Westmoreland County, Pa. ....	1935	41 $\frac{1}{2}$	170,000.	170,000.
Wood County, Ohio ....	1932-1934	43 $\frac{1}{4}$	96,000.	96,000.
MUNICIPAL BONDS				
Abington Township, Pa. ....	1933-1948	41 $\frac{1}{2}$	55,000.	55,000.
Abington Township, School District, Pa. ....	1938	4	18,000.	18,000.
Abington Township, School District, Pa. ....	1938-1958	41 $\frac{1}{2}$	60,000.	60,000.
Akron City, Ohio ....	1931	5	40,000.	40,000.
Akron City, Ohio ....	1934-1937	43 $\frac{1}{4}$	40,000.	40,000.
Akron City, Ohio ....	1934-1949	41 $\frac{1}{2}$	288,000.	288,000.
Albany City, N. Y. ....	1930	4	750.	750.
Allegheny City, Pa. ....	1937	4	119,000.	110,670.
Allegheny City, School District, Pa. ....	1930-1938	4	116,000.	116,000.
Allegheny City, School District, Pa. ....	1938	41 $\frac{1}{2}$	69,000.	69,000.
Altoona City, Pa. ....	1936	4	43,000.	43,000.
Altoona City, School District, Pa. ....	1930-1933	4	46,000.	46,000.
Baltimore City, Md. ....	1933-1957	4	2,405,000.	2,303,798.77
Baltimore City, Md. ....	1943	5	300,000.	300,000.
Bethlehem Borough, South, Pa. ....	1933	4	25,000.	25,000.
Bethlehem Borough, South, Pa. ....	1942	41 $\frac{1}{2}$	42,000.	42,000.
Bridgeport City, Conn. ....	1930-1968	41 $\frac{1}{2}$	661,000.	661,000.
Buffalo City, N. Y. ....	1934-1936	41 $\frac{1}{4}$	488,000.	488,000.
Butler Borough, Pa. ....	1930-1933	4	20,000.	20,000.
Camden City, N. J. ....	1934-1943	41 $\frac{1}{4}$	500,000.	500,000.
Canton City, Ohio ....	1930-1933	41 $\frac{1}{2}$	20,000.	20,000.
Canton City, Ohio ....	1930-1936	5	155,750.	155,750.
Carbondale City, School District, Pa. ....	1931-1945	41 $\frac{1}{4}$	68,000.	68,000.
Carbondale City, School District, Pa. ....	1931-1951	43 $\frac{1}{4}$	150,000.	150,000.
Chattanooga City, Tenn. ....	1937-1947	41 $\frac{1}{2}$	165,000.	165,000.
Cheltenham Township, School District, Pa. ....	1932-1937	4	20,000.	20,000.
Chester City, School District, Pa. ....	1932-1942	41 $\frac{1}{2}$	75,000.	75,000.
Chicago City, Ill. ....	1930-1940	5	1,870,000.	1,870,000.
Chicago City, Ill. ....	1933-1935	4	1,000,000.	1,000,000.
Chicago Sanitary District, Ill. ....	1932-1944	41 $\frac{1}{4}$	2,305,000.	2,305,000.
Chicago Sanitary District, Ill. ....	1932-1945	41 $\frac{1}{2}$	1,000,000.	1,000,000.
Cincinnati City, School District, Ohio ....	1932-1943	41 $\frac{1}{2}$	500,000.	500,000.
Cleveland City, Ohio ....	1930-1938	41 $\frac{1}{4}$	281,000.	279,836.
Cleveland City, Ohio ....	1930-1949	41 $\frac{1}{2}$	1,164,000.	1,164,000.
Cleveland City, Ohio ....	1934	5	48,000.	43,000.
Cleveland City, Ohio ....	1939-1950	43 $\frac{1}{4}$	105,000.	105,000.
Cleveland City, School District, Ohio ....	1933-1943	41 $\frac{1}{4}$	209,000.	203,000.
Columbus City, Ohio ....	1935-1956	41 $\frac{1}{4}$	100,000.	100,000.
Columbus City, Ohio ....	1930-1938	41 $\frac{1}{2}$	312,500.	312,500.
Columbus City, Ohio ....	1931-1954	5	68,000.	68,000.
Dayton City, Ohio ....	1933-1950	41 $\frac{1}{4}$	57,000.	56,758.05
Dayton City, Ohio ....	1934-1936	4	30,000.	29,363.54
Dayton City, School District, Ohio ....	1940-1946	41 $\frac{1}{2}$	167,000.	167,000.
Des Moines City, Iowa ....	1931	41 $\frac{1}{2}$	3,000.	3,000.
Des Moines City, School District, Iowa ....	1932	41 $\frac{1}{2}$	50,000.	50,000.
Detroit City, Mich. ....	1933-1947	41 $\frac{1}{2}$	712,000.	712,000.
Detroit City, Mich. ....	1956	4	600,000.	584,947.08
East Cleveland City, Ohio ....	1931-1937	41 $\frac{1}{2}$	91,000.	91,000.
Elizabeth City, N. J. ....	1930-1954	41 $\frac{1}{4}$	244,000.	244,000.
Elizabeth City, N. J. ....	1932-1962	41 $\frac{1}{2}$	173,000.	173,000.
Elyria City, Ohio ....	1943-1950	41 $\frac{1}{4}$	58,000.	58,000.
Erie City, School District, Pa. ....	1930-1932	4	14,000.	14,000.
Hamilton City, Ohio ....	1933-1952	5	232,000.	232,000.
Hamilton City, School District, Ohio ....	1932-1939	41 $\frac{1}{2}$	167,000.	167,000.
Hanover Township, Pa. ....	1933-1947	41 $\frac{1}{2}$	210,000.	210,000.
Harrisburg City, Pa. ....	1930-1936	4	98,000.	94,030.
Harrisburg City, Pa. ....	1930-1946	41 $\frac{1}{4}$	170,000.	170,000.
Harrisburg City, School District, Pa. ....	1930-1937	4	47,000.	47,000.
Harrisburg City, School District, Pa. ....	1932-1952	41 $\frac{1}{4}$	105,000.	105,000.
Hazleton City, Pa. ....	1930-1941	41 $\frac{1}{2}$	24,000.	24,000.
Hazleton City, School District, Pa. ....	1930-1945	41 $\frac{1}{2}$	107,000.	107,000.
Huntington City, W. Va. ....	1954	41 $\frac{1}{2}$	41,000.	41,000.
Huntington City, Independent School District, W. Va. ....	1931-1938	41 $\frac{1}{2}$	159,000.	159,000.
Jacksonville City, Fla. ....	1938	5	200,000.	200,000.
Jersey City, N. J. ....	1932-1948	41 $\frac{1}{2}$	1,291,000.	1,291,000.
Johnstown City, School District, Pa. ....	1936-1941	41 $\frac{1}{2}$	33,000.	33,000.
Kansas City, Kan. ....	1930-1938	41 $\frac{1}{2}$	185,000.	185,000.
Knoxville City, Tenn. ....	1930-1947	41 $\frac{1}{2}$	385,000.	385,000.
Knoxville City, Tenn. ....	1944	43 $\frac{1}{4}$	25,000.	25,000.
Lakewood City, Ohio ....	1930-1954	43 $\frac{1}{4}$	75,000.	75,000.
Lexington City, Ky. ....	1930-1932	41 $\frac{1}{2}$	21,000.	21,000.
Lima City, Ohio ....	1930-1937	5	82,000.	82,000.
Lima City, Ohio ....	1930-1941	41 $\frac{1}{4}$	24,000.	24,000.
Lima City, School District, Ohio ....	1930-1933	41 $\frac{1}{2}$	80,000.	80,000.
Los Angeles City, Cal. ....	1933-1948	41 $\frac{1}{2}$	750,000.	750,000.
Lower Merion Township, School District, Pa. ....	1930-1940	41 $\frac{1}{2}$	40,000.	40,000.
Macon City, Ga. ....	1930-1938	41 $\frac{1}{2}$	98,000.	98,000.
Mahoning Valley Sanitary District, Ohio ....	1934-1938	41 $\frac{1}{4}$	500,000.	500,000.
McKeesport City, Pa. ....	1930-1939	4	92,000.	92,000.
Memphis City, Tenn. ....	1930-1951	41 $\frac{1}{2}$	258,000.	258,000.
Memphis City, School District, Tenn. ....	1931-1956	41 $\frac{1}{2}$	288,000.	288,000.
Milwaukee City, Wis. ....	1930-1931	41	49,000.	49,000.
Minneapolis City, Minn. ....	1930-1936	41 $\frac{1}{2}$	63,425.	63,425.
Minneapolis City, Minn. ....	1930-1937	41 $\frac{1}{4}$	378,775.	377,932.66
Montclair Town, N. J. ....	1930-1951	41 $\frac{1}{2}$	393,000.	392,993.87
Nashville City, Tenn. ....	1930-1948	41 $\frac{1}{2}$	300,000.	300,000.
Nashville City, Tenn. ....	1931-1948	5	195,000.	195,000.
Newark City, N. J. ....	1945-1954	41 $\frac{1}{2}$	464,000.	464,000.
New Brunswick City, N. J. ....	1930-1968	41 $\frac{1}{4}$	144,000.	144,000.
New York City, N. ....	1930-1936	4	35,000.	35,000.
New York City, N. Y. ....	1939-1950	41 $\frac{1}{4}$	1,500,000.	1,500,000.
New York City, N. Y. ....	1945-1947	41 $\frac{1}{2}$	2,000,000.	2,000,000.
Norfolk City, Va. ....	1930-1938	4	392,000.	364,560.



## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1929 (Continued)

ASSETS			Par Value	As Charged
Northampton Borough School District, Pa. ....	1936-1956	4½	\$141,000.	\$141,000.
Oklahoma City, Okla. ....	1935-1936	5	100,000.	100,000.
Oklahoma City, Okla. ....	1938-1940	4½	253,000.	253,000.
Overpeck Township, School District, N. J. ....	1930-1941	4½	156,000.	156,000.
Passaic City, N. J. ....	1930	5	360,000.	360,000.
Philadelphia City, Pa. ....	1937-1947	4	10,000,500.	9,300,465.
Philadelphia City, Pa. ....	1952-1976	4½	2,335,000.	2,335,000.
Philadelphia City, Pa. ....	1948-1979	4½	4,336,000.	4,336,000.
Philadelphia City, School District, Pa. ....	1930-1947	4½	1,082,000.	1,080,360.
Philadelphia City, School District, Pa. ....	1932-1937	5	167,000.	167,000.
Philadelphia City, School District, Pa. ....	1943-1944	4½	60,000.	60,000.
Pittsburgh City, Pa. ....	1930	4½	84,000.	82,320.
Pittsburgh City, Pa. ....	1930-1934	4	5,000.	5,000.
Pittsburgh City, School District, Pa. ....	1930-1939	4½	493,000.	477,780.
Pittsburgh City, School District, Pa. ....	1931	3½	1,000.	925.55
Pittsburgh City, School District, Pa. ....	1931-1940	4½	426,000.	426,000.
Pittsburgh City, School District, Pa. ....	1933-1939	4	111,000.	111,000.
Pittsburgh City, School District, Pa. ....	1930-1936	4½	26,000.	26,000.
Pittston City, School District, Pa. ....	1934-1943	4½	100,000.	100,000.
Pontiac City, Mich. ....	1933-1943	4½	150,000.	149,500.
Portsmouth City, Ohio ....	1938-1939	4½	50,000.	50,000.
Raleigh City, N. C. ....	1931	4	9,500.	9,500.
Reading City, Pa. ....	1960	4½	250,000.	250,000.
Richmond City, Va. ....	1932-1942	4½	127,000.	127,000.
Ridgewood Township, School District, N. J. ....	1936-1947	4½	17,000.	16,936.25
Rockford Sanitary District, Ill. ....	1932-1942	4½	1,456,000.	1,456,000.
St. Louis City, Mo. ....	1937	4	200,000.	200,000.
St. Louis City, Mo. ....	1930-1947	4½	51,000.	54,000.
Sandusky City, Ohio ....	1930-1932	4½	42,000.	42,000.
Savannah City, Ga. ....	1930	4½	5,000.	5,000.
Schenectady City, N. Y. ....	1930-1932	4½	15,000.	15,000.
Schenectady City, N. Y. ....	1934-1939	4	150,000.	142,500.
Scranton City, School District, Pa. ....	1930-1941	4½	290,000.	290,000.
Seattle City, Wash. ....	1930-1931	4½	32,000.	32,000.
Seattle City, School District, Wash. ....	1930-1939	4½	261,364.96	261,364.96
Springfield City, Ohio ....	1930-1953	4½	112,000.	112,000.
Toledo City, Ohio ....	1933-1944	4½	400,000.	400,000.
Toledo City, School District, Ohio ....	1942-1946	4½	16,000.	15,904.38
Union City, N. J. ....	1933-1943	4½	200,000.	200,000.
Upper Darby Township, Pa. ....	1940	4½	28,000.	28,000.
West New York Town, N. J. ....	1931-1940	4½	100,000.	100,000.
West Orange Town, N. J. ....	1930-1938	4½	161,000.	161,000.
Wilkes-Barre City, School District, Pa. ....	1930-1935	4½	181,000.	181,000.
Wilkinsburg Borough, School District, Pa. ....	1930-1938	4	131,000.	131,000.
Wilkinsburg Borough, School District, Pa. ....	1932-1940	4½	42,000.	42,000.
Winston-Salem City, N. C. ....	1936-1952	4½	263,000.	263,000.
Woonsocket City, R. I. ....	1931-1964	4½	263,000.	261,876.63
Yonkers City, N. Y. ....	1930-1932	4½	16,000.	16,000.
Yonkers City, N. Y. ....	1930-1933	5	20,000.	20,000.
York City, Pa. ....	1933	4	10,000.	10,000.
			\$104,814,164.96	\$103,210,579.32

## RAILROAD LOANS

Allegheny Valley (Penna.) ....	1942	4½	\$2,278,000.	\$1,925,291.25
Allegheny & Western (Buff. Roch. & Ptgh.) ....	1998	4	192,000.	155,632.81
Atchison, Topeka & Santa Fe ....	1995	4	1,992,000.	1,638,248.75
Atlanta, Knoxville & Northern (Louisville & Nashville) ....	1946	5	68,000.	63,770.
Atlantic Coast Line of South Carolina ....	1948	4	139,000.	111,200.
Atlantic Coast Line, Equipment Trust ....	1930-1941	4½	110,000.	108,353.84
Baltimore & Ohio ....	1948	5	2,599,000.	2,551,250.07
Baltimore & Ohio, Equipment Trust ....	1930-1942	4½	1,850,000.	1,822,525.32
Baltimore & Ohio, Equipment Trust ....	1930-1938	5	271,000.	271,000.
Beech Creek (New York Central) ....	1936	4	119,000.	102,162.01
Brooklyn & Montauk (Long Island) ....	1938	5	57,000.	50,830.
Catawissa (Reading) ....	1948	4	632,000.	528,931.78
Central of Georgia (Macon & Northern Div.) ....	1946	5	106,000.	92,560.
Central of Georgia (Mobile Div.) ....	1946	5	150,000.	130,820.
Central of Georgia, Equipment Trust ....	1930-1940	4½	155,000.	152,076.58
Central Pacific ....	1949	4	2,754,000.	2,330,659.75
Central Pacific, Through Short Line (Southern Pacific) ....	1954	4	349,000.	319,761.25
Central of New Jersey, Equipment Trust ....	1930	5	2,000.	2,000.
Central of New Jersey, Equipment Trust ....	1930-1941	4½	1,290,000.	1,282,087.93
Chesapeake & Ohio ....	1939	5	1,814,000.	1,740,080.
Chesapeake & Ohio (Richmond & Allegheny Div. 1st) ....	1989	4	121,000.	112,274.50
Chesapeake & Ohio (Richmond & Allegheny Div. 2nd) ....	1989	4	28,000.	25,991.
Chesapeake & Ohio, Equipment Trust ....	1930-1933	5½	22,000.	22,000.
Chesapeake & Ohio, Equipment Trust ....	1930-1939	5	483,000.	843,000.
Chicago, Burlington & Quincy (Illinois Div.) ....	1949	4	476,000.	411,418.75
Chicago, Milwaukee & St. Paul ....	1989	4	1,250,000.	837,500.
Chicago, Milwaukee & St. Paul ....	1989	4½	600,000.	450,000.
Chicago & Northwestern, Equipment Trust ....	1930-1936	5	18,000.	18,000.
Chicago & Northwestern, Equipment Trust ....	1931-1944	4½	700,000.	694,157.58
Chicago, Rock Island & Pacific ....	1988	4	1,222,000.	1,101,214.50
Chicago, Rock Island & Pacific, Equipment Trust ....	1930-1938	5	116,000.	116,000.
Chicago, Rock Island & Pacific, Equipment Trust ....	1930-1942	4½	596,000.	595,609.69
Chicago, St. Louis & New Orleans (Illinois Central) ....	1951	5	100,000.	100,000.
Chicago Union Station, Series A ....	1963	4½	885,000.	821,448.75
Cleveland, Cincinnati, Chicago & St. Louis (Cairo, Vincennes & Chicago) ....	1939	4	440,000.	419,777.25
Cleve., Columbus, Cin. & Ind. (New York Central) ....	1934	6	100,000.	100,000.
Cleveland, Lorain & Wheeling (Baltimore & Ohio) ....	1933	5	404,000.	383,600.
Cleveland & Pittsburgh (Penna.), Series A ....	1942	4½	729,000.	679,262.50
Cleveland & Pittsburgh (Penna.), Series B ....	1942	4½	198,000.	134,140.
Columbus & Toledo (Hocking Valley) ....	1955	4	609,000.	454,023.75
Connecting (Penna.) ....	1951	4	2,505,000.	2,239,793.75
Dayton & Michigan (Baltimore & Ohio) ....	1931	4½	605,000.	509,682.
Delaware River R. R. & Bridge Co. (Penna.) ....	1936	1	62,000.	57,652.44
Detroit River Tunnel Company (Detroit Terminal & Tunnel) ....	1961	4½	200,000.	200,000.
East Tennessee, Virginia & Georgia (Southern) ....	1930	5	347,000.	329,450.
East Tennessee, Virginia & Georgia (Southern) ....	1956	5	1,256,000.	1,154,680.
Erie, Equipment Trust ....	1930-1942	4½	705,000.	694,994.39
Great Northern, Equipment Trust ....	1930-1935	5	25,000.	25,000.

## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1929 (Continued)

## ASSETS

## Par Value

## As Charged

Great Northern, Equipment Trust .....	1930-1940	4 1/2	\$213,000.	\$211,612.52
Harrisburg, Ports., Mt. Joy & Lancaster (Penna.) .....	1943	4	402,000.	345,677.50
Houston & Texas Central (Southern Pacific) .....	1937	5	43,000.	42,985.
Illinois Central, Equipment Trust .....	1930-1938	5	341,000.	341,000.
Illinois Central, Equipment Trust .....	1930-1941	4 1/2	866,000.	866,000.
Kansas City Terminal .....	1960	4	1,494,000.	1,360,535.14
Kentucky Central (Louisville & Nashville) .....	1937	4	199,000.	180,227.50
Lake Shore & Michigan Southern (New York Central) .....	1937	3 1/2	1,041,000.	739,110.
Lehigh Coal & Navigation Co. ....	1948	4	1,000,000.	860,000.
Lehigh Valley of New York .....	1940	4 1/2	2,477,000.	2,178,976.50
Lehigh Valley .....	1948	4	2,179,000.	1,856,255.
Lehigh Valley .....	Annuity	4 1/2	133,000.	121,335.
Long Island City & Flushing (Long Island) .....	1937	5	128,000.	127,037.50
Long Island (Penna.) .....	1931	4	115,000.	105,329.93
Long Island (Penna.) .....	1931	5	1,312,000.	1,221,170.
Long Island, Equipment Trust .....	1930-1935	5	9,000.	9,000.
Louisville & Nashville, Equipment Trust .....	1932-1937	4 1/2	27,000.	25,623.22
Louisville & Nashville, Equipment Trust .....	1932-1938	5	23,000.	26,000.
Montauk Extension (Long Island) .....	1945	5	116,000.	112,970.
Nashville, Chattanooga & St. Louis (Atlantic Coast Line) .....	1978	4	610,000.	590,812.50
Nashville, Chattanooga & St. Louis, Equipment Trust .....	1932-1937	4 1/2	40,000.	39,434.41
New Orleans & North Eastern .....	1940	5	78,000.	75,630.
New York Central Lines, Equipment Trust .....	1930-1939	5	589,000.	539,000.
New York Central Lines, Equipment Trust .....	1930-1940	4 1/2	1,685,000.	1,617,121.28
New York Central Lines, Equipment Trust .....	1935-1936	4 1/2	50,000.	47,022.67
New York, Chicago & St. Louis .....	1937	4	1,671,000.	1,410,771.25
New York, Chicago & St. Louis, Equipment Trust .....	1930-1939	5	184,000.	184,000.
New York Connecting, Series A .....	1953	4 1/2	443,000.	407,202.50
New York Connecting, Series B .....	1953	5	225,000.	225,000.
New York & Erie .....	1930	5	1,678,000.	1,514,785.
New York & Erie .....	1933	4 1/2	3,844,000.	3,595,525.
New York & Erie .....	1939	5	947,000.	852,460.
New York & Erie .....	1947	4	1,145,000.	905,891.07
Norfolk & Western .....	1996	4	1,281,000.	1,076,150.
Norfolk & Western, Equipment Trust .....	1930-1935	4 1/2	582,000.	578,286.19
Northern Central (Penna.) .....	1974	4 1/2	301,000.	296,025.
Northern Central (Penna.) .....	1974	5	5,000.	5,000.
Northern Pacific .....	1997	4	1,178,000.	895,280.
Northern Pacific, Equipment Trust .....	1930-1932	4 1/2	24,000.	23,932.18
North Pennsylvania .....	1936	4	529,000.	452,809.65
North Pennsylvania .....	1953	3.30	2,770,000.	1,930,000.
Ohio Connecting (P. C. C. & St. L.) .....	1943	4	888,000.	754,800.
Oregon R. R. & Navigation Co. (Union Pacific) .....	1946	4	533,000.	497,748.75
Pennsylvania .....	1943	4	51,000.	44,227.15
Pennsylvania, £76,400 Stg. @ \$4.85 .....	1945	3 1/2	370,540.	206,280.
Pennsylvania, £135,000 Stg. @ \$4.85 .....	1948	4	654,750.	431,040.
Pennsylvania .....	1948	4	3,064,000.	2,757,694.87
Pennsylvania .....	1960	4 1/2	3,610,000.	3,412,658.25
Pennsylvania, Equipment Trust .....	1930-1939	5	891,000.	591,000.
Pennsylvania, Equipment Trust .....	1930-1941	4 1/2	1,380,000.	1,368,021.75
Pennsylvania & New York Canal & R. R. Co., (Lehigh Valley) .....	1939	4	669,000.	570,220.
Pennsylvania & New York Canal & R. R. Co., (Lehigh Valley) .....	1939	4 1/2	419,000.	379,132.50
Pennsylvania & New York Canal & R. R. Co., (Lehigh Valley) .....	1939	5	940,000.	898,700.
Pennsylvania, Ohio & Detroit (Penna.) Series A .....	1977	4 1/2	517,000.	490,718.75
Philadelphia, Baltimore & Washington .....	1943	4	4,776,000.	4,027,633.
Philadelphia & Reading .....	1933	5	648,000.	648,000.
Philadelphia & Reading .....	1937	4	1,334,000.	1,162,279.01
Philadelphia & Reading .....	1941	5	704,000.	700,100.
Philadelphia & Reading .....	1947	4	2,685,000.	2,339,894.92
Philadelphia, Wilmington & Baltimore .....	1932	4	89,000.	86,004.19
Pittsburgh, Cin., Chicago & St. Louis, Series A .....	1940	4 1/2	1,000,000.	870,000.
Pittsburgh, Cin., Chicago & St. Louis, Series B .....	1942	4 1/2	1,200,000.	1,044,000.
Pittsburgh, Cin., Chicago & St. Louis, Series C .....	1942	4 1/2	215,000.	187,920.
Pittsburgh, Cin., Chicago & St. Louis, Series D .....	1945	4	767,000.	659,620.
Pittsburgh, Cin., Chicago & St. Louis, Series F .....	1953	4	1,889,000.	1,588,650.
Pittsburgh, Cin., Chicago & St. Louis, Series G .....	1957	4	567,000.	487,620.
Pittsburgh, Cin., Chicago & St. Louis, Series I .....	1963	4 1/2	192,000.	167,040.
Pittsburgh, Virginia & Charleston (Penna.) .....	1943	4	1,639,000.	1,344,755.
Pittsburgh, Youngstown & Ashtabula, Series A .....	1948	4	41,000.	39,505.
Pittsburgh, Youngstown & Ashtabula, Series B .....	1962	5	17,000.	17,000.
Reading Company .....	1997	4 1/2	1,622,000.	1,393,275.
Reading Company, Equipment Trust .....	1930-1932	5	12,000.	12,000.
St. Louis, Iron Mountain & Southern (Missouri Pacific) .....	1931	5	1,000,000.	1,000,000.
St. Paul, Minneapolis & Manitoba (Great Northern) .....	1933	4	1,398,000.	1,191,232.50
St. Paul, Minneapolis & Manitoba (Great Northern) .....	1933	4 1/2	274,000.	264,617.50
St. Paul, Minneapolis & Manitoba (Great Northern) .....	1933	6	335,000.	335,000.
St. Paul, Minneapolis & Manitoba (Montana Extension) .....	1937	4	110,000.	108,903.75
Savannah, Florida & Western (Atlantic Coast Line) .....	1934	5	201,000.	188,940.
South & North Alabama (Louisville & Nashville) .....	1936	5	407,000.	378,510.
Southern (East Tennessee Reorganization) .....	1938	5	42,000.	42,000.
Southern, Equipment Trust .....	1930-1936	5 1/2	69,000.	69,000.
Southern, Equipment Trust .....	1930-1938	4	550,000.	537,940.24
Southern, Equipment Trust .....	1930-1938	5	157,000.	157,000.
Southern, Equipment Trust .....	1930-1941	4 1/2	817,000.	799,544.94
Southern Pacific, Equipment Trust .....	1930-1939	5	762,000.	762,000.
Southern Pacific, Equipment Trust .....	1930-1942	4 1/2	741,000.	738,386.80
Southern Pacific of California .....	1937	5	9,000.	8,550.
Terminal R. R. Assn. of St. Louis .....	1939	4 1/2	655,000.	593,399.15
Toledo & Ohio Central (New York Central) .....	1935	5	526,000.	491,062.50
Toledo, Walhonding Valley & Ohio (Series A) (Penna. Co.) .....	1931	4 1/2	325,000.	319,627.50
Toledo, Walhonding Valley & Ohio (Series B) (Penna. Co.) .....	1933	4 1/2	133,000.	129,402.50
Union Pacific .....	1947	4	1,076,000.	900,405.
Union Pacific, Equipment Trust, Series B .....	1937	5	1,000.	1,000.
United New Jersey R. R. & Canal Co. ....	1944	4	816,000.	688,612.50
United New Jersey R. R. & Canal Co. ....	1951	3 1/2	1,000,000.	760,000.
Virginia Midland (Southern), Series F .....	1931	5	46,000.	42,940.
Virginia Midland (Southern) .....	1936	5	484,000.	456,420.
Wabash .....	1939	5	1,093,000.	1,089,210.
Wabash (Detroit & Chicago Extension) .....	1941	5	547,000.	489,508.75
Washington Terminal Co. ....	1945	3 1/2	150,000.	128,062.50
Washington Terminal Co. ....	1945	4	567,000.	452,345.



## APPENDIX TO THE

## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1929 (Continued)

ASSETS			Par Value	As Charged
West Jersey & Seashore .....	1933	3½	\$165,000.	\$132,000.
West Jersey & Seashore .....	1936	4	1,088,000.	939,442.50
West Shore .....	2361	4	463,000.	328,730.
			\$113,089,290.	\$100,726,712.29

## PUBLIC UTILITY LOANS

Continental Passenger Rwy. Co. ....	1959	4%	\$280,000.	\$232,400.
New England Telephone & Telegraph Co. (Amer. Tel. & Tel.) .....	1952	5	46,000.	46,000.
Philadelphia Electric Co. (U. G. I.) .....	1966	5	153,000.	153,000.
Philadelphia & Reading Coal & Iron Co. ....	1973	5	592,000.	479,520.
Southern Bell Telephone & Telegraph Co. (Amer. T. & T.) .....	1941	5	60,000.	59,850.
Public Utility Loans .....			1,131,000.	970,770.
Railroad Loans .....			113,089,290.	100,726,712.29
Public Loans .....			104,814,164.96	103,210,579.32
			\$219,034,454.96	\$204,908,061.51

## SUMMARY

Public, Railroad and Public Utility Loans as charged above .....	\$204,908,061.61
Bonds and Mortgages .....	63,187,116.22
Real Estate .....	1,636,493.27
Suspense Account .....	29.45
Cash .....	14,455,047.71
	<u>\$284,187,348.36</u>

## LIABILITIES

Due Depositors (362,787) .....	\$263,425,959.06
Surplus or Contingent Fund .....	19,921,389.30
Ground Rents .....	840,000.
	<u>\$284,187,348.36</u>

Depositors' United States Loans .....	\$1,689,300.
United States Loans, Depositors' Acct. ....	\$1,689,300.

The present rate of interest to depositors is 4% per annum.

## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1930.

The subscribers, duly appointed by the President Judges of the Courts of Common Pleas of Philadelphia County, to audit and settle the Accounts of The Philadelphia Saving Fund Society, under the provisions of the Third Section of the Supplement to the "Act" incorporating the said Society, approved March 15, 1824, having been duly qualified, respectfully report:—

That, in the performance of the duties assigned them, they have audited and settled the Books and Accounts of The Philadelphia Saving Fund Society for the year ending the thirty-first day of December, 1930, and have examined and ascertained the amount of the Bonds and Mortgages, Real Estate, Public Loans, Railroad Loans,

and the other evidences of the property and effects of the said Society, and agreeably thereto have made out the subjoined statement, which agrees with the books at that date, and exhibits the situation and condition of the said The Philadelphia Saving Fund Society on the first day of January, 1931.

C. BERKELEY TAYLOR,  
FRANCIS BIDDLE,  
EMILIN C. GUYELIN,  
Auditors.

## PUBLIC LOANS

## UNITED STATES BONDS

ASSETS			Par Value	As Charged
Liberty and Treasury Loans .....	1938-1952	4½%	\$16,800,000.	\$16,303,970.25

## STATE BONDS

California, State .....	1941-1942	4½	500,000.	500,000.
Illinois, State .....	1937-1956	4	4,500,000.	4,460,313.95
Maryland, State .....	1931-1934	4½	311,000.	311,000.
Maryland, State .....	1931-1937	4	318,000.	315,217.50
Mississippi, State .....	1946	4½	470,000.	470,000.
New Jersey, State .....	1944	4½	1,000,000.	987,500.
North Carolina, State .....	1935-1936	4½	500,000.	500,000.
Pennsylvania, State .....	1951	4½	1,412,000.	1,442,000.
Tennessee, State .....	1931-1945	4½	450,000.	450,000.
Tennessee, State .....	1942	4½	500,000.	500,000.
West Virginia, State .....	1931-1950	4½	782,000.	782,000.
West Virginia, State .....	1933	5	100,000.	100,000.
West Virginia, State .....	1942-1947	4½	203,000.	203,000.

## COUNTY BONDS

Allegany County, Md. ....	1947-1932	4½	183,000.	183,000.
Allegheny County, Pa. ....	1931-1947	4½	1,640,000.	1,640,000.
Allegheny County, Pa. ....	1933-1939	4	877,000.	825,769.48
Allegheny County, Pa. ....	1933-1949	4½	200,000.	200,000.
Anne Arundel County, Md. ....	1931-1939	4½	180,000.	180,000.
Ashtabula County, Ohio .....	1932-1935	4	54,000.	53,422.47
Ashtabula County, Ohio .....	1931-1936	5	53,000.	53,000.
Atlantic County, N. J. ....	1931-1948	4½	527,000.	527,000.
Atlantic County, N. J. ....	1939-1946	5	150,000.	150,000.
Baltimore County, Md. ....	1933-1966	4½	497,000.	497,000.
Bergen County, N. J. ....	1931-1955	4½	724,000.	724,000.
Bergen County, N. J. ....	1933	5	218,000.	218,000.
Bergen County, N. J. ....	1937-1939	4½	150,000.	150,000.
Blair County, Pa. ....	1937	4	128,000.	119,040.
Buncombe County, N. C. ....	1933-1937	4½	100,000.	100,000.
Eutler County, Ohio .....	1931-1933	4½	113,000.	113,000.
Eutler County, Ohio .....	1931-1933	5	64,000.	64,000.
Eutler County, Pa. ....	1931-1934	4½	80,000.	80,000.
Cambria County, Pa. ....	1931-1945	4½	255,000.	255,000.
Camden County, N. J. ....	1935	4½	3,000.	3,000.
Camden County, N. J. ....	1951-1960	4½	225,000.	223,000.
Cap May County, N. J. ....	1932-1947	4½	412,000.	412,000.
Chautauqua County, N. Y. ....	1938-1939	5	350,000.	350,000.

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## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1930 (Continued)

ASSETS			Par Value	As Charged
Cook County, Ill.	1938-1947	4	\$691,000.	\$672,667.62
Cuyahoga County, Ohio	1931-1946	4 1/2	720,500.	720,500.
Cuyahoga County, Ohio	1944-1951	4 1/4	272,000.	271,320.
Davidson County, Tenn.	1947	4 1/2	200,000.	200,000.
Dillon, Florence, Williamsburg, Colleton, Beaufort and Jasper Counties, S. C. (Coastal Highway Bonds)	1934-1935	4 3/4	200,000.	200,000.
Dillon, Florence, Williamsburg, Colleton, Beaufort and Jasper Counties, S. C. (Coastal Highway Bonds)	1936-1939	4 1/2	100,000.	100,000.
Duval County, Fla.	1933-1939	5	126,000.	126,000.
Essex County, N. J.	1928-1949	4 1/2	50,000.	50,000.
Fayette County, Pa.	1935-1945	4 1/4	253,000.	253,000.
Fond Du Lac County, Wis.	1933-1941	4 1/2	108,000.	108,000.
Forsyth County, N. C.	1933-1956	4 1/2	165,000.	165,000.
Franklin County, Ohio	1931-1934	5	33,000.	33,000.
Franklin County, Ohio	1931-1937	4 3/4	61,000.	61,000.
Franklin County, Ohio	1931-1940	4 1/2	148,830.	148,830.
Greenville County, S. C.	1935-1943	4 1/2	200,000.	200,000.
Guilford County, N. C.	1939-1943	4 1/4	300,000.	300,000.
Guilford County, N. C.	1940-1950	4 1/2	204,000.	204,000.
Hamilton County, Ohio	1931-1936	4 1/2	162,000.	162,000.
Hamilton County, Ohio	1939-1946	5	70,000.	70,000.
Hamilton County, Tenn.	1947-1958	4 1/2	416,000.	416,000.
Harris County, Texas	1938-1951	4 1/2	100,000.	100,000.
Hudson County, N. J.	1922-1950	4 1/2	1,040,000.	1,040,000.
Jackson County, Missouri	1944-1950	4 1/2	340,000.	340,000.
King County, Wash.	1935-1949	4 1/2	200,000.	200,000.
Knox County, Tenn.	1947	5	150,000.	150,000.
Lackawanna County, Pa.	1931	4	91,000.	91,000.
Lehigh County, Pa.	1941	4 1/4	165,000.	165,000.
Lorain County, Ohio	1935-1947	4 1/2	220,000.	220,000.
Lucas County, Ohio	1931	5 1/2	6,000.	6,000.
Lucas County, Ohio	1931-1939	5	504,000.	504,000.
Luzerne County, Pa.	1931-1933	4	150,000.	145,500.
Macomb County, Mich.	1931-1938	5	114,000.	114,000.
Mahoning County, Ohio	1931-1941	4 1/2	305,000.	305,000.
Mahoning County, Ohio	1931-1939	5	102,000.	102,000.
Mahoning County, Ohio	1931-1943	4 3/4	184,000.	184,000.
Mahoning County, Ohio	1932-1938	4 1/4	44,500.	44,174.79
Middlesex County, N. J.	1931-1943	4 1/4	518,000.	518,000.
Middlesex County, N. J.	1932-1933	4 1/2	30,000.	30,000.
Milwaukee County, Wis.	1943-1949	4 3/4	500,000.	500,000.
Monmouth County, N. J.	1937-1948	4 1/2	315,000.	315,000.
Montgomery County, Md.	1932-1960	4 1/2	376,000.	376,000.
Montgomery County, Ohio	1931-1934	5 1/2	33,000.	33,000.
Montgomery County, Ohio	1931-1946	5	198,100.	198,100.
Montgomery County, Ohio	1931-1948	4 3/4	117,000.	117,000.
Montgomery County, Ohio	1931-1950	4 1/2	198,000.	198,000.
Morris County, N. J.	1935-1941	4 1/2	159,000.	159,000.
Multnomah County, Oregon	1932-1954	4 1/2	445,000.	445,000.
Multnomah County, Oregon	1945-1951	4 3/4	153,000.	153,000.
Nassau County, N. Y.	1932-1940	4 1/4	500,000.	500,000.
New Castle County, Del.	1933-1938	4 1/2	73,000.	73,000.
Oakland County, Mich.	1931-1938	4	57,000.	55,996.02
Passaic County, N. J.	1931	5	26,000.	26,000.
Passaic County, N. J.	1931-1949	4 1/4	535,000.	535,000.
Passaic County, N. J.	1932-1935	4 1/2	175,000.	175,000.
Richland, Lexington & Saluda Counties, S. C. (Highway Bonds)	1935-1937	4 3/4	200,000.	200,000.
Richland, Lexington & Saluda Counties, S. C. (Highway Bonds)	1937-1942	4 1/2	62,000.	61,922.50
St. Louis County, Mo.	1931-1948	4 1/2	600,000.	600,000.
Scioto County, Ohio	1931-1938	4 1/2	61,000.	61,000.
Shelby County, Tenn.	1935-1941	4 3/4	205,000.	205,000.
Shelby County, Tenn.	1949	4 1/2	300,000.	300,000.
Somerset County, N. J.	1938-1950	4 1/2	200,000.	200,000.
Spartanburg County, S. C.	1931-1947	4 1/2	219,000.	219,000.
Stark County, Ohio	1931-1936	5	88,500.	88,500.
Stark County, Ohio	1931-1938	4 1/2	529,000.	529,000.
Summit County, Ohio	1932-1936	5	200,000.	200,000.
Summit County, Ohio	1932-1940	4 1/2	306,000.	306,000.
Tioga County, Pa.	1931-1936	4 1/2	110,000.	110,000.
Trumbull County, Ohio	1931-1943	4 3/4	365,000.	365,000.
Union County, N. J.	1932-1947	4 1/4	80,000.	79,584.23
Union County, N. J.	1935-1960	4 1/2	550,000.	550,000.
Venango County, Pa.	1938-1949	4 1/4	161,000.	161,000.
Wake County, N. C.	1935-1937	4 3/4	100,000.	100,000.
Washington County, Pa.	1931	4	75,000.	73,819.45
Washington County, Pa.	1931-1933	4 3/4	11,000.	10,725.
Wayne County, Mich.	1932-1935	5	100,000.	100,000.
Wayne County, Mich.	1932-1937	4 1/4	122,000.	122,000.
Wayne County, Mich.	1938-1941	4 3/4	450,000.	450,000.
Westmoreland County, Pa.	1935	4 1/2	100,000.	100,000.
Wood County, Ohio	1932-1934	4 3/4	96,000.	96,000.

### MUNICIPAL BONDS

Abington Township, Pa.	1933-1948	4 1/2	55,000.	55,000.
Abington Township, School District, Pa.	1938	4	18,000.	18,000.
Abington Township, School District, Pa.	1938-1958	4 1/2	60,000.	60,000.
Akron City, Ohio	1931	5	40,000.	40,000.
Akron City, Ohio	1934-1937	4 3/4	40,000.	40,000.
Akron City, Ohio	1934-1949	4 1/2	288,000.	288,000.
Allegheny City, Pa.	1937	4	119,000.	110,670.
Allegheny City, School District, Pa.	1931-1938	4	106,000.	106,000.
Allegheny City, School District, Pa.	1938	4 1/2	69,000.	69,000.
Altoona City, Pa.	1936	4	43,000.	43,000.
Altoona City, School District, Pa.	1931-1933	4	36,000.	36,000.
Baltimore City, Md.	1933-1957	4	2,403,798.77	2,303,798.77
Baltimore City, Md.	1943	5	300,000.	300,000.
Bayonne City, N. J.	1944-1949	4 1/2	250,000.	250,000.
Bethlehem Borough, South. Pa.	1933	4	25,000.	25,000.
Bethlehem Borough, South. Pa.	1942	4 1/2	42,000.	42,000.
Bridgeport City, Conn.	1931-1963	4 1/2	642,000.	642,000.
Buffalo City, N. Y.	1934-1936	4 3/4	438,000.	438,000.



## APPENDIX TO THE

## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1930 (Continued)

ASSETS		Par Value	As Charged
Butler Borough, Pa. ....	1931-1933 4	\$15,000.	\$15,000.
Camden City, N. J. ....	1934-1943 4 1/4	548,000.	548,000.
Canton City, Ohio ....	1931-1933 4 1/2	14,500.	14,500.
Canton City, Ohio ....	1931-1936 5	143,250.	143,250.
Carbondale City, School District, Pa. ....	1931-1948 4 1/4	68,000.	68,000.
Carbondale City, School District, Pa. ....	1931-1951 4 3/4	150,000.	150,000.
Charleston City, Independent School District, W. Va. ....	1938-1948 5	135,000.	135,000.
Chattanooga City, Tenn. ....	1937-1960 4 1/2	490,000.	490,000.
Chattanooga City, Tenn. ....	1955-1959 4 3/4	125,000.	125,000.
Cheltenham Township, School District, Pa. ....	1932-1937 4	20,000.	20,000.
Chester City, School District, Pa. ....	1932-1942 4 1/2	75,000.	75,000.
Chicago City, Ill. ....	1931-1940 5	1,820,000.	1,820,000.
Chicago City, Ill. ....	1933-1935 4	1,000,000.	1,000,000.
Chicago, Sanitary District, Ill. ....	1932-1944 4 1/4	2,305,000.	2,305,000.
Chicago, Sanitary District, Ill. ....	1932-1945 4 1/2	1,000,000.	1,000,000.
Cincinnati City, School District, Ohio ....	1932-1953 4 1/2	750,000.	750,000.
Cleveland City, Ohio ....	1931-1938 4 1/4	227,000.	225,946.38
Cleveland City, Ohio ....	1934 5	48,000.	48,000.
Cleveland City, Ohio ....	1934-1949 4 1/2	1,135,000.	1,135,000.
Cleveland City, Ohio ....	1936-1950 4 3/4	220,000.	220,000.
Cleveland City, School District, Ohio ....	1933-1943 4 1/4	209,000.	209,000.
Cleveland City, School District, Ohio ....	1941-1946 4 1/2	107,000.	107,000.
Clifton City, N. J. ....	1935-1956 4 1/4	100,000.	100,000.
Columbus City, Ohio ....	1931-1934 5	88,000.	88,000.
Columbus City, Ohio ....	1933-1938 4 1/2	262,500.	262,500.
Covington City, Ky. ....	1932-1959 4 1/2	128,000.	128,000.
Dayton City, Ohio ....	1933-1950 4 1/4	57,000.	56,758.08
Dayton City, Ohio ....	1934-1936 4	30,000.	29,363.54
Dayton City, School District, Ohio ....	1940-1946 4 1/2	167,000.	167,000.
Des Moines City, Iowa ....	1931 4 1/2	3,000.	3,000.
Des Moines City, School District, Iowa ....	1932 4 1/2	50,000.	50,000.
Detroit City, Mich. ....	1936-1947 4 1/2	712,000.	712,000.
Detroit City, Mich. ....	1956 4	600,000.	584,847.08
East Cleveland City, Ohio ....	1931-1937 4 1/2	91,000.	91,000.
East Providence Town, R. I. ....	1937-1948 4 1/4	105,000.	104,481.13
Elizabeth City, N. J. ....	1931-1954 4 1/4	242,000.	242,000.
Elizabeth City, N. J. ....	1932-1962 4 1/2	173,000.	173,000.
Elyria City, Ohio ....	1943-1950 4 1/4	58,000.	58,000.
Erie City, Pa. ....	1932-1960 4 1/2	500,000.	500,000.
Erie City, School District, Pa. ....	1931-1932 4	9,000.	9,000.
Grand Rapids City, Mich. ....	1944-1953 4 1/2	280,000.	280,000.
Hamilton City, Ohio ....	1933-1952 5	232,000.	232,000.
Hamilton City, School District, Ohio ....	1932-1939 4 1/2	167,000.	167,000.
Hanover Township, Pa. ....	1933-1947 4 1/2	210,000.	210,000.
Harrisburg City, Pa. ....	1931-1936 4	84,000.	80,640.
Harrisburg City, Pa. ....	1931-1946 4 1/4	160,000.	160,000.
Harrisburg City, School District, Pa. ....	1931-1937 4	44,000.	44,000.
Harrisburg City, School District, Pa. ....	1932-1952 4 1/4	105,000.	105,000.
Hazleton City, Pa. ....	1932-1941 4 1/2	23,000.	23,000.
Hazleton City, School District, Pa. ....	1931-1945 4 1/2	101,500.	101,500.
Huntington City, W. Va. ....	1954 4 1/2	41,000.	41,000.
Huntington City, Independent School District, W. Va. ....	1931-1938 4 1/2	159,000.	159,000.
Irvington Town, N. J. ....	1942-1947 4 3/4	200,000.	200,000.
Jacksonville City, Fla. ....	1938 5	200,000.	200,000.
Jersey City, N. J. ....	1931-1948 4 1/2	1,291,000.	1,291,000.
Johnstown City, School District, Pa. ....	1936-1941 4 1/2	33,000.	33,000.
Kansas City, Kans. ....	1931-1938 4 1/2	168,000.	168,000.
Kearny Town, N. J. ....	1952-1955 4 1/2	200,000.	200,000.
Knoxville City, Tenn. ....	1931-1967 4 1/2	625,000.	625,000.
Knoxville City, Tenn. ....	1941-1944 4 3/4	35,000.	35,000.
Lakewood City, Ohio ....	1931-1954 4 3/4	72,000.	72,000.
Lexington City, Ky. ....	1931-1932 4 1/2	16,000.	16,000.
Lima City, Ohio ....	1931-1937 5	71,000.	71,000.
Lima City, Ohio ....	1931-1941 4 1/2	22,000.	22,000.
Lima City, School District, Ohio ....	1931-1933 4 1/2	60,000.	60,000.
Los Angeles City, Calif. ....	1933-1948 4 1/2	750,000.	750,000.
Lower Merion Township, School District, Pa. ....	1935-1940 4 1/2	35,000.	35,000.
Macon City, Ga. ....	1931-1938 4 1/2	94,000.	94,000.
Mahoning Valley, Sanitary District, Ohio ....	1934-1938 4 1/4	500,000.	500,000.
Mahoning Valley, Sanitary District, Ohio ....	1947-1948 4 3/4	100,000.	100,000.
McKeesport City, Pa. ....	1931-1939 4	82,000.	82,000.
Memphis City, Tenn. ....	1931-1951 4 1/2	248,000.	248,000.
Memphis City, Tenn. ....	1945-1953 4 3/4	53,000.	58,000.
Memphis City, School District, Tenn. ....	1931-1956 4 1/2	288,000.	288,000.
Memphis City, School District, Tenn. ....	1945-1954 4 3/4	42,000.	42,000.
Milwaukee City, Wis. ....	1931 4 1/2	16,500.	16,500.
Minneapolis City, Minn. ....	1931-1936 4 1/2	54,575.	54,575.
Minneapolis City, Minn. ....	1931-1937 4 1/4	364,125.	363,282.66
Montclair Town, N. J. ....	1931-1951 4 1/2	371,000.	371,000.
Morrisstown Town, N. J. ....	1940-1951 4 1/2	240,000.	240,000.
Nashville City, Tenn. ....	1931-1948 5	195,000.	195,000.
Nashville City, Tenn. ....	1931-1953 4 1/2	292,000.	292,000.
Newark City, N. J. ....	1945-1954 4 1/2	464,000.	464,000.
New Brunswick City, N. J. ....	1931-1958 4 1/4	140,000.	140,000.
New York City, N. Y. ....	1931-1936 4	30,000.	30,000.
New York City, N. Y. ....	1939-1950 4 1/4	1,500,000.	1,500,000.
New York City, N. Y. ....	1945-1959 4 1/2	3,500,000.	3,500,000.
Norfolk City, Va. ....	1931-1938 4	380,000.	353,400.
Northampton Borough, School District, Pa. ....	1936-1956 4 1/2	141,000.	141,000.
Oakland City, Calif. ....	1938-1966 4 1/2	168,000.	168,000.
Oklahoma City, Okla. ....	1935-1936 5	100,000.	100,000.
Oklahoma City, Okla. ....	1938-1941 4 1/2	303,000.	303,000.
Oklahoma City, School District, Okla. ....	1951 4 1/2	39,000.	39,000.
Overpeck Township, School District, N. J. ....	1931-1941 4 1/2	143,000.	143,000.
Passaic City, N. J. ....	1941-1947 4 1/2	185,000.	185,000.
Peoria City, Ill. ....	1936-1943 4 1/2	140,000.	140,000.
Philadelphia City, Pa. ....	1937-1947 4	10,000,500.	9,300,455.
Philadelphia City, Pa. ....	1948-1979 4 1/2	4,336,000.	4,336,000.
Philadelphia City, Pa. ....	1952-1987 4 1/4	4,335,000.	4,335,000.
Philadelphia City, School District, Pa. ....	1931-1947 4 1/4	1,050,000.	1,049,000.
Philadelphia City, School District, Pa. ....	1932-1937 5	167,000.	167,000.
Philadelphia City, School District, Pa. ....	1943-1944 4 1/2	60,000.	60,000.

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## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1930 (Continued)

ASSETS			Par Value	As Charged
Pittsburgh City, Pa. ....	1931-1934	4	4,000.	4,000.
Pittsburgh City, School District, Pa. ....	1931	3 1/2	1,000.	925.53
Pittsburgh City, School District, Pa. ....	1931-1939	4 1/4	393,000.	380,780.
Pittsburgh City, School District, Pa. ....	1931-1940	4 1/2	426,000.	426,000.
Pittsburgh City, School District, Pa. ....	1933-1939	4	111,000.	111,000.
Pittston City, School District, Pa. ....	1931-1936	4 1/2	24,000.	24,000.
Pontiac City, Mich. ....	1934-1943	4 1/2	100,000.	100,000.
Portsmouth City, Ohio ....	1933-1943	4 1/4	150,000.	149,500.
Raleigh City, N. C. ....	1938-1939	4 1/2	50,000.	50,000.
Reading City, Pa. ....	1931	4	9,500.	9,500.
Richmond City, Va. ....	1940-1960	4 1/2	500,000.	500,000.
Ridgewood Township, School District, N. J. ....	1932-1942	4 1/2	127,000.	127,000.
Rockford, Sanitary District, Ill. ....	1936-1947	4 1/4	17,000.	16,936.25
St. Louis City, Mo. ....	1932-1942	4 1/4	1,456,000.	1,456,000.
St. Louis City, Mo. ....	1937	4	200,000.	200,000.
St. Louis City, Mo. ....	1944	4 1/2	500,000.	500,000.
Sandusky City, Ohio ....	1931-1947	4 1/2	51,000.	51,000.
Savannah City, Ga. ....	1931-1932	4 1/2	25,000.	25,000.
Schenectady City, N. Y. ....	1931-1932	4 1/2	10,000.	10,000.
Scranton City, School District, Pa. ....	1934-1939	4	150,000.	142,500.
Scranton City, School District, Pa. ....	1940-1952	4 1/4	637,000.	637,000.
Seattle City, School District, Wash. ....	1931	4 1/2	16,000.	16,000.
Seattle City, Wash. ....	1936-1941	4 1/2	250,000.	250,000.
Springfield City, Ohio ....	1931-1939	4 1/2	223,000.	223,000.
Toledo City, Ohio ....	1931-1953	4 1/2	109,000.	109,000.
Toledo City, School District, Ohio ....	1933-1944	4 1/2	400,000.	400,000.
Toledo City, School District, Ohio ....	1942-1946	4 1/4	16,000.	15,904.38
Trenton City, N. J. ....	1941-1953	4 1/2	558,000.	558,000.
Union City, N. J. ....	1933-1954	4 1/2	300,000.	300,000.
Union City, N. J. ....	1940-1943	4 3/4	185,000.	185,000.
Upper Darby Township, Pa. ....	1940	4 1/2	28,000.	28,000.
West New York Town, N. J. ....	1934-1940	4 1/2	100,000.	100,000.
West Orange Town, N. J. ....	1931-1938	4 1/2	151,000.	151,000.
Wilkes-Barre City, School District, Pa. ....	1931-1935	4 1/2	161,000.	161,000.
Wilkinsburg Borough, School District, Pa. ....	1931-1938	4	125,000.	125,000.
Wilkinsburg Borough, School District, Pa. ....	1932-1940	4 1/4	42,000.	42,000.
Winston-Salem City, N. C. ....	1936-1961	4 1/2	450,000.	450,000.
Woonsocket City, R. I. ....	1931-1964	4 1/4	263,000.	261,876.63
Yonkers City, N. Y. ....	1931-1932	4 1/2	9,000.	9,000.
Yonkers City, N. Y. ....	1931-1933	5	15,000.	15,000.
York City, Pa. ....	1933	4	10,000.	10,000.
			<b>\$115,826,380.</b>	<b>\$114,307,373.71</b>

## RAILROAD LOANS

Allegheny Valley (Penna.) ....	1942	4%	\$2,295,000.	\$1,941,403.25
Allegheny & Western (Buff., Roch. & Pgh.) ....	1998	4	192,000.	155,632.84
Atchison, Topeka & Santa Fe ....	1995	4	1,992,000.	1,658,248.75
Atlanta, Knoxville & Northern (Louisville & Nashville) ....	1946	5	70,000.	65,770.
Atlantic Coast Line of South Carolina ....	1948	4	139,000.	111,200.
Atlantic Coast Line, Equipment Trust ....	1931-1941	4 1/2	100,000.	98,424.20
Baltimore & Ohio ....	1948	4	230,000.	214,457.25
Baltimore & Ohio ....	1948	5	2,600,000.	2,552,250.07
Baltimore & Ohio, Equipment Trust ....	1931-1938	5	235,000.	235,000.
Baltimore & Ohio, Equipment Trust ....	1931-1942	4 1/2	1,839,000.	1,810,860.50
Beech Creek (New York Central) ....	1936	4	119,000.	102,162.01
Brooklyn & Montauk (Long Island) ....	1938	5	57,000.	50,890.
Catawissa (Reading) ....	1948	4	638,000.	534,694.28
Central of Georgia (Macon & Northern Div.) ....	1946	5	126,000.	112,560.
Central of Georgia (Mobile Div.) ....	1946	5	150,000.	130,820.
Central of Georgia, Equipment Trust ....	1931-1940	4 1/2	140,000.	137,254.57
Central Pacific ....	1949	4	3,495,000.	3,026,970.25
Central Pacific, Through Short Line (Southern Pacific) ....	1954	4	444,000.	408,616.25
Central of New Jersey, Equipment Trust ....	1931-1941	4 1/2	1,770,000.	1,762,130.50
Chesapeake & Ohio ....	1939	5	1,828,000.	1,754,080.
Chesapeake & Ohio (Richmond & Allegheny Div. 1st) ....	1989	4	232,000.	212,674.50
Chesapeake & Ohio (Richmond & Allegheny Div. 1st) ....	1989	4	108,000.	100,051.30
Chesapeake & Ohio, Equipment Trust ....	1931-1933	5 1/2	6,000.	6,000.
Chesapeake & Ohio, Equipment Trust ....	1931-1939	5	435,000.	435,000.
Chesapeake & Ohio, Equipment Trust ....	1938-1944	4 1/2	175,000.	173,971.94
Chicago, Burlington & Quincy (Illinois Div.) ....	1949	4	511,000.	443,793.75
Chicago, Milwaukee & St. Paul ....	1989	4	1,250,000.	837,500.
Chicago, Milwaukee & St. Paul ....	1989	4 1/2	600,000.	450,000.
Chicago & Northwestern, Equipment Trust ....	1931-1944	5	17,000.	17,000.
Chicago & Northwestern, Equipment Trust ....	1931-1936	4 1/2	700,000.	694,157.58
Chicago, Rock Island & Pacific ....	1988	4	1,821,457.	1,632,457.
Chicago, Rock Island & Pacific, Equipment Trust ....	1931-1938	5	108,000.	108,000.
Chicago, Rock Island & Pacific, Equipment Trust ....	1931-1942	4 1/2	860,000.	859,609.69
Chicago, St. Louis & New Orleans (Illinois Central) ....	1951	5	176,000.	176,000.
Chicago Union Station Co., Series A ....	1963	4 1/2	1,418,000.	1,353,388.75
Cincinnati Union Terminal Co., Series A ....	2020	4 1/2	1,419,000.	1,419,000.
Cincinnati, Cincinnati, Chicago & St. Louis (Cairo, Vincennes & Chi.) ....	1939	4	505,000.	481,906.
Cleveland, Columbus, Cin. & Ind. (New York Central) ....	1934	6	100,000.	100,000.
Cleveland, Lorain & Wheeling (Baltimore & Ohio) ....	1933	5	404,000.	383,600.
Cleveland & Pittsburgh (Penna.), Series A ....	1942	4 1/2	734,000.	684,206.25
Cleveland & Pittsburgh (Penna.), Series B ....	1942	4 1/2	198,000.	184,140.
Cleveland & Pittsburgh (Penna.), Series B ....	1977	4 1/2	1,755,000.	1,754,937.50
Cleveland & Pittsburgh (Penna.), Series A ....	1977	4 1/2	1,693,000.	1,675,389.40
Cleveland Union Terminals Co. ....	1955	4	648,000.	490,046.25
Columbus & Toledo (Hocking Valley) ....	1951	4	2,597,000.	2,324,733.25
Connecting (Penna.) ....	1951	4	42,000.	38,054.88
Delaware River R. R. & Bridge Co. (Penna.) ....	1936	4	411,000.	410,313.75
Detroit River Tunnel Co. (Detroit Term. & Tunnel) ....	1961	4 1/2	1,441,000.	1,339,680.
East Tennessee, Virginia & Georgia (Southern) ....	1956	5	10,000.	9,525.
Eastern Railway Co. of Minnesota (Northern Division) ....	1948	4	675,000.	665,109.89
Erie, Equipment Trust ....	1931-1942	4 1/2	22,000.	22,000.
Great Northern Equipment Trust ....	1931-1935	5	201,000.	199,641.50
Great Northern, Equipment Trust ....	1931-1940	4 1/2	402,000.	345,677.50
Harrisburg, Ports, Mt. Joy & Lancaster (Penna.) ....	1943	4	54,000.	53,985.
Houston & Texas Central (Southern Pacific) ....	1937	5	323,000.	323,000.
Illinois Central, Equipment Trust ....	1931-1938	5	331,000.	318,947.52
Illinois Central, Equipment Trust ....	1931-1941	4 1/2		



## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1930 (Continued)

ASSETS			Par Value	As Charged
Kansas City Terminal	1960	4	\$2,657,000	\$2,447,980.39
Kentucky Central (Louisville & Nashville)	1987	4	532,000	485,152.57
Lake Shore & Michigan Southern (New York Central)	1997	3½	1,041,000	739,110.
Lehigh Coal & Navigation Co.	1948	4	1,027,000	885,500.
Lehigh Coal & Navigation Co.	1954	4½	300,000	298,125.
Lehigh Valley	1948	4	2,194,000	1,670,462.75
Lehigh Valley	Annuity	4½	163,000	151,328.75
Lehigh Valley of New York	1940	4½	2,504,000	2,205,599.
Long Island City & Flushing (Long Island)	1937	5	128,000	127,087.30
Long Island (Penna.)	1931	4	115,000	105,829.93
Long Island (Penna.)	1931	5	1,319,000	1,221,170.
Long Island, Equipment Trust	1932-1935	5	7,000	7,000.
Long Island, Equipment Trust	1940-1945	4½	522,000	522,000.
Louisville & Nashville, Equipment Trust	1932-1938	5	26,000	26,000.
Louisville & Nashville, Equipment Trust	1932-1937	4½	27,000	26,628.22
Montauk Extension (Long Island)	1945	5	116,000	112,970.
Nashville, Chattanooga & St. Louis (Atlantic Coast Line)	1978	4	726,000	700,335.43
Nashville, Chattanooga & St. Louis, Equipment Trust	1932-1937	4½	40,000	39,434.41
New Orleans & North Eastern	1940	5	78,000	75,660.
New York Central Lines, Equipment Trust	1931-1939	5	500,000	500,000
New York Central Line, Equipment Trust	1931-1940	4½	1,625,000	1,579,660.15
New York Central Lines, Equipment Trust	1935-1945	4½	260,000	257,330.31
New York, Chicago & St. Louis	1937	4	1,665,000	1,409,984.16
New York, Chicago & St. Louis, Equipment Trust	1931-1939	5	161,000	161,000.
New York Connecting, Series A	1953	4½	1,041,000	1,035,680.
New York Connecting, Series B	1953	5	256,000	256,000.
New York & Erie	1933	4½	3,844,000	3,595,525.
New York & Erie	1939	5	1,072,000	977,460.
New York & Erie	1947	4	1,193,000	950,650.32
Norfolk & Western	1996	4	1,281,000	1,076,150.
Norfolk & Western, Equipment Trust	1931-1935	4½	447,000	443,742.13
Northern Central (Penna.)	1974	4½	505,000	499,285.
Northern Central (Penna.)	1974	5	8,000	6,000.
Northern Pacific	1897	4	1,178,000	895,280
Northern Pacific, Equipment Trust	1931-1932	4½	15,000	14,976.56
North Pennsylvania	1936	4	535,000	458,693.25
North Pennsylvania	1953	3.30	2,770,000	1,939,000.
Ohio Connecting, (P. C. C. & St. L.)	1943	4	874,000	743,245.
Oregon R. R. & Navigation Co. (Union Pacific)	1946	4	882,000	826,923.75
Pennsylvania	1943	4	51,000	44,227.15
Pennsylvania, £ 76,400 Stg. @ 4.85	1945	3½	370,540	206,280.
Pennsylvania, £ 135,000 Stg. @ 4.85	1948	4	654,750	431,040
Pennsylvania	1948	4	3,064,000	2,757,694.67
Pennsylvania	1960	4½	3,630,000	3,432,658.25
Pennsylvania, Equipment Trust	1931-1939	5	768,000	768,000.
Pennsylvania, Equipment Trust	1931-1941	4½	1,287,000	1,275,412.59
Pennsylvania & New York Canal & R. R. Co. (Lehigh Valley)	1939	4	728,000	627,590.
Pennsylvania & New York Canal & R. R. Co. (Lehigh Valley)	1939	4½	425,000	385,127.50
Pennsylvania & New York Canal & R. R. Co. (Lehigh Valley)	1939	5	942,000	900,700.
Pennsylvania, Ohio & Detroit (Penna.), Series A	1977	4½	517,000	490,718.75
Philadelphia, Baltimore & Washington	1943	4	4,791,000	4,041,608.
Philadelphia & Reading	1933	5	648,000	648,000
Philadelphia & Reading	1937	4	1,341,000	1,168,964.01
Philadelphia & Reading	1947	4	2,755,000	2,306,093.67
Philadelphia & Reading	1941	5	767,000	761,100.
Philadelphia, Wilmington & Baltimore	1932	4	50,000	86,004.19
Pittsburgh, Cin., Chicago & St. Louis, Series A	1940	4½	1,004,000	874,000.
Pittsburgh, Cin., Chicago & St. Louis, Series B	1942	4½	1,202,000	1,046,000.
Pittsburgh, Cin., Chicago & St. Louis, Series C	1942	4½	216,000	187,920.
Pittsburgh, Cin., Chicago & St. Louis, Series D	1945	4	787,000	659,630.
Pittsburgh, Cin., Chicago & St. Louis, Series E	1953	4	1,372,000	1,168,200.
Pittsburgh, Cin., Chicago & St. Louis, Series F	1953	4½	211,000	186,040.
Pittsburgh, Virginia & Charleston (Penna.)	1943	4	1,639,000	1,314,755.
Pittsburgh, Youngstown & Ashtabula, Series A	1948	4	55,000	52,822.50
Pittsburgh, Youngstown & Ashtabula, Series B	1962	5	38,000	38,000.
Reading Company	1997	4½	1,692,000	1,393,275.
Reading Company, Equipment Trust	1931-1932	5	4,000	4,000.
Reading Company, Equipment Trust	1941-1945	4½	500,000	500,000.
St. Paul, Minneapolis & Manitoba (Great Northern)	1933	4	1,398,000	1,191,282.50
St. Paul, Minneapolis & Manitoba (Great Northern)	1933	4½	274,000	264,617.50
St. Paul, Minneapolis & Manitoba (Great Northern)	1933	6	335,000	335,000.
St. Paul, Minneapolis & Manitoba (Montana Extension)	1937	4	124,000	122,558.75
San Francisco & San Joaquin Valley (A. T. & S. F.)	1940	5	40,000	40,000.
Savannah, Florida & Western (Atlantic Coast Line)	1934	5	201,000	168,940.
Seaside Valley & New England (Norfolk & Western)	1989	4	92,000	86,710.
South & North Alabama (Louis & Nash)	1936	5	407,000	378,510.
Southern (East Tennessee Reorganization)	1938	5	69,000	69,000.
Southern, Equipment Trust	1931-1936	5½	56,000	56,000.
Southern, Equipment Trust	1931-1938	4	400,000	388,690.93
Southern, Equipment Trust	1931-1938	4½	743,000	149,000.
Southern, Equipment Trust	1931-1941	5	149,000	726,713.69
Southern Pacific, Equipment Trust	1931-1939	5	648,000	648,000.
Southern Pacific, Equipment Trust	1931-1945	4½	1,142,000	1,139,074.30
Southern Pacific of California	1937	5	15,000	14,550.
Terminal R. R. Ass'n. of St. Louis	1939	4½	691,000	628,849.15
Toledo & Ohio Central (New York Central)	1935	5	547,000	512,061.25
Toledo, Walhonding Valley & Ohio, Series A (Penna. Co.)	1931	4½	325,000	319,627.50
Toledo, Walhonding Valley & Ohio, Series B	1933	4½	133,000	129,402.50
Union Pacific R. R. & Land Grant	1947	4	1,076,000	900,405.
Union Pacific, Equipment Trust	1937	5	1,000	1,000.
United New Jersey R. R. & Canal Co.	1944	4	816,000	688,612.50
Virginia Midland (Southern)	1951	3½	1,008,000	766,946.25
Virginia Midland (Southern)	1951	5	46,000	42,940.
Wabash	1939	5	484,000	466,420.
Wabash (Detroit & Chicago Ext.)	1941	5	1,364,000	1,340,210.
Washington Terminal Company	1945	3½	560,000	502,508.75
Washington Terminal Company	1945	4	150,000	125,062.50
West Jersey & Seashore	1935	3½	579,000	463,680.
West Jersey & Seashore	1936	4	43,000	34,400.
West Jersey & Seashore	1936	4	1,088,000	939,442.50
West Shore	2361	4	713,000	554,058.25

\$122,150,290.

\$109,334,763.53

## REPORT OF THE AUDITORS OF THE PHILADELPHIA SAVING FUND SOCIETY FOR THE YEAR 1930 (Continued)

## PUBLIC UTILITY LOANS

		Par Value	As Charged	
PUBLIC UTILITY LOANS				
Brooklyn Edison Co. (Cons. Gas of N. Y.) .....	1949	5%	\$2,000.	\$2,000.
Central District Telephone Co. (Bell Tel. Co. of Pa.) .....	1943	5	11,000.	11,000.
Commonwealth Edison Company (Com'lth Edison Co.) .....	1943	5	82,000.	82,000.
Continental Passenger Rwy. Co. ....	1959	4	280,000.	232,400.
Cumberland Telephone & Telegraph Co. (A. T. & T.) .....	1937	5	29,000.	29,000.
Duquesne Light Company (Standard G. & E.) .....	1967	4½	542,000.	541,988.79
New England Telephone & Telegraph Co. (A. T. & T.) .....	1952	5	46,000.	46,000.
New England Telephone & Telegraph Co. (A. T. & T.) .....	1961	4½	40,000.	39,787.50
Northern California Power Co. Cons. (Pacific G. & E.) .....	1948	5	25,000.	25,000.
Philadelphia Electric Company (U. G. I.) .....	1966	4	8,000.	7,300.
Philadelphia Electric Company (U. G. I.) .....	1966	5	186,000.	186,000.
Philadelphia & Reading Coal & Iron Co. ....	1973	5	592,000.	479,520.
Public Service Electric & Gas Co. ....	1967	4½	68,000.	68,000.
Public Service Electric & Gas Co. ....	1970	4½	1,589,000.	1,565,250.
Southern Bell Telephone & Telegraph Co. (A. T. & T.) .....	1941	5	411,000.	410,850.
Southwestern Bell Telephone Telephone Co. (A. T. & T.) .....	1954	5	119,000.	119,000.

Public Utility Loans .....	\$ 4,030,000.	\$ 3,845,096.23
Railroad Loans .....	122,150,290.	109,884,768.33
Public Loans .....	115,826,380.	114,307,373.71
	<u>\$242,826,380.</u>	<u>\$228,037,238.31</u>

## SUMMARY

Public Railroad and Public Utility Loans as charged above .....	\$228,037,238.31
Bonds and Mortgages .....	69,965,776.32
Real Estate .....	2,810,666.41
Suspense Account .....	28.33
Cash .....	23,240,223.94
	<u>\$323,053,933.36</u>

## LIABILITIES

Due Depositors (394,728) .....	\$300,934,564.40
Surplus or Contingent Fund .....	21,279,368.93
Ground Rents .....	840,000.
	<u>\$323,053,933.36</u>
Depositors' United States Loans .....	\$1,618,650.
United States Loans, Depositors' Acct. ....	\$1,618,650.
The present rate of interest to depositors is 4% per annum.	

## SEVENTY-FIFTH ANNUAL STATEMENT OF THE SAVING FUND SOCIETY OF GERMANTOWN AND ITS VICINITY

School Land and Germantown Avenue; East Germantown Office: Chelton Avenue and Wister Street

Deposits may also be made at: The Girard Trust Company; Pennsylvania Co. for Ins. on Lives; Market Street National Bank; The Central National Bank,

Chartered 1854.

## STATEMENT—JANUARY 1, 1930

Par Value	ASSETS	Maturities	Rate	Book Value	Par Value	ASSETS	Maturities	Rate	Book Value
100,000 U. S. Bonds .....	1928-1936	Various		\$716,449.01	50,000 City of New Orleans, La. ....	1930-1937	4½	5	101,000.00
35,000 Commonwealth of Australia .....	1955	5		32,500.00	30,000 City of Newport, R. I. ....	1930-1937	5		30,000.00
100,000 Great Britain and Ireland .....	1937	5½		109,000.00	50,000 City of New York, N. Y. ....	1930-1955	4½		50,000.00
50,000 Greater Greenville, S. C., Sew. Dist. ....	1937	4½		50,000.00	100,000 City of Norfolk, Va. ....	1940-1956	4½&5		100,000.00
50,000 State of California .....	1935-1957	4½		50,000.00	50,000 City of Oklahoma, Okla. ....	1937	4½		50,000.00
50,000 State of Illinois .....	1956-1957	4		48,841.28	56,000 City of Omaha, Neb. ....	1941	4½		56,000.00
50,000 State of Minnesota .....	1954	4½		50,000.00	25,000 City of Ottawa, Ont., Can. ....	1937-1939	6		24,736.50
100,000 State of North Carolina .....	1942-1944	4½&5		100,000.00	25,000 City of Pawtucket, R. I. ....	1931-1936	4½		25,000.00
125,000 State of Pennsylvania .....	1937-1951	4&5		121,237.50	575,000 City of Philadelphia Pa. ....	1974-1975 4½&4½&5	575,000.00		
50,000 State of Utah .....	1939	4½		43,812.50	95,000 City of Pittsburgh, Pa. ....	1938-1951	5&6		95,000.00
75,000 State of West Virginia .....	1941-1942	5		73,875.00	90,000 City of Richmond, Va. ....	1948-1950	4		85,635.00
25,000 County of Cuyahoga, Ohio. ....	1930-1935	5		23,068.00	100,000 City of St. Louis, Mo. ....	1930-1931	4½		100,000.00
12,000 County of Dallas, Texas .....	1932	5		11,622.24	50,000 City of St. Paul, Minn. ....	1940	5		50,000.00
50,000 County of Duval, Fla. ....	1948	5		50,000.00	61,000 City of Salt Lake, Utah ....	1934-1940	4½&5		60,875.00
60,000 County of Lackawanna, Pa. ....	1944	4½		60,000.00	74,000 City of San Francisco, Cal. ....	1940-1942	4½&5		73,789.40
50,000 County of Lawrence, Pa. ....	1933-1934	5½		50,000.00	67,000 City of Seattle, Wash. ....	1932-1941	4½&6		67,000.00
8,000 County of Los Angeles, Cal. ....	1930-1933	5		8,000.00	25,000 City of Toledo, Ohio .....	1936	1½		25,000.00
50,000 County of Monmouth, N. J. ....	1946-1947	4½		50,000.00	75,000 City of Toronto, Canada ....	1938-1942	4½&5		72,969.08
35,000 County of St. Louis, Minn. ....	1931	5		35,000.00	20,000 City of Wichita, Kan. ....	1931	4½		20,000.00
50,000 County of Spartanburg, S. C. ....	1943-1947	4½		50,000.00	50,000 City of Wilmington, Del. ....	1936-1944	4½		47,150.00
50,000 City of Akron, Ohio .....	1941	5		25,000.00	50,000 Louisiana Port Comm. ....	1950-1953	5		59,850.00
90,000 City of Birmingham, Ala. ....	1945-1953	4½&5		90,000.00	50,000 Marin, Cal., Municipal Water Dist. ....	1933-1947	5		50,000.00
10,000 City of Canton, Ohio .....	1954	4½		9,568.00	75,000 Miami O., Conservancy Dis. ....	1940-1947	5½		75,000.00
50,000 City of Charleston, S. C. ....	1962	4½		49,875.00	200,000 Province of Ontario, Can. ....	1944-1960	4½&5		200,000.00
30,000 City of Chattanooga, Tenn. ....	1951	4½		30,000.00	50,000 Twp. of Hanover, Sch'l Dis. ....	1941-1946	5½		50,000.00
25,000 City of Chicago, Ill. ....	1939-1946	4&4½		118,710.90	50,000 Alabama Gt. So. R. R. Co. Cons. ....	1943	4½&5		47,467.50
75,000 City of Cleveland, Ohio ....	1931-1938	4½&4½		75,000.00	100,000 Atch., Topeka & Santa Fe Ry. ....				
50,000 City of Columbus, Ohio ....	1933-1935	4½&5		49,995.00	Adj. ....	1995	4		88,397.00
75,000 City of Denver, Colo. ....	1939-1948	4½&5		72,440.50	50,000 Atch., Topeka & Santa Fe Ry. ....	1995	4		46,322.50
50,000 City of Des Moines, Iowa .....	1941-1942	4½		50,000.00	Gen. ....				
125,000 City of Detroit, Mich. ....	1937-1942	4½&5		123,546.63	50,000 Atch. Topeka & Santa Fe Ry. ....				
25,000 City of Fort Worth, Texas .....	1949-1951	5		24,968.75	Trans. S. I. Ist. ....	1953	4		41,200.00
80,000 City of Houston, Texas .....	1945	4&5		80,000.00	100,000 Atch., Topeka & Santa Fe Ry. ....				
50,000 City of Kansas City, Mo. ....	1932-1937	4&4½		38,412.00	(Cal. and Lines) 1st & Rfdg. ....	1952	4½		94,502.50
50,000 City of Knoxville, Tenn. ....	1951	5		29,700.00	Ry. Co. 1st .....	1944	4½&5		140,800.00
135,000 City of Los Angeles, Cal. ....	1941-1945	4½&5		131,295.00	50,000 Atlantic City R. R. Co. 1st Cons. ....	1951	1		42,500.00
25,000 City of Memphis, Tenn. ....	1945-1947	4½		25,000.00	220,000 Baito. & Ohio R. R. Co. 1st Cons. ....	1930-1940	4½&5		218,365.99
25,000 City of Milwaukee, Wisc. ....	1930	4½		25,000.00	50,000 Baito. & Ohio R. R. Co. (Pitts., Lake Erie & W. Va. Sys.) Rfdg. ....	1941	4		48,567.50
65,000 City of Minneapolis, Minn. ....	1939-1947	4		61,742.00	150,000 Baito. & Ohio R. R. Co. 1st. ....	1943	5		150,000.00
30,000 City of Montreal, Canada ....	1954	4½		26,500.00					
15,000 City of Nashville, Tenn. ....	1931	5		15,000.00					



## SEVENTY-FIFTH ANNUAL STATEMENT OF THE SAVING FUND SOCIETY OF GERMANTOWN AND ITS VICINITY (Continued)

Par	Value	ASSETS	Maturities	Rate	Book Value	Par	Value	ASSETS	Maturities	Rate	Book Value
19,000		Burlington, Cedar Rapids & No. R. R. Cons. ....1934		5	\$17,400.75	100,000		N. Orleans & N. E. R. R. Co. P. L. 1940	5		\$99,562.50
100,000		Canadian Nat'l R. Co. Gold. ....1957-1969	4½&5		98,000.00	50,000		N. Y., Brooklyn & Manhattan Beach Rwy. Co. 1st Cons. ....1935	5		50,000.00
55,000		Canadian Nat'l Ry. Co., Eq. Tr. ....1935-1939	4½&7		54,441.60	50,000		N. Y. Cent'l & Hud. River R. R. Co. (Mich. Cent. Coll.) ....1998	3½		36,875.00
100,000		Canadian Pac. R. Co. Cons., Perpetual	4		85,000.00	100,000		N. Y. Cent'l & Hud. River R. R. Co. (Lake Shore Coll.) ....1998	3½		72,563.75
145,000		Canadian Pa. Ry. Eq. Tr. ....1930-1944	4½&5		143,934.03	172,000		N. Y. Cent'l & Hud. River R. R. Deb. ....1934-1942	4		147,855.00
25,000		Carolina Central R. R. Co. 1st Cons. ....1949	4		18,000.00	205,000		N. Y. Cent'l Lines Eq. Tr. ....1930-1939	4½&5		197,486.06
50,000		Caro., Clinchfield & O. Ry. Co. ....1938	5		46,281.25	150,000		N. Y. Connecting R. R. 1st ....1953	4½		130,512.50
55,000		Central New England Ry. Co., 1st. 1961	4		30,000.00	73,000		N. Y., N. H. & Hart. Eq. Tr. ....1936-1940	4½&5		70,835.01
172,000		Central Pacific Ry. Co. 1st & Rfdg. 1949	4		145,427.00	77,000		Norfolk & W. Ry. C. P. C. & C. 1st 1941	4		70,808.75
100,000		Central Pacific Ry. Co. Gtd. Gold. 1960	5		100,000.00	100,000		Norfolk & W. Ry. Div. 1st & Gen. 1944	4		80,997.50
50,000		Central Railroad of New Jersey Gen. ....1987	4		49,125.00	127,000		North. Pacific Ry. Co. P. L. & L. G. 1997	4		106,763.25
75,000		Ches. & Ohio Ry. Co. Gen. Mtge. ....1992	4½		65,615.75	100,000		Oreg. R. R. & Nav. Co. Cons. ....1946	4		78,875.75
41,000		Chesa. & Ohio Ry. Co. 1st Cons. ....1939	5		34,774.25	200,000		Oreg. Short Line R. R. Co. Cons. ....1946	5		194,398.75
57,000		Chi. Burl. & Quincy R. R., Ill. Div. ....1949	4		49,003.00	215,000		Oreg.-Wash. R. R. & Nav. Co. 1st and Rfdg. ....1961	4		178,993.75
75,000		Chi., Burl. & Quincy R. R. Gen. ....1958	4		65,785.00	100,000		Pacific R. R. of Missouri 1st ....1938	4		86,585.00
100,000		Chi., Burl. & Quincy R. R. 1st and Rfdg. ....1977	4½		100,000.00	75,000		Pacific R. R. of Mo. 2nd ....1938	5		64,591.25
75,000		Chi. & Erie R. R. 1st and Rfdg. ....1982	5		72,913.25	208,000		Pennsylvania Co. Trust Cdfs. 1937-1944	3½		174,063.50
75,000		Chi. Junction Rys. & Union Stock Yds. Co. 1st ....1940	5		68,000.00	75,000		Pennsylvania Co. Gold ....1963	4½		74,062.50
194,000		Chi. Mil. & St. Paul Ry. Eq. ....1930-1936	5&5½		189,722.80	20,000		Pennsylvania Co. Trust Cdfs. ....1952	4		17,349.75
175,000		Chi., Mil. & St. Paul Ry. Gen. ....1989	4&4½		141,697.50	100,000		Pennsylvania R. R. Co. Cons. ....1960	4½		89,207.50
124,000		Chi. & Northwestern Ry. Eq. ....1930-1938	5&6½		121,079.14	83,000		Pennsylvania R. R. Co. Gen. ....1965	4½		74,278.50
32,000		Chi. & Northwestern Ry. Co. Gen. ....1987	5		31,982.50	49,000		Pennsylvania R. R. Gen. Eq. Tr. ....1930-1936	5		48,105.75
124,000		Chi., R. I. & Pac. Ry. Eq. ....1930-1940	4½&5		120,193.84	25,000		Pennsylvania R. R. Eq. Tr. ....1936-1938	5		24,750.00
110,000		Chi., R. I. & Pac. Ry. Gen. ....1988	4		87,160.00	50,000		Phila. & Reading R. R. Impv. Mtge. ....1947	4		46,875.00
150,000		Chi., St. L. & N. Orleans R. R. Gold ....1951	5		147,843.75	25,000		Phila. & Reading R. R. 1st Cons. ....1937	4		22,000.00
125,000		Chicago Union Station Co. 1st ....1963	4½		112,000.00	50,000		Phila. & Reading R. R. Term. 1st. 1941	5		49,495.00
35,000		Chicago Union Station Co., Gtd. ....1944	5		34,387.50	311,000		Pitts., C. C. & St. L. Ry. Cons. ....1940-1964	4&4½		290,310.73
85,000		Choctaw & Memphis R. R. Co., 1st ....1949	5		81,675.00	17,000		Pitts., Youngstown & Ashtabula R. R. Co. 1st Gen. ....1948	4		15,540.00
100,000		Choctaw, Okla. & Gulf R. R. Cons. ....1952	5		90,000.00	10,000		Reading Co. Eq. Tr. ....1930-1931	5		8,980.20
25,000		Clev., Akron & Col. Ry. Co. 1st. 1940	4		22,000.00	25,000		Reading Co. Purchase Money Mtge. ....1952	4		22,000.00
50,000		Clev., Cinn., Chi & St. Louis Ry. Co. Cairo Div. 1st ....1939	4		41,015.25	100,000		Reading Co. Gen. and Rfdg. ....1997	4½		98,400.00
49,000		Clev., Cinn., Chi. & St. Louis Ry. Co., St. Louis Div. 1st Coll. ....1990	4		41,045.00	125,000		Richmond Terminal Ry. Co. 1st ....1952	5		123,714.00
100,000		Clev., Cinn., Chi. & St. Louis Ry. Co., Cinn., Wabash & Mich. Ry. 1st ....1991	4		88,000.00	30,000		Richmond-Wash. Co. Gtd. Coll. Tr. 1943	4		25,065.00
100,000		Clev., Cinn., Chi. & St. Louis Ry. Co., Rfdg. and Impv. ....1977	4½		99,881.25	45,000		St. L.-Southwestern Ry. Eq. Tr. ....1930-1940	5		45,000.00
60,000		Clev., Lorain & Wheeling Ry. 1st. 1936	5		58,062.50	50,000		St. P., Minn. & Man. Ry. Co. Cons. ....1933	4		45,000.00
28,000		Clev., Lorain & Wheeling Ry. Gen. ....1936	5		27,000.00	31,000		St. P., Minn. & Man. Ry. Co. (Montana Extension) ....1937	4		25,691.25
60,000		Clev. & Marietta Ry. Co. 1st. ....1935	4½		56,547.60	150,000		Santa Fe. Prescott & Phoenix Ry. 1st ....1942	5		148,058.00
50,000		Dayton & Mich. R. R. Co., 1st Cons. ....1931	4½		46,787.50	147,000		Seaboard Air Line Ry. Co. Eq. Tr. ....1930-1936	4½&5		143,776.64
100,000		East Tenn., Va. & Ga. Ry. Co. Cons. ....1956	5		98,728.50	25,000		Southern Indiana Rwy. Co. 1st ....1951	4		20,000.00
70,000		Erie Railway Co. Cons. ....1930	7		69,025.00	150,000		Southern Pacific Co. Eq. ....1931-1944	4½&5		143,869.36
50,000		Erie Railroad Co. P. L. Gold ....1996	4		42,850.00	25,000		South, Pac. Co. San Fran. Tml. 1st ....1950	4		20,000.00
164,000		Erie Railroad Eq. Tr. ....1932-1941	4½, 5&6		163,187.83	100,000		Southern Pac. R. R. Co. 1st & Rfdg. ....1955	4		86,093.75
101,000		Galvest'n Harrisburg & San Antonio Ry. Co. of Tex. M. & P. Ext. 1st ....1931	5		99,398.00	64,000		Southern Ry. Co. Eq. ....1930-1932	5, 5½&6		61,687.63
139,000		Gen. Amer. Tank Car Corp. Eq. ....1930-1941	4½&5½		136,454.84	110,000		South. Ry. Co. (Ea. Tenn. Re-Org.) ....1938	5		105,250.00
35,000		Gen., South. & Flor. Ry. Eq. Tr. ....1934-1939	4½		35,000.00	100,000		Southern Ry. Co. (Dev. & Gen.) ....1956	4		89,875.00
50,000		Grand Rapids & Ind. Ry. Co. 2nd. 1936	4		48,237.50	10,000		Southern Ry. Co. (Memphis Div.) ....1996	5		9,400.00
100,000		Houston, E. & W. Tex. Ry. Co. 1st ....1933	5		99,591.25	75,000		Southern Ry. Co. 1st Cons. ....1994	5		73,237.50
172,000		Illinois Cent'l R. R. Col. Tr. ....1952-1953	4		137,737.50	40,000		Terminal R. R. Assn. of St. Louis 1st ....1939	4½		36,000.00
68,000		Illinois Cent'l R. R. Eq. Tr. ....1930-1939	4½, 5&5½		67,118.22	35,000		Terminal R. R. Assn. of St. Louis 1st ....1944	5		35,000.00
100,000		Illinois Cent'l R. R. & Chi., St. L. & New Orleans R. R. Jt. 1st & Rfdg. ....1963	5		96,000.00	75,000		Terre Haute & Peoria R. R. Co. 1st ....1942	5		74,985.00
50,000		Indiana, Ill. & Iowa R. R. 1st. 1950	4		43,000.00	50,000		Toledo, Can. So. & Detroit Ry. 1st. 1956	4		34,250.00
60,000		Indianapolis Un. Ry. Co. Gen. & Rfdg. ....1965	5		59,225.00	75,000		Toledo Ohio Central Ry. Co. 1st. 1935	5		73,286.00
55,000		Jacksonville Term. Co. Rfdg. & Ext. Mtge. ....1987	6		55,000.00	45,000		Toledo Term. R. R. Co. 1st. ....1957	4½		35,375.00
55,000		Kan. City, Ft. Scott & Memphis Ry. Rfdg. Mtge. ....1936	4		48,375.00	40,000		Toledo, Walhonding Val. & O. R. R. 1st ....1931	4½		38,127.00
200,000		Kansas City Terminal Ry. 1st. ....1960	4		177,403.75	50,000		Union Pacific R. R. Co. Gold ....1968	4		46,250.00
50,000		Kentucky Central Ry. Co. 1st. ....1987	4		42,065.00	50,000		Union Tank Car Co. Eq. ....1934	4½		48,850.85
70,000		Lehigh Val. Coal Co. 1st & Rfdg. ....1954-1974	5		50,000.00	45,000		Vicksburg, Shreveport & Pac. R. R. Co. P. L. ....1940	5		40,000.00
50,000		Lehigh Val. R. R. Co. Gen. Cons. ....2003	5		49,750.00	125,000		Virginian Rwy. Co. 1st ....1962	5		125,000.00
100,000		Long Island R. R. Rfdg. ....1949	4		88,312.50	33,000		Virginian Rwy. Co. Eq. Tr. ....1930	5		31,347.75
50,000		Louisville & Nashville R. R. (A. K. & C. Div.) ....1955	4		42,335.00	125,000		Wabash Ry. Eq. Tr. ....1931-1939	4½&5		124,343.69
55,000		Louisville & Nashville R. R. Eq. Tr. ....1930-1934	5		53,738.22	100,000		Wabash R. R. Co. 1st ....1939	5		100,000.00
20,000		Michigan Central R. R. Co. 1st. 1931	5		20,000.00	170,000		West Shore R. R. Co. 1st ....2361	4		141,185.00
25,000		Midland Valley R. R. Co. 1st ....1943	5		20,000.00	77,000		Western Maryland Ry. Eq. Tr. ....1930-1933	4½&5		76,363.78
100,000		Mil., Sparta & N. W. Ry. Co. 1st. 1947	4		89,450.00	136,000		Winston-Salem S. Bound Ry. Co. 1st ....1960	4		111,162.50
50,000		Minn., St. P. & S. S. Marie Ry. 1st ....1938	4		45,250.00	50,000		Wisconsin Central Ry. Co. 1st Gen. ....1949	4		40,250.00
63,000		Minn., St. P. & S. S. Marie Ry. 2nd ....1949	4		50,660.00	100,000		Alabama Power Co. 1st & Rfdg. ....1967	4½		94,858.75
155,000		Missouri Pacific R. R. Eq. ....1930-1944	4½&5		150,927.37	25,000		Altoona & Logan Val. El. Ry. Co. 1st ....1933	4½		13,000.00

## SEVENTY-FIFTH ANNUAL STATEMENT OF THE SAVING FUND SOCIETY OF GERMANTOWN AND ITS VICINITY (Continued)

Par Value	ASSETS	Maturities	Rate	Book Value
100,000	Cons. Gas & Elec. Lt. & Pwr. Co. of Balto. 1st & Rfdg. ....1969	4 <sup>3</sup> / <sub>4</sub>		\$99,750.00
75,000	Consumers Power Co. 1st & Unify. ....1958	4 <sup>1</sup> / <sub>2</sub>		72,750.00
50,000	Delaware Power & Light Co. 1st. ....1969	4 <sup>1</sup> / <sub>4</sub>		44,125.00
10,000	Denver Tramway Corp. Gen. & Rfdg. ....1950	5		1,772.00
25,000	Duquesne Traction Co. 1st .....1930	5		15,000.00
100,000	Duke Power Co. 1st & Rfdg. ....1967	4 <sup>1</sup> / <sub>2</sub>		98,318.75
26,250	Eastern Mass. St. Rwy. Co. Rfdg. ....1948	4 <sup>1</sup> / <sub>2</sub> &6		6,100.00
50,000	Erie Lighting Co. 1st .....1967	5		49,987.80
44,000	Evansville, Ind., Gas & El. Lt. Co. ....1932	5		36,860.00
24,000	Fort Pitt Traction Co. 1st .....1935	5		10,000.00
52,000	Georgia-Carolina Power Co. 1st. ....1952	5		49,717.50
50,000	Georgia Power Co. 1st & Rfdg. ....1967	5		48,875.00
75,000	Gulf States Util. Co., Tex. 1st & Rfdg. ....1956	5		70,273.50
19,000	Harwood Elec. Co. 1st .....1939	5		18,775.90
100,000	Hestonville, Mantua & Fairmount Pass. Ry. Cons. ....1934	5 <sup>1</sup> / <sub>2</sub>		80,000.00
100,000	Indianapolis Power & Light Co. 1st .....1957	5		98,812.50
50,000	Iowa Public Service Co. 1st .....1957	5		48,625.00
49,000	Lehigh Navg. Elec. Co. 1st .....1943	6		48,925.00
25,000	Los Angeles Ry. Corp. 1st & Rfdg. ....1940	5		15,000.00
85,000	Madison River Power Co. 1st .....1935	5		74,189.40
141,000	Market St. Elev. Pass. Ry. Co. 1st ....1955	4		122,438.75
50,000	Memphis Power & Light Co. 1st. ....1978	4 <sup>1</sup> / <sub>2</sub>		46,375.00
50,000	Metropolitan Edison Co. 1st .....1968	4 <sup>1</sup> / <sub>2</sub>		49,625.00
100,000	Millwaukee Elec. Ry. & Lt. Co. 1st. ....1961	5		00,000.00
50,000	Mississippi River Power Co. 1st. ....1951	5		50,000.00
75,000	Nashville Ry. & Lt. Co. 1st Cons. ....1953	5		74,250.00
100,000	Nashville Ry. & Lt. Co. Rfdg. & Ext. ....1959	5		96,623.10
100,000	New England Tel. & Tel. Co. 1st. ....1961	4 <sup>1</sup> / <sub>2</sub>		96,375.00
35,000	Pacific Coast Power Co. 1st .....1940	5		31,000.00
25,000	Pacific Tel. & Tel. Co. 1st .....1937	5		23,000.00
45,000	Peoples Pass. Ry. Co. 1st .....1935	4		33,000.00
75,000	Phila. Sub. Coun. G. & E. 1st & Rfdg. ....1957	4 <sup>1</sup> / <sub>2</sub>		72,000.00
25,000	Pitts. & Charleroi St. Ry. Co. 1st. ....1932	5		19,000.00
30,000	Portland Ry. Co. 1st & Rfdg. ....1930	5		15,311.50
25,000	Pub. Serv. Co. of N. H. 1st & Rfdg. ....1957	4 <sup>1</sup> / <sub>2</sub>		23,312.50
50,000	Pub. Serv. El. & G. Co. 1st & Rfdg. ....1965	5		49,656.25
50,000	Pub. Serv. El. & G. Co. 1st & Rfdg. ....1967	4 <sup>1</sup> / <sub>2</sub>		48,875.00
95,000	Salmon River Power Co. 1st .....1952	5		89,892.00
38,000	San Francisco Gas & Elec. Co. Gen. ....1933	4 <sup>1</sup> / <sub>2</sub>		32,720.00
	Securities in Suspense Account. ....			1,000.00
200,000	Southern Bell Tel. & Tel. Co. 1st. ....1941	5		199,500.00
20,000	Union Pass. Ry. Co. ....1960	4		12,000.00
150,000	Union El. Lt. & Pr. Co. of Mo. Gen. ....1967	5		149,625.00
67,000	United Elec. Co. of N. J. 1st. ....1949	4		61,415.00
20,000	Union El. Lt. & Pr. Co. of Mo. Rfdg. & Ext. ....1933	5		18,000.00
60,000	United Trac. Co. of Pitts., Pa. Gen. ....1997	5		24,000.00
34,000	West End Pass. St. Ry. Co. Extd. ....1935	4		25,000.00
20,000	West Liberty St. Ry. Co. 1st .....1930	5		12,000.00
50,000	West Penn Power Co. 1st .....1956	5		50,000.00
50,000	West Phila. Pass. Ry. 2nd .....1956	5 <sup>1</sup> / <sub>2</sub>		40,000.00
250,000	John Wanamaker, Phila. 1st .....1949	5 <sup>1</sup> / <sub>2</sub>		250,000.00
40,000	Yadkin River Power Co., 1st .....1941	5		40,000.00
\$21,030,750				\$19,608,341.40
	Loans on Collateral .....217,509.61			
	First Mortgages on Real Estate .....6,311,754.57			
	Real Estate (Main Office and Branch) .....120,900.54			
	Cash on Hand and in Banks .....1,312,909.54			
				\$27,570,515.12

## LIABILITIES

Due Depositors Jan. 1, 1930 ....	\$24,830,384.57
Reserve for Taxes .....	10,500.00
Surplus .....	\$24,840,884.57
Total Number of Depositors .....	38,354
	\$2,729,630.55

examined the above statement, and the assets therein named, and find them correct.

WILLIAM H. EMHARDT,  
ARTHUR H. JONES,  
VICTOR PAUL,  
CASPAR WISTAR HAINES,  
CHAS. J. SCHAEFER,

January 6, 1930.

Auditors.

4<sup>1</sup>/<sub>4</sub> Per Cent. Interest Paid on Deposits.

## SUMMARY

The following table shows the growth of the Society since 1854:

Date	Number of Accounts	Amt. of Deposits
June 1, 1855.....	273.....	\$ 12,788.84
1859.....	811.....	75,023.85
January 1, 1867.....	1,146.....	133,631.84
" 1872.....	1,639.....	361,847.87
" 1876.....	3,250.....	581,996.50
" 1880.....	4,028.....	875,144.53
" 1884.....	7,190.....	1,439,825.13
" 1890.....	11,285.....	2,361,209.14
" 1895.....	13,052.....	2,810,673.15
" 1900.....	16,294.....	4,233,238.96
" 1905.....	20,966.....	6,171,093.37
" 1906.....	22,136.....	6,600,117.54
" 1907.....	23,027.....	6,819,680.54
" 1908.....	23,525.....	7,073,089.59
" 1909.....	23,526.....	7,237,800.94
" 1910.....	24,511.....	7,803,287.60
" 1911.....	25,391.....	8,432,959.44
" 1912.....	26,187.....	8,920,471.24
" 1913.....	27,438.....	9,516,274.94
" 1914.....	28,279.....	10,166,454.58
" 1915.....	28,748.....	10,943,595.63
" 1916.....	29,680.....	11,113,251.43
" 1917.....	31,351.....	12,475,856.49
" 1918.....	31,236.....	12,352,547.63
" 1919.....	31,368.....	12,673,422.13
" 1920.....	32,648.....	13,826,887.62
" 1921.....	33,704.....	14,939,289.93
" 1922.....	33,341.....	15,362,833.62
" 1923.....	33,598.....	16,069,240.36
" 1924.....	35,145.....	18,037,841.53
" 1925.....	35,649.....	19,378,503.30
" 1926.....	36,146.....	20,572,152.56
" 1927.....	36,373.....	21,299,331.99
" 1928.....	36,406.....	22,688,872.71
" 1929.....	37,533.....	23,732,990.99
" 1930.....	38,354.....	24,830,384.57

Total received since organization, 1854.....\$189,275,774.14  
Total Paid Depositors .....164,445,389.57

Due Depositors January 1, 1930 .....\$24,830,384.57

An account may be opened by a deposit of 10 cents, and interest is paid on all balances of \$5.00 or over.

## OFFICERS

ARTHUR W. JONES, President  
H. T. MONTGOMERY, Vice-President  
W. N. PRICE, Secretary and Treasurer  
H. H. HEWETT, Asst. Sec'y and Asst. Treas.  
GEORGE WHARTON PEPPER, Solicitor

## MANAGERS

MARRIOTT C. MORRIS  
LIVINGSTON E. JONES  
WM. J. MONTGOMERY  
LOUIS C. MADEIRA  
HAROLD E. GILLINGHAM  
CLARENCE M. CLARK  
WILLIAM A. LAW  
THOMAS RAEURN WHITE  
H. T. MONTGOMERY  
J. SOMERS SMITH  
ALFRED G. SCATTERGOOD  
WALTER M. SCHWARTZ  
C. STEVENSON NEWHALL  
ARTHUR W. JONES  
FRANCIS B. BRACKEN

The Managers serve without compensation, and neither they nor any officer or agent of the Saving Fund can directly or indirectly borrow money from, or become in any way indebted to it.

We, the Subscribers, Auditors, appointed by the Saving Fund Society of Germantown and its Vicinity, do hereby certify that we have



## SEVENTY-SIXTH ANNUAL STATEMENT OF THE SAVING FUND SOCIETY OF GERMANTOWN AND ITS VICINITY

School Land and Germantown Avenue; East Germantown Office: Chelton Avenue and Wister Street

Deposits may also be made at: The Girard Trust Company; Pennsylvania Co. for  
Ins. on Lives; Market Street National Bank; The Central National Bank.

Chartered 1854.

## STATEMENT—JANUARY 1, 1931

Par Value	ASSETS	Maturities	Rate	Book Value	Par Value	ASSETS	Maturities	Rate	Book Value
\$675,000	U. S. A. Bonds .....	1938-1942	Various	\$635,888.67	19,000	Burlington, Cedar Rapids & No.			
35,000	Commonwealth of Australia .....	1955	5	32,500.00		R. R. Cons. ....	1934	5	\$17,400.75
100,000	Commonwealth of Kentucky .....	1950	4½	97,000.00	100,000	Canadian Nat'l. Ry. Co. Gold. 1957-1969	4½&5		98,000.00
100,000	Great Britain and Ireland .....	1937	5½	100,000.00	55,000	Canadian Nat'l. Ry. Co. Tr. 1935-1939	4½&7		54,441.60
100,000	Albany Port — Dist. Bond, N. Y. ....	1958-1960	4¾	100,000.00	100,000	Canadian Pacific Ry. Co., Cons. ....	Perpetual	4	85,000.00
50,000	Greater Greenville, S. C. Sewer Dist. ....	1967	4½	50,000.00	130,000	Canadian Pacific Ry. Co. Tr. 1931-1944	4½&5		128,934.03
50,000	State of California .....	1935-1957	4½	50,000.00	50,000	Canadian Pacific Ry. Co., Coll. Tr. ....	1960	4½	48,875.00
50,000	State of Illinois .....	1956-1957	4	48,841.28	25,000	Carolina Central R. R. Co., 1st Cons. ....	1949	4	18,000.00
100,000	State of North Carolina .....	1942-1944	4½&5	100,000.00	50,000	Caro., Clinchfield & O. Ry. Co., 1938	5		46,281.25
125,000	State of Pennsylvania .....	1937-1951	4&5	121,237.50	55,000	Central New England Ry. Co. 1st. 1961	4		30,000.00
50,000	State of Utah .....	1939	4½	48,812.50	172,000	Central Pacific Ry. Co., 1st & Rfdg. ....	1949	4	145,427.00
75,000	State of West Virginia .....	1941-1942	5	73,875.00	100,000	Central Pacific Ry. Co., Gtd. Gold .....	1960	5	100,000.00
20,000	County of Cuyahoga, Ohio .....	1931-1935	5	18,068.00	50,000	Central Railroad of New Jersey Gen. ....	1987	4	49,125.00
12,000	County of Dallas, Texas .....	1932	5	11,622.24	75,000	Chesa. & Ohio Ry. Co., Gen. Mtge. ....	1992	4½	65,615.75
60,000	County of Lackawanna, Pa. ....	1944	4½	60,000.00	41,000	Chesa. & Ohio Ry. Co., 1st Cons. 1939	5		34,774.25
50,000	County of Lawrence, Pa. ....	1933-1934	5½	50,000.00	57,000	Chi. Burl. & Quincy R. R., Ill. Div. ....	1949	4	49,003.00
5,000	County of Los Angeles, Cal. ....	1931-1933	5	5,000.00	75,000	Chi. Burl. & Quincy R. R., Gen. 1958	4		65,785.00
50,000	County of Monmouth, N. J. ....	1946-1947	4½	50,000.00	100,000	Chi. Burl. & Quincy R. R., 1st and Rfdg. ....	1977	4½	100,000.00
50,000	County of Spartanburg, S. C. ....	1945-1947	4½	50,000.00	75,000	Chi. & Erie R. R., 1st & Rfdg. ....	1982	5	72,913.25
25,000	City of Akron, Ohio .....	1941	5	25,000.00	75,000	Chi. Junction Rys. & Union Stock Yds. Co. 1st .....	1940	5	68,000.00
90,000	City of Birmingham, Ala. ....	1945-1953	4¾&5	90,000.00	165,000	Chi. Mil. & St. Paul Ry., Eq. 1931-1936	5&5½		160,722.80
10,000	City of Canton, Ohio .....	1954	4½	9,568.00	175,000	Chi. Mil. & St. Paul Ry., Gen. ....	1989	4&4½	141,697.50
50,000	City of Charleston, S. C. ....	1962	4½	49,875.00	84,000	Chi. & Northwestern Ry. Co., Eq. ....	1932-1938	5	81,637.15
30,000	City of Chattanooga, Tenn. ....	1951	4¾	30,000.00	32,000	Chi. & Northwestern Ry. Co., Gen. ....	1987	5	31,982.50
250,000	City of Chicago, Ill. ....	1939-1947	4&4½	238,765.58	166,000	Chi. R. I. & Pac. Ry., Eq. ....	1931-1940	4½&5	161,932.38
75,000	City of Cleveland, Ohio .....	1931-1938	4½&4½	75,000.00	110,000	Chi. R. I. & Pac. Ry., Gen. ....	1988	4	87,160.00
50,000	City of Columbus, Ohio .....	1933-1935	4½&5	49,995.00	150,000	Chi., St. L. & N. Orleans R. R., Gold .....	1951	5	147,843.75
25,000	City of Denver, Colo. ....	1939	5	25,000.00	125,000	Chi. Union Sta. Co., 1st .....	1963	4½	112,000.00
50,000	City of Des Moines, Iowa .....	1941-1942	4½	50,000.00	35,000	Chi. Union Sta. Co., Gtd. ....	1944	5	34,387.50
125,000	City of Detroit, Mich. ....	1937-1942	4½&5	123,546.63	85,000	Choctaw & Memphis R. R. Co., 1st .....	1949	5	81,675.00
25,000	City of Fort Worth, Texas .....	1949-1951	5	24,938.75	100,000	Choctaw, Okla. & Gulf R. R., Cons. ....	1952	5	90,000.00
50,000	City of Houston, Texas .....	1934-1945	5	50,000.00	25,000	Clev., Akron & Col. Ry. Co., 1st .....	1940	4	22,000.00
50,000	City of Jacksonville, Fla. ....	1937-1946	5	50,000.00	50,000	Clev., Cinn., Chi. & St. Louis Ry., (Cairo Div.) 1st .....	1939	4	41,015.25
40,000	City of Kansas City, Mo. ....	1932-1937	4&4½	38,312.50	155,000	Clev., Cinn., Chi. & St. Louis Ry., (St. Louis Div.) 1st Coll. ....	1990	4	138,368.75
30,000	City of Knoxville, Tenn. ....	1951	5	29,700.00	125,000	Clev., Cinn., Chi. & St. Louis Ry., Cinn., Wabash & Mich. Ry., 1st .....	1991	4	109,937.50
135,000	City of Los Angeles, Cal. ....	1941-1945	4½&5	134,295.00	100,000	Clev., Cinn., Chi. & St. Louis Ry., Rfdg. and Impv. ....	1977	4½	99,881.25
35,000	City of Memphis, Tenn. ....	1945-1947	4½	35,000.00	60,000	Clev., Lorain & Wheeling Ry., 1st .....	1933	5	58,062.50
65,000	City of Minneapolis, Minn. ....	1939-1947	4&5	61,742.48	28,000	Clev., Lorain & Wheeling Ry., Gen. ....	1936	5	27,000.00
30,000	City of Montreal, Canada .....	1954	4½	26,500.00	60,000	Clev. & Marietta Ry. Co., 1st. ....	1935	4½	56,547.60
15,000	City of Nashville, Tenn. ....	1931	5	15,000.00	150,000	Clev. Union Terminals Co., 1st. ....	1977	4½	146,625.00
50,000	City of New Orleans, La. ....	1934-1936	4½	50,000.00	100,000	East Tenn., Va. & Ga. Ry. Co., Cons. ....	1956	5	98,728.50
23,000	City of Newport, R. I. ....	1931-1937	5	23,000.00	50,000	Erie Railroad Co., P. L. Gold. ....	1996	4	42,850.00
100,000	City of New York, N. Y. ....	1955-1979	4½&4½	100,000.00	234,000	Erie Railroad, Eq. Tr. ....	1932-1941	4½, 5&6	232,521.43
100,000	City of Norfolk, Va. ....	1940-1956	4½&5	100,000.00	261,000	Gen. Amer. Tank Car Corp., Eq. ....	1931-1945	4½&5½	253,979.41
50,000	City of Oklahoma, Okla. ....	1937	4½	50,000.00	55,000	G. So. & Fla. Ry. Co. Tr. ....	1934-1939	4½	54,771.75
50,000	City of Omaha, Neb. ....	1937	4½	56,000.00	50,000	Grand Rapids & Ind. Ry. Co., 2nd .....	1936	4	48,237.50
25,000	City of Ottawa, Ont., Can. ....	1937-1939	6	24,736.50	100,000	Houston, E. & W. Tex. Ry. Co., 1st .....	1933	5	99,591.25
25,000	City of Pawtucket, R. I. ....	1931-1936	4½	25,000.00	172,000	Illinois Cent'l R. R., Coll. Tr. ....	1952-1953	4	167,737.50
575,000	City of Philadelphia, Pa. ....	1945-1979	4½, 4½&5	575,000.00	65,000	Illinois Cent'l R. R., Eq. Tr. ....	1931-1939	4½, 5&5½	64,118.22
145,000	City of Pittsburgh, Pa. ....	1938-1951	4½, 5&6	145,000.00	100,000	Illinois Cent'l R. R. & Chi., St. L. & New Orleans R. R., Jt. 1st & Rfdg. ....	1983	5	96,000.00
90,000	City of Richmond, Va. ....	1948-1950	4	85,635.00	50,000	Indiana, Ill. & Iowa R. R., 1st. ....	1950	4	43,000.00
50,000	City of St. Paul, Minn. ....	1940	5	50,000.00	60,000	Indianapolis Un. Ry., Gen. & Rfdg. ....	1965	5	59,225.00
61,000	City of Salt Lake, Utah .....	1934-1940	4½&5	60,875.00	55,000	Jacksonville Term. Co., Rfdg. & Ext. Mtge. ....	1967	6	55,000.00
74,000	City of San Francisco, Cal. ....	1931-1942	4½&5	73,789.40					
67,000	City of Seattle, Wash. ....	1932-1941	4½&6	67,000.00					
25,000	City of Toledo, Ohio .....	1936	4½	25,000.00					
75,000	City of Toronto, Canada .....	1938-1942	4½&5	72,969.08					
50,000	City of Wilmington, Del. ....	1936-1944	4½	47,150.00					
60,000	Louisiana Port Comm. ....	1950-1953	5	59,850.00					
50,000	Marin, Cal., Municipal Water Dist. ....	1933-1947	5	50,000.00					
75,000	Miami, Ohio, Conservancy Dist. ....	1940-1947	5½	75,000.00					
200,000	Providence of Ontario, Can., 1943-1960	4½&5		200,000.00					
100,000	Dominion of Canada .....	1960	4	90,250.00					
50,000	Twp. of Hanover, School Dist. ....	1941-1946	5½	50,000.00					
50,000	Ala. Great So. R. R. Co. 1st Cons. ....	1943	4&5	47,647.50					
100,000	Atch., Top. & Santa Fe Ry. Adj. ....	1995	4	86,597.00					
50,000	Atch., Top. & Santa Fe Ry. Gen. ....	1995	4	46,322.50					
50,000	Atch., Top. & Santa Fe Ry. Trans. Short Line 1st .....	1958	4	41,350.00					
100,000	Atch., Top. & Santa Fe Ry. (Cal.-Ariz. Lines) 1st and Rfdg. ....	1962	4½	94,902.50					
150,000	Atlanta & Charlotte Air Line Ry. Co. 1st .....	1944	4½&5	140,800.00					
25,000	Atlantic City R. R. Co. 1st Cons. ....	1951	4	19,052.50					
193,000	Balto. & Ohio R. R. Eq. Tr. ....	1932-1940	4½&5	189,365.99					
50,000	Balto. & Ohio R. R. Co. (Pitts. Lake Erie & W. Va. Sys.) Rfdg. Mtge. ....	1941	4	48,562.50					
150,000	Balto. & Ohio R. R. Co. 1st .....	1948	5	150,000.00					

# LEGISLATIVE JOURNAL—1931

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SEVENTY-SIXTH ANNUAL STATEMENT OF THE SAVING FUND SOCIETY OF GERMANTOWN AND ITS VICINITY. (Continued.)

Par Value	ASSETS	Maturities	Rate	Book Value	Par Value	ASSETS	Maturities	Rate	Book Value
50,000	Kan. City, Ft. Scott & Memphis Ry., Rldg. Mgtg. ....1936	4		\$48,375.00	75,000	Toledo & Ohio Central Ry. Co., 1st .....	1935	5	\$73,286.00
200,000	Kansas City Term. Ry., 1st .....	1960	4	177,403.75	50,000	Toledo Terminal R. R. Co., 1st .....	1957	4 1/2	40,362.50
50,000	Kentucky Central Ry. Co., 1st .....	1987	4	42,065.00	40,000	Toledo, Walhonding Val. & O. R. R. 1st .....	1931	4 1/2	33,127.00
70,000	Lehigh Val. Coal Co., 1st & Rldg. ....1954-1974	5		40,000.00	50,000	Union Pacific R. R. Co., Gold .....	1968	4	46,250.00
50,000	Lehigh Val. R. R. Co., Gen. Cons. ....2003	5		49,750.00	50,000	Union Tank Car Co., Eq. Tr. ....1934	4 1/2		48,850.85
100,000	Long Island E. R., Rldg. ....1949	4		88,312.50	50,000	Vicksburg, Shreveport & Pac. R. R., P. L. ....1940	5		45,212.50
50,000	Louisville & Nashville R. R., (A. R. & C. Div.) ....1955	4		42,225.00	35,000	Virginian Rwy. Co., 1st .....	1962	4 1/2	32,862.50
44,000	Louisville & Nashville R. R., Eq. Tr. ....1931-1934	5		42,725.88	125,000	Virginian Rwy. Co., 1st .....	1962	5	125,000.00
20,000	Michigan Central R. R. Co., 1st .....	1931	4	20,000.00	125,000	Wabash Ry. Co., Eq. Tr. ....1931-1939	4 1/2 & 5		124,343.69
25,000	Midland Valley R. R. Co., 1st .....	1943	5	20,000.00	100,000	Wabash R. R. Co., 1st .....	1939	5	100,000.00
100,000	Mill, Sparta & N. W. Ry. Co., 1st .....	1947	4	89,450.00	170,000	West Shore R. R., 1st .....	2361	4	141,185.00
50,000	Minn., St. P. & S. S. Marie Ry., 1st .....	1938	4	45,250.00	40,000	Western Maryland Ry., Eq. Tr. ....1932-1933	4 1/2		39,363.78
63,000	Minn., St. P. & S. S. Marie Ry., 2nd .....	1949	4	50,660.00	142,000	Winston-Salem S. Bound Ry. Co., 1st .....	1960	4	116,525.00
145,000	Missouri Pacific R. R., Eq. Tr. ....1932-1944	4 1/2 & 5		140,917.32	50,000	Wisconsin Central Ry. Co., 1st Gen. ....1949	4		30,250.00
100,000	Morris & Essex R. R., Cons. Mgtg. ....1955	4 1/2 & 5		99,750.00	100,000	Alabama Pwr. Co., 1st & Rldg. ....1967	4 1/2		94,858.75
100,000	N. Orleans & N. E. R. R. Co., P. L. ....1940	5		99,562.50	25,000	Altoona & Logan Val. El. Ry. Co., 1st .....	1933	4 1/2	13,000.00
50,000	N. Y., Brooklyn & Manhattan Beach Rwy., 1st Cons. ....1935	5		50,000.00	250,000	Amer. Tel. & Tel. Co., Gold Deb. ....1960-1965	5		244,973.75
50,000	N. Y. Cent'l. & Hud. River R. R. (Mich. Cent. Coll.) ....1998	3 1/2		36,875.00	12,000	Appalachian Power Co., 1st .....	1941	5	12,000.00
100,000	N. Y. Cent'l. & Hud. River R. R. (Lake Shore Coll.) ....1998	3 1/2		72,563.75	100,000	Bell Tel. Co. of Canada, 1st .....	1957	5	93,875.00
172,000	N. Y. Cent'l. & Hud. River R. R. Deb. ....1934-1942	4		147,855.00	100,000	Bell Tel. Co. of Pa., 1st & Rldg. ....1948	5		98,575.00
117,000	N. Y. Cent'l. Lines, Eq. Tr. ....1932-1939	4 1/2 & 5		109,195.36	50,000	California Gas & El. Unify. & Rldg. ....1937	5		47,000.00
50,000	N. Y. Connecting R. R., 1st .....	1953	4 1/2	32,262.50	100,000	Carolina Pwr. & Lt. Co., 1st & Rldg. ....1956	5		99,925.00
88,000	N. Y., N. H. & Hart, Eq. Tr. ....1936-1940	4 1/2 & 5		85,314.41	10,000	Chattanooga Rwy. Co., 1st Cons. ....1956	5		5,000.00
58,000	Norfolk & W. Ry. Co., P. C. & C. 1st .....	1941	4	52,070.00	100,000	Chester Water Service Co., 1st .....	1956	4 1/2	92,350.00
100,000	Norfolk & W. Ry. Div., 1st & Gen. ....1944	4		80,997.50	21,250	Chicago Railways Co., 1st Extd. ....1950	5		8,105.00
127,000	No. Pacific Ry. Co. P. L. & L. G. ....1997	4		103,763.25	75,000	Commonwealth Edison Co., 1st Cons. Gas & Elec. Lt. & Pwr. Co. of Baltimore, 1st Rldg. ....1969	4 1/2		99,750.00
100,000	Oregon R. R. & Nav. Co., Cons. ....1946	4		78,875.75	150,000	Consumers Power Co., 1st & Unify. ....1958	4 1/2		145,312.50
200,000	Oregon Short Line R. R. Cons. 1st .....	1946	5	194,398.75	157,000	Delaware Power & Light Co. ....1969	4 1/4		139,091.25
215,000	Oregon-Wash. R. R. & Nav. Co., 1st and Rldg. ....1961	4		178,993.75	100,000	Det. Edison Co., Gen. & Rldg. Mgtg. ....1949	5		100,000.00
100,000	Pacific R. R. of Missouri, 1st .....	1938	4	86,585.00	100,000	Duke Power Co., 1st & Rldg. ....1967	4 1/2		98,318.75
75,000	Pacific R. R. of Missouri, 2nd .....	1938	5	64,591.25	26,250	East, Mass. St. Rwy. Co., Rldg. ....1948	4 1/2 & 6		6,100.00
195,000	Penna. Co. Tr. Cfts. ....1937-1952	3 1/2 & 4		161,017.20	43,000	Evansville (Ind.) Gas & El. Lt. Co., 1st .....	1932	5	35,810.00
75,000	Penna. Co. Gold .....	1963	4 1/2	74,062.50	24,000	Fort Pitt Traction Co., 1st .....	1935	5	10,000.00
100,000	Penna. R. R. Co. Cons. ....1960	4 1/2		89,207.50	52,000	Georgia-Carolina Power Co., 1st .....	1952	5	49,717.50
83,000	Penna. R. R. Co. Gen. ....1965	4 1/2		74,278.50	50,000	Georgia Power Co., 1st & Rldg. ....1967	5		43,875.00
34,000	Penna. R. R. Gen. Eq. Tr. ....1931-1936	5		33,105.75	75,000	Glf States Util. Co., Tex., 1st & Rldg. ....1956	5		70,273.50
25,000	Penna. R. R. Eq. Tr. ....1936-1938	5		24,750.00	19,000	Harwood Elec. Co., 1st .....	1939	5	18,775.90
50,000	Phila. & Reading R.R., Impv. Mgtg. ....1947	4		46,875.00	100,000	Hestonville, Mantua & Fairmount Pass. Rwy., Cons. ....1934	5 1/2		65,000.00
25,000	Phila. & Reading R. R., 1st Cons. ....1937	4		22,000.00	100,000	Indianapolis Pow. & Lt. Co., 1st .....	1957	5	98,512.50
50,000	Phila. & Reading R. R., Term. 1st .....	1941	5	49,495.00	49,000	Lehigh Navg. Elec. Co., 1st .....	1943	6	48,925.00
342,000	Pitts., C. C. & St. L. Ry., Cons. ....1940-1964	4 & 4 1/2		320,306.98	25,000	Los Angeles Rwy. Corp., 1st & Rldg. ....1940	5		15,000.00
250,000	Pitts., C. C. & St. L. Gen. Mgtg. ....1977	4 1/2		250,000.00	85,000	Madison River Power Co., 1st .....	1935	5	74,189.40
26,000	Pitts. Youngstown & Ashtabula R. R., 1st Gen. ....1948	4		24,027.80	200,000	Market St. Elev. Pass. Rwy. Co., 1st .....	1955	4	172,336.25
25,000	Reading Co., Purchase Money Mgtg. ....1952	4		22,000.00	50,000	Memphis Pwr. & Lt. Co., 1st & Rldg. ....1978	4 1/2		46,375.00
100,000	Reading Co., Gen. & Rldg. ....1997	4 1/2		92,400.00	100,000	Milwaukee Elec. Rwy. & Lt. Co., 1st & Rldg. ....1961	5		100,000.00
125,000	Richmond Term. Ry. Co., 1st .....	1952	5	123,714.00	75,000	Mississippi River Power Co., 1st .....	1951	5	75,000.00
30,000	Richmond-Wash. Co., Gtd. Coll. Tr. ....1943	4		25,065.00	82,000	Nashville Ry. & Lt. Co., Rldg. & Extd. ....1958	5		77,220.40
41,000	St. L.-Southwestern Ry., Eq. Tr. ....1931-1940	5		41,000.00	75,000	Nashville Ry. & Lt. Co., 1st Cons. ....1953	5		74,250.00
50,000	St. P. Minn. & Man. Ry. Co., Cons. ....1933	4		45,000.00	100,000	New England Tel. & Tel. Co., 1st .....	1961	4 1/2	96,375.00
31,000	St. P. Minn. & Man. Ry. Co., (Montana Ext.) ....1937	4		25,691.25	35,000	Pacific Coast Power Co., 1st .....	1940	5	31,000.00
150,000	Sante Fe, Prescott & Phoenix Ry., 1st .....	1942	5	148,058.00	45,000	Peoples Pass. Ry. Co., 1st .....	1935	4	33,000.00
113,000	Seaboard Air Line Rwy., Eq. Tr. ....1932-1939	4 1/2 & 5		109,776.61	75,000	Phila. Sub. Coun. G. & E., 1st & Rldg. ....1957	4 1/2		72,000.00
150,000	Southern Pac. Co., Eq. Tr. ....1931-1944	4 1/2 & 5		143,869.36	25,000	Pitts. & Charleroi St. Ry., 1st .....	1932	5	19,000.00
25,000	Southern Pac. Co., San Fran. Tml. 1st .....	1950	4	20,000.00	50,000	Pub. Serv. Elec. & Gas, 1st & Rldg. ....1967	4 1/2		48,875.00
100,000	Southern Pac. Co., Oreg. Lines 1st .....	1977	4 1/2	97,250.00	50,000	Pub. Serv. Elec. & Gas, 1st & Rldg. ....1965	5		49,656.25
100,000	Southern Pac., 1st & Rldg. ....1955	5		86,093.75	120,000	Salmon River Power Co., 1st .....	1952	5	116,617.00
34,000	Southern Ry. Co., Eq. Tr. ....1932	5 1/2 & 6		31,941.23	36,000	San Francisco G. & E. Co., Genl. ....1933	4 1/2		20,620.00
110,000	South. Ry. Co., (Ea. Tenn. Re- Org.) ....1938	5		105,250.00	200,000	Southern Bel. Tel. & Tel. Co., 1st .....	1941	5	199,500.00
100,000	Southern Ry. Co., (Dev. & Gen.) ....1956	4		89,875.00	75,000	Texas Elec. Service Co., 1st .....	1960	5	74,342.75
10,000	Southern Ry. Co. (Memphis Div.) 1st .....	1996	5	9,400.00	20,000	Union Elec. Lt. & Pwr. Co. of Mo., Rldg. & Ext. ....1933	5		18,000.00
88,000	Southern Ry. Co., 1st Cons. ....1994	5		83,822.50	150,000	Union El. Lt. & Pr. Co., of Mo., Genl. ....1967	5		149,625.00
40,000	Terminal R. R. Asso. of St. L., 1st .....	1939	4 1/2	36,000.00	20,000	Union Passenger Ry. ....1960	4		12,000.00
35,000	Terminal R. R. Asso. of St. L., 1st .....	1944	5	35,000.00	67,000	United Elec. Co. of N. J., 1st .....	1949	4	61,415.00
75,000	Terre Haute & Peoria R. R. Co., 1st .....	1942	5	74,985.00	34,000	West End Pass. St. Ry. Co., Extd. ....1935	4		25,000.00
50,000	Toledo, Can. So. & Detroit Ry., 1st .....	1956	4	34,250.00	50,000	West Penn Power Co., 1st .....	1956	5	50,000.00
					50,000	West Phila. Pass. Ry., 2nd .....	1956	5 1/2	35,000.00
					250,000	John Wanamaker, Phila., 1st .....	1949	5 1/2	250,000.00
					40,000	Yackin River Power Co., 1st .....	1941	5	40,000.00
				\$21,872,500					\$20,454,752.50



## SEVENTY-SIXTH ANNUAL STATEMENT OF THE SAVING FUND SOCIETY OF GERMANTOWN AND ITS VICINITY. (Continued.)

Loans on Collateral .....	\$228,720.44
First Mortgages on Real Estate .....	6,941,932.90
Real Estate (Main and Branch Offices only) .....	260,000.90
Cash on Hand and in Banks .....	1,547,717.04

\$29,433,122.90

## LIABILITIES

Due Depositors January 1, 1931 ..... \$26,512,360.06

Surplus ..... \$2,920,762.84

Total Number of Depositors ..... 39,134

We, the Subscribers, Auditors, appointed by the Saving Fund Society of Germantown and its Vicinity, do hereby certify that we have examined the above statement, and the assets therein named, and find them correct.

WILLIAM H. EMHARDT,  
ARTHUR H. JONES,  
VICTOR PAUL,  
CASPAR WISTAR HAINES,  
CHAS. J. SCHAEFER.

January 8, 1931.

4¼ Per Cent. Interest Paid on Deposits.

## SUMMARY

The following table shows the growth of the Society since 1854:

Date	Number of Accounts	Amt. of Deposits
June 1, 1855.....	273.....	\$ 12,788.84
" 1859.....	811.....	75,023.85
January 1, 1867.....	1,146.....	133,631.84
" 1872.....	1,699.....	361,847.87
" 1876.....	3,250.....	581,966.50
" 1880.....	4,028.....	875,144.53
" 1884.....	7,190.....	1,439,825.13
" 1890.....	11,285.....	2,361,209.14
" 1895.....	13,052.....	2,810,673.15
" 1895.....	13,052.....	2,810,673.15
" 1900.....	16,294.....	4,233,238.96
" 1905.....	20,966.....	6,171,098.37
" 1906.....	22,136.....	6,600,117.54
" 1907.....	23,027.....	6,819,680.54
" 1908.....	23,525.....	7,073,089.59
" 1909.....	23,526.....	7,237,800.94

" 1910.....	24,511.....	\$7,803,287.60
" 1911.....	25,391.....	8,432,959.44
" 1912.....	26,187.....	8,920,471.24
" 1913.....	27,438.....	9,516,274.94
" 1914.....	28,279.....	10,166,454.58
" 1915.....	28,748.....	10,493,595.63
" 1916.....	29,680.....	11,113,251.43
" 1917.....	31,351.....	12,475,856.49
" 1918.....	31,236.....	12,352,547.63
" 1919.....	31,368.....	12,673,422.18
" 1920.....	32,648.....	13,826,887.62
" 1921.....	33,704.....	14,939,289.23
" 1922.....	33,341.....	15,362,838.62
" 1923.....	33,598.....	16,089,240.36
" 1924.....	35,145.....	18,037,841.53
" 1925.....	35,649.....	19,378,508.30
" 1926.....	36,146.....	20,572,152.56
" 1927.....	36,373.....	21,299,361.99
" 1928.....	36,406.....	22,686,872.71
" 1929.....	37,583.....	23,732,990.99
" 1930.....	38,354.....	24,830,384.57
" 1931.....	39,134.....	26,512,360.06

Total received since organization, 1854..... \$199,845,360.77  
Total paid Depositors ..... 173,333,000.71

Due Depositors January 1, 1931 ..... \$26,512,360.06

An account may be opened by a deposit of 10 cents, and interest is paid on all balances of \$5.00 or over.

## OFFICERS

ARTHUR W. JONES, President  
H. T. MONTGOMERY, Vice-President  
W. N. PRICE, Secretary and Treasurer  
H. H. HEWETT, Asst. Sec'y. and Asst. Treas.  
GEORGE WHARTON PEPPER, Solicitor

## MANAGERS

MARRIOTT C. MORRIS  
LIVINGSTON E. JONES  
WM. J. MONTGOMERY  
HARROLD E. GILLINGHAM  
CLARENCE M. CLARK  
WILLIAM A. LAW  
THOMAS RAE BURN WHITE  
H. T. MONTGOMERY  
J. SOMERS SMITH  
ALFRED G. SCATTERGOOD  
WALTER M. SCHWARTZ  
C. STEVENSON NEWHALL  
ARTHUR W. JONES  
FRANCIS B. BRACKEN  
CHARLES C. WRIGGINS

The Managers serve without compensation, and neither they nor any officer or agent of the Saving Fund can directly or indirectly borrow money from, or become in any way indebted to it.

## REPORT OF THE LEHIGH COAL AND NAVIGATION COMPANY FOR THE YEAR 1929

The Lehigh Coal and Navigation Company  
1421 Chestnut Street, Philadelphia, Pa.

HENRY H. PEASE, Vice-President and Secretary

December 14, 1929.

TO THE SENATE AND HOUSE OF REPRESENTATIVES of the Commonwealth of Pennsylvania in the General Assembly met:

In compliance with the requirements of the 19th Section of the Act of Assembly, passed March 20, 1818, entitled "An Act to Improve Navigation of the River Lehigh," I would respectfully report that the tolls received on the Lehigh Navigation during the year 1929 amount to THIRTY-SIX THOUSAND FIVE HUNDRED FORTY-FOUR DOLLARS AND SIXTY-NINE CENTS (\$36,544.69), according to the returns made to this office.

Very truly yours,

HENRY H. PEASE, Secretary.

STATE OF PENNSYLVANIA: }  
CITY OF PHILADELPHIA: } ss.

Before me, the subscriber, a Notary Public of the County of Philadelphia and State of Pennsylvania, personally appeared on this fourteenth day of December, A. D. 1929, Henry H. Pease, Secretary of THE LEHIGH COAL AND NAVIGATION COMPANY, who being duly affirmed according to law, did depose and say that the above statement is just and true to the best of his knowledge, information and belief.

HENRY H. PEASE.

AFFIRMED AND SUBSCRIBED before me the day and year aforesaid.

R. V. PIERCE, Notary Public.

My Commission expires February 21, 1931.

## REPORT OF THE LEHIGH COAL AND NAVIGATION COMPANY FOR THE YEAR 1930

The Lehigh Coal and Navigation Company  
1421 Chestnut Street, Philadelphia, Pa.

HENRY H. PEASE, Vice-President and Secretary

December 18, 1930.

TO THE SENATE AND HOUSE OF REPRESENTATIVES of the Commonwealth of Pennsylvania in the General Assembly met:

In compliance with the requirements of the 19th Section of the Act of Assembly, passed March 20, 1818, entitled "An Act to Improve Navigation of the River Lehigh," I would respectfully report that the tolls received on the Lehigh Navigation during the year 1930 amount to TWENTY-NINE THOUSAND, ONE HUNDRED SEVENTY-FOUR DOLLARS AND SEVENTY-ONE CENTS (\$29,174.71), according to the return made to this office.

Very truly yours,

HENRY H. PEASE, Secretary.

STATE OF PENNSYLVANIA: }  
CITY OF PHILADELPHIA: } ss.

Before me, the subscriber, a Notary Public of the County of Philadelphia and State of Pennsylvania, personally appeared on this eighteenth day of December, A. D. 1930, Henry H. Pease, Secretary of THE LEHIGH COAL AND NAVIGATION COMPANY, who being duly affirmed according to law, did depose and say that the above statement is just and true to the best of his knowledge, information and belief.

HENRY H. PEASE.

AFFIRMED AND SUBSCRIBED before me the day and year aforesaid.

R. V. PIERCE, Notary Public.

My Commission expires February 21, 1931.

## JOINT RESOLUTION OF THE STATE OF WISCONSIN

## STATE OF WISCONSIN

[Jt. Res. No. 65, S.]

No....., 1929.

## JOINT RESOLUTION

Memorializing the Congress of the United States to call a convention for the purpose of proposing amendments to the United States constitution.

WHEREAS, Article V of the United States constitution provides for the calling of a convention to propose amendments to such constitution; and

WHEREAS, Other states have in the past asked that such a convention be called; and

WHEREAS, There are sections of the United States constitution that should be amended; therefore be it

Resolved by the Senate, the Assembly concurring, That the legislature of the state of Wisconsin here earnestly requests and petitions congress to call a convention for proposing amendments to the United States constitution; and be it further

Resolved, That a copy of this resolution, properly attested, be forwarded to the presiding officers of both houses of congress, to the presiding officers of the legislature of the other states, and to the Wisconsin senators and representatives in congress.

CHARLES B. FERRY,  
Speaker of the Assembly.

C. E. SHEFFER,  
Chief Clerk of the Assembly.

HENRY A. HUBER,  
President of the Senate.

O. G. MUNSON,  
Chief Clerk of the Senate.

## REPORT OF THE DELAWARE RIVER BRIDGE JOINT COMMISSION OF PENNSYLVANIA AND NEW JERSEY FOR THE YEAR 1929

## COMMISSION

## PENNSYLVANIA

John S. Fisher, Chairman  
Harry A. Mackey  
Edward Martin  
Charles A. Waters  
Thomas B. Smith  
Richard Weglein  
William H. Folwell  
J. Willison Smith

## NEW JERSEY

John B. Kates  
Thomas J. S. Barlow  
Frank L. Suplee  
I. Norwood Griscom  
Lucius E. Hires  
Arthur C. King  
Barton F. Sharp  
Alfred Cooper

Joseph K. Costello, General Manager

## COUNSEL

David J. Smyth

T. Harry Rowland

Ralph Modjeski, Chief Engineer

To the Honorables, the Legislatures of the Commonwealth of Pennsylvania and of the State of New Jersey and the Council of the City of Philadelphia.

Business of the Delaware River Bridge between Philadelphia, Pennsylvania, and Camden, New Jersey, showed an increase of 19 per cent. in 1929 over the preceding year. This was about double the anticipated gain.

The bridge was opened to traffic, July 1st, 1926. Following are the records for the three calendar years of operation:

Year	Vehicles	Receipts	Daily Average Vehicles	Daily Average Receipts
1929	11,615,609	\$3,331,781.26	31,824	\$9,128.16
1928	9,725,470	2,827,786.83	26,572	7,726.19
1927	8,593,201	2,435,784.40	23,543	6,673.39

Net receipts for the year amounting to \$2,933,258.26 were returned to the State of New Jersey, Commonwealth of Pennsylvania and City of Philadelphia, distribution being made June 30th and December 31, 1929. New Jersey received \$1,466,629.14 while the shares of Pennsylvania and Philadelphia were \$733,-314.56 each. In 1928 the total net receipts were \$2,449,196.82. Expenses in 1929 amounted to \$398,523.00 and in 1928, \$378,-590.01. The increase in net receipts was 19.75 per cent. while net expenses increased 5.27 per cent. Prior to the opening of the bridge it was estimated that the annual expenses would be \$400,000.

Appended to this report are detailed statements of receipts, expenses and distribution.

## Bridge Gets Lion's Share of Traffic

During 1929 the bridge carried approximately 78 per cent. of the total traffic crossing the Delaware River. The volume of bridge traffic was not affected by the opening of the new Tacony-Palmyra Bridge in August.

The Pennsylvania and Reading Railroads' ferries accommodated about 16 per cent. of the total trans-river traffic. In June, 1926, prior to the opening of the Delaware River Bridge,

545,840 vehicles crossed the river on ferry boats. In June of 1929 this cross river traffic jumped to 1,410,359 of which 1,126,-167 used the Delaware River Bridge.

Pleasure cars and light delivery trucks furnished as usual the great bulk of the Delaware River Bridge traffic. This class was represented by 10,096,414 vehicles. Next in numerical importance were 1,313,737 passenger buses. In 1928 the buses numbered 1,297,533 and in 1927, 1,181,183. The number of heavy trucks rose from 151,583 in 1928 to 170,126 in 1929. There was a further decrease in the number of horses crossing the bridge, only 468 appearing in 1929.

Several times during the summer new records were set for the collection of tolls in 24-hour periods. The high water mark of the year was reached on Sunday, July 28th, 1929, when 64,-667 vehicles crossed. This was hailed as a new record for toll bridges or tunnels. Four lanes of traffic were run west and two east on Sunday nights during the summer. A count showed that the four westbound lanes were carrying 5,340 vehicles an hour during the traffic peak. The daily average travel during 1929 was 31,824 as compared with 26,572 in 1928 and 23,543 in 1927. The average Sunday and holiday traffic for the entire year was 45,194 compared with 38,096 for 1928.

It is felt that the volume of traffic will steadily increase and the total of 100,000 may be reached in three or four years. This latter figure is regarded as the maximum which the present six lanes of roadway of the bridge can comfortably accommodate. When the mark of 100,000 cars in a single day is approached there can reasonably be expected to arise a public demand for the construction of either another bridge or tunnel or the utilization of the present unused trolley and high speed spaces for the accommodation of vehicular traffic. It may be that before the time for a decision arises some practical plan may be devised for the extension of high speed service on rails over the bridge. Toward the close of the year there was considerable discussion of methods for utilizing the unused space. A preliminary report had been made to the Commission by its Chief Engineer that the space could be paved for vehicular traffic at a cost of \$1,500,000. This cost was contrasted with the estimate of \$40,000,000 for the building of another bridge or a vehicular tunnel.

## The Question of Transit on Rails

The Joint Commission has always approved the principle of high speed transit crossing the bridge and has faced with much regret the fact that the transportation companies of Pennsylvania and New Jersey have failed to take advantage of the situation. The position of the Joint Commission in this matter was defined in a letter addressed by former Judge John B. Kates, Chairman of the New Jersey Interstate Bridge Commission which is the New Jersey half of the Delaware River Bridge Joint Commission, to Mr. J. V. Moran, President of the South Jersey Transit Commission. Judge Kates said in part:

"As I explained last Friday the Bridge Commission has jurisdiction over the bridge only and its jurisdiction ends in Camden south of Penn Street or east of Seventh Street or in Philadelphia south of Race Street or west of Sixth Street, and it would be unwise for it to suggest any plan not embraced within the limits of its jurisdiction.

"In the planning of the bridge the Commission directed



that ample provision be made for trolley and high speed lines. The trouble has been, to speak frankly, to find a customer for this valuable unused space. Many conferences have been held with officials of the Pennsylvania Railroad and the Reading Railroad and representatives of these potential patrons went over the bridge very carefully on a number of occasions but reluctantly reported that the cost of uniting their tracks in Philadelphia and Camden by way of the bridge and changing their electric train equipment to climb the bridge grade was entirely prohibitive. It would be interesting to know if you have found any change in this decision when you conferred with the railroad officials, as I assume of course you have done.

"The only offer to operate cars on tracks across the bridge came from the Philadelphia Rapid Transit Company in agreement with the Public Service Railway of New Jersey. A surface and trolley loop was to be built from Fifth and Mickle Streets, Camden, to the bridge. Trolleys were to be operated across the bridge terminating at Sixth and Race Streets, Philadelphia. The P. R. T. Company hoped later to run the trolleys into a subway that would connect with the Chestnut Street subway which was then being planned. The Chestnut Street subway was never built and in fact the thought of building a subway in that street has been abandoned. Then it was proposed that the trolleys from the bridge be run into a subway in Locust Street which the City of Philadelphia planned to build to West Philadelphia. The Locust Street subway was not built. There has been some discussion in Philadelphia that the Locust Street subway should be constructed for high speed trains which of course would bar its use by trolley cars. This offer of the Rapid Transit Company was rejected on several grounds, but mainly on account of the demand contained in the offer that they enjoy the exclusive use of the spaces to be used.

#### Shuttle Service Unattractive

"In all discussions of rail transit over the bridge the important problems do not arise until conditions in Camden and Philadelphia are considered. The laying of rails upon the bridge is the simplest part as you undoubtedly realize. Some time ago a suggestion was made that trains be run from the Frankford Elevated tracks on Front Street and then into the Market Street subway. This, however, was found to be impracticable by the Philadelphia Rapid Transit Company, operating the Market Street subway, on the ground that the subway was carrying a capacity load at the rush hours and could not be further taxed. On April 21st, 1924, Mr. William K. Myers, at that time president of the Philadelphia Rapid Transit Company, advised the Commission that no rail connection could be made with the Frankford Elevated line. This view was reiterated by the Company last week.

"The suggestion of a shuttle service across the bridge with its terminus at Sixth and Race Streets, Philadelphia, hardly seemed attractive as it meant dropping the riders at a point too far removed from the business and shopping district. No great speed can reasonably be expected of any trolley line on the bridge because the grade on both sides necessitates cautious operation. The proposed shuttle service was strongly opposed by the Mayor of Merchantville, N. J. representing a committee of heads of New Jersey municipalities, at a public hearing held by the Commission May 4th, 1928 and the request was made that the Bridge Commission take no action.

"In Camden the suggestions have ranged from the operation of trolley cars on the surface of the street to the construction of a subway and the building of an elevated road at a cost of \$16,000,000. Each has had its vigorous advocates and its no less vigorous opponents. The Delaware River Bridge Joint Commission, of course, has no authority to make plans for this part of the project but would hail as a most progressive step the solution by the South Jersey Transit Commission or the City Commissioners of Camden of the vexing details of the route in Camden and the method by which this is to be paid for. This, of course, comes within the province of your Commission and the Bridge Commission would not encroach upon your body in any way, either by way of suggestion or criticism.

"In Philadelphia the same questions must be met, I presume, by the City Council and the Director of City Transit. I am sure you will find every willingness to cooperate there. The connecting link by way of the bridge is ready for the

laying of tracks. It would, of course, be folly to lay tracks even were the money immediately available until the Bridge Commission knew the rail gauge that would be required. The Broad Street subway has the standard gauge of 4 feet, 8½ inches while the Market Street subway and the trolley lines in Philadelphia have a gauge of 5 feet, 2¼ inches and the trolley lines in Camden a gauge of 5 feet, 0 inches. It is idle to talk of laying rails until the character of service is determined which would establish the gauge.

"Under the laws of both New Jersey and Pennsylvania it is mandatory that tolls be collected upon the bridge but I assure you that any plan that will bring about the utilization of all facilities of the bridge will be received by the Commission with sympathetic consideration."

Some solution for the problem of rail transit may be found in 1930.

#### Fifth Street Grade Crossing Goes

Before the summer rush of travel was fairly under way in 1929 it was seen that the grade intersection of Fifth Street, Philadelphia, and the bridge was causing considerable delay and inconvenience. The Commission directed that plans be prepared and then awarded a contract for the construction of a pedestrian underpass at Fifth Street which was put into operation November 21, 1929. This underpass has proved most popular.

A greater problem, however, was afforded by the intersection of the lines of travel on the bridge and on Fifth Street. It became necessary on Sunday nights to procure the aid of the Philadelphia police in diverting all travel except trolley cars from Fifth Street. It was not possible to detour the trolley cars but the necessity for stopping travel upon the bridge at rush hours was considerably minimized. It became evident, however, that this was a make-shift arrangement which could not go on indefinitely. After examining the situation in detail the Commission directed the preparation of plans for an underpass extending from Race to Vine Streets at the Philadelphia Plaza which would take care of both trolley and vehicular travel in Fifth Street.

Five years previously the Commission had studied a plan for a vehicular underpass running from Cherry Street to Callowhill Street along the line of Fifth Street. This was estimated to cost \$2,000,000 and funds were not available at the time. On November 15th, 1929, the Commission awarded to the Accchione Contracting Company of Philadelphia, a contract for the construction of a vehicular underpass at a price of \$172,388.55. Work was begun by the maintenance force of the bridge a month before the contract was awarded so that all preliminaries were completed including the detouring of trolley tracks while the Commission was still advertising for bids for the underpass. Immediately after the award the contractor was thereby enabled to begin work so that no time was lost. At the close of the year work had progressed at such a rate as to make reasonably sure that the contract would be completed upon schedule time and the underpass opened to travel by Memorial Day, 1930.

Removal of the interruption of traffic at Fifth Street will enable the bridge to pass many more vehicles per hour. Actual counts during the rush hours of the summer of 1929 showed a maximum of 1,335 cars per hour on each lane. In 1930 this should reach 1,600 vehicles per hour on each of the six lanes as the hold-up at Fifth Street will be gone. Great congestion at Sixth and Vine Streets at the end of the Philadelphia Plaza must now be anticipated on Sunday nights, however, as the "Neck of the Bottle" has been removed one block westward.

## RESUME OF OPERATION—DELAWARE RIVER BRIDGE

TABLE A

	Total Vehicles	Total Receipts	Pleasure Cars & Light Trucks	Buses	Trucks (other than Light)	Horse Drawn Vehicles	Horse- and Rider	Led Animals	Special permits	Bicycles and Motorcycles
1st Six Months Operation July 1, 1926—Dec. 31, 1926.....	4,137,674	\$1,110,108.38	3,644,022	434,574	44,590	1,163	158	93	57	13,017
2nd. Six Months Operation Jan. 1, 1927—June 30, 1927.....	3,709,543	1,019,715.20	3,076,858	565,039	51,652	847	77	69	3,537	11,464
1st. Year Operation July 1, 1926—June 30, 1927 .....	7,847,217	2,129,823.58	6,720,880	999,613	96,242	2,010	235	162	3,594	24,481
3rd. Six Months Operation July 1, 1927—Dec. 31, 1927 .....	4,883,658	1,416,069.20	4,193,845	616,144	59,808	522	25	10	185	13,119
4th. Six Months Operation Jan. 1, 1928—June 30, 1928 ....	4,224,021	1,252,461.55	3,511,048	639,224	61,395	268	46	21	331	11,683
2nd. Year Operation July 1, 1927—June 30, 1928 ....	9,107,679	2,668,530.75	7,704,893	1,255,368	121,203	790	71	31	516	24,807
1st. Calendar Year of Operation—1927 .....	8,593,201	2,435,764.40	7,270,703	1,181,183	111,460	1,369	102	79	3,722	24,583
5th. Six Months Operation July 1, 1928—Dec. 31, 1928 .....	5,501,449	1,575,325.28	4,734,954	658,309	90,188	188	50	9	234	17,519
2nd. Calendar Year of Operation—1928 .....	9,725,470	2,827,786.83	8,246,002	1,297,533	151,583	454	96	30	565	29,207
6th. Six Months Operation Jan. 1, 1929—June 30, 1929 ....	5,187,371	1,494,246.09	4,462,715	632,073	76,903	278	38	7	334	15,023
3rd. Year Operation July 1, 1928—June 30, 1929 ....	10,688,820	3,069,571.37	9,197,669	1,290,382	167,091	464	88	16	568	32,543
7th. Six Months Operation July 1, 1929—Dec. 31, 1929 .....	6,428,238	1,837,535.17	5,633,703	681,664	93,217	113	31	1	1,277	18,230
3rd. Calendar Year of Operation—1929 .....	11,615,609	3,331,781.26	10,096,414	1,313,737	170,126	391	69	8	1,611	33,253

## RESUME OF OPERATION—DELAWARE RIVER BRIDGE

TABLE B

	Average Vehicles		Average Receipts		Average Sunday and Holiday Traffic	Distributed Funds			
	Monthly	Daily	Monthly	Daily		New Jersey	Penna.	Phila.	Total
1st Six Months Operation July 1, 1926—Dec. 31, 1926 .....	689,612	22,487	\$185,018.06	\$6,033.19	32,726	\$473,341.42	\$,236,670.71	\$236,670.71	\$946,682.83
2nd. Six Months Operation Jan. 1, 1927—June 30, 1927 ....	618,257	20,494	169,952.29	5,633.78	28,055	431,998.02	215,999.01	215,999.01	863,996.04
1st. Year Operation July 1, 1926—June 30, 1927 .....	653,934	21,499	177,485.29	5,835.13	30,471	905,339.44	452,669.72	452,669.72	1,810,678.87
3rd. Six Months Operation July 1, 1927—Dec. 31, 1927 ....	813,943	26,542	236,011.53	7,696.02	39,703	614,962.93	307,481.46	307,481.46	1,229,925.85
4th. Six Months Operation Jan. 1, 1928—June 30, 1928 ....	704,004	23,337	208,743.58	6,919.67	33,540	532,402.31	266,301.16	266,301.16	1,064,804.63
2nd. Year Operation July 1, 1927—June 30, 1928 ....	758,973	24,952	222,743.56	7,311.04	36,731	1,147,365.24	573,682.62	573,682.62	2,294,730.43
1st. Calendar Year of Operation—1927 .....	716,100	23,543	202,982.03	6,673.38	33,981	1,046,960.95	523,480.47	523,480.47	2,093,921.89
5th. Six Months Operation July 1, 1928—Dec. 31, 1928 .....	916,908	29,899	262,554.21	8,561.55	42,197	692,196.09	346,098.05	346,098.05	1,384,392.19
2nd. Calendar Year of Operation—1928 .....	810,456	26,572	235,648.90	7,726.19	38,096	1,224,598.40	612,299.21	612,299.21	2,449,196.82
6th. Six Months Operation Jan. 1, 1929—June 30, 1929 .....	864,562	28,659	249,041.01	8,255.50	42,820	648,845.16	324,422.58	324,422.58	1,297,690.52
3rd. Year Operation July 1, 1928—June 30, 1929 ....	890,735	29,284	255,797.61	8,409.78	42,498	1,341,041.25	670,520.63	670,250.63	2,682,082.51
7th. Six Months Operation July 1, 1929—Dec. 31, 1929 .....	1,071,373	34,936	306,255.88	9,986.60	47,409	817,783.98	408,891.98	408,891.98	1,635,567.94
3rd. Calendar Year of Operation—1929 .....	967,967	31,824	277,648.43	9,128.16	45,194	1,466,629.14	733,314.56	733,314.56	2,933,258.26



The Commission reports with considerable regret that the Fifth Street underpass was the only improvement to the bridge approaches inaugurated in Philadelphia during the year. The streets around the Philadelphia Plaza are becoming more and more congested. It is expected that a start upon the problem of bettering the approaches will be made in 1930 as the City of Philadelphia now has the sum of \$1,000,000 for this purpose which was made available through the bond issue submitted to the voters last fall. It is generally recognized that only a start may be made with this sum but even this would afford some relief during the coming summer.

The Commission on October 18th, 1929, agreed to pay the cost of repaving Race and Vine Streets between Sixth Street and Franklin Street if the present roadway width of 26 feet were improved by the inclusion of 18 feet of the wide sidewalks around Franklin Square. The money for this improvement is available and the Commission is hopeful that this work will get under way in the immediate future.

#### Bridge Forces Take "Stitch in Time"

The customary attention was given during the year to the details of keeping the structure in good condition. The maintenance forces were busily engaged on the removal of rust from the steel and the making of many minor repairs and adjustments. Portions of the steel towers and columns were repainted. Particular attention was given to the floor beams and box columns near the expansion joints through which water from the bridge ran down. Removal of two of the four islands on the Sixth Street side of the Philadelphia Plaza greatly improved traffic conditions. A further improvement would be the removal of the remaining two. Many expansion castings along the Philadelphia and Camden approaches were torn out and reset. The traffic tower at Fifth Street was raised and moved back to make room for the underpass.

Painted lines which mark traffic lanes upon the bridge were renewed six times. To prevent accidents during winter 350 cubic yards of cinders were spread, thereby insuring the safety of motorists.

Addition of a motor pick-up sweeper to the bridge equipment helped materially to maintain the appearance of the roadway and eliminated the necessity of sweeping by hand in the heavy traffic.

At the end of the year a careful inspection made of the bridge showed that the structure was in excellent condition.

The bridge police made 154 arrests during the year and reported 142 accidents which included the death of one man who stepped into the path of a bus. Twenty-five fires in vehicles on the bridge were extinguished. The bridge tow car removed 689 disabled cars, including 65 buses. One man committed suicide by jumping from the bridge and three were restrained by the police.

For the guidance of motorists the Commission has had manufactured 100 direction signs to be erected in Pennsylvania and New Jersey on roads leading to the bridge.

The signs are 36 inches long and 15 inches wide and made of heavy enameled iron. A rather striking design was adopted to insure a maximum of usefulness. Application will be made to the highway officers of Pennsylvania and New Jersey for permission to place the signs on state roads.

A change of very great importance was made in the Joint Commission July 1st, 1929, when the Act of the Legislature of New Jersey reorganizing the New Jersey Commission went into effect. Mr. Theodore Boettger, Chairman, Mr. John F. Boyle, Mr. Weller H. Noyes and Mr. Robert S. Sinclair, members from Northern New Jersey, during the construction and first three years of operation of the bridge retired from the Joint Commission. Mr. Isaac Ferris, Jr., had resigned as a member in 1928 and his place was not filled up to the time the reorganization went into effect. The places of the retiring members were taken by Dr. I. Norwood Griscom, Mr. Lucius E. Hires, Mr. Arthur C. King, Mr. Henry H. Ottens and Mr. Barton F. Sharp. At the organization meeting former Judge John B. Kates was elected Chairman of the New Jersey Interstate Bridge Commission. In November, 1929, Mr. Henry H. Ottens tendered his resignation to the Governor as a member of the New Jersey

Interstate Bridge Commission. Mr. Alfred Cooper was appointed as his successor.

The Joint Commission desires to extend a most cordial invitation to the members of the Legislatures of Pennsylvania and New Jersey and the Council of the City of Philadelphia to inspect the bridge at any time.

Respectfully submitted,

Pennsylvania Commission      New Jersey Interstate Bridge Commission

John S. Fisher  
Harry A. Mackey  
Edward Martin  
Charles A. Waters  
Thomas B. Smith  
Richard Weglein  
William H. Folwell  
J. Willison Smith

John B. Kates  
Thomas J. S. Barlow  
Frank L. Suplee  
I. Norwood Griscom  
Lucius E. Hires  
Arthur C. King  
Barton F. Sharp  
Alfred Cooper

December 31st, 1929.

#### APPENDICES

- (a) Construction Account Balance Sheet as of December 31st, 1929.
- (b) Statement of Operations for Calendar Year 1929.
- (c) Statement of Net Income Distribution for Calendar Year 1929.
- (d) Progress of Repayment of Cost of Bridge.

#### APPENDIX "A"

##### CONSTRUCTION ACCOUNT

##### Balance Sheet

	December 31st, 1929
Cash in Banks:	
First Camden Natl. Bk. & Tr. Co.	\$2,873.96
Corn Exchange Natl. Bk. & Tr. Co.	27,161.65
	\$30,035.61
Amount of Appropriations:	
City of Philadelphia .....	\$10,784,662.00
State of Pennsylvania .....	10,784,662.00
State of New Jersey .....	15,895,418.57
	<u>37,464,742.57</u>
Disbursements to December 31st, 1929:	
Land:	
For Pennsylvania .....	\$7,488,485.13
For New Jersey .....	3,437,080.34
	<u>\$10,925,565.47</u>
Construction .....	23,532,908.04
Engineering Expenses .....	1,650,266.53
Administration Expenses .....	452,938.36
	<u>\$36,571,678.40</u>
Bridge Investment:	
City of Philadelphia ....	\$10,350,121.39
State of Pennsylvania ....	10,350,121.33
State of New Jersey ....	15,871,435.68
	<u>\$36,571,678.40</u>
Amount of Appropriation Unspent but Applied:	
For Condemnation and Purchase of	
Land .....	\$299,732.88
For Contracts, including No. 22-C ..	164,943.75
	<u>464,676.63</u>
Amount of Appropriation Unapplied:	
City of Philadelphia .....	\$202,202.28
State of Pennsylvania .....	202,202.36
State of New Jersey .....	23,982.90
	<u>428,387.54</u>
	<u>\$37,464,742.57</u>

#### APPENDIX "B"

##### Statement of Operations For Calendar Year Ended December 31st, 1929

Toll and Rental Receipts January 1st, 1929 to December 31st, 1929 .....	\$3,310,305.17
Interest Received on Bank Balances .....	21,787.07
	<u>\$3,332,092.24</u>
Less:	
Counterfeit and Mutilated Coins .....	310.98
Gross Receipts .....	<u>\$3,331,781.26</u>

Less:		
Expenses:		
Salaries .....	\$312,314.45	
Equipment .....	16,024.94	
Supplies .....	17,453.13	
Repairs .....	11,809.37	
Miscellaneous Expenses .....	40,921.11	
Total Expenses .....	393,523.00	
Net Total for Distribution .....	<u>\$2,933,258.26</u>	
Add:		
Undistributed balance carried over from December 31st, 1928 (Petty Cash) .....	\$500.00	
Less:		
Undistributed balance December 31st, 1929 (Petty Cash) .....	500.00	
Distribution		
City of Philadelphia ...	\$733,314.56	
State of Pennsylvania ..	733,314.56	
State of New Jersey ..	1,466,629.14	
	<u>\$2,933,258.26</u>	

## APPENDIX "C"

Statement of Net Income Distribution Calendar Year  
December 31st, 1929

Bank	Total Before Distribution	Total Deposits	Interest Earned
Bankers Trust Co. ....	\$75,557.62	\$75,000.00	\$557.62
Burlington County Trust Co.	76,986.97	76,500.00	486.97

## APPENDIX "D"

## Progress of Repayment of Cost of Bridge

Including Simple Interest at 4% Per Annum to December 31st, 1929

Description	Total	City of Phila.	State of Penna.	State of New Jersey
Actual Expenditures for Cost of Bridge to December 31st, 1929 .....	\$36,571,678.40	\$10,350,121.39	\$10,350,121.33	\$15,871,435.68
Amount Estimated to be Required to Defray Remaining Unsettled Penna. Real Estate Claims, Etc. and Construction Work .....	464,676.63	232,338.31	232,338.31	
Total Cost of Bridge Exclusive of Interest .....	\$37,036,355.03	\$10,582,459.70	\$10,582,459.65	\$15,871,435.68
Int. at 4% per Annum from Dates of Contributions to December 31st, 1929 .....	7,276,855.15	2,002,129.52	2,005,055.34	3,269,670.29
Total Cost of Bridge Including Int. to December 31st, 1929 .....	\$44,313,210.18	\$12,584,589.22	\$12,587,514.99	\$19,141,105.97
Deduct:				
Int. and Misc. Income, not previously applied, received during period of Construction .....	43,943.30	9,510.24	14,367.33	20,065.73
Net Cost of Bridge Including Interest to December 31st, 1929 .....	\$44,269,266.88	\$12,575,078.98	\$12,573,147.66	\$19,121,040.24
Deduct:				
Refunds Through Bridge Operation Between December 31st, 1926 and December 31st, 1929, inclusive .....	8,423,059.00	2,105,764.95	2,105,764.95	4,211,529.90
Balance to be Refunded as of December 31st, 1929 .....	\$35,846,207.08	\$10,469,314.03	\$10,467,382.71	\$14,909,510.34

REPORT OF THE DELAWARE RIVER BRIDGE JOINT  
COMMISSION

## PENNSYLVANIA

John S. Fisher, Chairman  
Harry A. Mackey  
Edward Martin  
Charles A. Waters  
Thomas B. Smith  
Richard Weglein  
William H. Folwell  
J. Willison Smith

Joseph K. Costello, General Manager

Walter S. Anderson, Treasurer

## COUNSEL

David J. Smyth

## NEW JERSEY

John B. Kates  
Thomas J. S. Barlow  
Frank L. Suplee  
I. Norwood Griscom  
Lucius E. Hires  
Arthur C. King  
Barton F. Sharp  
Alfred Cooper

T. Harry Rowland

Ralph Modjeski, Chief Engineer

## COMMISSION OF PENNSYLVANIA AND NEW JERSEY

To the Honorable, the Legislatures of the Commonwealth of Pennsylvania and of the State of New Jersey and the Council of the City of Philadelphia.

The Delaware River Bridge between Philadelphia, Pa., and Camden, N. J., in 1930, its fourth calendar year of operation, was crossed by 12,285,359 vehicles and after payment of all operating expenses \$3,017,133.11 was returned to the States of New Jersey and Pennsylvania and the City of Philadelphia.

The following comparison illustrates the growing use that has been made of this structure:

Year	Vehicles	Receipts	Daily Average Vehicles	Daily Average Receipts
1930	12,285,359	\$3,517,730.64	33,658	\$9,637.62
1929	11,615,609	3,331,781.26	31,824	9,128.16
1928	9,725,470	2,827,786.83	26,572	7,726.19
1927	8,593,201	2,435,784.40	23,543	6,673.33

Of the year's receipts New Jersey received \$1,508,566.57 and Pennsylvania and Philadelphia each \$754,263.27. This return



was considerably in excess of the interest and sinking fund charges upon the bonds issued by New Jersey and Philadelphia. Inasmuch as Pennsylvania issued no bonds but made its contribution toward the building of the bridge out of current revenues, the State's share of the year's return went into its general fund. Philadelphia, a year ago, by court action was permitted to remove from its bonded debt limitation the sum invested in the bridge and the Court decreed that the annual interest and sinking fund charges amounted to \$562,084.04. The City's share for the year provided a surplus of \$192,199.23 over the amount required. The suggestion has been made that this surplus might be capitalized by the City to yield approximately \$3,000,000 and thus meet its share of any contemplated bridge improvements without affecting its debt limit.

#### Week-Day Traffic Shows Increase

The increase of 669,750 vehicles in 1930 over the preceding year was registered upon weekdays. The Sunday traffic did not equal that of 1929 and the high mark of the year on August 3rd of 63,299 vehicles fell short of the previous record of 64,667 made on July 28th of the year before. Economic conditions of the country generally probably caused this curtailment of pleasure riding but the loss was more than made up by the increase in the weekday travel of necessity.

The greatest gain was registered in the passenger car division which in 1930 rose to 10,578,206. The number of buses crossing the bridge climbed from 1,313,737 in 1929 to 1,484,443 in 1930. The heavy truck business also improved. The total of horse drawn vehicles continued to diminish, reaching the bottom figure of 115 for the year as compared with 391 in 1929 and 1369 in 1927. Reduction of the slow-moving horse-drawn traffic has been beneficial to the millions of motorists using the bridge.

In the preliminary estimates made prior to the opening of the bridge it was anticipated that the net revenue would not exceed \$3,000,000 before 1936. It is gratifying to note that this mark was reached six years earlier than expected. Operation of the bridge since the opening including monthly figures of traffic and receipts and distribution of net returns are shown in the charts included in this report.

More money was spent upon the bridge in 1930 than in preceding years. The expenses increased from \$398,523.00 in 1929 to \$500,597.53 in 1930. The rise, however, was due in a large measure to the construction of a much needed pedestrian underpass at the Camden Plaza, the cost of which was met out of bridge receipts. In addition a large part of the bridge was repainted for the first time since 1926.

Increasing traffic had made the crossing by pedestrians of the Camden mouth of the bridge a very hazardous undertaking and on September 19, 1930, the Joint Commission directed that an underpass be built on the east line of Sixth Street to afford relief. The work was begun on September 22 and the underpass was opened on December 24th. The underpass is approximately 300 feet long, 12 feet wide and has a clearance of 8 feet. The structure is of reinforced concrete design and the walls are of white enameled brick and the ceiling rubbed concrete painted white. The steps of reinforced concrete with a rubbed finish were covered with safety treads of approved design.

The underpass was built at a cost of \$34,158.23 by the engineering and maintenance departments of the bridge. Additional labor was engaged as required. In connection with the improvement it was decided to enlarge the Camden Plaza by setting back the sidewalk on the north side by 8 feet and the opening at Broadway was greatly enlarged to facilitate the handling of traffic. The traffic tower which heretofore bisected and to some extent interfered with the movement of vehicles at Sixth Street was removed to one side and an improved system of traffic lights upon the five corners at the junction of Sixth Street and the Bridge was substituted. The improvements in the plaza and the paving of Linden Street cost \$14,673.21 and were paid for out of toll receipts.

On the Philadelphia side the Fifth Street Vehicular underpass was completed on June 7th, 1930. The contract for this improvement was awarded on November 21, 1929, to the Acchione Contracting Company. The underpass was opened to trolley traffic on May 21st, and to all vehicular traffic on May 25th. Construction of the underpass removed the dangerous

intersection with bridge traffic which had been a handicap for nearly four years. Need of relief at this point was acute and the usefulness of the structure was endangered practically forcing the Commission to build an underpass which meets present demands, but which will be greatly extended and enlarged whenever rail transit is installed upon the span.

The subject of improving the Philadelphia approaches to the bridge was debated at great length during the year and the Philadelphia City Council appropriated \$1,000,000 for the first step. This was to take the form of the construction of a wide street leading directly from the bridge plaza to Spring Garden Street. The new street would have been carried over the railroad tracks at Willow Street thereby removing a dangerous grade crossing. However, no definite steps were taken in 1930 to carry out this plan.

#### To Improve Philadelphia Approaches

On November 12th the City Planning Commission appointed by the Honorable Harry A. Mackey, Mayor of the City of Philadelphia, published the results of an eight months' study of the present and future needs of the municipality and among the recommendations advised the improving and development of Delaware River Bridge approaches. The Committee's recommendations were as follows:

"A rotary intersection at Franklin Square, on the axis of the proposed Randolph viaduct north. This would feed west on Vine Street, east on Race Street, and north and south on Randolph viaduct.

"An underpass in Sixth Street, with connections to and from the bridge by way of Race and Vine Streets.

"Relocation of Fifth Street underpass to provide for future high-speed transit connections between Eighth Street-Ridge Avenue Locust Street subway and New Jersey by way of the Delaware River Bridge.

"Street widening at bridgehead to provide adequate turning for vehicles approaching from and moving toward Third and Fourth Streets.

"Widening of Race and Vine Streets from the proposed rotary intersection west to Ridge Avenue.

"The widening of Vine Street on the south side for two-way traffic, from Ridge Avenue westward to Logan Square.

"Franklin Square and the Delaware River Bridge approaches are problems that have been given most serious consideration by a former commission, and by various civic and business groups. More than a score of different solutions have been presented, many with considerable merit. Official agencies have been intensively studying this problem for the past year. Their findings have been of substantial aid in the solution presented by the Commission upon the recommendations of its Technical Committee and M. Greber, Commission consultant.

"Construction of the rotary intersection would fit in with existing physical improvements at the bridgehead. This method of distributing and expediting traffic flow is employed elsewhere with substantial success.

"The rotary itself would be at higher level than Race and Vine Streets, and would connect with those highways by an arrangement of ramps. It would connect with Randolph viaduct at grade, thus overpassing Vine Street.

"The ramps to Race and Vine Streets would not mar the appearance of Franklin Square, and would not affect present use or area to any appreciable extent. A slight cut-off at the northeast and southeast corner of the square would be the only alteration required.

"The Commission believes the Randolph Boulevard, which actually would be a viaduct, would prove of great value and relief of traffic to the north and northeast. It also would provide ready access to Spring Garden Street, which is the first broad east and west Street north of Franklin Square, and bridge traffic bound west and northwest would thus have increased accommodation.

"Randolph viaduct would adequately serve as a connection for the proposed extension of Aramingo Avenue leading to the northeast. This Avenue has long been on the city plan and has been in large part constructed. The land where the Avenue has not yet been opened is virtually all acquired or about to be paid for by the City. The urgency of utilizing to the full a highway on which vast sums have been expended is generally conceded.

"The underpassing of Sixth Street as well as Fifth Street to serve heavy north and south city through traffic is essential. Connections at the bridgehead to and from Sixth Street by way of Vine and Race Streets could readily be provided.

"In order to make the proper connections with the Ridge Avenue Eighth Street subway for the high-speed transit line proposed across the bridge into New Jersey, it would be necessary to extend the north and south extremities of the present Fifth Street underpass. This would have to be done to allow the proposed transit extension to clear the Fifth Street underpass.

"Slight widening of streets immediately north and south of the bridge would make possible right-hand, 180 degree turns, to and from the bridge, leading particularly to Fourth Street for southbound traffic. Third Street for northbound traffic, and Delaware Avenue for two-way commercial traffic.

The Commission is convinced that the congestion at the bridgehead would thus be materially remedied at a distinct minimum of cost.

"The advantage of diverting part of the bridge traffic to and from the east is that Fourth Street, and streets east of that highway underpass the bridge. This operation would tend to relieve traffic to or from the bridge, headed either north or south."

The plans of the Commission are most comprehensive and if carried out undoubtedly would be immediately reflected in bridge traffic and earnings. It is to be regretted that no improvement has been made in the approaches on the Philadelphia side since the opening of the bridge. This is one of the most serious problems constantly confronting the efficient operation of the structure.

#### Rail Transit Needs Studied

During the year the maintenance forces of the bridge were employed consistently in keeping the plant in condition. On March 26th the work of painting a considerable portion of the span was begun. Thirty additional men were employed until weather conditions brought the painting to a close on November 7th, 1930. The total amount expended for repainting was \$42,093.32. Care was taken to see that all rust was removed by wire brushes and 3,543 gallons of paint were applied.

During the year the painted traffic lines on the bridge were renewed ten times. To prevent skidding and accidents during sleet storms in the opening months of the year 475 cubic yards of cinders were spread upon the roadway and a large self-loading cinder hopper was installed under the bridge in Camden in order that trucks might be filled more swiftly. Many minor repairs were made to the roadway and a careful inspection was maintained at all times. The bridge at the end of the year was in excellent condition.

The question of utilizing the vacant track spaces upon the bridge was debated at great length by citizens and the newspapers during the final months of the year. This resulted in the Honorable Morgan F. Larson, Governor of New Jersey, calling a General Conference of representatives of the States of New Jersey and Pennsylvania, the Cities of Philadelphia and Camden, the Delaware River Bridge Joint Commission, the South Jersey Transit Commission and the transportation companies in the Administration Building of the Joint Commission. A sub-committee headed by United States Senator David Baird, Jr., went carefully into the subject and offered the following recommendations:

"1—That the powers of the Delaware River Bridge Joint Commission be extended by the Legislatures of Pennsylvania and New Jersey to cover the construction and operation of a high speed transit line beginning approximately at Haddon Avenue and Carman Street, Camden, crossing the Delaware River Bridge on the outer track sections and joining the subway system of the City of Philadelphia at Eighth and Race Streets.

"2—That the Joint Commission be empowered to make an engineering study at once of a tunnel linking the railroad systems of Pennsylvania and New Jersey.

"3—That authority be given to the Joint Commission for the construction of additional bridges across the Delaware River or tunnels beneath the River.

"4—Joint operation of the Pennsylvania and Reading Railroads by construction of a physical connection and a Union Station in Camden."

The general conference approved the report on December 18th, 1930. At the present time only the six lanes for vehicular traffic in the roadway are in use. The bridge was designed with a view to carrying trolley cars and high speed electric trains. Four lanes were provided for this purpose. Because of the importance of the subject to the citizens of Philadelphia and Camden particularly, the report of the Committee appears in the appendix.

#### Regulations for Bridge Buses

Complaints of dangerous driving on the part of operators of buses crossing the bridge increased during 1930 until the Joint Commission at the meeting of September 19th, 1930, formulated rules which have since been strictly enforced. The rules which became effective October 1st were as follows:

"1—No bus shall be operated at a faster rate of speed than twenty-five (25) miles per hour; provided, however, that when the bridge structure is wet the maximum rate of speed shall be eighteen (18) miles per hour, and provided further, that during periods of snow or sleet the maximum rate of speed shall be ten (10) miles per hour.

"2—No bus shall pass any other vehicle proceeding in the same direction, except under the authority and direction of a member of the bridge police force; provided, however, this is not to apply in any case where a vehicle has come to a stop upon the bridge structure; in which event the standing vehicle may be passed, but only after the operator of said moving bus has ascertained that it is safe to do so.

"3—Other than in an emergency, operators of buses shall not stop their vehicles upon the bridge structure, except upon order of a member of the bridge police force.

"4—No bus shall be permitted upon the bridge structure if any of the passengers are standing, or are seated in the aisles of said bus, or are seated in such manner as to obstruct easy exit.

"5—All buses shall be lighted upon the inside thereof when passing along the toll lanes and such lights shall be of sufficient brilliancy to permit inspection from the outside."

The number of accidents has been materially reduced since the regulations went into effect.

Commutation of the present rate of toll upon the bridge was discussed several times at meetings of the Joint Commission. At the meeting of October 17th, a resolution providing for the sale of a commutation ticket for private passenger automobiles at the rate of \$7.50 for sixty trips was offered. The Commission was advised by David J. Smyth, Special Deputy Attorney General of Pennsylvania and Counsel for the Commission, that the present toll rates could not be lowered while the agreement of 1926 between the Pennsylvania Commission and the New Jersey Interstate Bridge and Tunnel Commission providing for the collection of tolls was in effect. Mr. Smyth held:

"The Act itself authorizes the Commission to enter 'A contract.' This has been done and to modify the agreement enabling passenger vehicles to travel the bridge at less than the present toll rate can only be by legislation authorizing the scrapping of the present agreement and the execution of a new one."

Upon a roll call the resolution failed of passage.

The bridge police made 207 arrests in 1930 and extinguished 30 fires in automobiles. A new towing car capable of raising the heaviest bus on the bridge was placed into service and 120 disabled automobiles were lifted and removed and 542 cars were towed from the bridge. Ninety-five accidents occurred and one most unfortunately resulted in the death of three persons. The driver of the car responsible for this accident was arrested and is now undergoing imprisonment. Lieutenant Clarence J. Borden of the Toll Bureau of the Delaware River Bridge, while on duty on April 13th, 1930, at the toll houses was run down and killed.

At the close of the year the usual independent audit was made of the accounts of the bridge, covering all details of receipts and disbursements. The auditors found all financial details in order.

In conclusion the Joint Commission most cordially invites the members of the Legislatures of Pennsylvania and New Jersey and the Council of the City of Philadelphia to inspect the bridge at any time and to inquire into any detail of operation.

Respectfully submitted,

Pennsylvania Commission      New Jersey Interstate Bridge  
Commission

John S. Fisher

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Arthur C. King

Barton F. Sharp

Alfred Cooper

Joseph K. Costello, General Manager

December 31st, 1930.



## APPENDIX TO THE

## RESUME OF OPERATION—DELAWARE RIVER BRIDGE

TABLE A

	Total Vehicles	Total Receipts	Pleasure Cars & Light Trucks	Buses	Trucks (Heavy)	Horse Drawn Vehicles	Horse and Rider	Led Animals	Special Permits	Bicycles and Motorcycles
1st Six Months Operation July 1, 1926—Dec. 31, 1926.....	4,137,674	\$1,110,108.38	3,644,022	434,574	44,590	1,163	158	93	57	13,017
2nd. Six Months Operation Jan. 1, 1927—June 30, 1927.....	3,709,543	1,019,715.20	3,078,858	565,039	51,652	847	77	69	3,537	11,464
1st. Year Operation July 1, 1926—June 30, 1927.....	7,847,217	2,129,823.58	6,720,880	999,613	96,242	2,010	235	162	3,594	24,481
3rd. Six Months Operation July 1, 1927—Dec. 31, 1927.....	4,883,658	1,416,069.20	4,193,845	616,144	59,808	522	25	10	185	13,119
4th. Six Months Operation Jan. 1, 1928—June 30, 1928....	4,224,021	1,252,461.55	3,511,048	639,224	61,396	268	46	21	331	11,688
2nd. Year Operation July 1, 1927—June 30, 1928....	9,107,679	2,668,530.75	7,704,893	1,255,368	121,203	790	71	31	516	24,807
1st. Calendar Year—1927.....	8,593,201	2,435,784.40	7,270,703	1,181,183	111,460	1,369	102	79	3,722	24,583
5th. Six Months Operation July 1, 1928—Dec. 31, 1928....	5,501,449	1,575,325.28	4,734,954	658,309	90,188	186	50	9	234	17,519
2nd. Calendar Year—1928.....	9,725,470	2,827,786.83	8,246,092	1,297,533	151,583	454	96	30	565	29,207
6th. Six Months Operation Jan. 1, 1929—June 30, 1929....	5,187,371	1,494,246.09	4,462,715	632,073	76,903	278	38	7	334	15,023
3rd. Year Operation July 1, 1928—June 30, 1929....	10,688,820	3,069,571.37	9,197,669	1,290,382	167,091	464	88	16	568	32,542
7th. Six Months Operation July 1, 1929—Dec. 31, 1929....	6,428,238	1,837,535.17	5,633,703	681,664	93,217	113	31	1	1277	18,230
3rd. Calendar Year—1929.....	11,615,609	3,331,781.26	10,096,414	1,313,737	170,126	391	69	8	1611	33,253
8th. Six Months Operation Jan. 1, 1930—June 30, 1930....	5,711,419	1,656,453.34	4,844,798	761,363	89,197	84	35	4	2342	13,596
4th. Year Operation July 1, 1929—June 30, 1930....	12,139,657	3,493,988.51	10,478,501	1,443,027	182,414	197	66	5	3619	31,825
9th. Six Months Operation July 1, 1930—Dec. 31, 1930....	6,573,940	1,861,277.30	5,733,408	723,080	100,507	31	24	1	1072	14,817
4th Calendar Year 1930.....	12,285,359	3,517,730.64	10,578,206	1,484,443	189,704	115	59	5	4414	28,413

## RESUME OF OPERATION—DELAWARE RIVER BRIDGE

TABLE B

	Average Vehicles		Average Receipts		Average Sunday and Holiday Traffic	Distributed Funds			
	Monthly	Daily	Monthly	Daily		New Jersey	Penna.	Phila.	Total
1st Six Months Operation July 1, 1926—Dec. 31, 1926....	689,612	22,487	\$185,018.06	\$6,033.19	32,726	\$473,341.42	\$236,670.71	\$236,670.71	\$946,682.83
2nd. Six Months Operation Jan. 1, 1927—June 30, 1927....	618,257	20,494	169,952.29	5,633.78	28,055	431,998.02	215,990.01	215,999.01	863,996.04
1st. Year Operation July 1, 1926—June 30, 1927.....	653,934	21,499	177,485.29	5,935.13	30,471	905,339.44	452,669.72	452,669.72	1,810,678.87
3rd. Six Months Operation July 1, 1927—Dec. 31, 1927....	813,943	26,542	236,011.53	7,696.02	39,703	614,962.93	307,481.46	307,481.46	1,229,925.85
4th. Six Months Operation Jan. 1, 1928—June 30, 1928....	704,004	23,337	208,743.58	6,919.67	33,540	532,402.31	266,201.16	266,201.16	1,064,804.63
2nd. Year Operation July 1, 1927—June 30, 1928....	758,973	24,952	222,377.56	7,311.04	36,731	1,147,365.24	573,682.62	573,682.62	2,294,730.48
1st. Calendar Year—1927.....	716,100	23,543	202,982.03	6,673.38	33,981	1,046,960.95	523,480.47	523,480.47	2,093,921.89
5th. Six Months Operation July 1, 1928—Dec. 31, 1928....	916,908	29,399	262,554.21	8,561.55	42,197	692,196.09	346,098.05	346,098.05	1,384,392.19
2nd. Calendar Year—1928.....	810,456	26,572	235,648.90	7,726.19	38,096	1,224,598.40	612,299.21	612,299.21	2,449,196.82
6th. Six Months Operation Jan. 1, 1929—June 30, 1929....	864,562	28,659	249,041.01	8,255.50	42,820	648,845.16	324,422.58	324,422.58	1,397,690.32
3rd. Year Operation July 1, 1928—June 30, 1929....	890,735	29,284	255,797.61	8,409.72	42,498	1,341,041.25	670,520.63	670,520.63	2,682,082.51
7th. Six Months Operation July 1, 1929—Dec. 31, 1929....	1,071,373	34,936	308,255.86	9,986.60	47,409	817,783.98	408,891.98	408,891.98	1,635,567.94
3rd. Calendar Year—1929.....	967,967	31,824	277,648.43	9,126.16	45,194	1,466,629.14	733,314.56	733,314.56	2,933,258.26
8th. Six Months Operation Jan. 1, 1930—June 30, 1930....	951,903	31,554	276,075.55	9,151.67	42,987	716,201.23	358,100.61	358,100.61	1,432,402.45
4th. Year Operation July 1, 1929—June 30, 1930....	1,011,638	33,259	291,165.71	9,572.57	45,913	1,533,985.21	766,992.59	766,992.59	3,067,970.39
9th. Six Months Operation July 1, 1930—Dec. 31, 1930....	1,095,656	35,728	310,212.48	10,115.65	47,561	792,365.34	396,182.66	396,182.66	1,584,730.66
4th Calendar Year 1930.....	1,023,780	33,658	293,144.22	9,637.62	44,768	1,508,566.57	754,283.27	754,283.27	3,017,133.11

## APPENDICES

- (a) Construction Account Balance Sheet as of December 31, 1930.  
 (b) Financial Summary for 1930.  
 (c) Deposits of Bridge Funds and Earned Interest 1930.  
 (d) Progress of Repayment of Cost of Bridge.  
 (e) Report of Sub-committee on Interstate Rail Transit.

## APPENDIX "A"

## CONSTRUCTION ACCOUNT

## Balance Sheet

Cash in Banks:		
Corn Exchange Natl. Bk. & Tr. Co. . .	\$34,021.04	
First Camden Natl. Bk. & Tr. Co. . .	3,022.59	
	<u>\$37,043.63</u>	
Special—Rail Account Reserved—State of New Jersey:		
Bankers Trust Co. . . . .	\$47,569.81	
Broadway Merchants Tr. Co. . . . .	47,540.43	
Ocean County Trust Co. . . . .	47,565.43	
Camden Safe Dep. & Tr. Co. (Cape May Branch) . . . . .	47,448.28	
First Natl. Bk. of Woodstown . . . . .	23,708.51	
Salem County Trust Co. . . . .	23,708.51	
Moorestown Trust Co. . . . .	47,581.06	
Cumberland Trust Co. . . . .	47,565.43	
Glassboro Title & Trust Co. . . . .	47,571.15	
	<u>380,258.61</u>	417,302.24
Amount of Appropriations:		
City of Philadelphia . . . . .	\$10,784,662.00	
State of Pennsylvania . . . . .	10,784,662.00	
State of New Jersey . . . . .	15,895,418.57	
State of New Jersey (Rail Account Reserved) . . . . .	375,000.00	37,839,742.57
Disbursements to December 31st, 1930:		
Land:		
For Pennsylvania . . . . .	\$7,666,196.48	
For New Jersey . . . . .	3,437,080.34	
	<u>\$11,103,276.82</u>	
Construction . . . . .	\$23,809,419.48	
Engineering Expenses . . . . .	1,650,266.53	
Administration Expenses . . . . .	452,938.36	
	<u>25,912,624.37</u>	37,015,901.19
Bridge Investment:		
City of Philadelphia . . . . .	\$10,570,101.54	
State of Pennsylvania . . . . .	10,570,101.47	
State of New Jersey . . . . .	15,875,698.18	
	<u>\$37,015,901.19</u>	
Amount of Appropriation Unspent But Applied:		
For Condemnation and Purchase of Land . . . . .	\$53,156.64	
For Rail Account (State of New Jersey) . . . . .	374,900.00	428,056.64
Amount of Appropriations Unapplied:		
City of Philadelphia . . . . .	\$187,932.13	
State of Pennsylvania . . . . .	187,932.21	
State of New Jersey . . . . .	19,920.40	395,784.74
December 31, 1930 . . . . .	<u>\$37,839,742.57</u>	

## APPENDIX "B"

## Financial Summary for 1930

Toll and Rental Receipts—January 1st, 1930 to Decem- ber 31st, 1930 . . . . .	\$3,494,234.85
Interest Received on Bank Balances . . . . .	23,695.09
	<u>\$3,517,929.94</u>

Less:	
Counterfeit and Mutilated Coins . . . . .	199.30
Gross Receipts . . . . .	<u>\$3,517,730.64</u>
Less:	
Expenses:	
Salaries . . . . .	\$325,166.66
Equipment . . . . .	19,479.90
Supplies . . . . .	19,489.54
Repairs . . . . .	90,290.22
Miscellaneous Expenses . . . . .	46,171.21
Total Expenses . . . . .	<u>500,597.53</u>
Net Total for Distribution . . . . .	<u>\$3,017,133.11</u>
Add:	
Undistributed Balance carried over from December 31st, 1929 (Petty Cash) . . . . .	\$500.00
Less:	
Undistributed Balance, December 31st, 1930 (Petty Cash) . . . . .	\$500.00
Distribution	
City of Philadelphia . . . . .	5754,283.27
State of Pennsylvania . . . . .	754,283.27
State of New Jersey . . . . .	<u>1,508,566.57</u>
	<u>\$3,017,133.11</u>

## APPENDIX "C"

## Deposits of Bridge Funds and Earned Interest 1930

Bank	Total Before Distribution	Total Deposits	Interest Earned
Moorestown Trust Co. . . . .	\$64,771.09	\$64,250.00	\$521.09
Burlington County Trust Co. . . . .	45,305.21	45,000.00	305.21
First Natl. Bank of Riverside . . . . .	28,606.12	28,375.00	231.12
Maple Shade National Bank . . . . .	19,257.21	19,075.00	182.21
Burlington City Ln. & Tr. Co. . . . .	11,343.54	11,250.00	93.54
Marine National Bank . . . . .	71,720.73	71,150.00	570.00
Ocean City National Bank . . . . .	71,720.73	71,150.00	570.73
Millville National Bank . . . . .	46,895.91	46,612.50	283.41
Bankers Trust Co. . . . .	69,562.43	69,000.00	562.43
Northside Trust Co. . . . .	9,067.50	9,000.00	67.50
Pleasantville National Bank . . . . .	57,377.10	56,950.00	427.10
Union National Bank . . . . .	35,275.87	35,000.00	275.87
Salem National Bk. & Tr. Co. . . . .	170,568.72	169,250.00	1,318.72
Ocean County Trust Co. . . . .	164,469.65	163,125.00	1,344.65
Cumberland Trust Co. . . . .	149,402.37	148,137.50	1,264.87
Glassboro Title & Trust Co. . . . .	65,736.52	65,137.50	599.02
First Natl. Bank of Glassboro . . . . .	57,045.56	56,725.00	320.56
Pitman Title & Trust Co. . . . .	13,629.78	13,500.00	129.78
Woodbury Trust Co. . . . .	40,293.68	40,012.50	281.18
First Camden National Bank & Trust Co. . . . .	322.60		322.60
Commercial National Bank & Trust Co. . . . .	214,031.45	212,500.00	1,531.45
Franklin Trust Co. . . . .	170,134.42	168,900.00	1,234.42
Kensington Security Bank & Trust Co. . . . .	50,418.92	50,000.00	418.92
Northwestern Trust Co. . . . .	152,881.87	151,700.00	1,181.87
Jefferson Title & Trust Co. . . . .	267,597.93	265,000.00	2,597.93
Girard Avenue Title & Tr. Co. . . . .	80,580.85	80,000.00	580.85
Real Estate—Land Title & Trust Co. . . . .	100,777.95	100,000.00	777.95
Corn Exchange National Bank & Trust Co. . . . .	214,395.89	212,750.00	1,645.89
Northern Trust Co. . . . .	122,779.21	121,900.00	879.21
Broadway Merchants Trust Co. (Active) . . . . .	18,024.25	17,859.17	165.08
Broadway Merchants Trust Co. (Inactive) . . . . .	428,717.82	425,803.85	2,913.97
	<u>\$3,017,133.11</u>	<u>\$2,993,438.02</u>	<u>\$23,695.09</u>
Distribution			
City of Philadelphia . . . . .	\$754,283.27		
State of Pennsylvania . . . . .	754,283.27		
State of New Jersey . . . . .	<u>1,503,566.57</u>		
			<u>\$3,017,133.11</u>



## APPENDIX TO THE

## APPENDIX "D"

## Progress of Repayment of Cost of Bridge

Including Simple Interest at 4% Per Annum, December 31, 1930

Description	Total	City of Phila.	State of Penna.	State of New Jersey
Actual Expenditures for Cost of Bridge .....	\$37,015,901.19	\$10,570,051.54	\$10,570,051.47	\$15,875,798.18
Estimated amount to be required to defray remaining unsettled Penna. Real Estate claims and partial cost of New Jersey's share of proposed Rail System .....	428,056.64	26,578.32	26,578.32	374,900.00
Total Cost of Bridge (Exclusive of interest) .....	37,443,957.83	10,596,629.86	10,596,629.79	16,250,698.18
Interest @ 4% per annum from dates of contributions to Dec. 31st, 1930 .....	8,716,371.52	2,419,993.84	2,423,538.50	3,872,839.18
Total Cost of Bridge, including Interest to December 31st, 1930 .....	46,160,329.35	13,016,623.70	13,020,168.29	20,123,537.36
Deduct: Interest on Bank Balances and other miscellaneous income received during the period of construction and not previously applied .....	49,637.68	9,611.81	14,468.90	25,556.97
Net Cost of Bridge, including Interest, December 31st, 1930 .....	46,110,691.67	13,007,011.89	13,005,699.39	20,097,980.39
Deduct: Refunds through Bridge Operation between Dec. 31st, 1926 and December 31st, 1930, inclusive .....	11,440,192.91	2,860,048.22	2,860,048.22	5,720,096.47
Balance to be refunded (after distribution) December 31st, 1930 .....	34,670,498.76	10,146,963.67	10,145,651.17	14,377,883.92

## APPENDIX "E"

## Report of Sub-Committee Upon Interstate Rail Transit

Administration Building,  
Bridge Plaza, Camden, N. J.  
December 18, 1930.

To His Excellency Governor Morgan F. Larson  
and Members of General Conference Committee.

Gentlemen:

In accordance with instructions received from the General Conference called by Governor Larson on November 12, 1930, your Committee has carefully studied the problem of providing high speed rail transit between Pennsylvania and New Jersey in the vicinity of Philadelphia and Camden.

Meetings were held by the Committee on November 17th, November 24th, December 2nd and December 9th. Reports analyzing all suggested routes in Philadelphia were submitted by Director Clarence E. Myers, of the Department of City Transit of Philadelphia and in Camden by Mr. Alexander H. Nelson, Engineer of the South Jersey Transit Commission. An analysis of the difficulties attending the operation of railroad trains across the Delaware River Bridge was made for the Committee by Mr. T. J. Skillman, Chief Engineer of the Pennsylvania Railroad, and Mr. George I. Wright, Engineer of Electric Traction of the Reading Railroad.

## Recommendations

1—That the powers of the Delaware River Bridge Joint Commission be extended by the Legislatures of Pennsylvania and New Jersey to cover the construction and operation of a high speed rail transit line beginning approximately at Haddon Avenue and Carman Street, Camden, crossing the Delaware River Bridge on the outer track sections and joining the subway system of the City of Philadelphia at Eighth and Race Streets.

2—That the Joint Commission be empowered to make an engineering study at once of a tunnel linking the railroad systems of Pennsylvania and New Jersey.

3—That authority be given to the Joint Commission for the construction of additional bridges across the Delaware River or tunnels beneath the river.

4—Joint operation of the Pennsylvania and Reading Railroads by construction of a physical connection and a Union Station in Camden.

The Committee is of the opinion that the recommended extension of the Philadelphia subway system into Camden is of immediate importance and offers quickest relief from present conditions. For further serious consideration are recommended the possibilities of a subway in Arch Street, Philadelphia, and an extension of the proposed bridge high-speed line from Fifth and Federal Streets to the Reading Railroad Station in South Camden.

Preliminary estimates indicate that a two track connection from Eighth and Race Streets, Philadelphia, to Haddon Avenue and Carman Street, Camden, can be built at a cost not to exceed \$10,000,000.

Trains would be operated over the outer track sections of the Delaware River Bridge which originally were designed for high speed service and which have not been utilized to date. There would still remain the two inner track sections which adjoin the present vehicular roadway and which might be paved and incorporated in the bridge highway whenever the demands of increasing traffic warrant.

The Committee recommends that the present terminus of the line be located at Haddon Avenue, paralleling the Broadway station of the Pennsylvania Railroad. The transfer of railroad passengers to the subway would be at least as easy and comfortable as that occurring at the 69th Street Station of the Market Street subway around which centers a most remarkable development. Another station would be provided in the plaza around the Camden City Hall where it is proposed to build a bus terminal.

Provision would be made for at least one station in Philadelphia. At Eighth and Race Streets the tracks would connect with the subway now nearing completion. Bridge trains would run south under Eighth Street to Locust and west in Locust Street to the future terminus of the Locust Street line in south-west Philadelphia and return over the same route.

The contract to build the Locust Street subway as far as Eighteenth Street has already been awarded by the Department of City Transit of Philadelphia.

It is conservatively estimated that the proposed line would be patronized by 25,000,000 passengers annually. There is no doubt that there now exists sufficient demand to warrant immediate construction.

The Committee has kept in mind the problem of financing the improvement and believes that this can best be done through extension of the powers and duties of the Joint Commission. In this connection the Committee has been told that on the Pennsylvania side of the river the City of Philadelphia had appropriated \$10,784,662 for the construction of the bridge through a series of bond issues and the Commonwealth of Pennsylvania had appropriated a similar amount of general receipts. The State of New Jersey provided \$15,895,418.57 for the bridge through two bond issues aggregating \$36,000,000 which were used for the construction of the bridge and the Holland Tunnel between New York and Jersey City. Pennsylvania and Philadelphia each has an unexpended balance of \$187,932 and New Jersey \$19,920.40.

The City of Philadelphia went into Common Pleas Court No. 5 on June 24, 1929, with a petition to have the amount invested in the bridge deducted from the City's borrowing capacity and the Court approved the petition when evidence was presented that the City's share of the net revenue from bridge tolls was in excess of the interest and sinking fund charges upon the \$10,784,662.

These charges the Court found amount to \$562,084.04 annually. During the fiscal year ending June 30, 1930, the return to Philadelphia from operation of the bridge was \$766,992.59 or a surplus of \$204,908.55 over Sinking Fund charges.

It was suggested that the City might be able to capitalize this excess by issuing bonds without endangering the borrowing capacity in accordance with the provision of the amendment to the Constitution of Pennsylvania adopted November 2, 1920, which reads as follows:

"In ascertaining the borrowing capacity of the City of Philadelphia, at any time, there shall be deducted from such debt so much of the debt of said city as shall have been incurred, or is about to be incurred, and the proceeds thereof expended, or about to be expended, upon any public improvement, or in the construction, purchase, or condemnation of any public utility, or part thereof, or facility therefor, if such public improvement or public utility, or part thereof, whether separately or in connection with any other public improvement or public utility, or part thereof, may reasonably be expected to yield revenue in excess of operating expenses sufficient to pay the interest and sinking fund charges thereon."

By this means possibly \$3,000,000 could be provided by the City and probably a like appropriation might be had from Pennsylvania. These sums would be added to the cost of the bridge to be repaid from tolls. Several plans were considered in regard to New Jersey's share of the cost.

Beyond indicating possible methods of meeting the cost of the improvement your Committee does not go, believing this to be a matter for further consideration by those charged with the responsibilities of State and Municipal financing.

It is respectfully pointed out however, that the Legislatures of both New Jersey and Pennsylvania will be in session next month and the requested legislation should be prepared without delay.

Of great importance to the travelling public and the progress of the states would be a physical connection between the Penn-

sylvania and Reading Railroads as recommended by this Committee. This has been stamped as feasible by the representatives of the railroads on this Committee and the cost is placed at \$5,000,000.

The Committee reports that the recommendations in this report are approved by all the members with the exception of Mr. George I. Wright, representing the Reading Company. Mr. Wright was compelled to record his dissent formally stating "The Reading feels that Recommendation No. 1 does not provide for the needs of its patrons and that the possibility of realizing Recommendation No. 4 at this time is very doubtful."

Respectfully submitted,

DAVID J. BAIRD, JR., Chairman  
CLARENCE E. MYERS  
WINFIELD S. PRICE  
THOMAS J. DALEY  
THOMAS B. SMITH  
JOHN B. KATES  
T. J. SKILLMAN  
W. R. SCANLIN  
MARTIN SCHREIBER  
JAMES V. MORAN  
ALEXANDER H. NELSON  
GEORGE I. WRIGHT (Dissenting)

JOSEPH K. COSTELLO,  
Secretary.



## APPENDIX TO THE

THE BUDGET OF THE COMMONWEALTH OF PENNSYLVANIA FOR THE FISCAL BIENNIUM 1931-1933

Submitted to the

GENERAL ASSEMBLY

By GIFFORD PINCHOT, Governor

February 3, 1931

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The Custodial Funds including the Sinking Fund; the Public Debt as of December 31, 1930.

## NOTE

The Estimates in the Budget are Based upon the Latest Available Information.

Statements of the Actual Classified Operating Expenditures of the State Government by Departments and Appropriations from June 1, 1925, to May 31, 1930, and Estimated Classified Operating Expenditures for the Year June 1, 1930, to May 31, 1931, based on Budgets submitted as of October 1, 1930, are presented in a supplement to the Budget under separate cover.

## SECTION I

## SUMMARY OF THE BUDGET BY FUNDS

SHOWING THE ESTIMATED FUNDS AVAILABLE; THE AMOUNTS ESTIMATED TO BE EXPENDED UNDER CONTINUING APPROPRIATIONS; AND TOTAL APPROPRIATIONS RECOMMENDED BY THE GOVERNOR.

## SUMMARY OF THE BUDGET FOR THE BIENNIUM 1931-1933.

## FUNDS AVAILABLE FOR OPERATING THE STATE GOVERNMENT DURING THE BIENNIUM 1931-1933

General Fund (see page 4) .....	\$ 188,097,829.81
Motor License Fund (see page 5) .....	154,110,009.83
Fish Fund (see page 6) .....	1,290,163.30
Game Fund (see page 6) .....	2,705,566.21
Banking Department Fund (see page 7) .....	1,509,159.05
Securities Commission Fund (see page 7) .....	467,226.93
State Farm Products Show Fund (see page 8) .....	110,200.51
Federal Allotment Forest Protection Fund (see page 8) .....	115,744.89
Federal Forest Nursery Fund (see page 8) .....	4,582.31

## TOTAL FUNDS AVAILABLE FOR OPERATING THE STATE GOVERNMENT DURING THE BIENNIUM 1931-1933 .....

\$ 348,410,482.84

Less: Funds Available in Special Funds Estimated to be Unexpended, May 31, 1933 (See Cash Balances May 31, 1933, pages 6 to 8)....

\$ 985,231.20

## TOTAL FUNDS AVAILABLE DURING THE BIENNIUM 1931-1933 ESTIMATED TO BE USED .....

\$347,425,251.64

## APPROPRIATIONS FOR 1931-1933 RECOMMENDED BY THE GOVERNOR

General Fund (see page 4, 11) .....	\$ 188,097,829.81
Motor License Fund	
Specific Appropriations (see pages 5, 41) .....	\$ 17,046,719.55
Continuing Appropriations by Act of 1929, P. L. 1046 (see pages 5, 41)	59,119,464.00
Amount Estimated to be Available for New Construction, Reconstruction, and the Rural Roads .....	77,943,826.28
Total Motor License Fund .....	\$ 154,110,009.83
Fish Fund (Appropriated by Act of 1929, P. L. 451) (see page 6) ..	\$ 1,034,365.00
Game Fund (Appropriated by Act of 1929, P. L. 444) (see page 6)	2,238,350.00
Banking Department Fund (Appropriated by Act of 1923, P. L. 809 and Amendments) (see page 7) .....	1,499,861.00
Securities Commission Fund (Appropriated by Act of 1927, P. L. 273 and Amendments) (see page 7) .....	236,031.00
State Farm Products Show Fund (Appropriated by Act of 1929, P. L. 823) (see page 8) .....	102,800.00
Federal Allotment Forest Protection Fund (Agreement with Federal Government) (see page 8) .....	102,000.00
Federal Forest Nursery Fund (Agreement with Federal Government) (see page 8) .....	4,005.00

## TOTAL BUDGET OF THE COMMONWEALTH FOR THE BIENNIUM 1931-1933 .....

\$347,425,251.64

## GENERAL FUND

## 1929-1931 BIENNIUM

Balance in State Treasury, June 1, 1929 .....	\$ 39,801,815.54
Actual and Estimated Revenue for Biennium 1929-1931 (see page 45)	192,504,529.40
Actual and Estimated Receipts Appropriated for Special Purposes for Biennium 1929-1931 (see page 45) .....	999,852.19

Total .....

\$233,303,197.13

Appropriations for Biennium 1929-1931 and Unexpended Balances of Prior Appropriations June 1, 1929 (see page 61) .....

\$ 207,525,413.73

Appropriations of Actual and Estimated Receipts for Special Purposes for Biennium 1929-1931 .....

999,852.19

Total .....

\$ 208,525,265.92

Less Actual and Estimated Lapses during Biennium 1929-1931 (see page 61) .....

6,292,641.60

202,232,624.32

Estimated Unappropriated Surplus, June 1, 1931, exclusive of Deficiency Appropriation Recommendations .....

\$ 31,073,572.81

Deficiency Appropriations Recommended by Governor Fisher for the Biennium Ending May 31, 1931 (see page 10) .....

2,150,271.00

## 1931-1933 BIENNIUM

Estimated Unappropriated Surplus, June 1, 1931 .....

\$ 28,923,301.81

Estimated Revenue 1931-1933 Available for Appropriation 1931-1933 (see page 45) .....

159,174,528.00

ESTIMATED FUNDS AVAILABLE FOR APPROPRIATION 1931-1933

\$188,097,829.81

APPROPRIATIONS RECOMMENDED BY THE GOVERNOR FOR THE BIENNIUM 1931-1933 (see page 11) .....

\$188,097,829.81



## APPENDIX TO THE

## MOTOR LICENSE FUND

## 1929-1931 BIENNIUM

Balance in State Treasury, June 1, 1929 .....			\$28,542,247.02
Actual and Estimated Revenue Biennium 1929-1931 (see page 53) .....	\$144,170,290.76		
Actual and Estimated Contributions by Local Districts credited to State-Aid Highway Appropriation (see page 53) .....	3,490,422.75		
Balance of General Fund State-Aid Highway Appropriation transferred to Motor License Fund and credited to Motor License Fund State-Aid Highway Appropriation (see page 53) .....	435,547.42	148,096,260.93	
<b>TOTAL AVAILABLE FUNDS 1929-1931 .....</b>			<b>\$176,638,507.93</b>
Specific Appropriations for Biennium 1929-1931 (see page 41) .....	\$40,267,719.55		
Unexpended Balances of Prior Appropriations June 1, 1929 (see page 87) .....	3,435,907.98	\$52,703,627.53	
Less: Estimated Lapses (see page 88) .....	\$207,503.58		
Estimated Liabilities May 31, 1931 (see page 88) .....	1,750,000.00	1,957,503.55	
		\$50,746,123.95	
Actual and Estimated Credits to Specific Appropriations Biennium 1919-1931 (see page 53) .....		3,925,970.17	
Estimated Expenditures from Continuing Appropriations (Act of 1929, P. L. 1046) (see page 41) .....		114,495,824.00	\$169,167,918.12

## 1931-1933 BIENNIUM

Estimated Cash Balance, May 31, 1931 .....			\$(3) 7,470,589.83
Less: Estimated Liabilities May 31, 1931, on account of Specific Appropriations (see page 88) .....			1,750,000.00
Estimated Cash Balance May 31, 1931, and Liabilities on Account of Specific Appropriations .....			\$5,720,589.83
Estimated Revenue Available for Appropriation, Biennium 1931-1933 (see page 53) .....			148,389,420.00
<b>TOTAL AVAILABLE FUNDS 1931-1933 .....</b>			<b>\$154,110,009.83</b>
Appropriations in Specific Amounts Recommended by the Governor for the Biennium 1931-1933 (see page 41 for details)			
Department of Highways .....	\$3,034,000.00		
Board of Finance and Revenue .....	13,562,719.55		
Department of Property and Supplies .....	200,000.00		
Public Service Commission .....	250,000.00	\$17,046,719.55	
Estimated Expenditures from Continuing Appropriations during the Biennium 1931-1933 (see page 41 for details)			
Department of Highways (see page 42) .....	\$51,910,589.00(1)		
Department of Revenue .....	7,088,875.00		
Board of Finance and Revenue .....	120,000.00	59,119,464.00	
Amount Estimated to be available for the Biennium 1931-1933 for new road construction, reconstruction and rural roads .....		(2) 77,943,826.28	
<b>TOTAL .....</b>			<b>\$154,110,009.83</b>

- (1) Includes funds to finance all liabilities of the Department of Highways as of May 31, 1931, except \$1,750,000.00, which is provided for in the Estimated Cash Balance of \$7,470,589.83.
- (2) All Available for a system of rural roads, new construction and replacements on the State Highway System unless operator's licenses and registration fees are reduced as recommended which will reduce this amount by approximately \$20,000,000.00 during the biennium.
- (3) It is estimated that all funds available during the 1929-1931 biennium will be encumbered on or before May 31, 1931, so the cash balance may be increased or decreased due to weather conditions which affect the progress of the work. Regardless of what the cash balance may be as of May 31, 1931, it will not change the amount of \$77,943,826.28 shown as "Amount estimated to be available for the biennium 1931-1933 for which no recommendations are made."

## FISH FUND

	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
CASH BALANCE, JUNE 1 .....	\$ 252,255.09	\$ 253,463.24	\$ 427,581.96	\$ 347,966.30
RECEIPTS				
Licenses and Fees .....	\$ 576,561.50	\$ 789,661.44	\$ 857,793.05	\$ 872,447.00
Fines and Penalties .....	34,449.70	38,558.60	40,356.50	36,250.00
Miscellaneous Revenue .....	14,225.36	23,423.28	35,385.65	33,500.00
TOTAL RECEIPTS .....	\$ 625,236.56	\$ 851,643.52	\$ 933,535.20	\$ 942,197.00
TOTAL AVAILABLE FUNDS .....	\$ 877,491.65	\$ 1,105,106.76	\$ 1,361,117.16	\$ 1,290,163.30
EXPENDITURES				
Board of Fish Commissioners				
Salaries and General Expenses .....	\$ 624,028.41	\$ 677,524.80	\$ 984,184.95	\$(2)1,001,965.00
Department of Revenue				
Collecting Fishing License Fees and Fines .....	(1)	(1)	28,965.91	(2)32,400.00
TOTAL EXPENDITURES .....	\$ 624,028.41	\$ 677,524.80	\$ 1,013,150.86	\$ 1,034,365.00
CASH BALANCE, MAY 31 .....	\$ 253,463.24	\$ 427,581.96	\$ 347,966.30	\$ 255,798.30

- (1) Cost of collecting Fishing License Fees and Fines was paid from appropriation to the Board of Fish Commissioners these periods.  
 (2) Under the provisions of the Act of 1929, P. L. 451, there has been appropriated from the Fish Fund to the Department of Revenue such amount as is necessary to defray the cost of printing and distributing license forms and license tags and collecting resident and non-resident fishing license fees, and fines. The balance has been appropriated to the Board of Fish Commissioners for propagating and distributing fish and enforcing the Fish Law.

## GAME FUND

	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
CASH BALANCE, JUNE 1 .....	\$ 196,943.26	\$ 275,443.77	\$ 599,990.45	\$ 467,066.21
RECEIPTS				
Licenses and Fees .....	\$ 1,318,266.13	\$ 2,027,348.53	\$ 2,213,658.22	\$ 2,072,060.00
Fines and Penalties .....	119,782.77	128,322.50	150,339.50	132,500.00
Miscellaneous Revenue .....	18,640.61	37,386.76	103,839.96	34,000.00
TOTAL RECEIPTS .....	\$ 1,456,689.51	\$ 2,198,057.79	\$ 2,467,887.68	\$ 2,238,500.00
TOTAL AVAILABLE FUNDS .....	\$ 1,653,632.77	\$ 2,468,501.56	\$ 3,067,878.13	\$ 2,705,566.21
EXPENDITURES				
Board of Game Commissioners				
Salaries and General Expenses .....	\$ 1,378,189.00	\$ 1,868,511.11	\$ 2,552,937.96	\$(2)2,198,984.00
Department of Revenue				
Collecting Hunting License Fees and Fines .....	(1)	(1)	47,478.36	(2)39,386.00
Treasury Department—Board of Finance and Revenue				
Refunding Hunting License Fees .....			395.60	
TOTAL EXPENDITURES .....	\$ 1,378,189.00	\$ 1,868,511.11	\$ 2,600,811.92	\$ 2,238,350.00
CASH BALANCE, MAY 31 .....	\$ 275,443.77	\$ 599,990.45	\$ 467,066.21	\$ 467,216.21

- (1) Cost of Collecting Hunting License Fees and Fines was paid from appropriation to the Board of Game Commissioners these periods.  
 (2) Under the provisions of the Act of 1929, P. L. 444 there has been appropriated from the Game Fund to the Department of Revenue such amounts as is necessary to defray the cost of printing and distributing license forms and tags and collecting resident and non-resident hunting license fees, and fines. The balance has been appropriated to the Board of Game Commissioners for propagating and distributing game and enforcing the Game Law.



## APPENDIX TO THE

## BANKING DEPARTMENT FUND

	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
CASH BALANCE, JUNE 1 .....	\$ 28,820.93	\$ 48,612.80	\$ 28,547.12	\$ 7,515.03
RECEIPTS				
Licenses and Fees .....	\$ 1,037,301.88	\$ 1,139,392.23	\$ 1,319,283.07	\$ 1,498,103.00
Miscellaneous Revenue .....	3,630.70	3,821.22	2,924.51	3,541.00
TOTAL RECEIPTS .....	\$ 1,040,932.58	\$ 1,143,213.45	\$ 1,322,207.58	\$ 1,501,644.00
TOTAL AVAILABLE FUNDS .....	\$ 1,069,753.51	\$ 1,191,826.25	\$ 1,350,754.70	\$ 1,509,159.05
EXPENDITURES				
Department of Banking Salaries and General Expenses—Examination of Banks and Building and Loan Associations * .....	\$ 1,021,140.71	\$ 1,163,279.13	\$ 1,343,239.65	\$(1) 1,499,361.00
CASH BALANCE, MAY 31 .....	\$ 48,612.80	\$ 28,547.12	\$ 7,515.05	\$ 9,298.05

\* Part of the expense of examining Building and Loan Associations is met by an appropriation from the General Fund.

(1) Under the provisions of section nine of the Act of 1923, P. L. 809, as finally amended April 25, 1929, P. L. 716, the receipts to this fund have been appropriated to the Department of Banking for the regulation and examination of banks and building and loan associations.

## SECURITIES COMMISSION FUND

	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
CASH BALANCE, JUNE 1 .....	\$ 137,053.64	\$ 161,133.39	\$ 186,998.33	\$ 216,866.93
RECEIPTS				
Licenses and Fees .....	\$ 178,370.00	\$ 219,860.80	\$ 248,942.00	\$ 241,360.00
Miscellaneous Revenue .....	7,949.28	7,468.56	8,925.20	9,000.00
TOTAL RECEIPTS .....	\$ 186,319.28	\$ 227,329.36	\$ 257,867.20	\$ 250,360.00
TOTAL AVAILABLE FUNDS .....	\$ 323,372.92	\$ 388,462.75	\$ 444,865.53	\$ 467,226.93
EXPENDITURES				
Department of Banking Salaries and General Expenses of Pennsylvania Securities Commission .....	\$ 162,239.53	\$ 201,464.42	\$ 227,998.60	\$(1) 236,031.00
CASH BALANCE, MAY 31 .....	\$ 161,133.39	\$ 186,998.33	\$ 216,866.93	\$ 231,195.93

(1) Under the provisions of section 27 of the Act of 1927, P. L. 273, as finally amended April 25, 1929, P. L. 720, the receipts to this fund have been appropriated to the Pennsylvania Securities Commission for regulating the sale of securities.

## STATE FARM PRODUCTS SHOW FUND

	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
CASH BALANCE, JUNE 1 .....				\$ 7,600.51
RECEIPTS				
Fees .....			\$ 66,977.45	\$ 95,000.00
Miscellaneous Revenue .....			6,231.85	7,600.00
Transferred from State Farm Products Show Committee.....			3,536.39	
TOTAL RECEIPTS .....			\$ 76,745.69	\$ 102,600.00
TOTAL AVAILABLE FUNDS .....			\$ 76,745.69	\$ 110,200.51
EXPENDITURES				
Department of Agriculture Salaries, Expenses and Premiums of the State Farm Show.....			\$ 69,145.18	\$(1) 102,800.00
CASH BALANCE, MAY 31 .....			\$ 7,600.51	\$ 7,400.51

(1) Under the provisions of the Act of 1929, P. L. 823, the receipts to this fund have been appropriated to the State Farm Show Commission for maintaining the Annual Farm Show.

## FEDERAL ALLOTMENT FOREST PROTECTION FUND

	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
CASH BALANCE, JUNE 1 .....				\$ 15,744.89
RECEIPTS				
Allotment of Federal Appropriation .....			\$ 107,632.73	\$ 99,880.00
Transfers from General Fund .....			10,102.38	.....
Interest on Deposits .....			336.78	120.00
TOTAL RECEIPTS .....			\$ 118,071.89	\$ 100,000.00
TOTAL AVAILABLE FUNDS .....			\$ 118,071.89	\$ 115,744.89
EXPENDITURES				
Department of Forests and Waters				
Forest Protection .....			\$ 102,327.00	\$ (1)102,000.00
CASH BALANCE, MAY 31 .....			\$ 15,744.89	\$ 13,744.89

## FEDERAL FOREST NURSERY FUND

	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
CASH BALANCE, JUNE 1 .....				\$ 572.31
RECEIPTS				
Federal Appropriations .....			\$ 4,950.00	\$ 4,000.00
Transfers from General Fund .....			1.27	.....
Interest on Deposits .....			25.04	10.00
TOTAL RECEIPTS .....			\$ 4,976.31	\$ 4,010.00
TOTAL AVAILABLE FUNDS .....			\$ 4,976.31	\$ 4,582.31
EXPENDITURES				
Department of Forests and Waters				
Forest Nurseries .....			\$ 4,404.00	\$ (1)4,005.00
CASH BALANCE, MAY 31 .....			\$ 572.31	\$ 577.31

- (1) Under the provisions of an agreement dated July 1, 1925, between the Federal Department of Agriculture and the Pennsylvania Department of Agriculture made in pursuance of section 4 of the Clark-McNary Act of Congress, approved June 7, 1924 (C 348, 43 Stat. 653) as amended, the receipts to this fund are available to the Department of Forests and Waters for forest nursery purposes.



## APPENDIX TO THE

## SECTION TWO

## APPROPRIATIONS RECOMMENDED BY THE GOVERNOR FOR THE BIENNIUM 1931-1933

## DEFICIENCY APPROPRIATIONS FOR THE BIENNIUM 1929-1931

## GENERAL FUND DEFICIENCIES FOR THE BIENNIUM ENDING MAY 31, 1931.

Appropriation	Detail	Departmental Total
DEPARTMENT OF FORESTS AND WATERS		
FORESTS		
Control of Forest Fires .....	\$ 525,000.00	
Annual Fixed Charges—Federal and State Forest Land .....	6,090.00	
Total Forests .....	\$ 531,090.00	
WATERS		
Water and Power Resources Board:		
Salaries and General Expenses (Delaware Water Diversion Case) .....	30,000.00	
TOTAL DEPARTMENT OF FORESTS AND WATERS .....		\$ 561,090.00
DEPARTMENT OF HEALTH		
Sanitary Water Board (Delaware Water Diversion Case) .....	\$ 15,000.00	
TOTAL DEPARTMENT OF HEALTH .....		15,000.00
DEPARTMENT OF PROPERTY AND SUPPLIES		
GENERAL APPROPRIATIONS ALLOCATED TO SPENDING AGENCIES		
Insurance, Surety and Fidelity Bonds .....	\$ 78,210.00	
TOTAL DEPARTMENT OF PROPERTY AND SUPPLIES .....		78,210.00
DEPARTMENT OF PUBLIC INSTRUCTION		
PUBLIC SCHOOL SUBSIDIES		
Salaries of County Superintendents .....	\$ 29,721.00	
Salaries of Assistant County Superintendents .....	38,250.00	
Transportation and Closed Schools .....	680,000.00	
TOTAL PUBLIC SCHOOL SUBSIDIES .....	\$ 747,971.00	
PUBLIC SCHOOLS		
Support of the Public Schools .....	500,000.00	
DEPARTMENT OF PUBLIC INSTRUCTION		1,247,971.00
DEPARTMENT OF WELFARE		
EASTERN STATE PENITENTIARY, PHILADELPHIA		
Maintenance and Repairs .....	\$ 212,000.00	
HAZLETON STATE HOSPITAL		
Maintenance and Repairs .....	36,000.00	
TOTAL DEPARTMENT OF WELFARE .....		248,000.00
TOTAL DEFICIENCIES .....		\$2,150,271.00

## RECAPITULATION OF GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
EXECUTIVE DEPARTMENT				
GOVERNOR'S AND LIEUTENANT GOVERNOR'S OFFICES .....	\$ 164,918.87	\$ 358,500.00	\$ 467,400.00	\$ 343,909.00
DEPARTMENT OF THE AUDITOR GENERAL .....	1,042,531.73	1,320,166.09	1,225,250.00	1,544,000.00
TREASURY DEPARTMENT .....	516,788.00	534,713.00	778,382.75	946,761.19
DEPARTMENT OF AGRICULTURE .....	2,803,590.47	5,010,700.00	4,817,500.00	4,581,286.70
DEPARTMENT OF BANKING .....	50,000.00	125,000.00	121,000.00	121,000.00
DEPARTMENT OF FORESTS AND WATERS .....	2,405,747.77	4,149,840.00	4,419,720.00	4,432,650.00
DEPARTMENT OF HEALTH .....	4,870,000.00	5,270,000.00	3,871,000.00	4,095,000.00
DEPARTMENT OF HIGHWAYS .....	103,323.00	39,652.00	3,024,000.00	.....
INSURANCE DEPARTMENT .....	.....	700,000.00	620,000.00	620,000.00
DEPARTMENT OF INTERNAL AFFAIRS. ....	302,300.00	644,500.00	829,200.00	895,000.00
DEPARTMENT OF JUSTICE .....	292,300.00	427,737.11	648,000.00	862,525.00
DEPARTMENT OF LABOR AND INDUSTRY .....	1,725,000.00	2,265,000.00	2,423,000.00	2,505,000.00
DEPARTMENT OF MILITARY AFFAIRS .....	1,825,725.00	3,213,683.45	2,580,760.00	2,648,000.00
DEPARTMENT OF MINES .....	630,800.00	763,000.00	734,475.00	731,000.00
DEPARTMENT OF PROPERTY AND SUPPLIES .....	4,139,798.58	6,679,820.32	(1)30,238,724.00	21,354,185.00
DEPARTMENT OF PUBLIC INSTRUCTION .....	65,848,945.59	74,438,205.00	87,048,000.00	91,330,975.00
PUBLIC SERVICE COMMISSION .....	771,000.00	974,000.00	1,011,000.00	1,011,000.00
DEPARTMENT OF REVENUE .....	.....	17,000.00	1,229,000.00	1,429,000.00
DEPARTMENT OF STATE .....	2,360,284.00	1,779,474.00	2,142,216.00	2,046,206.00
PENNSYLVANIA STATE POLICE .....	1,662,000.00	1,662,000.00	2,351,500.00	2,491,500.00
DEPARTMENT OF WELFARE .....	24,032,046.89	30,038,728.00	33,393,950.00	36,981,162.00
MISCELLANEOUS ADMINISTRATIVE .....	199,089.95	37,000.00	.....	.....
MISCELLANEOUS COMMISSIONS .....	5,000.00	.....	.....	.....
SPECIAL ADMINISTRATIVE COMMISSIONS .....	2,621,662.00	302,500.00	285,000.00	75,000.00
LEGISLATIVE DEPARTMENT				
SENATE .....	440,207.70	397,696.50	412,500.00	412,500.00
HOUSE OF REPRESENTATIVES .....	1,015,638.75	1,003,791.25	1,013,215.40	1,012,883.00
LEGISLATIVE JOURNAL AND MISCELLANEOUS .....	10,000.00	14,950.00	9,500.00	7,500.00
LEGISLATIVE REFERENCE BUREAU .....	75,000.00	82,600.00	98,500.00	96,000.00
SPECIAL LEGISLATIVE COMMISSIONS .....	822,722.03	168,500.00	26,500.00	.....
JUDICIAL DEPARTMENT				
TOTAL .....	\$125,048,166.25	\$146,479,602.64	\$190,663,339.07	\$188,097,829.81

(1) Includes \$500,000 appropriated to Department of Welfare for Eastern Penitentiary.

GOVERNOR'S AND LIEUTENANT GOVERNOR'S OFFICES  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
GOVERNOR'S OFFICE				
Salary of the Governor . . . . .	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00
Salaries and General Expenses . . . . .	90,000.00	301,000.00	410,400.00	410,400.00
Salaries and General Expenses—Deficiency . . . . .	6,810.00			
Preparation of the Budget—Deficiency . . . . .	17,000.00			
Portrait of Governor . . . . .	750.00			750.00
Total Governor's Office . . . . .	\$ 150,560.00	\$ 337,000.00	\$ 446,400.00	\$ 447,150.00
GREATER PENNSYLVANIA COUNCIL				
Administration and Expenses . . . . .				\$ 225,000.00
Aid to Port of Philadelphia . . . . .				250,000.00
Total Greater Pennsylvania Council . . . . .				\$ 475,000.00
LIEUTENANT GOVERNOR'S OFFICE				
Salary of the Lieutenant Governor . . . . .	\$ 10,000.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00
Salary of the Lieutenant Governor—Deficiency . . . . .	1,108.87			
Contingent Expenses . . . . .	2,500.00	5,500.00	5,000.00	5,000.00
Portrait of Lieutenant Governor . . . . .	750.00			750.00
Total Lieutenant Governor's Office . . . . .	\$ 14,358.87	\$ 21,500.00	\$ 21,000.00	\$ 21,750.00
TOTAL . . . . .	\$ 164,918.87	\$ 358,500.00	\$ 467,400.00	\$ 945,900.00



## APPENDIX TO THE

DEPARTMENT OF THE AUDITOR GENERAL  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
ADMINISTRATION				
Salary of the Auditor General .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Salary of the Disbursing Deputy .....	15,000.00	15,000.00	15,000.00	15,000.00
Salaries and General Expenses .....	975,800.00	1,025,000.00		
Law Books and Patent Indices .....	3,000.00	3,000.00	1,180,000.00	1,500,000.00
Contingent Expenses .....	30,000.00	50,000.00		
Compensation of Fiscal Agents .....	1,000.00	1,000.00	1,000.00	1,000.00
Informants in Escheat .....	10,000.00	10,000.00		
Cost of Suits against Delinquent Dealers .....	8,000.00	8,000.00		
Portrait of the Auditor General .....	750.00		750.00	
Total Administration .....	\$ 1,067,550.00	\$ 1,136,000.00	\$ 1,220,750.00	\$ 1,540,000.00
COUNTY OFFICERS				
Fees of County Officers .....	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
Mileage of Mercantile Appraisers .....	25,000.00	25,000.00		
Total County Officers .....	\$ 29,000.00	\$ 29,000.00	\$ 4,000.00	\$ 4,000.00
ADVERTISING				
Publishing Monthly Money Statements .....	\$ 35,000.00	\$ 45,000.00		
Publishing Monthly Money Statements—Deficiency .....	15,000.00			
Total Advertising .....	\$ 50,000.00	\$ 45,000.00		
REFUNDS				
Refunds of Overpayments by Retired County Officers .....	\$ 2,000.00	\$ 2,000.00		
Refunding Stock Transfer Stamps .....	1,000.00	1,000.00		
Refunding Inheritance Taxes .....	80,000.00	100,000.00		
Refunding Inheritance Taxes—Deficiency .....	50,000.00			
Refunding Fees of Examining Boards .....		2,000.00		
Refunding Notary Public Gross Receipts Tax .....		100.00		
Refunding Retail Liquor License Fees .....	7,500.00	5,000.00		
Refunding Retail Liquor License Fees—Reappropriated .....	4,981.73			
Refunding Mercantile Taxes—Deficiency .....	10,500.00			
Refunding Excess Emergency Profits Tax .....	100,000.00			
Refund—F. P. Holly—Mercantile Tax .....		66.09		
Refund—Roach Stave Company .....			\$ 500.00	
Total Refunds .....	\$ 255,981.73	\$ 110,166.09	\$ 500.00	
TOTAL DEPARTMENT OF THE AUDITOR GENERAL .....	\$ 1,402,531.73	\$ 1,320,166.09	\$ 1,225,250.00	\$ 1,544,000.00

TREASURY DEPARTMENT  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
ADMINISTRATION				
Salary of the State Treasurer .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Salaries and General Expenses .....	418,700.00	443,700.00		
Salaries and General Expenses—Deficiency .....	25,000.00	15,000.00	550,000.00	670,000.00
Contingent Expenses .....	35,000.00	35,000.00		
Patent Indices and Law Books .....	700.00	700.00		
Portrait of State Treasurer .....	750.00		750.00	
Total Administration .....	\$ 504,150.00	\$ 518,400.00	\$ 574,750.00	\$ 694,000.00
BOARD OF FINANCE AND REVENUE—ADMINISTRATION				
Salaries and General Expenses .....	\$ 3,300.00	\$ 3,000.00	\$ 50,000.00	\$ 75,000.00
Interest Obligations on Agricultural College Land Scrip and State College Experimental Farm Funds .....	9,638.00	13,313.00	9,440.00	8,700.00
Publishing Monthly Money Statements .....			45,000.00	60,000.00
Total Board of Finance and Revenue—Administration.....	\$ 12,638.00	\$ 16,313.00	\$ 104,440.00	\$ 143,700.00
BOARD OF FINANCE AND REVENUE—REFUNDS				
Refunds of Overpayments by Retired County Officers .....			\$ 2,000.00	\$ 1,000.00
Refunding Stock Transfer Stamps .....			2,000.00	7,000.00
Refunding Inheritance Taxes—Resident .....			75,000.00	75,000.00
Refunding Inheritance Taxes—Non-resident .....				5,000.00
Refunding Inheritance Taxes—War Risk Insurance .....			1,200.00	
Refunding Fees of Examining Boards .....			2,000.00	2,000.00
Refunding Notary Public Fees .....			1,500.00	1,500.00
Refunding Moneys Subject to Escheat .....			15,000.00	15,000.00
Refunding Moneys Erroneously Paid to Department of Internal Affairs .....			275.00	
Refunding Bonus .....			50.00	
Refund—Braun Salvage Company .....			167.75	
Refunding Fees on Writs .....				61.19
Refunding Overpayments into State Treasury .....				2,500.00
Total Board of Finance and Revenue—Refunds .....			\$ 99,192.75	\$ 109,061.19
TOTAL TREASURY DEPARTMENT .....	\$ 516,788.00	\$ 534,713.00	\$ 778,382.75	\$ 946,761.19

DEPARTMENT OF AGRICULTURE  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
ADMINISTRATION				
Salary of the Secretary .....	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	650,000.00	788,000.00		
Japanese Beetle .....	100,000.00	100,000.00		
European Corn Borer .....	15,000.00	100,000.00	2,450,000.00	2,353,286.70
Animal Industry .....		1,190,000.00		
Dog Law Enforcement .....		517,000.00		
Agricultural Emergency Appropriation .....	100,000.00			
Encouraging Agricultural Exhibits .....		125,000.00	130,000.00	130,000.00
Encouraging Agricultural Exhibits—Additional .....		2,700.00		
Encouraging Agricultural Exhibits—Deficiency .....	123,590.47			
Total Administration .....	\$ 1,004,590.47	\$ 2,838,700.00	\$ 2,600,000.00	\$ 2,503,286.70
INDEMNITIES				
Animal Indemnities .....	\$ 1,799,000.00	\$ 2,160,000.00	\$ 2,160,000.00	\$ 2,000,000.00
Plant Indemnities .....			3,000.00	3,000.00
Total Indemnities .....	\$ 1,799,000.00	\$ 2,160,000.00	\$ 2,163,000.00	\$ 2,003,000.00
STATE FARM SHOW COMMISSION				
Salaries and General Expenses .....		\$ 12,000.00	\$ 54,500.00	\$ 75,000.00
TOTAL DEPARTMENT OF AGRICULTURE .....	\$ 2,803,590.47	\$ 5,010,700.00	\$ 4,817,500.00	\$ 4,581,286.70

NOTE: For Recommended Appropriation for Improvements to the Farm Show Building, see Department of Property and Supplies.



## APPENDIX TO THE

DEPARTMENT OF BANKING  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Examination of Building and Loan Associations .....	\$ 50,000.00	\$ 125,000.00	\$ 121,000.00	\$ 121,000.00
<b>TOTAL DEPARTMENT OF BANKING .....</b>	<b>\$ 50,000.00</b>	<b>\$ 125,000.00</b>	<b>\$ 121,000.00</b>	<b>\$ 121,000.00</b>

DEPARTMENT OF FORESTS AND WATERS  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
<b>SALARY OF THE SECRETARY .....</b>	<b>\$ 16,000.00</b>	<b>\$ 16,000.00</b>	<b>\$ 20,000.00</b>	<b>\$ 20,000.00</b>
<b>FORESTS</b>				
Salaries and General Expenses .....	\$ 1,175,000.00	\$ 1,575,000.00		
Annual Fixed Charges—State Forest Land .....	115,970.00	115,970.00	\$ 1,794,000.00	\$ 1,600,000.00
Cook Forest Park—Maintenance and Development .....		25,000.00		
Purchase of Land—Cook Forest Park .....		450,000.00		
Purchase of State Forest Land .....		500,000.00	1,000,000.00	400,000.00
Control of Forest Fires .....	200,000.00	200,000.00	200,000.00	200,000.00
Control of Forest Fires—Deficiency .....	100,000.00			
Control of Forest Fires—Injuries to Fire Fighters .....	6,000.00			
Annual Fixed Charges—Federal and State Forest Land .....			25,000.00	36,650.00
<b>Total Forests .....</b>	<b>\$ 1,597,000.00</b>	<b>\$ 2,865,970.00</b>	<b>\$ 3,019,000.00</b>	<b>\$ 2,236,650.00</b>
<b>WATERS</b>				
Water and Power Resources Board				
Salary of Engineer Member .....	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Salaries and General Expenses .....	125,000.00	165,000.00	208,320.00	200,000.00
Annual Fixed Charges—Flood Land .....	5,274.00	5,120.00		
Repairs to Matamoras Dyke .....	2,963.77		5,000.00	
Repairs to Laurel Dam .....	10,000.00			
Lock Haven Floods .....	3,500.00			
Pymatuning Project—Maintenance and Improvements .....			198,300.00	1,500,000.00
Pymatuning Project—Purchase of Land .....		350,000.00	300,000.00	
Delaware River Tri-State Treaty Commission .....	15,000.00	5,000.00	10,000.00	
<b>Total Waters .....</b>	<b>\$ 167,737.77</b>	<b>\$ 531,120.00</b>	<b>\$ 727,620.00</b>	<b>\$ 1,706,000.00</b>
<b>PARKS, CANAL BOARDS AND COMMISSIONS</b>				
Lake Erie and Ohio River Canal Board .....	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Washington Crossing Park Commission—Maintenance .....	120,000.00	100,000.00	120,500.00	125,000.00
Washington Crossing Park Commission—Deficiency .....	10,000.00			
Washington Crossing Park Commission—Condemned Land .....		25,000.00		
Washington Crossing Park Commission—Claims .....			200.00	
Valley Forge Park Commission .....	150,000.00	90,000.00	194,900.00	185,000.00
Valley Forge Park Commission—Roads .....	100,000.00			
Pennsylvania State Park and Harbor Commission .....	75,000.00	50,000.00		
Pennsylvania State Park and Harbor Commission—Retaining Wall and Jetties .....	25,000.00	80,000.00	245,500.00	150,000.00
Pennsylvania State Park and Harbor Commission—Repairs .....			25,000.00	
Bushy Run Battlefield Commission .....		25,000.00	15,000.00	5,000.00
Conrad Welser Memorial Park .....		20,000.00		
<b>Total Parks, Canal Boards and Commissions .....</b>	<b>\$ 485,000.00</b>	<b>\$ 395,000.00</b>	<b>\$ 606,100.00</b>	<b>\$ 470,000.00</b>
<b>MISCELLANEOUS</b>				
Topographic and Geologic Survey .....	\$ 135,000.00			
Fort Washington Park—Interest and Mortgage .....	5,010.00	\$ 41,750.00	\$ 47,000.00	
Fort Washington Park—Land .....		300,000.00		
<b>Total Miscellaneous .....</b>	<b>\$ 140,010.00</b>	<b>\$ 341,750.00</b>	<b>\$ 47,000.00</b>	
<b>TOTAL DEPARTMENT OF FORESTS AND WATERS .....</b>	<b>\$ 2,405,747.77</b>	<b>\$ 4,149,840.00</b>	<b>\$ 4,419,720.00</b>	<b>\$ 4,432,650.00</b>

DEPARTMENT OF HEALTH  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Secretary .....	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	4,500,000.00	4,750,000.00	3,665,000.00	3,350,000.00
State Hospital for Crippled Children—Construction .....	250,000.00	350,000.00	.....	.....
Sanitary Water Board .....	100,000.00	150,000.00	186,000.00	225,000.00
<b>TOTAL DEPARTMENT OF HEALTH .....</b>	<b>\$ 4,870,000.00</b>	<b>\$ 5,270,000.00</b>	<b>\$ 3,871,000.00</b>	<b>\$ 4,095,000.00</b>

NOTE: For recommended Appropriations for Construction, see Department of Property and Supplies.

DEPARTMENT OF HIGHWAYS  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Secretary .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	(1)
Interstate Bridges .....	19,323.00	15,652.00	.....	.....
County Bridges Destroyed .....	60,000.00	.....	.....	.....
Reimbursement Motor Fund—North Office Building .....	.....	.....	3,000,000.00	.....
<b>TOTAL DEPARTMENT OF HIGHWAYS .....</b>	<b>\$ 103,323.00</b>	<b>\$ 39,652.00</b>	<b>\$ 3,024,000.00</b>	

(1) Recommended to be appropriated from the Motor License Fund this period.

INSURANCE DEPARTMENT  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Commissioner .....	.....	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	.....	680,000.00	600,000.00	600,000.00
<b>TOTAL INSURANCE DEPARTMENT .....</b>	<b>.....</b>	<b>\$ 700,000.00</b>	<b>\$ 620,000.00</b>	<b>\$ 620,000.00</b>

DEPARTMENT OF INTERNAL AFFAIRS  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
ADMINISTRATION				
Salary of the Secretary .....	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	276,300.00	468,000.00	500,000.00	475,000.00
Salaries and General Expenses—Deficiency .....	.....	25,500.00	.....	.....
Boundary Monuments and Surveys .....	10,000.00	.....	.....	.....
Total Administration .....	\$ 302,300.00	\$ 509,500.00	\$ 520,000.00	\$ 495,000.00
STATE AERONAUTICS COMMISSION				
Salaries and General Expenses .....	.....	.....	\$ 162,400.00	\$ 250,000.00
TOPOGRAPHIC AND GEOLOGIC SURVEY				
Salaries and General Expenses .....	.....	\$ 135,000.00	\$ 146,800.00	\$ 150,000.00
TOTAL DEPARTMENT OF INTERNAL AFFAIRS .....	\$ 302,300.00	\$ 644,500.00	\$ 829,200.00	\$ 895,000.00



## APPENDIX TO THE

DEPARTMENT OF JUSTICE  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
<b>ADMINISTRATION</b>				
Salary of the Attorney General .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Salaries and General Expenses .....	263,500.00	400,000.00	342,000.00	322,000.00
Costs in Suits against Delinquent Dealers .....			8,000.00	
Salaries and Expenses of Special Deputies and Local Counsel ..				242,000.00
Total Administration .....	\$ 287,500.00	\$ 424,000.00	\$ 374,000.00	\$ 588,000.00
<b>BOARD OF PARDONS</b>				
Salaries and General Expenses .....	\$ 2,800.00	\$ 1,000.00	\$ 1,000.00	\$ 16,525.00
Parole Expenses .....			70,000.00	245,000.00
Total Board of Pardons .....	\$ 2,800.00	\$ 1,000.00	\$ 71,000.00	\$ 261,525.00
<b>BOARD OF COMMISSIONERS ON UNIFORM STATE LAWS</b>				
Expenses .....	\$ 2,000.00	\$ 2,500.00	\$ 3,000.00	\$ 3,000.00
<b>MISCELLANEOUS</b>				
Purchase of Emerson-Brantingham Building .....			\$ 200,000.00*	
Refund—M. E. Weiss Dahl .....		\$ 237.11		
Codification of Corporation and Banking Laws .....				\$ 10,000.00
TOTAL DEPARTMENT OF JUSTICE .....	\$ 292,300.00	\$ 427,737.11	\$ 648,000.00	\$ 862,525.00

\* Appropriated to Department of Justice for Department of Property and Supplies.

DEPARTMENT OF LABOR AND INDUSTRY  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Secretary .....	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	1,525,000.00	2,080,000.00	2,293,000.00	2,410,000.00
Salaries and General Expenses—Deficiency .....	30,000.00			
Workmen's Compensation to Injured State Employees .....	150,000.00	150,000.00	110,000.00	75,000.00
Workmen's Compensation to Injured State Employees—Deficiency .....		15,000.00		
TOTAL DEPARTMENT OF LABOR AND INDUSTRY .....	\$ 1,725,000.00	\$ 2,265,000.00	\$ 2,423,000.00	\$ 2,505,000.00

DEPARTMENT OF MINES  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Secretary .....	\$ 12,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	54,800.00	124,000.00	116,500.00	116,500.00
Salaries and Expenses of Inspectors .....	541,000.00	604,000.00	584,500.00	584,500.00
Salaries and Expenses of Inspectors—Deficiency Reappropriated .....	13,000.00			
Expenses of Examining Boards .....	10,000.00	10,000.00	13,475.00	10,000.00
Expenses of Examining Boards—Deficiency .....		5,000.00		
TOTAL DEPARTMENT OF MINES .....	\$ 630,800.00	\$ 763,000.00	\$ 743,475.00	\$ 731,000.00

DEPARTMENT OF MILITARY AFFAIRS  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
ADMINISTRATION				
Salary of the Adjutant General .....	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	278,600.00	283,200.00	421,000.00	400,532.00
Salaries and General Expenses—Deficiency .....		34,498.36		
Riot, Insurrection, Repairs to Armories and Buildings destroyed etc. ....	200,000.00	200,000.00	200,000.00	200,000.00
Total Administration .....	\$ 494,600.00	\$ 533,698.36	\$ 641,000.00	\$ 620,532.00
NATIONAL GUARD				
Salary of the Division Commander .....	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00
Support of the National Guard .....	800,000.00	835,000.00	675,000.00	706,874.00
Support of the National Guard—Additional .....	100,000.00			
Purchase of Military Stores .....	10,000.00	10,000.00		
Total National Guard .....	\$ 926,000.00	\$ 861,000.00	\$ 691,000.00	\$ 722,874.00
MILITARY RESERVATION AND ARSENAL				
Land—Mt. Gretna .....	\$ 21,400.00	\$ 13,400.00		
Improvements—Mt. Gretna .....	13,600.00	25,000.00	102,600.00	119,500.00
Additional Repairs and Improvements—Mt Gretna .....		43,359.00		
Materials furnished for Rifle Ranges .....			1,660.00	
Total Military Reservation and Arsenal .....	\$ 35,000.00	\$ 81,759.00	\$ 104,260.00	\$ 119,500.00
MISCELLANEOUS				
Marking Graves of Revolutionary Soldiers .....	\$ 5,000.00		\$ 10,000.00	\$ 5,000.00
Compilation of World War Records .....	25,000.00	32,500.00	47,500.00	45,000.00
Compilation of World War Records for Memorial Bridge .....		15,000.00		
Battle of Monmouth Memorial .....	5,000.00			
Inauguration Expenses .....	4,000.00	15,000.00		
Escort of Honor—France .....			70,000.00	
Dedication of Memorial Bridge .....			15,000.00	
Celebration—Yorktown Sesqui-Centennial .....				10,000.00
Total Miscellaneous .....	\$ 34,000.00	\$ 67,500.00	\$ 142,500.00	\$ 60,000.00
STATE ARMORY BOARD				
Salaries of Members.....	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Maintenance of Armories .....	324,125.00	425,000.00	520,000.00	600,000.00
Maintenance of Armories—Additional .....		110,000.00		
Erection and Construction of Armories .....		1,000,000.00		
Total State Armory Board .....	\$ 326,125.00	\$ 1,547,000.00	\$ 532,000.00	\$ 612,000.00
STATE ATHLETIC COMMISSION				
Salaries of Commissioners .....		\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Salaries of the Secretary .....		8,000.00		
Salaries and General Expenses .....		76,403.97	105,000.00	100,000.00
Salaries and General Expenses—Deficiency .....		8,322.12		
Total State Athletic Commission .....		\$ 122,726.09	\$ 135,000.00	\$ 130,000.00
STATE VETERANS COMMISSION				
Expenses .....			\$ 20,000.00	\$ 30,000.00
SOLDIERS AND SAILOR HOME AT ERIE				
Maintenance .....			\$ 315,000.00	\$ 353,094.00
TOTAL DEPARTMENT OF MILITARY AFFAIRS .....	\$ 1,825,725.00	\$ 3,213,683.45	\$ 2,580,760.00	\$ 2,648,000.00

NOTE: For Recommended Appropriations for Construction of Armories and at Mt. Gretna, see Department of Property and Supplies



## APPENDIX TO THE

DEPARTMENT OF PROPERTY AND SUPPLIES  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
ADMINISTRATION				
Salary of the Secretary .....	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	803,000.00	918,500.00	1,750,000.00	\$ 1,950,000.00
Salaries and General Expenses—Deficiency .....		108,000.00		
Total Administration .....	\$ 819,000.00	\$ 1,042,500.00	\$ 1,770,000.00	\$ 1,970,000.00
GENERAL APPROPRIATIONS ALLOCATED TO SPENDING AGENCIES				
SUPPLIES, EQUIPMENT, PRINTING, TELEPHONE, TELEGRAPH AND LEASED OFFICE DEVICES				
General Supplies .....	\$ 625,000.00	\$ 625,000.00		
General Supplies—Deficiency .....		45,000.00		
Telephone, Telegraph and Tabulating Machine Service.....	150,000.00	110,000.00	\$ 3,765,000.00	\$ 3,800,000.00
Printing and Binding .....	789,000.00	850,000.00		
Printing and Binding—Deficiency .....	50,000.00			
Printing Laws Relating to Banks—Deficiency .....	371.58			
Total Supplies, Equipment, Printing, Telephone, Telegraph and Leased Office Devices .....	\$ 1,614,371.58	\$ 1,630,000.00	\$ 3,765,000.00	\$ 3,800,000.00
HEAT, LIGHT, POWER AND WATER AND RENT OF OFFICES				
Rent of Offices outside Capital .....	\$ 290,000.00	\$ 270,000.00		
Rent of Offices outside Capital—Deficiency .....		20,000.00	\$ 1,750,000.00	\$ 1,650,000.00
Rent of Offices—Commission on Public Safety .....		1,280.00		
Heat, Light, Power and Water .....	58,000.00	60,000.00		
Total Heat, Light, Power and Water and Rent of Offices..	\$ 348,000.00	\$ 351,280.00	\$ 1,750,000.00	\$ 1,650,000.00
INSURANCE, SURETY AND FIDELITY BONDS				
Insurance, Surety and Fidelity Bonds .....	\$ 23,000.00	\$ 23,000.00	\$ 100,000.00	\$ 202,885.00
Insurance, Surety and Fidelity Bonds—Deficiency .....		6,000.00		
Total Insurance, Surety and Fidelity Bonds.....	\$ 23,000.00	\$ 29,000.00	\$ 100,000.00	\$ 202,885.00
AUTOMOTIVE SUPPLIES AND EQUIPMENT				
Motor Supplies and Equipment .....			\$ 1,010,000.00	\$ 650,000.00
CLASSIFIED EDITS—DEPARTMENT OF PUBLIC INSTRUCTION				
Classified Edit of Statutes-at-Large .....			\$ 15,000.00	
Classified Edit of 8th and 9th Series—Pennsylvania Archives...			75,000.00	
Total Classified Edits .....			\$ 90,000.00	
Total General Appropriations Allocated to Spending Agencies	\$ 1,985,371.58	\$ 2,010,280.00	\$ 6,715,000.00	\$ 6,302,885.00
MISCELLANEOUS				
Harrisburg Fire Companies .....	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Cresson Volunteer Fire Company .....			1,000.00	1,000.00
Refund to Telegraph Printing Company .....		40.32		
Refund to L. B. Smith .....	40.00			
Refund to Philip Alpert—Deficiency .....	75.00			
Refund to David Cramer—Deficiency .....	200.00			
Total Miscellaneous .....	\$ 5,315.00	\$ 5,040.32	\$ 6,000.00	\$ 6,000.00
BUILDINGS, CONSTRUCTION AND LAND PURCHASES				
CAPITOL GROUNDS, BUILDINGS AND MEMORIAL BRIDGE				
South Office Building .....	\$ 350,000.00			
A. W. Brunner—Architect .....	5,500.00			
North Office Building .....		\$ 1,000,000.00		
Additions and Extensions to Power Plant.....	80,000.00	150,000.00		
Vault—Treasury Department .....	55,000.00			
Vault—Treasury Department—Deficiency .....	27,000.00			
Alterations to Elevators .....	86,000.00	80,000.00		
Repairs to Library and Museum .....		11,500.00		
Recarpeting Halls of Assembly .....		20,000.00		
Violet Oakley Mural Paintings .....	35,612.00			
Portraits .....		500.00		
Alterations to State Arsenal .....		25,000.00		
Executive Mansion Commission .....		5,000.00		
Capitol Park Improvements .....	150,000.00	325,000.00		
Soldiers' and Sailors' Memorial Bridge .....		1,500,000.00	\$ 900,000.00	\$ 205,000.00
Soldiers' and Sailors' Memorial Bridge—Additional .....		460,000.00		
Farm Show and Educational Buildings .....			5,840,000.00	(1) 840,000.00
Alterations, Furnishings, Construction of Sewers, Etc. ....			37,523.00	
New Tile Roof and Copper Flashings—Main Capitol Building..				200,000.00
Total Capitol Grounds, Buildings and Memorial Bridge....	\$ 788,612.00	\$ 3,577,000.00	\$ 6,777,523.00	\$ 1,245,000.00

(1) For Educational Building only.

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
PUBLIC BUILDINGS AND LAND OUTSIDE OF HARRISBURG				
For Department of Agriculture				
Purchase of Additional Land .....			\$ 9,100.00	
Improvements—Farm Show Building .....			.....	\$ 100,000.00
For Department of Forests and Waters	See Department of Forest and Waters			
Additional Land for State Parks .....			\$ 150,000.00	
For Department of Health				
Sanatoria—New Construction				
Mont Alto Sanatorium .....				\$ 384,500.00
Cresson Sanatorium .....				142,500.00
Total .....			\$ 975,000.00	\$ 507,000.00
Hospital for Crippled Children—Construction .....	See Department of Health		110,000.00	
Total Department of Health .....			\$ 1,085,000.00	\$ 507,000.00
For Department of Military Affairs				
Mt. Gretna—New Construction .....			\$ 18,500.00	\$ 53,300.00
Mt. Gretna—Additional Land .....			300,000.00	
Construction of Armories .....	See Department of Military Affairs		975,000.00	250,000.00
Total Department of Military Affairs .....			\$ 1,293,500.00	\$ 303,300.00
For Department of Public Instruction				
State Teachers Colleges—Construction .....	See Department of Public Instruction		\$ 1,902,000.00	\$ 915,000.00
Pennsylvania State Oral School—Construction .....			103,000.00	150,000.00
Pennsylvania Soldiers' Orphan School—Construction .....			57,500.00	280,000.00
Thaddeus Stevens Industrial School—Construction .....			27,500.00	
Total Department of Public Instruction .....			\$ 2,090,000.00	\$ 1,345,000.00
For Department of Welfare				
Emergency Construction .....			\$ 250,000.00	
Nanticoke State Hospital—Land .....			2,500.00	
Pennsylvania Industrial Reformatory—Construction .....			258,000.00	\$ 337,000.00
Pennsylvania Training School—Construction .....			257,000.00	250,000.00
State Industrial Home for Women—Construction .....			269,000.00	200,000.00
New Eastern Penitentiary—Construction .....			(1) 4,000,000.00	2,000,000.00
New Eastern Penitentiary—Land .....			5,500.00	
Western Penitentiary, Pittsburgh—Construction .....			88,000.00	93,000.00
Western Penitentiary, Rockview—Construction and Land .....			338,000.00	358,200.00
Allentown State Hospital—Construction .....			323,000.00	310,500.00
Danville State Hospital—Construction and Land .....			310,000.00	460,000.00
Farview State Hospital—Construction .....	See Department of Welfare		503,000.00	467,500.00
Harrisburg State Hospital—Construction and Land .....			608,000.00	290,000.00
Norristown State Hospital—Construction .....			142,251.00	482,500.00
Torrance State Hospital—Construction .....			478,000.00	557,000.00
Warren State Hospital—Construction .....			287,000.00	290,000.00
Wernersville State Hospital—Construction .....			313,350.00	195,000.00
Laurelton State Village—Construction .....			150,000.00	463,000.00
Pennhurst State School—Construction .....			678,000.00	563,000.00
Polk State School—Construction and Land .....			196,000.00	370,000.00
Sellinsgrove State Colony for Epileptics—Construction and Land .....			643,000.00	890,000.00
Cumberland Valley State Institution for Mental Defectives—Construction .....			243,000.00	
Equipment and Furnishings for New Buildings at Welfare Institutions .....				500,000.00
Major Improvements and Major Replacements on Buildings at Welfare Institutions .....				493,300.00
Total Department of Welfare .....			\$ 10,342,601.00	\$ 9,575,000.00
Total Public Buildings and Land Outside of Harrisburg ..			\$ 14,970,201.00	\$ 11,830,300.00
MONUMENTS AND MEMORIALS				
General Galusha Pennypacker Monument Commission .....	\$ 5,000.00			
General George Gordon Meade Statue .....	232,000.00			
Robert Morris Statue .....	6,000.00			
Monument to John Morton .....		\$ 10,000.00		
Boise Penrose Monument .....		20,000.00		
Curtin—Parke Monument Commission .....		15,000.00		
Total Monuments and Memorials .....	\$ 243,000.00	\$ 45,000.00		
BRIDGES				
Pennsylvania and New Jersey Joint Bridge Commission—Acquiring and Maintaining Toll Bridges .....	\$ 100,000.00			
Pennsylvania and New Jersey Joint Bridge Commission—Acquiring Site and Constructing Center Bridge .....	100,000.00	See Joint Bridge Commissions		
Pennsylvania and New Jersey Joint Bridge Commission—Acquiring Site and Constructing Center Bridge—Deficiency .....	40,000.00			
Pennsylvania and New York Joint Bridge Commission—Acquiring Toll Bridges .....			58,500.00	
Total Bridges .....	\$ 298,500.00			
TOTAL DEPARTMENT OF PROPERTY AND SUPPLIES ..	\$ 4,139,798.58	\$ 6,679,820.32	\$ 30,238,724.00	\$ 21,354,185.00

(1) Includes \$500,000 appropriated to Department of Welfare for Eastern Penitentiary.



DEPARTMENT OF PUBLIC INSTRUCTION  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
<b>ADMINISTRATION</b>				
Salary of the Superintendent .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Salaries and General Expenses .....	849,584.00	881,000.00	868,000.00	900,000.00
Total Administration .....	\$ 873,584.00	\$ 905,000.00	\$ 892,000.00	\$ 924,000.00
<b>LIBRARY AND MUSEUM</b>				
Salaries and General Expenses .....	\$ 180,000.00	\$ 220,000.00	\$ 250,000.00	\$ 250,000.00
Special Equipment .....	3,500.00	.....	.....	.....
Indian Relics .....	.....	5,000.00	.....	.....
Total Library and Museum .....	\$ 183,500.00	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00
<b>PUBLIC SCHOOL SUBSIDIES</b>				
Salaries of County Superintendents .....	.....	\$ 441,000.00	\$ 441,000.00	\$ 509,000.00
Expenses of County Superintendents .....	.....	66,000.00	66,000.00	66,000.00
Salaries of Assistant County Superintendents .....	.....	525,000.00	525,000.00	702,000.00
Expenses of Assistant County Superintendents .....	\$ 4,030,000.00	165,000.00	105,000.00	117,000.00
Transportation and Closed Schools .....	.....	1,500,000.00	2,300,000.00	1,500,000.00
Vocational Education .....	.....	650,000.00	511,000.00	1,154,000.00
Training Vocational Teachers .....	.....	112,000.00	112,000.00	130,000.00
Miscellaneous Subsidies .....	.....	105,000.00	125,000.00	204,375.00
Cornplanter Indian Reservation—Repairs .....	650.00	.....	.....	.....
Cornplanter Indian Reservations—Roads .....	600.00	600.00	600.00	600.00
Total Public School Subsidies .....	\$ 4,031,250.00	\$ 3,504,600.00	\$ 4,185,600.00	\$ 4,382,975.00
<b>PUBLIC SCHOOLS</b>				
Support of Public Schools .....	\$ 41,910,000.00	\$ 47,500,000.00	\$ 52,000,000.00	.....
Support of Public Schools—Deficiency .....	1,652,712.75	.....	.....	\$ 57,250,000.00
Aid to School Districts of 3rd and 4th Class .....	.....	100,000.00	.....	.....
Aid to Financially Handicapped School Districts .....	.....	.....	100,000.00	.....
Total Public Schools .....	\$ 43,562,712.75	\$ 47,600,000.00	\$ 52,100,000.00	\$ 57,250,000.00
<b>NORMAL SCHOOLS AND STATE TEACHERS COLLEGES</b>				
Maintenance and Repairs .....	\$ 4,500,000.00	\$ 4,600,000.00	\$ 10,728,000.00	\$ 10,500,000.00
New Buildings and Construction .....	750,000.00	2,000,000.00	.....	.....
Liquidation of Indebtedness .....	47,303.65	.....	.....	.....
Total Normal Schools and State Teachers Colleges .....	\$ 5,297,303.65	\$ 6,600,000.00	\$ 10,728,000.00	\$ 10,500,000.00
<b>EXAMINING BOARDS</b>				
Salaries and General Expenses .....	\$ 302,820.00	\$ 302,605.00	\$ 310,000.00	\$ 356,000.00
Salaries and General Expenses—Reappropriation .....	666.41	.....	.....	.....
Total Examining Boards .....	\$ 303,486.41	\$ 302,605.00	\$ 310,000.00	\$ 356,000.00
<b>SPECIAL EDUCATION</b>				
Education of the Blind and Deaf .....	\$ 986,000.00	\$ 1,060,000.00	\$ 1,160,000.00	\$ 1,600,000.00
Pennsylvania Institution for the Deaf .....	.....	75,000.00	.....	.....
Western Pennsylvania School for the Deaf .....	.....	20,000.00	.....	.....
Commission to Investigate Blind and Deaf Schools .....	.....	.....	1,000.00	.....
Total Special Education .....	\$ 986,000.00	\$ 1,155,000.00	\$ 1,161,000.00	\$ 1,600,000.00
<b>BOARD OF CENSORS</b>				
Salaries and General Expenses .....	\$ 130,000.00	\$ 100,000.00	\$ 175,000.00	\$ 180,000.00
Salaries and General Expenses—Deficiency .....	1,014.00	14,000.00	.....	.....
Total Board of Censors .....	\$ 131,014.00	\$ 174,000.00	\$ 175,500.00	\$ 180,000.00
<b>HISTORICAL</b>				
Pennsylvania Historical Commission—Salaries and General Expenses .....	\$ 20,000.00	\$ 40,000.00	\$ 51,000.00	\$ 51,000.00
John Brady Monument .....	.....	500.00	.....	.....
Conrad Weiser Park Association .....	.....	.....	4,500.00	.....
Historical Society of Western Pennsylvania .....	.....	.....	40,000.00	.....
Total Pennsylvania Historical Commission .....	\$ 20,000.00	\$ 40,500.00	\$ 95,500.00	\$ 51,000.00
<b>PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD</b>				
Salaries and General Expenses .....	\$ 97,610.00	\$ 110,000.00	\$ 111,400.00	\$ 120,000.00
Contingent Reserve Account .....	1,125,000.00	1,495,000.00	1,825,000.00	1,915,000.00
Contingent Reserve Account—Deficiency .....	168,000.00	.....	.....	.....
Annuity Reserve Account No. 2 .....	2,975.00.00	4,010,000.00	4,075,000.00	4,095,000.00
Annuity Reserve Account No. 2—Deficiency .....	155,454.73	.....	.....	.....
Former Teachers' Account .....	75,000.00	192,500.00	150,000.00	140,000.00
Former Teachers' Account—Deficiency .....	85,000.00	.....	.....	.....
Total Public School Employees' Retirement Board .....	\$ 4,681,064.78	\$ 5,807,500.00	\$ 6,161,400.00	\$ 6,270,000.00

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
SCHOOLS FOR DEAF AND VOCATIONAL EDUCATION—STATE-OWNED				
Pennsylvania State Oral School for Deaf .....	\$ 117,000.00	\$ 110,000.00	\$ 129,000.00	\$ 190,000.00
Home for Training in Speech—Maintenance .....	97,000.00	85,000.00	9,500.00	40,000.00
Home for Training in Speech—Repairs .....	24,500.00	20,000.00	.....	.....
Pennsylvania Soldiers' Orphan School .....	300,000.00	325,000.00	309,500.00	325,000.00
Thaddeus Stevens Industrial School .....	85,000.00	85,000.00	109,000.00	110,000.00
Total Schools for Deaf and Vocational Education—State-Owned .....	\$ 623,500.00	\$ 625,000.00	\$ 638,000.00	\$ 665,000.00
UNIVERSITIES AND COLLEGES—STATE-AIDED				
Pennsylvania State College:				
Maintenance .....	\$ 1,752,030.00	\$ 2,100,000.00	\$ 2,350,000.00	\$ 4,000,000.00
Economics and Extension .....	600,000.00	530,000.00	650,000.00	
Agricultural Research and Experiment .....	.....	270,000.00	300,000.00	
Agricultural—Tobacco Experiments .....	6,000.00	.....	.....	
Liquidation of College's Accumulated Debt .....	.....	.....	711,000.00	
Petroleum Industry .....	.....	.....	50,000.00	.....
New Buildings				
Dairy Building .....	.....	.....	.....	\$ 500,000.00
Domestic Science Building .....	.....	.....	.....	400,000.00
Sewage System .....	.....	.....	.....	40,000.00
Total New Buildings .....	.....	\$ 1,000,000.00	\$ 2,250,000.00	\$ 940,000.00
Total Pennsylvania State College .....	\$ 2,358,030.00	\$ 4,000,000.00	\$ 6,311,000.00	\$ 4,940,000.00
University of Pennsylvania .....	\$ 1,291,500.00	\$ 1,500,000.00	\$ 1,500,000.00	\$ 1,650,000.00
University of Pittsburgh .....	900,000.00	1,000,000.00	1,200,000.00	1,320,000.00
Women's Medical College .....	50,000.00	64,000.00	70,000.00	77,000.00
Jefferson Medical College .....	.....	135,000.00	150,000.00	165,000.00
Hahnemann Medical College .....	.....	50,000.00	100,000.00	110,000.00
Temple University .....	270,000.00	400,000.00	600,000.00	620,000.00
Total Universities and Colleges—State-Aided .....	\$ 4,869,530.00	\$ 7,149,000.00	\$ 9,931,000.00	\$ 8,922,000.00
OTHER EDUCATIONAL INSTITUTIONS—STATE-AIDED				
Philadelphia Museum .....	\$ 25,000.00	\$ 30,000.00	\$ 35,000.00	\$ 35,000.00
Pennsylvania Museum and School of Industrial Art .....	85,000.00	100,000.00	100,000.00	100,000.00
Philadelphia School of Design for Women .....	20,000.00	30,000.00	40,000.00	40,000.00
Downingtown Industrial and Agricultural School	.....	.....	.....	.....
Maintenance .....	56,000.00	56,000.00	56,000.00	56,000.00
Stock and Improvements .....	.....	4,000.00	4,000.00	4,000.00
Commissioners of Navigation—Nautical School .....	75,000.00	100,000.00	100,000.00	100,000.00
National Farm School .....	25,000.00	30,000.00	35,000.00	35,000.00
Johnson Industrial School, Scranton .....	.....	.....	50,000.00	50,000.00
Total Other Educational Institutions—State-Aided .....	\$ 286,000.00	\$ 350,000.00	\$ 420,000.00	\$ 420,000.00
TOTAL DEPARTMENT OF PUBLIC INSTRUCTION .....	\$ 65,848,945.59	\$ 74,438,205.00	\$ 87,043,000.00	\$ 81,320,975.00

NOTE: For recommended appropriations for construction at State-Owned Institutions, see Department of Property and Supplies.

## PUBLIC SERVICE COMMISSION

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Chairman .....	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 21,000.00
Salaries of the Commissioners .....	750,000.00	120,000.00	120,000.00	120,000.00
Salaries and General Expenses .....	.....	808,000.00	845,000.00	845,000.00
Grade Crossing Protection .....	.....	25,000.00	25,000.00	25,000.00
<b>TOTAL PUBLIC SERVICE COMMISSION</b> .....	<b>\$ 771,000.00</b>	<b>\$ 974,000.00</b>	<b>\$ 1,011,000.00</b>	<b>\$ 1,011,000.00</b>



## APPENDIX TO THE

DEPARTMENT OF REVENUE  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Secretary .....		\$ 7,000.00	\$ 24,000.00	\$ 24,000.00
Salaries and General Expenses .....		10,000.00	1,170,000.00	1,370,000.00
Compensation of Informants in Escheats .....	See Dept. of the Auditor General		10,000.00	10,000.00
Mileage of Mercantile Appraisers .....	See Dept. of the Auditor General		25,000.00	25,000.00
<b>TOTAL DEPARTMENT OF REVENUE .....</b>		<b>\$ 17,000.00</b>	<b>\$ 1,229,000.00</b>	<b>\$ 1,429,000.00</b>

DEPARTMENT OF STATE  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
<b>ADMINISTRATION</b>				
Salary of the Secretary .....	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	201,840.00	150,000.00	160,000.00	150,000.00
Portrait of the Secretary of the Commonwealth .....		750.00		750.00
<b>Total Administration .....</b>	<b>\$ 217,840.00</b>	<b>\$ 166,750.00</b>	<b>\$ 180,000.00</b>	<b>\$ 170,750.00</b>
<b>CONSTITUTIONAL AMENDMENTS</b>				
Publishing Constitutional Amendments .....	\$ 100,000.00	\$ 150,000.00	\$ 50,000.00	
<b>RETIREMENTS, PENSIONS AND GRATUITIES</b>				
Salaries of Retired State Employees .....	\$ 130,000.00	\$ 125,000.00	\$ 105,000.00	\$ 84,000.00
Salaries of Retired State Employees—Deficiency .....	4,219.00			
Payment of Pensions and Gratuities .....	4,752.00	4,640.00	5,216.00	6,956.00
<b>Total Retirements, Pensions and Gratuities .....</b>	<b>\$ 138,971.00</b>	<b>\$ 129,640.00</b>	<b>\$ 110,216.00</b>	<b>\$ 90,956.00</b>
<b>REFUNDS</b>				
Refunding Notary Public Fees .....	\$ 1,000.00	\$ 1,000.00		
<b>STATE EMPLOYEES' RETIREMENT BOARD</b>				
Salaries and General Expenses .....	\$ 44,500.00	\$ 44,500.00	\$ 44,500.00	\$ 44,500.00
Annuity Reserve Account No. 2 .....	740,000.00	1,126,124.00	1,126,124.00	1,050,000.00
Annuity Reserve Account No. 2—Deficiency .....	928,868.00			
Annuity Reserve Account No. 2—Interest—Deficiency .....	265.00			
Annuity Savings Account—Interest .....			76,376.00	
Annuity Savings Account—Interest—Deficiency .....	12,260.00			
Contingent Reserve Account .....	10,000.00	161,460.00	555,000.00	690,000.00
Contingent Reserve Account—Deficiency .....	166,580.00			
<b>Total State Employees' Retirement Board .....</b>	<b>\$ 1,902,473.00</b>	<b>\$ 1,332,084.00</b>	<b>\$ 1,802,000.00</b>	<b>\$ 1,784,500.00</b>
<b>TOTAL DEPARTMENT OF STATE .....</b>	<b>\$ 2,360,284.00</b>	<b>\$ 1,779,474.00</b>	<b>\$ 2,142,216.00</b>	<b>\$ 2,046,206.00</b>

PENNSYLVANIA STATE POLICE  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Superintendent .....	\$ 12,000.00	\$ 12,000.00	\$ 15,000.00	\$ 15,000.00
Salaries and General Expenses .....	1,650,000.00	1,650,000.00	2,075,000.00	2,075,000.00
Telephone-Typewriter System .....			260,000.00	400,000.00
Property Damage .....			1,500.00	1,500.00
<b>TOTAL PENNSYLVANIA STATE POLICE .....</b>	<b>\$ 1,662,000.00</b>	<b>\$ 1,662,000.00</b>	<b>\$ 2,351,500.00</b>	<b>\$ 2,491,500.00</b>

DEPARTMENT OF WELFARE  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
<b>ADMINISTRATION</b>				
Salary of the Secretary .....	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salaries and General Expenses .....	355,000.00	405,000.00	437,000.00	440,000.00
Departmental Administrative Boards .....	15,000.00	55,000.00	63,800.00	120,000.00
Orthopaedic Unit .....		55,000.00	54,400.00	60,000.00
Emergency Maintenance .....			250,000.00	425,000.00
Total Administration .....	\$ 390,000.00	\$ 535,000.00	\$ 825,200.00	\$ 1,065,000.00
<b>MOTHERS' ASSISTANCE SYSTEM</b>				
Maintenance .....	\$ 1,750,000.00	\$ 2,750,000.00	\$ 2,750,000.00	\$ 3,750,000.00
Total Mothers' Assistance System .....	\$ 1,750,000.00	\$ 2,750,000.00	\$ 2,750,000.00	\$ 3,750,000.00
<b>PENAL AND CORRECTIONAL INSTITUTIONS—STATE-OWNED</b>				
<b>PENNSYLVANIA INDUSTRIAL REFORMATORY</b>				
Maintenance .....	\$ 450,000.00	\$ 490,000.00	\$ 1,156,000.00	
Repairs and Improvements .....	83,000.00	92,000.00		
Construction .....	47,000.00	103,000.00		
Total Pennsylvania Industrial Reformatory .....	\$ 580,000.00	\$ 685,000.00	\$ 1,156,000.00	
<b>PENNSYLVANIA TRAINING SCHOOL</b>				
Maintenance .....	\$ 200,000.00	\$ 230,000.00	\$ 700,000.00	
Repairs and Improvements .....	105,000.00	85,000.00		
Construction .....	85,000.00	95,000.00		
Total Pennsylvania Training School .....	\$ 390,000.00	\$ 410,000.00	\$ 700,000.00	
<b>STATE INDUSTRIAL HOME FOR WOMEN</b>				
Maintenance .....	\$ 90,000.00	\$ 110,000.00	\$ 265,000.00	Appropriation
Maintenance—Deficiency .....	12,000.00			
Repairs and Improvements .....		18,000.00		
Construction .....	100,000.00			
Total State Industrial Home for Women .....	\$ 202,000.00	\$ 128,000.00	\$ 265,000.00	Recommendations
<b>EASTERN STATE PENITENTIARY, PHILADELPHIA</b>				
Maintenance .....	\$ 600,000.00	\$ 710,000.00	\$ 1,548,200.00	to the
Repairs and Improvements .....	20,000.00	45,000.00		
Total Eastern State Penitentiary, Philadelphia.....	\$ 620,000.00	\$ 755,000.00	\$ 1,548,200.00	Penal and
<b>EASTERN STATE PENITENTIARY, GRATERFORD</b>				
Eastern Penitentiary Site Commission .....	\$ 300,000.00			Correctional Institutions
Eastern Penitentiary Site Commission—Deficiency .....	25,000.00			
Construction .....		\$ 750,000.00	\$ (1)3,500,000.00	
Land .....			(1)5,500.00	
Construction (Available Prior to June 1, 1929) .....			(1)500,000.00	
Total Eastern State Penitentiary, Graterford .....	\$ 325,000.00	\$ 750,000.00		Made in
<b>WESTERN STATE PENITENTIARY, PITTSBURGH</b>				
Maintenance .....	\$ 815,000.00	\$ 560,000.00	\$ 1,213,000.00	Total
Repairs and Improvements .....	35,000.00	45,000.00		
Construction .....			(1)82,000.00	
Total Western State Penitentiary, Pittsburgh .....	\$ 850,000.00	\$ 605,000.00	\$ 1,213,000.00	
<b>WESTERN STATE PENITENTIARY, ROCKVIEW</b>				
Maintenance .....		\$ 330,000.00	\$ 868,000.00	
Maintenance—Deficiency .....		33,949.00		
Repairs and Improvements .....		90,700.00		
Construction and Land .....	\$ 200,000.00	500,000.00		
Total Western State Penitentiary, Rockview .....	\$ 300,000.00	\$ 954,649.00	\$ 868,000.00	
Total Penal and Correctional Institutions—State-Owned ....	\$ 3,267,000.00	\$ 4,287,649.00	\$ 5,750,200.00	
<b>PENAL AND CORRECTIONAL INSTITUTIONS—STATE-AIDED</b>				
GLEN MILLS SCHOOLS—MAINTENANCE .....	\$ 500,000.00	\$ 550,000.00	\$ 865,000.00	
TOTAL PENAL AND CORRECTIONAL INSTITUTIONS .....	\$ 3,767,000.00	\$ 4,837,649.00	\$ 6,415,200.00	\$ (3)7,110,000.00

(1) Not included in Department of Welfare Totals. See Department of Property and Supplies.

(2) For Recommended Appropriations for Construction at the State-Owned Institutions, see Department of Property and Supplies. Recommendations for Construction not included in this Total.



## APPENDIX TO THE

DEPARTMENT OF WELFARE (Continued)  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
HOSPITALS FOR INSANE—STATE-OWNED				
ALLENTOWN STATE HOSPITAL				
Maintenance .....	(2)	(2)	\$ 1,014,500.00	
Repairs and Improvements .....	\$ 110,000.00	\$ 140,000.00		
Construction .....		200,000.00		
Total Allentown State Hospital .....	\$ 110,000.00	\$ 340,000.00	(1)323,000.00	
DANVILLE STATE HOSPITAL				
Maintenance .....	(2)	(2)	\$ 1,287,000.00	
Maintenance—Deficiency .....	\$ 6,272.25			
Repairs and Improvements .....	120,000.00	215,000.00		
Construction and Improvements to Land .....	200,000.00	250,000.00	(1)310,000.00	
Total Danville State Hospital .....	\$ 326,272.25	\$ 465,000.00	\$ 1,287,000.00	
FARVIEW STATE HOSPITAL				
Maintenance .....	(2)	(2)	\$ 467,300.00	
Maintenance—Additional .....	\$ 25,000.00	\$ 25,000.00		
Repairs and Improvements .....	23,619.00	18,500.00		
Construction .....	41,381.00	87,500.00	(1)503,000.00	
Total Farview State Hospital .....	\$ 90,000.00	\$ 131,000.00	\$ 467,300.00	
HARRISBURG STATE HOSPITAL				
Maintenance .....	(2)	(2)	\$ 1,040,200.00	
Repairs and Improvements .....	\$ 15,000.00	\$ 45,000.00		
Construction and Land .....		300,000.00		
Total Harrisburg State Hospital .....	\$ 15,000.00	\$ 345,000.00	(1)608,000.00	
NORRISTOWN STATE HOSPITAL				
Maintenance .....	(2)	(2)	\$ 1,827,500.00	
Repairs and Improvements .....	\$ 62,200.00	\$ 105,500.00		
Construction .....	37,800.00	146,000.00		
Total Norristown State Hospital .....	\$ 150,000.00	\$ 251,500.00	(1)142,251.00	
TORRANCE STATE HOSPITAL				
Maintenance .....	(2)	(2)	\$ 560,500.00	Appropriation
Maintenance—Additional—Deficiency .....	\$ 43,261.82			
Repairs and Improvements .....		\$ 20,000.00		
Construction .....	310,000.00	650,000.00	(1)478,000.00	tions to the
Construction—Deficiency .....	83,000.00			Hospitals
Total Torrance State Hospital .....	\$ 436,261.82	\$ 670,000.00	\$ 560,500.00	for Insane
WARREN STATE HOSPITAL				
Maintenance .....	(2)	(2)	\$ 560,500.00	Total
Maintenance—Deficiency .....	\$ 9,756.22			
Repairs and Improvements .....	165,000.00	\$ 167,500.00		
Construction .....	15,000.00	335,000.00	(1)287,000.00	
Total Warren State Hospital .....	\$ 189,756.22	\$ 502,500.00	\$ 1,291,700.00	
WERNERSVILLE STATE HOSPITAL				
Maintenance .....	(2)	(2)	\$ 764,000.00	
Repairs and Improvements .....	\$ 90,000.00	\$ 135,000.00		
Construction .....		92,000.00		
Total Wernersville State Hospital .....	\$ 90,000.00	\$ 227,000.00	(1)313,350.00	
Total Hospitals for Insane—State Owned .....	\$ 1,407,290.29	\$ 2,932,000.00	\$ 8,252,700.00	
MAINTENANCE, CARE AND TREATMENT OF INDIGENT INSANE				
State, County and Poor District Hospitals .....	\$ 5,325,000.00	\$ 5,555,000.00		
State, County and Poor District Hospitals—Deficiency .....	55,277.22			
County and Poor Districts Hospitals .....	(2)	(2)	\$ 2,260,000.00	
Total Maintenance, Care and Treatment of Indigent Insane .....	\$ 5,380,277.22	\$ 5,555,000.00	\$ 2,260,000.00	
HOSPITALS FOR INSANE—STATE AIDED				
SIXMONT HOSPITAL				
Maintenance .....	(2)	(2)	\$ 330,000.00	
Repairs and Improvements .....		\$ 52,000.00		
Water Supply System .....				
Electric Wiring .....			70,000.00	
			5,000.00	
Total Hospitals for Insane—State-Aided .....		\$ 52,000.00	\$ 405,000.00	
TOTAL HOSPITALS FOR INSANE .....	\$ 6,787,567.51	\$ 8,539,000.00	\$ 10,917,700.00	(3)\$11,551,662.00

(1) Not included in Department of Welfare Totals. See Department of Property and Supplies.

(2) Maintenance paid from Lump Sum Appropriation these periods.

(3) For Recommended Appropriations for Construction at the State-Owned Institutions, see Department of Property and Supplies. Recommendations for Construction not included in this Total.

## DEPARTMENT OF WELFARE (Continued)

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933	
	1925-1927	1927-1929	1929-1931		
INSTITUTIONS FOR FEEBLE MINDED AND EPILEPTICS—STATE OWNED					
LAURELTON STATE VILLAGE					
Maintenance .....	\$ 160,000.00	\$ 305,000.00	\$ 516,500.00		
Repairs and Improvements .....	10,000.00	20,000.00			
Construction .....	500,000.00	500,000.00	(1)150,000.00		
Construction—Deficiency .....	8,513.08				
Total Laurelton State Village .....	\$ 678,513.08	\$ 825,000.00	\$ 516,500.00		
PENNHURST STATE SCHOOL					
Maintenance .....	\$ 660,000.00	\$ 660,000.00			
Maintenance—Deficiency .....	3,111.03				
Repairs and Improvements .....	80,000.00	75,000.00	\$ 784,400.00		
Repairs and Improvements—Deficiency .....	3,142.00				
Construction .....		225,000.00	(1)678,000.00		
Total Pennhurst State School .....	\$ 746,253.03	\$ 960,000.00	\$ 784,400.00		
POLK STATE SCHOOL					
Maintenance .....	1,025,000.00	\$ 975,000.00		Appropriation Recommendations to the Institutions for Feeble Minded and Epileptics Made in Total	
Maintenance—Deficiency .....		63,379.00	\$ 1,252,000.00		
Repairs and Improvements .....	165,000.00	17,500.00			
Construction and Land .....		635,000.00	(1)196,000.00		
Total Polk State School .....	\$ 1,190,000.00	\$ 1,690,879.00	\$ 1,252,000.00		
SELINGROVE STATE COLONY FOR EPILEPTICS					
Maintenance .....		\$ 50,000.00	\$ 286,200.00		
Construction and Land .....		300,000.00	(1)643,000.00		
Total Selingsrove State Colony for Epileptics .....		\$ 350,000.00	\$ 286,200.00		
CUMBERLAND VALLEY INSTITUTION FOR MENTAL DEFECTIVES					
Construction .....			\$ (1)243,000.00		
Total Cumberland Valley Institution for Mental Defectives .....					
Total Institutions for Feeble Minded and Epileptics—State-Owned .....	\$ 2,614,766.11	\$ 3,825,879.00	\$ 2,839,100.00		
INSTITUTIONS FOR FEEBLE MINDED AND EPILEPTICS—STATE AIDED					
ELWYN TRAINING SCHOOL—MAINTENANCE .....					
Total Institutions for Feeble Minded and Epileptics—State-Aided .....	\$ 357,500.00	\$ 390,000.00	\$ 420,000.00		
Total Institutions for Feeble Minded and Epileptics—State-Aided .....	\$ 357,500.00	\$ 390,000.00	\$ 420,000.00		
TOTAL INSTITUTIONS FOR FEEBLE MINDED AND EPILEPTICS .....	\$ 2,972,266.11	\$ 4,215,879.00	\$ 3,259,100.00	\$ (3)3,712,000.00	
MEDICAL AND SURGICAL HOSPITALS—STATE-OWNED					
ASHLAND STATE HOSPITAL					
Maintenance .....	\$ 245,000.00	\$ 245,000.00		Appropriation Recommendations to the Medical and Surgical Hospitals Made In Total	
Maintenance—Deficiency .....	30,490.00	5,000.00	\$ 491,750.00		
Repairs and Improvements .....	5,000.00	30,000.00			
Construction .....		135,000.00			
Total Ashland State Hospital .....	\$ 280,490.00	\$ 415,000.00	\$ 491,750.00		
BLOSSBURG STATE HOSPITAL					
Maintenance .....	\$ 65,000.00	\$ 100,000.00			
Maintenance—Deficiency .....	32,099.57	4,000.00	\$ 170,000.00		
Repairs and Improvements .....	40,000.00	10,000.00			
Repairs and Improvements—Deficiency .....	10,570.27				
Total Blossburg State Hospital .....	\$ 147,669.84	\$ 114,000.00	\$ 170,000.00		
COALDALE STATE HOSPITAL					
Maintenance .....	\$ 130,000.00	\$ 150,000.00	\$ 208,000.00		
Repairs and Improvements .....		70,000.00			
Construction .....	238,000.00	140,000.00			
Construction—Deficiency .....	25,000.00				
Total Coaldale State Hospital .....	\$ 393,000.00	\$ 360,000.00	\$ 208,000.00		

(1) Not included in Department of Welfare Totals. See Department of Property and Supplies.

(3) For Recommended Appropriations for Construction at the State-Owned Institutions, see Department of Property and Supplies. Recommendations for Construction not included in this Total.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
MEDICAL AND SURGICAL HOSPITALS—STATE-OWNED (Continued)				
CONNELLSVILLE STATE HOSPITAL				
Maintenance .....	\$ 25,000.00	\$ 35,000.00	\$ 189,200.00	
Maintenance—Deficiency .....		10,100.00		
Repairs and Improvements .....	5,000.00	4,500.00		
Construction .....	100,000.00	50,000.00		
Total Connellsville State Hospital .....	\$ 130,000.00	\$ 99,600.00	\$ 189,200.00	
HAZLETON STATE HOSPITAL				
Maintenance .....	\$ 105,000.00	\$ 110,000.00	\$ 286,000.00	
Maintenance—Deficiency .....	9,806.90			
Repairs and Improvements .....		60,000.00		
Construction .....	25,000.00	50,000.00		
Construction—Deficiency .....	4,500.00			
Total Hazleton State Hospital .....	\$ 144,306.90	\$ 220,000.00	\$ 286,000.00	
LOCUST MOUNTAIN STATE HOSPITAL				
Maintenance .....	\$ 55,000.00	\$ 110,000.00	\$ 211,400.00	
Maintenance—Deficiency .....	55,196.23	40,000.00		
Repairs and Improvements .....	10,000.00	10,000.00		
Repairs and Improvements—Deficiency .....	1,426.23			
Construction .....		110,000.00		
Total Locust Mountain State Hospital .....	\$ 121,622.46	\$ 270,000.00	\$ 211,400.00	Appropriation
NANTICOKE STATE HOSPITAL				
Maintenance .....	\$ 75,000.00	\$ 75,000.00	\$ 269,800.00	Recommendations to the
Maintenance—Deficiency .....	2,762.22	15,000.00		
Repairs and Improvements .....		15,000.00		
Construction .....		85,000.00		
Land .....			(1) 2,500.00	Medical and
Total Nanticoke State Hospital .....	\$ 77,762.22	\$ 190,000.00	\$ 269,800.00	Surgical Hospitals
PHILIPSBURG STATE HOSPITAL				
Maintenance .....	\$ 55,000.00	75,000.00	\$ 179,400.00	Made in
Maintenance—Deficiency .....	7,939.22	10,000.00		
Repairs and Improvements .....	50,000.00	10,000.00		
Construction .....	100,000.00			
Construction—Deficiency .....	60,000.00			Total
Total Philipsburg State Hospital .....	\$ 272,939.22	\$ 95,000.00	\$ 179,400.00	
SCRANTON STATE HOSPITAL				
Maintenance .....	\$ 190,000.00	\$ 200,000.00	\$ 436,700.00	
Maintenance—Deficiency .....	36,569.29	50,000.00		
Repairs and Improvements .....	45,000.00	68,000.00		
Construction .....		180,000.00		
Total Scranton State Hospital .....	\$ 271,569.29	\$ 496,000.00	\$ 436,700.00	
SHAMOKIN STATE HOSPITAL				
Maintenance .....	\$ 85,000.00	\$ 85,000.00	\$ 236,000.00	
Maintenance—Deficiency .....	12,000.00	32,000.00		
Repairs and Improvements .....	17,000.00	50,000.00		
Total Shamokin State Hospital .....	\$ 114,000.00	\$ 167,000.00	\$ 236,000.00	
TOTAL MEDICAL AND SURGICAL HOSPITALS—STATE-OWNED				
	\$ 1,953,359.93	\$ 2,426,600.00	\$ 2,678,250.00	\$ (3) 2,687,500.00

(1) Not included in Department of Welfare Totals. See Department of Property and Supplies.

(2) For Recommended Appropriations for Construction at the State-Owned Institutions, see Department of Property and Supplies. Recommendations for Construction not included in this Total.

## DEPARTMENT OF WELFARE (Continued)

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
MAINTENANCE OF SICK AND INJURED .....	\$ 1,000,000.00	\$ 500,000.00	.....	.....
MEDICAL AND SURGICAL HOSPITALS—STATE-AIDED				
Appropriations (See Detail) .....	\$ 4,548,100.00	\$ 5,335,300.00	\$ 5,922,800.00	\$ (5)6,500,000.00
Appropriations—Deficiency (See Detail) .....	38,653.34	.....	.....	.....
Total Medical and Surgical Hospitals—State-Aided .....	\$ 4,586,753.34	\$ 5,335,300.00	\$ 5,922,800.00	\$ (5)6,500,000.00
TOTAL MEDICAL AND SURGICAL HOSPITALS .....	\$ 7,540,113.27	\$ 8,261,900.00	\$ 8,601,050.00	\$ 9,167,500.00
HOMES—STATE-OWNED				
SOLDIERS' AND SAILORS' HOME AT ERIE				
Maintenance .....	\$ 200,000.00	\$ 236,400.00	\$ (4)315,000.00	(4)
Repairs and Improvements .....	80,000.00	63,600.00	.....	.....
TOTAL HOMES—STATE-OWNED .....	\$ 280,000.00	\$ 300,000.00	.....	.....
HOMES—STATE-AIDED (See Detail) .....	\$ 545,100.00	\$ 599,300.00	\$ 625,700.00	\$ (6)625,000.00
TOTAL HOMES .....	\$ 825,100.00	\$ 899,300.00	\$ 625,700.00	\$ (6)625,000.00
TOTAL DEPARTMENT OF WELFARE .....	\$ 24,032,046.89	\$ 30,038,728.00	\$ 33,393,950.00	\$ 36,981,162.00

(4) Not included in Department of Welfare totals. See Department of Military Affairs.

(5) The amount of \$6,500,000.00 is recommended for Maintenance Aid for all Medical and Surgical Hospitals, State-Aided, for the Biennium 1931-1933. The Department of Welfare has prepared a statement of prior appropriations and value of the free service rendered by each Hospital for the use of the General Assembly in considering the bills submitted for each Hospital. See Section V.

(6) The amount of \$625,000.00 is recommended for Maintenance Aid for the Homes, State-Aided, for the Biennium 1931-1933. The Department of Welfare has prepared a statement of the prior appropriations, earnings and receipts of each Home for the use of the General Assembly in considering the bills submitted for each Home. See Section V.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
MEDICAL AND SURGICAL HOSPITALS—STATE-AIDED				
Adrian Hospital Association, Punxsutawney .....	\$ 19,500.00	\$ 20,500.00	\$ 22,000.00	
Allegheny General Hospital, Pittsburgh .....	150,000.00	150,000.00	150,000.00	
Allegheny Valley Hospital, Tarentum .....	13,400.00	13,400.00	15,000.00	
Allentown Hospital, Allentown .....	60,000.00	90,000.00	100,000.00	
Altoona Hospital .....	54,900.00	56,000.00	56,000.00	
American Hospital for Diseases of Stomach, Philadelphia.....	4,600.00	5,500.00	6,000.00	
American Ontologic Hospital, Philadelphia .....	8,200.00	8,000.00	8,000.00	
Anthracite Hospital of Pottsville (Milliken, J. C.) .....	5,500.00	5,500.00	3,500.00	
Barnes, Simon H. Memorial Hospital .....	3,100.00	3,600.00	3,000.00	
Beaver Valley General Hospital, New Brighton .....	14,800.00	14,800.00	14,800.00	
Belvedere Hospital, Pittsburgh .....	3,900.00	3,200.00	3,200.00	
Berwick Hospital .....	8,100.00	8,100.00	10,000.00	
Blair, J. C. Memorial, Huntingdon .....	13,000.00	21,500.00	26,500.00	
Bloomsburg Hospital .....	11,200.00	13,000.00	16,000.00	
Braddock General Hospital .....	29,800.00	29,800.00	40,000.00	
Bradford Hospital .....	23,000.00	25,000.00	25,000.00	
Brookville Hospital .....	5,700.00	6,500.00	6,500.00	
Brownsville General Hospital .....	16,300.00	23,000.00	25,000.00	
Butler County General Hospital .....	7,600.00	10,000.00	15,000.00	
Canonsburg General Hospital .....	8,700.00	9,500.00	10,000.00	
Carbondale Emergency Hospital .....	22,500.00	20,000.00	20,000.00	
Carlisle Hospital .....	13,300.00	15,000.00	15,900.00	
Centre County Hospital, Bellefonte .....	10,000.00	18,000.00	19,500.00	
Chambersburg Hospital .....	12,400.00	14,000.00	15,000.00	
Charleroi-Monessen Hospital .....	5,100.00	5,100.00	10,000.00	
Chester County Hospital, West Chester .....	30,000.00	33,000.00	40,000.00	
Chester Hospital, City of Chester .....	57,100.00	70,000.00	70,000.00	
Chestnut Hill Hospital, Philadelphia .....	.....	.....	10,000.00	
Children's Hospital of Pittsburgh .....	65,000.00	71,500.00	90,000.00	The
Christian H. Buhl Hospital, Sharon .....	9,000.00	10,000.00	15,000.00	Recommended
Citizens General Hospital, New Kensington .....	25,000.00	28,400.00	28,400.00	Appropriations
Clearfield Hospital .....	25,100.00	30,000.00	33,000.00	
Coatesville Hospital .....	22,000.00	25,000.00	45,000.00	
Columbia Hospital, Columbia .....	13,300.00	13,300.00	13,300.00	To The
Community Hospital, Kane .....	.....	.....	5,000.00	
Conemaugh Valley Memorial Hospital .....	70,000.00	80,000.00	80,000.00	State-Aid
Corry Hospital Association .....	7,600.00	8,000.00	11,000.00	
Coudersport General Hospital .....	1,700.00	2,500.00	3,000.00	Medical and
Delaware County Hospital .....	.....	10,000.00	16,500.00	
Eagleville Sanatorium for Consumptives .....	70,000.00	70,000.00	100,000.00	Surgical
Easton Hospital .....	24,000.00	35,000.00	38,000.00	Hospitals
Elk County General Hospital, Ridgway .....	15,000.00	16,000.00	20,000.00	
Ellwood City Hospital, Ridgway .....	4,900.00	5,500.00	8,500.00	Are Given
Eye and Ear Hospital, Pittsburgh .....	20,100.00	21,000.00	21,000.00	
Frankford Hospital, Philadelphia .....	41,100.00	47,000.00	52,000.00	
Franklin City Hospital .....	4,800.00	4,800.00	4,800.00	Total
Frederick Douglas Memorial Hospital and Training School, Philadelphia .....	17,100.00	17,100.00	16,000.00	
Garretson Hospital, Philadelphia .....	8,400.00	8,500.00	8,500.00	
General Hospital, East Stroudsburg .....	7,000.00	8,000.00	8,200.00	
Germantown Dispensary and Hospital .....	27,000.00	80,000.00	85,000.00	
Good Samaritan Hospital, Lebanon .....	19,900.00	22,000.00	25,000.00	
Good Samaritan Hospital, Westfield .....	2,400.00	.....	.....	
Grandview Hospital, Sellersville .....	7,000.00	11,000.00	15,000.00	
Grandview Hospital for Consumptives, Oil City .....	4,700.00	5,500.00	9,000.00	
Greene County Memorial Hospital, Waynesburg .....	7,300.00	8,500.00	8,500.00	
Greenville Hospital, Greenville .....	3,500.00	4,000.00	3,000.00	
Grove City Hospital .....	3,400.00	3,400.00	3,600.00	
Hahnemann Hospital, Philadelphia .....	150,000.00	150,000.00	160,000.00	
Hahnemann Hospital, Scranton .....	45,000.00	50,000.00	50,000.00	
Hamot Hospital Association, Erie .....	55,000.00	55,000.00	70,000.00	
Hanover General Hospital, Hanover .....	.....	15,000.00	10,000.00	
Harrisburg Hospital, Harrisburg .....	59,500.00	65,000.00	70,000.00	
Harrisburg Polyclinic Hospital, Harrisburg .....	11,000.00	40,000.00	50,000.00	
Homeopathic Hospital of Chester County, West Chester.....	16,300.00	16,300.00	18,000.00	
Homeopathic Medical and Surgical Hospital, Pittsburgh .....	75,000.00	83,500.00	80,000.00	
Homeopathic Medical and Surgical Hospital, Reading .....	22,500.00	25,000.00	40,000.00	
Homestead Hospital .....	24,400.00	32,000.00	32,000.00	
Howard Hospital, Philadelphia .....	20,000.00	22,000.00	32,000.00	
Indiana Hospital .....	17,800.00	22,500.00	22,500.00	
Jamison Memorial Hospital Association (Shenango Valley) New Castle .....	10,800.00	12,000.00	24,000.00	
Jefferson Medical College .....	150,000.00	175,000.00	175,000.00	
Kane Summit Hospital Association .....	8,000.00	10,000.00	10,000.00	
Kensington Hospital for Women, Philadelphia .....	25,000.00	27,500.00	27,500.00	
Kittanning General Hospital .....	5,500.00	5,500.00	5,700.00	
Lancaster County Tuberculosis Society (Rossmere) .....	.....	50,000.00	50,000.00	
Lancaster County Tuberculosis Society (Rossmere)—Deficiency .....	30,075.44	.....	.....	
Lancaster General Hospital .....	46,000.00	51,000.00	54,000.00	
Larrobe Hospital .....	10,200.00	10,400.00	20,000.00	

The  
Recommended  
Appropriations  
To The  
State-Aid  
Medical and  
Surgical  
Hospitals  
Are Given  
in Total

## DEPARTMENT OF WELFARE (Continued)

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
MEDICAL AND SURGICAL HOSPITALS—STATE-AIDED (Continued)				
Lewistown Hospital .....	\$ 15,000.00	\$ 20,000.00	\$ 25,000.00	The Recommended Appropriations to the State-Aided Medical and Surgical Hospitals Are Given in Total.
Lock Haven Hospital .....	25,000.00	28,500.00	28,500.00	
Lying-in-Charity Hospital, Philadelphia .....	25,000.00	27,000.00	35,000.00	
Maple Avenue Hospital Association, DuBois .....	4,700.00	10,000.00	11,500.00	
Maternity Hospital, Philadelphia .....	7,000.00	8,500.00	17,000.00	
McKeesport Hospital .....	46,800.00	52,000.00	56,000.00	
Meadville City Hospital .....	6,500.00	7,000.00	10,000.00	
Memorial Hospital Association, Monongahela City .....	11,200.00	11,200.00	11,200.00	
Memorial Hospital, Roxborough, Philadelphia .....	40,000.00	44,000.00	40,000.00	
Mercy Hospital, Altoona .....	17,000.00	30,000.00	36,000.00	
Mercy Hospital, Philadelphia .....	42,000.00	46,500.00	54,000.00	
Mercy Hospital, Wilkes-Barre .....	70,000.00	70,000.00	70,000.00	
Mid-Valley Hospital, Blakely .....	15,000.00	16,500.00	16,500.00	
Miners' Hospital of Northern Cambria .....	17,000.00	17,000.00	25,000.00	
Montefiore Hospital, Pittsburgh .....	.....	40,000.00	45,000.00	
Montgomery Hospital, Norristown .....	14,500.00	16,000.00	19,000.00	
Mount Pleasant Memorial Hospital, Mount Pleasant .....	12,200.00	12,500.00	12,500.00	
Mount Sinai Hospital, Philadelphia .....	110,000.00	110,000.00	110,000.00	
Nason Hospital Association, Roaring Springs .....	11,500.00	16,000.00	18,000.00	
National Stomach Hospital, Philadelphia .....	5,400.00	5,000.00	5,700.00	
Northern Liberties Hospital .....	.....	10,000.00	20,000.00	
Northeastern Hospital of Philadelphia .....	8,800.00	15,000.00	21,000.00	
North Pennsylvania General Hospital and Sanatorium, Austin..	3,300.00	3,300.00	.....	
Northwestern General Hospital, Philadelphia .....	11,600.00	14,000.00	15,000.00	
Ohio Valley General Hospital, McKees Rocks .....	13,100.00	16,800.00	16,800.00	
Oil City Hospital .....	11,100.00	11,100.00	14,000.00	
Packer, Mary M., Hospital, Sunbury .....	13,000.00	14,500.00	20,000.00	
Packer, Robert, Hospital, Sayre .....	57,900.00	75,000.00	75,000.00	
Passavant Hospital, Pittsburgh .....	.....	40,000.00	40,000.00	
Pennsylvania Epileptic Hospital and Colony Farm, Oakburne ..	16,000.00	18,000.00	25,000.00	
Pennsylvania Hospital of Philadelphia—(Contributors) .....	.....	.....	50,000.00	
Philadelphia Orthopaedic Hospital and Infirmary .....	60,000.00	66,000.00	60,000.00	
Phoenixville Hospital .....	14,600.00	16,500.00	16,500.00	
Pittsburgh Hospital Association .....	.....	40,000.00	40,000.00	
Pittston Hospital Association .....	18,800.00	25,000.00	33,000.00	
Pottstown Homeopathic Hospital .....	4,900.00	4,900.00	9,000.00	
Pottstown Hospital .....	15,200.00	15,400.00	15,500.00	
Pottsville Hospital .....	45,000.00	49,500.00	50,000.00	
Presbyterian Hospital, Pittsburgh .....	.....	.....	40,000.00	
Providence Hospital of Beaver County .....	.....	.....	10,000.00	
Punxsutawney Hospital Association .....	3,000.00	13,800.00	14,000.00	
Punxsutawney Hospital Association—Deficiency .....	8,577.90	.....	.....	
Reading Hospital .....	45,000.00	80,000.00	80,000.00	
Renovo Hospital .....	2,800.00	3,500.00	3,500.00	
Rochester General Hospital .....	27,700.00	30,500.00	30,500.00	
Rosalia Foundling Asylum and Maternity Hospital .....	35,000.00	45,000.00	.....	
Rush Hospital for Consumptives, Philadelphia .....	68,900.00	62,400.00	62,400.00	
Saint Christopher's Hospital for Children, Philadelphia .....	20,000.00	22,000.00	44,000.00	
Saint Francis' Hospital, Pittsburgh .....	150,000.00	160,000.00	160,000.00	
Saint John's General Hospital, Pittsburgh .....	25,000.00	27,500.00	45,000.00	
Saint Joseph Hospital, Carbondale .....	.....	.....	10,000.00	
Saint Luke's Hospital, South Bethlehem .....	60,000.00	60,000.00	64,000.00	
( Saint Luke's Homeopathic Hospital, Philadelphia .....	20,600.00	22,000.00	75,000.00	
( Children's Homeopathic Hospital, Philadelphia .....	60,000.00	66,000.00	.....	
Saint Vincent's Hospital Association, Erie .....	48,000.00	48,000.00	70,000.00	
Samaritan Hospital, Philadelphia .....	54,900.00	60,500.00	63,000.00	
Sewickley Valley Hospital .....	11,100.00	11,100.00	15,000.00	
South Side Hospital, Pittsburgh .....	66,900.00	73,500.00	70,000.00	
Snencer Hospital, Meadville .....	2,600.00	5,000.00	10,500.00	
Stetson Hospital, Philadelphia .....	6,500.00	7,500.00	7,500.00	
Suburban General Hospital, Bellevue .....	12,000.00	8,700.00	9,000.00	
Taylor Hospital Association .....	17,200.00	19,000.00	25,000.00	
Taylor Hospital, Ridley Park .....	6,400.00	9,000.00	12,000.00	
Titusville Hospital .....	5,000.00	5,000.00	5,500.00	
Tuberculosis League of Pittsburgh .....	43,000.00	45,000.00	75,000.00	
Two Lick Hospital .....	.....	5,000.00	5,500.00	
Uniontown Hospital .....	45,000.00	45,000.00	47,000.00	
University of Pennsylvania Hospital, Philadelphia .....	150,000.00	160,000.00	160,000.00	
( University of Pennsylvania—Graduate Hospital .....	94,000.00	100,000.00	140,000.00	
( University of Pennsylvania—Polyclinic Hospital .....	55,000.00	61,000.00	.....	
( Medico-Chirurgical Hospital, Philadelphia .....	4,000.00	6,000.00	6,500.00	
Warner, Annie M., Hospital, Gettysburg .....	6,500.00	7,500.00	10,000.00	
Warren General Hospital .....	18,000.00	35,000.00	43,000.00	
Washington Hospital .....	4,000.00	3,300.00	3,300.00	
Wayne County Memorial Hospital, Honesdale .....	.....	7,500.00	7,500.00	
Waynesboro Hospital .....	120,000.00	120,000.00	140,000.00	
Western Pennsylvania Hospital, Pittsburgh .....	32,000.00	35,500.00	35,500.00	
Westmoreland Hospital Association, Greensburg .....	8,500.00	9,500.00	18,000.00	
West Philadelphia General Homeopathic Hospital .....	36,000.00	40,000.00	40,000.00	
West Philadelphia Hospital for Women .....	43,000.00	47,500.00	50,000.00	
West Side Hospital Association, Scranton .....	.....	.....	.....	



## APPENDIX TO THE

DEPARTMENT OF WELFARE (Continued)  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
MEDICAL AND SURGICAL HOSPITALS—STATE-AIDED (Continued)				
West Side Hospital Association, Scranton—(Flushing Mines) ..		\$ 5,000.00		
Wilkes-Barre General Hospital .....	\$ 114,800.00	120,000.00	\$ 130,000.00	
Williamsport Hospital .....	75,000.00	82,500.00	82,500.00	
Wills Eye Hospital, Philadelphia .....	60,000.00	60,000.00	65,000.00	
Women's Homeopathic Hospital, Philadelphia .....	37,000.00	41,500.00	50,000.00	
Women's Hospital of Philadelphia .....	53,200.00	53,500.00	47,500.00	
Women's Medical College, Philadelphia .....	54,400.00	55,000.00	50,000.00	
Women's Southern Homeopathic Hospital, Philadelphia .....	15,600.00	15,600.00	16,000.00	
Wyoming Valley Homeopathic Hospital, Wilkes-Barre .....	16,000.00	18,000.00	28,000.00	
York Hospital .....	34,000.00	38,000.00	50,000.00	
HOSPITALS APPLYING FOR APPROPRIATIONS, 1931-1933				
Children's Hospital of Philadelphia .....				
Elizabeth Steel Magee, Pittsburgh .....				
TOTAL MEDICAL AND SURGICAL HOSPITALS — STATE-AIDED .....	\$ 4,586,753.34	\$ 5,335,300.00	\$ 5,922,800.00	\$ (1) 6,500,000.00
HOME—STATE-AIDED				
Aged Colored Women's Home, Williamsport .....	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	
Almira Home Association, New Castle .....	6,500.00	6,500.00	7,000.00	
Baby Welfare Association, Philadelphia .....		4,000.00	4,000.00	
Beacon Light Mission, Bradford .....	2,000.00	3,000.00	3,000.00	
Beaver County Children's Home, New Brighton .....	5,000.00	7,000.00	7,500.00	
Benevolent Home Association for Children, Pottsville .....		2,000.00	2,000.00	
Berean Manual Training School .....		15,000.00	20,000.00	
Bethel Orphanage .....	2,500.00	3,000.00	3,500.00	
Beulah Anchorage, Reading .....	2,000.00	2,000.00	2,000.00	The Recom-
Boys Industrial Home, Oakdale .....	13,000.00	13,000.00	13,000.00	
Chester Day Nursery and Children's Boarding Home .....	2,000.00	2,000.00	2,500.00	mended Ap-
Children's Aid Society of Franklin County, Chambersburg .....	1,000.00	1,500.00	2,000.00	
Children's Aid Society of Pennsylvania, Philadelphia .....	55,000.00	57,000.00	60,000.00	propriations
Children's Aid Society of Western Pennsylvania, Pittsburgh ..	18,000.00	20,000.00	25,000.00	
Children's Home of Easton .....	7,500.00	8,000.00	8,500.00	to the State-
Children's Home of South Bethlehem .....	2,500.00	4,000.00	4,500.00	
Children's Home Society of Pennsylvania .....		5,000.00	6,500.00	Aided Homes
Children's Industrial Home, Harrisburg .....	6,000.00	11,000.00	11,000.00	
Christian Home of Johnstown .....	3,000.00	3,000.00	3,500.00	Are Given in
Christian Home for Women, Pittsburgh .....	1,500.00			
Coleman Industrial Home for Colored Boys, Pittsburgh .....	3,000.00	3,000.00	3,000.00	Total.
Colored Women's Relief Association of Western Pennsylvania, Pittsburgh .....	2,500.00	2,500.00	2,500.00	
Curtis Home for Destitute Women and Children, Pittsburgh ..	5,000.00	5,000.00	5,500.00	
Erie Home for the Friendless .....	13,000.00	13,000.00	14,500.00	
Erie Infants' Home and Hospital .....	2,000.00	2,500.00	3,500.00	
First Allegheny Day Nursery, Pittsburgh .....	3,000.00	4,000.00	4,500.00	
Florence Crittenton Circle, Wilkes-Barre .....	1,000.00	1,000.00	1,000.00	
Florence Crittenton Home, Erie .....	500.00	1,000.00	1,500.00	
Florence Crittenton Home, Harrisburg .....	1,000.00	1,000.00		
Florence Crittenton Home, Philadelphia .....	2,000.00	2,000.00	2,000.00	
Florence Crittenton Mission, Williamsport .....	1,000.00	1,000.00	1,000.00	
Friends' Home for Children .....	2,500.00	2,500.00	3,000.00	
George Junior Republic Association, Grove City .....	6,000.00	6,000.00	7,500.00	
Home for the Aged, Philadelphia .....	4,500.00	4,500.00	4,500.00	
Home for Aged of Westmoreland County .....			1,000.00	
Home for Aged and Infirm Women, Easton .....	5,000.00	5,000.00	5,500.00	
Home for Aged and Infirm Colored Women, Pittsburgh .....	4,500.00	4,500.00	4,500.00	
Home for Colored Children, Pittsburgh .....	3,500.00	3,500.00	3,900.00	
Home for the Friendless, Harrisburg .....	6,000.00	6,000.00	6,500.00	
Home for Friendless Children, Lancaster .....	6,500.00	6,500.00	7,500.00	
Home for Friendless Children, Reading .....	3,400.00	3,400.00	3,400.00	
Home for Friendless, Williamsport .....	10,000.00	10,000.00	10,500.00	
Home for Friendless Women, Scranton .....	8,000.00	8,000.00	8,500.00	
Home of Industry for Discharged Prisoners, Philadelphia .....	3,500.00	3,500.00	4,000.00	
Home for Veterans of G. A. R. and Wives, Philadelphia .....	22,000.00	22,000.00	22,500.00	
Home for Widows and Single Women, Lebanon .....	3,000.00	3,000.00	3,500.00	
Home for Widows and Single Women, Reading .....	3,500.00	3,500.00	4,000.00	
Industrial Home for Crippled Children, Pittsburgh .....	20,000.00	20,000.00	20,000.00	
Julia White Priscilla Home for Colored People, Lamotte .....	1,000.00	1,000.00	1,500.00	
Ladies of G. A. R. Home, Hawkins Station .....	27,000.00	27,000.00	27,000.00	
Lithuanian National Catholic Vilnius .....		2,500.00		
McKeesport Day Nursery, McKeesport .....			1,000.00	
Meadville Children's Aid Society and Home for Aged .....	3,500.00	3,500.00	4,000.00	

- (1) The amount of \$6,500,000.00 is recommended for Maintenance Aid for all Medical and Surgical Hospitals, State-Aided, for the Biennium 1931-1933. The Department of Welfare has prepared a statement of prior appropriations and value of the free service rendered by each Hospital for the use of the General Assembly in considering the bills submitted for each Hospital. See Section V.

## DEPARTMENT OF WELFARE (Continued)

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
HOMES—STATE-AIDED (Continued)				
Nazarene Home for Aged, Philadelphia .....	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
Northern Home for Friendless Children, Philadelphia .....	14,000.00	14,000.00	14,000.00	
Northern Tier Home, Harrison Valley .....	3,500.00	5,000.00	5,000.00	
Nursery Home, Harrisburg .....	4,500.00			
Old Ladies Home, Philadelphia .....	11,500.00	11,500.00	12,000.00	
Orphans Asylum of Holy Family, Emsworth .....	29,000.00	29,000.00		
Pennsylvania Memorial Home at Brookville .....	12,000.00	12,000.00	12,000.00	
Pennsylvania Association for Blind, Pittsburgh .....	10,000.00	15,000.00	30,000.00	
Philadelphia Association for Protection of Colored Women ....	4,500.00	4,500.00	5,000.00	
Pennsylvania Home Teaching Society and Free Circulating Library for Blind, Philadelphia .....	10,000.00	14,000.00	14,000.00	
Pennsylvania Seaman's Friend Society, Philadelphia .....	2,700.00	2,700.00	3,200.00	
New Future Association, Sherman Ave., N. Side, Pittsburgh ....			1,000.00	
Pennsylvania Society to Protect Children from Cruelty, Philadelphia .....	3,000.00	4,000.00	5,000.00	
Pennsylvania Working Home for the Blind, Philadelphia .....	45,000.00	45,000.00	45,500.00	
Philadelphia Home for Incurables .....	20,000.00	20,000.00	22,500.00	
Philadelphia Home for Infants .....	4,000.00	4,000.00	4,500.00	
Pittsburgh Home for Babies .....	10,500.00	11,500.00	12,500.00	
Pittsburgh and Allegheny Home for the Friendless .....	10,000.00	10,000.00	11,000.00	
Robert Wood's Industrial Home and Day Nursery of Philadelphia .....	2,000.00	2,000.00	2,500.00	
Seaman's Church Institute of Philadelphia .....			5,000.00	
Tabor Home for Children, Doylestown .....	6,500.00	6,500.00	6,500.00	
United Charities Home for Children, Hazleton .....	1,800.00	2,000.00	2,000.00	
Union Home for Old Ladies West Philadelphia .....	3,500.00	3,500.00	4,000.00	
Westmoreland County Children's Aid Society, Greensburg .....	9,000.00	9,000.00	9,000.00	
Western Temporary Home, Philadelphia .....	2,000.00	2,000.00	3,000.00	
Williamsport Training Home for Girls .....	7,000.00	7,000.00		
Woods Run Settlement Association, Pittsburgh .....	1,200.00	1,200.00	1,700.00	
York Society to Protect Children and Aged Persons .....	6,000.00	6,000.00	7,500.00	
Total Homes—State Aided .....	\$ 545,100.00	\$ 599,300.00	\$ 625,700.00	\$ (2) 625,000.00

The  
Recommended  
Appropriations  
to the  
State-Aided  
Homes  
Are Given  
In Total.

- (2) The amount of \$625,000.00 is recommended for Maintenance Aid for all the Homes, State-Aided, for the Biennium 1931-1933. The Department of Welfare has prepared a statement of the prior appropriations, earnings and receipts of each Home for the use of the General Assembly in considering the bills submitted for each Home. See Section V.

## MISCELLANEOUS ADMINISTRATIVE

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
GENERAL				
History of the 28th Division .....	\$ 70,000.00	\$ 36,000.00		
Inauguration of the Governor .....	5,000.00	.....		
Inaugural Expenses—Deficiency .....	30,000.00	.....		
Investigation—Judge Berkey .....	5,500 00	.....		
Liberty Fire Company, No 1, Spring City .....	460.00	.....		
Philadelphia Judgment .....	2,694.15	.....		
Expenses of Electoral College .....	.....	1,000.00		
State College Bonds .....	25,000.00	.....		
Forestry Bonds .....	50,000.00	.....		
Total General .....	\$ 188,654.15	\$ 37,000.00		
REFUNDS				
United Baking Company of Pittsburgh .....	\$ 1,091.00	.....		
Appleby Brothers and Whitaker Company, Harrisburg .....	1,289.33	.....		
R. E. Lamberton, Sheriff, Philadelphia County .....	568 97	.....		
Johes, Bakery, Wilkensburg .....	104.50	.....		
E. C. Fish Company .....	5,832.00	.....		
H. B. Koch Estate, Allentown .....	1,550.00	.....		
Total Refunds .....	\$ 10,435.80	.....		
TOTAL MISCELLANEOUS ADMINISTRATIVE .....	\$ 199,089.95	\$ 37,000.00		



## APPENDIX TO THE

## SPECIAL ADMINISTRATIVE COMMISSIONS

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
WATERS				
Board of Commissioners of Navigation for the River Delaware and Navigable Tributaries .....	\$ 60,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
BRIDGES				
Pennsylvania and New Jersey Joint Bridge Commission for Erection and Maintenance of Philadelphia and Camden Bridge ..	\$ 2,561,662.00	.....	.....	.....
Pennsylvania and New Jersey Joint Bridge Commission for Acquisition of Toll Bridges .....	.....	\$ 200,000.00	\$ 160,000.00	.....
Pennsylvania Commission for Co-operation with Federal Government .....	.....	2,500.00	.....	.....
Pennsylvania-Delaware River Bridge Commission No. 2 .....	.....	25,000.00	.....	.....
Pennsylvania and New York Joint Bridge Commission for Acquisition and Maintenance of Toll Bridges .....	.....	.....	50,000.00	.....
Total Bridges .....	\$ 2,561,662.00	\$ 227,500.00	\$ 210,000.00	.....
TOTAL SPECIAL ADMINISTRATIVE COMMISSIONS .....	\$ 2,621,662.00	\$ 302,500.00	\$ 285,000.00	\$ 75,000.00

## MISCELLANEOUS COMMISSIONS

## GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Consolidated Municipalities .....	\$ 5,000.00	.....	.....	
<b>TOTAL MISCELLANEOUS COMMISSIONS .....</b>	<b>\$ 5,000.00</b>	<b>.....</b>	<b>.....</b>	

SENATE  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
SALARIES				
Fifty Senators .....		\$ 126,000.00	\$ 151,000.00	\$ 151,000.00
Fifty Senators—Additional—1927-1929 .....		13,000.00		
Officers and Employees—Session .....		76,000.00	76,000.00	76,000.00
Returning Officers and Employees .....		8,000.00	8,000.00	8,000.00
Clerk to President of Senate .....		3,000.00	3,000.00	3,000.00
Secretary .....		15,000.00	15,000.00	15,000.00
Secretary—Additional—1927-1929 .....		200.00		
Chief Clerk .....		12,000.00	12,000.00	12,000.00
Assistant Clerk—Session .....		2,000.00	2,000.00	2,000.00
Assistant Clerk—Recess .....		3,600.00	3,800.00	3,800.00
Librarian .....		9,000.00	9,000.00	9,000.00
Assistant Librarian .....		7,200.00	7,200.00	7,200.00
Assistant to Secretary—Recess .....		4,000.00	4,200.00	4,200.00
Stenographer to President .....		2,400.00	2,400.00	2,400.00
Stenographer to Librarian—Recess .....		6,000.00	6,300.00	6,300.00
Stenographer to Librarian—Recess—Additional—1927-1929 .....		300.00		
Two Watchmen .....		7,200.00	7,200.00	7,200.00
Superintendent of Storeroom .....		4,800.00	6,000.00	6,000.00
Custodians—Washroom and Basement .....		7,200.00	7,200.00	7,200.00
Custodians—Senate Chamber .....		8,625.00	8,625.00	8,625.00
Messengers .....		2,400.00	2,400.00	2,400.00
Total Salaries .....		\$ 317,925.00	\$ 331,325.00	\$ 331,325.00
MILEAGE				
	\$ 373,696.50			
Fifty Senators .....		\$ 5,000.00	\$ 18,000.00	\$ 18,000.00
Fifty Senators—Additional—1927-1929 .....		13,000.00		
Officers and Employees .....		2,700.00	2,700.00	2,700.00
Returning Officers and Employees .....		2,000.00	2,000.00	2,000.00
Total Mileage .....		\$ 22,700.00	\$ 22,700.00	\$ 22,700.00
POSTAGE				
Fifty Senators .....		\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
Chief Clerk—Session .....		150.00	150.00	150.00
Lieutenant Governor—Session .....		150.00	150.00	150.00
Legislative Journal—Session .....		4,500.00	4,500.00	4,500.00
Total Postage .....		\$ 12,300.00	\$ 12,300.00	\$ 12,300.00
CONTINGENT EXPENSES				
Office of Secretary—Session .....		\$ 1,800.00	\$ 2,500.00	\$ 2,500.00
Office of Secretary—Recess .....		1,800.00	2,500.00	2,500.00
Office of Librarian—Recess .....		2,800.00	2,800.00	2,800.00
Office of Librarian—Session .....		2,800.00	2,800.00	2,800.00
President Pro Tempore—Recess .....		2,000.00	2,000.00	2,000.00
President Pro Tempore—Session .....		2,000.00	2,000.00	2,000.00
Office of Chief Clerk—Years Ending May 31, 1926, 1928, 1930 and 1932 .....		4,000.00	4,000.00	4,000.00
Office of Chief Clerk—Six Months Ending November 30, 1926, 1928, 1930 and 1932 .....		2,000.00	2,000.00	2,000.00
Total Contingent Expenses .....		\$ 19,200.00	\$ 20,600.00	\$ 20,600.00
MISCELLANEOUS EXPENSES				
Incidental Expenses .....		\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
History of Legislation—Extra Services .....		2,500.00	2,500.00	2,500.00
Appropriation Committee .....		12,000.00	12,000.00	12,000.00
Issuing Certificates of Election .....		71.50	75.00	75.00
Expenses Attending Funerals .....		3,000.00	3,000.00	3,000.00
Total Miscellaneous Expenses .....		\$ 25,571.50	\$ 25,575.00	\$ 25,575.00
SPECIAL SESSION, 1926				
	66,511.20			
TOTAL SENATE .....	\$ 440,207.70	\$ 397,696.50	\$ 412,500.00	\$ 412,500.00



## APPENDIX TO THE

HOUSE OF REPRESENTATIVES  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
<b>SALARIES</b>				
Two Hundred and Eight Members.....	\$ 521,000.00	\$ 625,000.00	\$ 625,000.00	
Two Hundred and Eight Members—Additional .....	104,000.00			
Officers and Employes—Session .....	120,000.00	120,000.00	120,000.00	
Returning Officers—Session .....	13,000.00	13,000.00	13,000.00	
Chief Clerk .....	12,000.00	12,000.00	12,000.00	
Assistant to Chief Clerk .....		7,200.00	7,200.00	
Assistant Clerk—Session .....	2,000.00	2,000.00	2,000.00	
Assistant Clerk—Recess .....	3,600.00	3,600.00	3,600.00	
Resident Clerk .....	9,000.00	9,000.00	9,000.00	
Assistant Resident Clerk .....	7,200.00	7,200.00	7,200.00	
Stenographer to Resident Clerk—Recess .....	3,075.00	3,075.00	3,075.00	
Superintendent of Storeroom .....	4,800.00	6,000.00	6,000.00	
Two Watchmen .....	7,200.00	7,200.00	7,200.00	
Custodian of Basement .....	3,600.00	3,600.00	3,600.00	
Custodian of Hall of Fame .....	3,600.00	3,600.00	3,600.00	
Assistant Custodians .....	7,908.00	7,908.00	7,908.00	
Messenger .....	2,400.00	2,400.00	2,400.00	
Total Salaries .....	\$ 824,383.00	\$ 832,783.00	\$ 832,783.00	
<b>MILEAGE</b>				
Two Hundred and Eight Members .....	\$ 21,000.00	\$ 75,000.00	\$ 75,000.00	
Two Hundred and Eight Members—Additional .....	54,000.00			
Officers and Employes—Session .....	4,000.00	4,000.00	4,000.00	
Returning Officers—Session .....	3,000.00	3,000.00	3,000.00	
Total Mileage .....	\$ 82,000.00	\$ 82,000.00	\$ 82,000.00	
	\$ 829,852.25			
<b>POSTAGE</b>				
Two Hundred and Eight Members .....	\$ 31,200.00	\$ 31,200.00	\$ 31,200.00	
Chief Clerk—Session .....	150.00	150.00	150.00	
Legislative Journal—Session .....	10,000.00	10,000.00	10,000.00	
Total Postage .....	\$ 41,350.00	\$ 41,350.00	\$ 41,350.00	
<b>CONTINGENT EXPENSES</b>				
Speaker—Recess .....	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	
Speaker Session .....	2,000.00	2,000.00	2,000.00	
Office of Chief Clerk—Years Ending May 31, 1926, 1928, 1930 and 1932 .....	8,200.00	10,000.00	10,000.00	
Office of Chief Clerk—Six Months Ending November 30, 1926, 1928, 1930 and 1932 .....	4,100.00	5,000.00	5,000.00	
Office of Resident Clerk—Years Ending May 31, 1926, 1928, 1930 and 1932 .....	3,500.00	3,500.00	3,500.00	
Office of Resident Clerk—Years Ending May 31, 1927, 1929, 1931 and 1933 .....	3,500.00	3,500.00	3,500.00	
Total Contingent Expenses .....	\$ 23,300.00	\$ 26,000.00	\$ 26,000.00	
<b>MISCELLANEOUS EXPENSES</b>				
Appropriation Committee .....	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	
Appropriation Committee—Extra—1929 .....		512.40		
Issuing Certificates of Election .....	569.25	570.00	750.00	
E. L. Allum Estate—Allowance .....	2,189.00			
Incidental Expenses .....	12,000.00	12,000.00	12,000.00	
Expenses Attending Funerals .....	6,000.00	6,000.00	6,000.00	
Total Miscellaneous Expenses .....	\$ 32,758.25	\$ 31,082.40	\$ 30,750.00	
<b>SPECIAL SESSION 1926</b> .....	185,786.50			
<b>TOTAL HOUSE OF REPRESENTATIVES</b> .....	\$ 1,015,638.75	\$ 1,003,791.25	\$ 1,013,215.40	\$ 1,012,883.00

LEGISLATIVE JOURNAL AND MISCELLANEOUS  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
LEGISLATIVE JOURNAL				
Indices for Legislative Journal .....	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Proof-reading .....	4,500.00	4,500.00	4,500.00	4,500.00
Indexing the Legislative Journal .....	1,500.00	1,500.00	1,500.00	1,500.00
Special Session—1926 .....	2,500.00	.....	.....	.....
Total Legislative Journal .....	\$ 10,000.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
MISCELLANEOUS LEGISLATIVE				
Expenses of Delegates to Legislators' Convention .....	.....	\$ 1,200.00	\$ 2,000.00	.....
Expenses of Delegates to Annual Convention .....	.....	1,000.00	.....	.....
Expenses of Delegates to Exercises Commemorating Battle of Germantown .....	.....	250.00	.....	.....
Expenses of Delegates to York Centennial .....	.....	1,000.00	.....	.....
Total Miscellaneous Legislative .....	.....	\$ 7,450.00	\$ 2,000.00	.....
TOTAL LEGISLATIVE JOURNAL AND MISCELLANEOUS	\$ 10,000.00	\$ 14,950.00	\$ 9,500.00	\$ 7,500.00

LEGISLATIVE REFERENCE BUREAU  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
Salary of the Director .....	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 15,000.00
Salary of the Assistant Director .....	12,000.00	12,000.00	15,000.00	15,000.00
Salaries and General Expenses .....	51,000.00	58,600.00	71,500.00	66,000.00
<b>TOTAL LEGISLATIVE REFERENCE BUREAU</b>	<b>\$ 75,000.00</b>	<b>\$ 82,600.00</b>	<b>\$ 98,500.00</b>	<b>\$ 96,000.00</b>



## APPENDIX TO THE

SPECIAL LEGISLATIVE COMMISSIONS  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
<b>GOVERNMENT</b>				
Salary Survey Commission .....		\$ 10,000.00		
<b>JUSTICE</b>				
To Examine Parole Laws of Pennsylvania .....	\$ 10,000.00			
<b>MOTOR VEHICLES</b>				
Compulsory Liability Insurance Commission .....	\$ 222.03			
<b>NATURAL RESOURCES</b>				
Investigation of Geological Formation and Strength of Bituminous Coal .....		\$ 1,000.00		
<b>PUBLIC INSTRUCTION</b>				
Healing Art Commission .....		\$ 20,000.00		
Study the Distribution of State School Subsidies to School Districts .....		10,000.00		
Study Present Plans of Financing Public School and Related Matters .....			\$ 10,000.00	
Total Public Instruction .....		\$ 30,000.00	\$ 10,000.00	
<b>REVENUE</b>				
Examine Tax Laws of Pennsylvania and Other States and Countries .....	\$ 25,000.00			
Examine Tax Laws of Pennsylvania and Other States and Countries—Deficiency .....	500.00			
Total Revenue .....	\$ 25,500.00			
<b>STATE</b>				
Election Law Commission .....		\$ 20,000.00		
<b>TOWNSHIPS</b>				
Township Law Commission .....			\$ 15,000.00	
<b>WELFARE</b>				
To Suggest Revisions and Amendments to Status Relating to Children .....	\$ 15,000.00			
Complete Work of Old Age Assistance Commission .....	2,000.00			
Old Age Pensions .....	20,000.00			
Penal Institution Commission .....		\$ 20,000.00		
Total Welfare .....	\$ 37,000.00	\$ 20,000.00		
<b>PENAL LAWS</b>				
To Revise the Penal Code .....		\$ 2,500.00		
Commission to Study Criminal Law .....		25,000.00		
Total Penal Laws .....		\$ 27,500.00		
<b>COMMEMORATION OF HISTORICAL EVENTS</b>				
Penn Landing Commission .....			\$ 1,500.00	
Sesqui Centennial .....	\$ 750,000.00			
Old Portage Railroad Celebration .....		\$ 10,000.00		
Colored Soldiers' Monument .....		50,000.00		
Total Commemoration of Historical Events .....	\$ 750,000.00	\$ 60,000.00	\$ 1,500.00	
<b>TOTAL SPECIAL LEGISLATIVE COMMISSIONS</b> .....	\$ 822,722.02	\$ 168,500.00	\$ 26,500.00	

JUDICIAL DEPARTMENT  
GENERAL FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
SUPREME COURT				
Salaries of Judges .....	\$ 246,000.00	\$ 246,000.00	\$ 274,000.00	\$ 274,000.00
Expenses of Judges .....	58,000.00	58,000.00	58,000.00	58,000.00
Salary of Deputy Prothonotary—Eastern District .....	7,200.00	7,800.00	7,800.00	7,800.00
Chief Clerk in Office of Prothonotary—Eastern District .....	4,800.00	5,400.00	5,400.00	5,400.00
Assistant Chief Clerk in Office of Prothonotary—Eastern District .....	3,600.00	3,600.00	3,600.00	3,600.00
Clerk in Office of Prothonotary—Eastern District .....	3,600.00	3,600.00	3,600.00	3,600.00
Salary of Record Clerk .....	4,800.00	5,400.00	5,400.00	5,400.00
Salaries and Expenses of Librarian and Assistant .....	15,700.00	16,100.00	16,100.00	16,100.00
Salary of Deputy Prothonotary and Clerk—Middle District .....	3,600.00	4,800.00	4,800.00	4,800.00
Attendant in Supreme Court Room—Middle District .....	1,200.00	1,200.00	1,200.00	1,200.00
Salary of Clerk in Office of Prothonotary—Western District .....	4,800.00	6,000.00	6,000.00	6,000.00
Salaries and Expenses of Clerks and Tipstaves .....	59,995.92	71,995.92	73,195.92	73,195.92
Necessary Expenses—Eastern District .....	10,000.00	16,000.00	16,000.00	16,000.00
Necessary Expenses—Western District .....	4,500.00	5,500.00	5,500.00	5,500.00
Fees of Prothonotaries of the Supreme Court—All Districts .....	6,000.00	7,500.00	10,000.00	10,000.00
Fees of Prothonotaries of the Supreme Court—All Districts—Deficiency .....	1,500.00	2,500.00	.....	.....
Expenses of the Supreme Court in Middle District and Superior Court at Harrisburg .....	800.00	800.00	800.00	800.00
Fees of Special Masters .....	.....	.....	10,000.00	10,000.00
Portrait of Chief Justice .....	.....	.....	750.00	.....
Total Supreme Court .....	\$ 434,095.92	\$ 460,195.92	\$ 500,145.92	\$ 499,395.92
SUPERIOR COURT				
Salaries of Judges .....	\$ 225,000.00	\$ 225,000.00	\$ 253,000.00	\$ 253,000.00
Expenses of Judges .....	49,000.00	49,000.00	49,000.00	49,000.00
Salaries and Expenses of Clerks and Tipstaves .....	42,250.00	45,250.00	56,000.00	56,000.00
Docket, Stationery and Supplies .....	10,000.00	10,000.00	10,000.00	10,000.00
Total Superior Court .....	\$ 326,250.00	\$ 329,250.00	\$ 368,000.00	\$ 368,000.00
COURT OF COMMON PLEAS				
Salaries of Judges .....	\$ 2,183,000.00	\$ 2,239,000.00	\$ 2,784,000.00	\$ 2,784,000.00
Expenses of Traveling Judges .....	60,000.00	60,000.00	90,000.00	150,000.00
Expenses of Traveling Judges—Deficiency .....	20,000.00	30,000.00	.....	.....
Payment of Mileage in Divided Judicial Districts .....	5,000.00	5,000.00	5,000.00	5,000.00
Clerk Hire—Dauphin County .....	14,400.00	14,400.00	14,400.00	14,400.00
Total Court of Common Pleas .....	\$ 2,282,400.00	\$ 2,348,400.00	\$ 2,893,400.00	\$ 2,953,400.00
ORPHANS' COURT				
Salaries of Judges .....	\$ 432,000.00	\$ 456,000.00	\$ 540,000.00	\$ 540,000.00
MUNICIPAL COURT OF PHILADELPHIA				
Salaries of Judges .....	\$ 161,000.00	\$ 161,000.00	\$ 201,000.00	\$ 201,000.00
COUNTY COURT OF ALLEGHENY COUNTY				
Salaries of Judges .....	\$ 97,000.00	\$ 97,000.00	\$ 121,000.00	\$ 121,000.00
MISCELLANEOUS				
Salaries of Retired Judges .....	\$ 100,000.00	\$ 130,000.00	\$ 141,000.00	\$ 160,000.00
Salaries of Retired Judges—Deficiency .....	42,000.00	.....	.....	.....
Salaries of Associate Judges .....	50,000.00	50,000.00	50,000.00	50,000.00
Mileage of Associate Judges .....	5,000.00	5,000.00	5,000.00	7,000.00
Commission—Supreme and Superior Court House Site .....	.....	.....	500.00	.....
Total Miscellaneous .....	\$ 197,000.00	\$ 185,000.00	\$ 196,500.00	\$ 217,000.00
STATE REPORTER				
Salary of the Reporter .....	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Salary of the Assistant Reporter .....	6,000.00	6,000.00	6,000.00	6,000.00
Salaries and General Expenses .....	6,000.00	8,000.00	8,000.00	8,000.00
Total State Reporter .....	\$ 22,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
TOTAL JUDICIAL DEPARTMENT .....	\$ 3,951,745.92	\$ 4,060,845.92	\$ 4,844,045.92	\$ 4,923,795.92



## APPENDIX TO THE

## MOTOR LICENSE FUND APPROPRIATIONS

Purpose of Appropriations	Amount of Appropriations			Amount Recommended by the Governor 1931-1933
	1925-1927	1927-1929	1929-1931	
APPROPRIATIONS IN SPECIFIC AMOUNTS				
Treasury Department, Board of Finance and Revenue				
Interest and Sinking Fund Requirements—State Road Bonds..	\$ 11,727,812.58	\$ 14,076,052.88	\$ 13,855,219.55	\$ 13,532,719.55
Loan and Transfer Agent .....	30,000.00	30,000.00	30,000.00	30,000.00
Issuing State Road Bonds .....	50,000.00			
Total Board of Finance and Revenue .....	\$ 11,807,812.58	\$ 14,106,052.88	\$ 13,885,219.55	\$ 13,562,719.55
Department of Property and Supplies				
Aircraft Landing Fields .....			\$ 70,000.00	\$ 200,000.00
Public Service Commission				
Eliminating Grade Crossings .....		\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
Pennsylvania and New Jersey Joint Bridge Commissions				
Morrisville Bridge .....		\$ 325,000.00		
Surveys .....			\$ 2,500.00	
Department of Highways				
Salary of the Secretary of Highways .....	Appropriated from General Fund these periods			\$ 24,000.00
Highway Program (Wheeler-Flynn) .....	\$ 23,500,000.00			
State-Aid to Cities (except first class) .....	2,000,000.00			2,000,000.00
Counties of the First Class .....	\$ 200,000.00	\$ 500,000.00	750,000.00	1,200,000.00
Maintenance Township Reward Roads .....			500,000.00	
Township Rewards .....	3,000,000.00	3,000,000.00	6,000,000.00	
State-Aid Highway Construction .....	5,000,000.00	5,000,000.00	2,000,000.00	
Welfare Institutions Roads .....			125,000.00	
Health Institutions Roads .....			25,000.00	
State Park Roads .....			100,000.00	
Educational Institutions Roads .....			50,000.00	
Property Damages .....			10,000.00	10,000.00
State-Aid Butler County .....	102,940.89			
Highway Bridges Destroyed .....		150,000.00		
County Bridges Destroyed .....		75,000.00		
Total Department of Highways .....	\$ 8,302,940.89	\$ 8,725,000.00	\$ 35,060,000.00	\$ 3,034,000.00
TOTAL APPROPRIATIONS IN SPECIFIC AMOUNTS .....	\$ 20,110,753.47	\$ 23,408,052.88	\$ 49,267,719.55	\$ 17,046,719.55
CONTINUING APPROPRIATIONS (Act of 1929, P. L. 1046)				
Treasury Department, Board of Finance and Revenue				
Refunds, Motor License Fees .....	(1)	(1)	\$ 87,000.00	\$ 90,000.00
Refunds, Highway Maintenance and Construction Contributions .....	(1)	(1)	25,000.00	30,000.00
Total Board of Finance and Revenue .....			\$ 112,000.00	\$ 120,000.00
Department of Revenue				
Collecting Motor License Fees and Fines and Liquid Fuels Tax; Operating State Highway Patrol .....	(1)	(1)	\$ 6,730,136.00	\$ 7,088,875.00
Department of Highways				
Maintenance, Repairs and Construction of Roads; Salaries and General Expenses .....	\$ 33,640,487.73	\$ 67,806,519.82	\$ 107,653,688.00	\$ 11,910,589.00
TOTAL CONTINUING APPROPRIATIONS .....	\$ 33,640,487.73	\$ 67,806,519.82	\$ 114,495,824.00	\$ 59,110,464.00
AMOUNT ESTIMATED TO BE AVAILABLE DURING 1931-1933 FOR NEW ROAD CONSTRUCTION, RECONSTRUCTION, AND RURAL ROADS .....				
TOTAL MOTOR LICENSE FUND APPROPRIATIONS.....	\$ 53,751,241.20	\$ 91,212,572.70	\$ 163,763,543.55	\$ 154,110,009.83

## SUMMARY OF APPROPRIATIONS, DEPARTMENT OF HIGHWAYS

Appropriation in Specific Amounts .....	\$ 8,302,940.89	\$ 8,725,000.00	\$ 35,060,000.00	\$ 3,034,000.00
Continuing Appropriations (Act of 1929, P. L. 1046) .....	33,640,487.73	67,806,519.82	107,653,688.00	51,910,589.00
Amount Estimated to be available during 1931-1933 for New Road Construction, Reconstruction and Rural Roads .....				77,943,826.28
Total .....	\$ 41,943,428.62	\$ 76,531,519.82	\$ 142,713,688.00	\$ 132,888,415.28

(1) Refund of Motor License Fund moneys and the cost of collecting Motor License Fees and Fines were paid by the Department of Highways these periods. Under the provisions of the Act of 1929, P. L. 1046, the Board of Finance and Revenue was authorized to refund Motor License Fund moneys and the Department of Revenue was provided with sufficient funds to defray the cost of collecting Motor License Fees and Fines and operate the State Highway Patrol.

## DEPARTMENT OF HIGHWAYS

## MOTOR LICENSE FUND APPROPRIATIONS (Continued)

Expenditures by Main Functions from the Continuing Appropriations to the Department of Highways for Maintenance, Repairs and Construction of Roads, Salaries and General Expenses (Act of 1929, P. L. 1046)

Functions	ESTIMATED EXPENDITURES	
	Biennium 1929-1931	Biennium 1931-1933
<b>MISCELLANEOUS IMPROVEMENTS</b>		
Construction of Retaining Walls .....	\$ 118,149	\$ 100,000
Construction of Guard Rail .....	1,694,610	1,500,000
Grade Crossing Elimination .....	2,917,828	3,000,000
Miscellaneous Work Under Agreement .....	326,228	300,000
<b>MAINTENANCE—STATE AND STATE-AID HIGHWAYS</b>		
General Maintenance .....	12,092,251	12,000,000
Resurfacing .....	3,897,265	4,000,000
Surface Treatment .....	3,615,918	3,000,000
Oiling .....	588,545	500,000
Snow Removal .....	2,572,675	2,500,000
<b>OVERHEAD AND ENGINEERING</b>		
General Administration—Field .....	2,587,458	2,500,000
General Administration—Central Office .....	1,474,841	1,400,000
Research .....	25,000	50,000
County Map and Route Survey .....	35,875	50,000
Advertising, Engineering and Inspection .....	7,837,539	7,000,000
<b>PLANT AND EQUIPMENT</b>		
Purchase of Road Tools, Equipment and Land .....	1,785,259	1,830,000
Construction of Buildings .....	766,886	100,000
Credit for Distributed Depreciation .....	2,261,466*	1,800,000*
Credit for Distributed Inventory Reduction .....	13,314*	
<b>MISCELLANEOUS</b>		
Construction of North Office Building .....	703,140	
Legislative Obligations .....	250,000	300,000
Miscellaneous Payments, Insurance, Etc. ....	338,394	300,000
Detours .....	1,427,768	1,250,000
Forestry Roads .....	197,490	200,000
Restoration of Pavements .....	60,650	60,000
Work for Other Departments .....	149,467	50,000
Equipment Costs—Special Appropriations .....	99,998	
Bureau of Motor Vehicles (Delinquent) .....	87,390	
Motor Patrol (Delinquent) .....	25,638	
<b>NEW CONSTRUCTION AND REPLACEMENTS</b>		
Replacements of Roads and Bridges .....	1,938,253	
New Construction of Flexible Types .....	4,434,511	11,720,589 (1)
New Construction of Rigid Types .....	36,848,774	
Grading and Drainage .....	1,126,668	
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 107,653,688</b>	<b>\$51,910,589 (1)</b>

\*Deduction.

(1) The estimate for 1931-1933 is based upon financing the obligations as of May 31, 1931, except the liabilities on account of unexpended balances of specific appropriations, and maintaining the present State Highway System, allowing \$6,000,000 for the replacement of county bridges recently taken over by the Commonwealth. It does not include any amounts necessary to finance the proposed Rural Road System and no provision has been made for additional new construction or replacement on the present State Highway System except just sufficient funds to pay for construction and replacement projects that are started prior to June 1, 1931, but remain uncompleted and unpaid for as of that date. Funds for new road construction, reconstruction and rural roads are included in the \$77,943,826.28 shown on pages 5 and 41 as "Amount estimated to be available for the biennium 1931-1933 for new road construction, reconstruction, and rural roads."



## APPENDIX TO THE

## SECTION THREE

## REVENUES AND RECEIPTS OF THE OPERATING FUNDS

THE REVENUES AND RECEIPTS TO ALL FUNDS FOR 1931-1933 ARE ESTIMATED UPON THE BASIS OF PRESENT LAWS

## OPERATING FUNDS REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
GENERAL FUND				
Taxes, Bonus, Penalties and Interest .....	\$ 136,643,350.37	\$ 149,196,035.52	\$ 166,508,563.47	\$ 132,997,425.00
Licenses and Fees .....	2,274,346.72	5,002,628.87	5,359,991.13	5,451,190.00
Fines and Penalties .....	118,488.52	179,685.51	190,731.83	154,480.00
Miscellaneous Revenue .....	1,025,664.10	3,669,102.99	3,893,137.48	3,189,138.00
Institutional Revenue .....	551,851.33	688,746.93	16,510,344.32	17,382,295.00
Total General Fund Revenue Excluding Transfers.....	\$ 140,613,701.04	\$ 158,736,199.82	\$ 192,462,768.23	\$ 159,174,528.00
Transfers from Operating Special Funds .....	245,353.50	710,809.34	41,761.17	.....
TOTAL GENERAL FUND REVENUE .....	\$ 140,859,054.54	\$ 159,447,009.16	\$ 192,504,529.40	\$ 159,174,528.00
Receipts Appropriated for Special Purposes .....	3,928,769.00	10,485,341.68	999,852.19	1,513,273.00
Total General Fund Revenue and Receipts .....	\$ 144,787,823.54	\$ 169,932,350.84	\$ 193,504,381.59	\$ 160,687,801.00
OPERATING SPECIAL FUNDS				
Motor License Fund .....	\$ 68,609,489.82	\$ 103,688,955.01	\$ 144,654,061.54	\$ 149,389,420.00
Fish Fund .....	625,236.56	851,643.52	933,535.20	942,107.00
Game Fund .....	1,456,639.51	2,193,057.79	2,467,887.68	2,238,500.00
Banking Department Fund .....	1,040,932.58	1,143,213.45	1,322,207.58	1,501,644.00
Securities Commission Fund .....	186,319.28	227,329.36	257,867.20	250,360.00
State Farm Products Show Fund .....	.....	.....	76,745.69	132,600.00
Federal Allotment Forest Protection Fund .....	.....	.....	107,969.51	100,000.00
Federal Forest Nursery Fund .....	.....	.....	4,975.04	4,010.00
Abolished Special Funds .....	50,158,418.50	6,582,226.95	5,023.39	.....
Total Operating Special Funds Revenue and Receipts Ex- cluding Transfers .....	\$ 122,077,086.25	\$ 114,686,426.08	\$ 149,830,272.83	\$ 154,528,731.00
Transfers from Operating Funds .....	.....	.....	3,452,303.04	.....
TOTAL OPERATING SPECIAL FUNDS REVENUES AND RECEIPTS .....	\$ 122,077,086.25	\$ 114,686,426.08	\$ 153,282,575.87	\$ 154,528,731.00
Total Operating Funds Revenue and Receipts .....	\$ 266,864,909.79	\$ 284,618,776.92	\$ 346,786,957.46	\$ 315,216,532.00
Deduct: Transfers between Operating Funds .....	245,353.50	710,809.34	3,494,064.21	.....
Total Operating Funds Revenue and Receipts in State Treasury .....	\$ 266,619,556.29	\$ 283,907,967.58	\$ 343,292,893.25	\$ 315,216,532.00
OPERATING SPECIAL FUNDS NOT IN STATE TREASURY				
Departmental Operating Special Funds .....	259,947.22	92,009.33	Deposited in State Treasury	.....
Institutional Operating Special Funds .....	13,421,919.09	14,798,448.73	Deposited in General Fund	.....
TOTAL OPERATING FUNDS REVENUE AND RECEIPTS ..	\$ 280,300,422.60	\$ 298,798,425.64	\$ 343,292,983.25	\$ 315,216,532.00

NOTE: The revenues and receipts to all funds for 1931-1933 are estimated upon the basis of present laws.

## GENERAL FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
TAXES, BONUS, PENALTIES AND INTEREST				
GENERAL TAXES				
Capital Stock Taxes—Domestic .....	\$ 39,583,812.49	\$ 40,976,022.61	\$ 37,683,106.10	\$ 30,000,000.00
Capital Stock Taxes—Foreign .....			2,412,266.18	1,800,000.00
Tax on Shares—Trust Companies .....			5,839,695.06	3,750,000.00
Tax on Shares—National Banks .....	4,331,151.65	4,481,413.57	3,272,589.57	2,650,000.00
Tax on Shares—State Banks .....			616,650.82	490,000.00
Tax on Stock—Building and Loan Associations.....	276,926.06	472,964.67	281,923.63	200,000.00
Loans Tax—Corporation—Domestic .....	9,112,263.06	8,787,425.19	9,013,587.81	9,000,000.00
Loans Tax—Corporation—Foreign .....			613,823.21	500,000.00
Loans Tax—Cities, Boroughs and Townships .....	2,232,037.42	2,158,604.50	3,006,059.29	3,000,000.00
Loans Tax—School Districts .....	908,775.07	1,174,501.82	1,310,088.16	1,300,000.00
Loans Tax—Counties .....	542,871.83	870,171.41	1,171,028.34	950,000.00
Bonus—Domestic .....	3,360,877.42	1,857,449.54	1,370,418.73	1,190,000.00
Bonus—Foreign .....		1,147,527.75	962,433.49	1,000,000.00
Insurance Premiums Tax—Domestic—Life .....	513,992.64	608,216.50	121,342.48	130,000.00
Insurance Premiums Tax—Domestic—Casualty .....			263,917.53	240,000.00
Insurance Premium Tax—Domestic—Marine .....				
Insurance Premium Tax—Domestic—Fire .....			141,277.57	140,000.00
Insurance Premium Tax—Domestic—Excess Insurance Brokers.....				
Insurance Premium Tax—Foreign—Life .....	9,711,377.94	11,032,663.56	9,775,571.86	9,000,000.00
Insurance Premium Tax—Foreign—Casualty .....			2,267,752.86	2,000,000.00
Insurance Premium Tax—Foreign—Marine .....			3,880.78	2,000.00
Insurance Premium Tax—Foreign—Excess Fire.....			137,431.06	130,000.00
Insurance Premium Tax—Foreign—Excess Insurance Brokers.....			5,559.65	5,000.00
Insurance Companies—Reciprocal Exchange .....		57.40		
Gross Receipts Tax—Transportation, Power and Transmission..	8,992,145.11	8,552,064.26	7,368,374.56	6,250,000.00
Gross Receipts Tax—Boxing and Wrestling Exhibits .....		165,992.18	188,214.80	150,000.00
Gross Receipts Tax—Private Bankers .....	101,410.88	37,948.55	31,342.62	20,000.00
Gross Receipts Tax—Notaries Public .....	1,499.13	21.17		
Tax on Net Income—Savings Fund Societies .....	187,697.31	281,604.22	123,124.63	40,000.00
Anthracite Coal Tax .....	10,146,043.50	19,325,867.86	6,949,558.89	600,000.00
Stock Transfer Stamp Tax .....	592,135.57	1,078,093.05	1,250,947.07	1,250,000.00
Tax on Writs, Wills and Deeds .....	953,245.26	917,629.76	796,425.30	750,000.00
Emergency Profits Tax .....	2,694,634.82	49,814.82	3,540.34	1,000.00
Liquid Fuels Tax .....	1,806,149.03	136,426.78	12,947.64	425.00
Penalties on Taxes and Bonus .....	95,258.14	83,355.04	50,266.26	50,000.00
Interest on Taxes, Bonus and Penalties .....	358,428.59	847,565.55	106,323.73	100,000.00
TOTAL GENERAL TAXES .....	\$ 96,502,734.92	\$ 105,041,401.76	\$ 97,151,469.22	\$ 76,688,425.00
INHERITANCE TAXES				
Resident Transfer Inheritance and Estate Tax .....	\$ 28,820,230.58	\$ 32,132,232.09	\$ 59,892,962.52	\$ 48,000,000.00
Non-Resident Transfer Inheritance Tax .....	1,728,801.36	1,416,473.81	808,839.03	400,000.00
Direct Inheritance Tax .....	71,470.47	42,655.99	26,033.35	10,000.00
Collateral Inheritance Tax .....	879,736.69	1,095,576.65	446,363.22	240,000.00
TOTAL INHERITANCE TAXES .....	\$ 31,500,239.10	\$ 34,686,938.54	\$ 61,174,198.12	\$ 40,550,000.00
MERCANTILE AND OTHER LICENSE TAXES				
Retail Mercantile .....	\$ 5,653,972.93	\$ 6,205,969.23	\$ 5,863,848.55	\$ 5,400,000.00
Wholesale Mercantile .....	1,664,020.48	1,840,194.24	1,247,755.07	1,150,000.00
Restaurants and Eating Houses .....	274,291.24	348,920.97	287,495.31	290,000.00
Billiards, Bowling Alleys, Etc. ....	403,521.54	406,921.58	338,973.05	380,000.00
Billiards, Bowling Alleys, Etc. Penalties .....		4,548.83		
Brokers .....	384,273.38	399,494.00	280,302.52	280,000.00
Auctioneers .....	36,129.78	37,387.88	29,326.77	36,000.00
Public Amusements .....	124,075.38	131,059.53	102,034.69	110,000.00
Peddlers .....	13,316.28	9,628.10	7,213.84	6,000.00
Wholesale Liquor, Brewers, Distillers and Bottlers .....	86,775.34	46,198.21	19,630.32	21,000.00
Appraisers Fees .....		28,657.49	6,316.01	6,000.00
Interest on Deposits .....		8,715.16		
TOTAL MERCANTILE AND OTHER LICENSE TAXES.....	\$ 8,640,376.35	\$ 9,467,695.22	\$ 8,182,896.13	\$ 7,659,000.00
TOTAL TAXES, BONUS, PENALTIES AND INTEREST ....	\$ 136,643,350.37	\$ 149,196,035.52	\$ 166,508,563.47	\$ 132,997,425.00



## APPENDIX TO THE

## GENERAL FUND REVENUES AND RECEIPTS (Continued)

Sources	Actual		Actual and Estimated	Estimated
	1925-1927	1927-1929	1929-1931	1931-1933
<b>LICENSES AND FEES</b>				
Dog Licenses .....	#	\$ 1,193,260.68	\$ 1,274,465.16	\$ 1,281,000.00
Governor's Office—Notary Public Commission Fees .....	\$ 174,975.00	168,775.00	179,150.00	168,775.00
Auditor General—Fees .....	*	*	141.82	150.00
<b>Department of Agriculture</b>				
Oleomargarine Licenses .....	774,648.89	844,192.00	861,225.99	860,000.00
Feeding Stuffs Licenses and Analysis Fees .....	130,308.00	152,456.00	149,907.00	150,000.00
Carbonated Beverage Licenses .....	#	88,050.00	87,200.00	84,000.00
Fertilizer Licenses .....	54,105.00	55,890.00	52,585.00	54,000.00
Milk Dealers Permit Fees .....	#	25,155.00	12,410.00	13,000.00
Milk Testers Licenses and Certificate Fees .....	#	#	7,530.00	7,600.00
Milk Weighers Licenses and Certificate Fees .....	#	#	3,603.50	3,400.00
Farm Products Inspection Fees .....	#	#	41,887.93	46,400.00
Cold Storage Warehouse Licenses .....	7,350.00	6,950.00	7,300.00	7,200.00
Insecticide and Fungicide Licenses .....	2,763.00	3,331.00	3,363.00	3,200.00
Lime and Gypsum Licenses and Analysis Fees .....	.....	2,614.00	2,526.00	2,500.00
Egg Opening Licenses .....	2,350.00	2,250.00	2,350.00	2,300.00
Seed Testing and Certification Fees .....	43.25	127.00	193.75	200.00
Stallion Licenses .....	4,970.00	3,810.00	.....	.....
Miscellaneous Licenses and Fees .....	2,570.00	.....	11.00	.....
<b>Department of Forests and Waters</b>				
Water Power and Supply Permit Fees .....	*	*	1,566.22	11,900.00
<b>Department of Health</b>				
Vital Statistics Fees .....	*	*	85,709.50	88,500.00
<b>Insurance Department</b>				
Agents Licenses .....	.....	.....	455,794.00	458,000.00
Brokers Licenses .....	.....	.....	145,668.10	149,000.00
Examination Fees and Expenses .....	.....	.....	165,409.67	180,000.00
Valuation of Policies Fees .....	.....	.....	82,824.52	87,000.00
Filing of Statements and Charters Fees .....	#	878,272.24	39,655.80	40,000.00
Company, Association and Exchange Licenses .....	.....	.....	12,918.00	13,750.00
Public Adjusters Licenses .....	.....	.....	6,700.00	7,700.00
Certified Copies and Certificate Fees .....	.....	.....	14,935.65	15,500.00
Service of Process Fees .....	.....	.....	4,232.00	4,100.00
Miscellaneous Licenses and Fees .....	.....	.....	6,487.84	6,000.00
<b>Department of Internal Affairs</b>				
Land Office Fees .....	*	*	4,217.50	4,465.00
<b>Department of Justice</b>				
Attorney and Litigation Fees .....	*	*	7,010.11	3,900.00
<b>Department of Labor and Industry</b>				
Bedding and Upholstery Fees .....	#	#	104,922.20	104,000.00
Boiler Inspection Fees .....	#	97,249.24	87,161.21	90,000.00
Elevator Inspection Fees .....	#	14,902.05	25,903.00	30,000.00
Employment Agents Licenses .....	36,350.00	36,650.00	61,725.00	62,000.00
<b>Department of Military Affairs</b>				
Boxing and Wrestling Licenses .....	#	53,029.02	60,080.00	61,000.00
<b>Department of Mines</b>				
Examination and Certificate Fees .....	14,257.17	13,642.00	12,147.00	11,500.00
<b>Department of Public Instruction</b>				
State Board of Medical Education and Licensure Fees .....	41,131.00	59,389.00	54,258.00	58,804.00
State Board of Pharmacy Fees .....	51,329.25	50,122.12	53,359.56	55,710.00
State Dental Council and Examining Board Fees .....	27,172.88	37,086.41	28,226.30	28,046.00
State Board of Optometrical Examiners Fees .....	13,186.89	17,457.00	23,347.35	17,800.00
State Board of Osteopathic Examiners Fees .....	5,532.00	8,143.00	5,016.00	7,178.00
Osteopathic Surgeons Examining Board Fees .....	.....	.....	626.00	150.00
State Board of Examiners for Registration of Nurses Fees .....	46,259.99	65,883.18	83,870.50	92,040.00
State Board of Undertakers Fees .....	11,682.00	30,750.00	23,564.00	22,225.00
State Board of Veterinary Medical Examiners Fees .....	2,030.00	5,568.14	2,934.00	2,954.00
State Board of Examiners of Public Accountants Fees .....	5,190.00	5,565.00	6,490.00	6,500.00
State Board of Examiners of Architects Fees .....	4,620.00	4,590.00	4,895.00	4,600.00
State Registration Board for Professional Engineers Fees .....	6,921.10	14,619.00	12,227.50	14,800.00
Real Estate Broker and Salesman License Fees .....	.....	.....	157,488.75	181,800.00
Motion Picture Examination Fees .....	247,041.75	297,248.95	257,459.30	271,700.00
State Library and Museum Fees .....	.....	.....	929.66	870.00
Miscellaneous Fees .....	6,782.00	9,888.00	12,415.00	16,050.00
<b>Public Service Commission</b>				
Filing and Copy Fees .....	*	\$ 24,471.00	\$ 32,075.43	\$ 32,300.00
Testing Fees .....	*	*	24,972.00	24,435.00
<b>Department of Revenue</b>				
Certificate and Copy Fees .....	.....	.....	3,248.06	3,000.00
<b>Department of State</b>				
Commission and Filing Fees .....	*	*	434,652.77	428,540.00
Recorder of Deeds Fees .....	*	*	33,230.00	37,000.00
Voting Machine Examination Fees .....	.....	.....	1,350.00	.....

\* Included in Fees of Public Officers.

# Deposited in Special Fund.

## GENERAL FUND REVENUES AND RECEIPTS (Continued)

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
LICENSES AND FEES (Continued)				
Department of Welfare				
Solicitation Fees .....	#	30,002.00	384.00	443.00
Alcohol Permit Licenses .....			29,900.00	30,000.00
Maternity Hospital Licenses .....			1,060.00	1,600.00
Board of Commissioners of Navigation Licenses .....	#	#	1,094.48	600.00
Fees of Public Offices .....	\$ 600,777.55*	701,239.44*		
TOTAL LICENSES AND FEES .....	\$ 2,274,346.72	\$ 5,002,628.87	\$ 5,359,991.13	\$ 5,451,190.00
FINES AND PENALTIES				
Dog Law Fines .....	#	\$ 74,665.00	\$ 77,820.30	\$ 53,500.00
Department of Agriculture				
General Food Fines .....	\$ 26,580.00	33,036.40	33,035.00	26,000.00
Feeding Stuffs Fines .....	9,731.00	7,300.00	6,680.00	7,000.00
Carbonated Beverage Fines .....	1,995.00	6,597.50	5,850.00	6,000.00
Sausage Fines .....	5,694.00	4,800.00	5,897.00	4,000.00
Milk Fines .....	11,465.00	4,399.25	4,475.00	4,000.00
Milk Container Fines .....	5,253.75	1,908.00	1,100.00	1,000.00
Milk Testing Fines .....	1,715.00	1,345.00	1,415.50	1,200.00
Coffee and Chicory Fines .....		3,024.00		
Egg Fines .....	4,870.00	2,550.00	2,065.00	1,800.00
Fertilizer Fines .....	5,450.00	2,550.00	1,075.00	1,000.00
Butter Fines .....	5,600.00	1,800.00	3,600.00	2,000.00
Meat Fines .....	4,810.33	2,607.00	2,994.00	2,000.00
Meat Hygiene Fines .....			4,592.00	5,000.00
Oleomargarine Fines .....	800.00	1,248.25	1,800.00	1,800.00
Vinegar Fines .....	2,010.00	1,150.00	350.00	200.00
Cold Storage Fines .....	1,761.00	1,100.00	715.00	800.00
Plant Pest Law Fines .....		1,005.50	237.00	800.00
European Corn Borer and Japanese Beetle Fines .....	1,291.00			
Miscellaneous Fines .....	3,644.00	2,795.00	3,477.00	3,440.00
Department of Forests and Waters				
Tree and Shrubbery Damage Fines .....	125.00		238.00	400.00
Damage to State Property Fines .....	58.00			
State Forest Fines .....	10.00			
Miscellaneous .....		45.00		
Board of Fish Commissioners				
Fishing Fines .....	40.00	#	#	#
Department of Internal Affairs				
Aeronautical Fines .....			700.00	1,500.00
Department of Labor and Industry				
Female Labor Law Fines .....		1,580.00	5,725.00	4,200.00
Minor Labor Law Fines .....	100.00	715.00	2,515.00	2,400.00
Fire Alarm and Panic Fines .....	1,415.00	315.00	395.00	430.00
Factory Act Fines .....	1,470.00	305.00	345.00	240.00
Motion Picture Building Fines .....	175.00	265.00	10.00	
Bake Shop Fines .....	40.00	20.00	35.00	40.00
Sanitary Law Fines .....	35.00	20.00	45.00	40.00
Bedding and Upholstery Fines .....	#	#	1,220.00	800.00
Labor Law Fines .....	7,215.00			
Crane Code Fines .....	25.00			
Scaffold Regulation Fines .....	25.00			
Department of Military Affairs				
Boxing and Wrestling Fines .....	#	#	\$ 2,733.86	\$ 3,000.00
Court Martial Fines .....	\$ 276.25	\$ 7,140.09	\$ 3,573.50	\$ 4,000.00
Department of Public Instruction				
Motion Picture Law Fines .....	1,770.00	2,870.00	2,690.00	2,400.00
Professional Examining Board Fines .....	11,910.09	9,735.00	9,425.00	10,900.00
Miscellaneous .....		10.00		
Public Service Commission				
Violation of Orders Fines .....		850.00	2,250.00	750.00
Department of Revenue				
Registered Container Fines .....	629.00	1,534.00	1,111.50	1,300.00
Sabbath Breaking Fines .....	161.00		387.00	200.00
Pennsylvania State Police				
Summary Court Fines .....			30.17	40.00
State Police Fines .....	35.00			
Miscellaneous Fines .....	154.60	336.52		
Miscellaneous				
Cigarette Fines .....	50.00	25.00	125.00	150.00
Blocking Railroad Crossing Fines .....	62.50	12.50		
Gambling Law Fines .....	25.00			
Trespass Fines .....	12.00			
Miscellaneous .....		26.50		
TOTAL FINES AND PENALTIES .....	\$ 118,482.52	\$ 179,685.51	\$ 190,731.83	\$ 154,480.00

\* Included in Fees of Public Officers.

# Deposited in Special Fund.



## APPENDIX TO THE

## GENERAL FUND REVENUES AND RECEIPTS (Continued)

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
MISCELLANEOUS REVENUE				
Interest on Deposits .....	\$ 745,977.96	\$ 1,897,556.31	\$ 1,861,782.85	\$ 1,300,000.00
Penalty on Interest on Deposits .....		1,826.85	2,100.59	2,000.00
Delaware River Bridge Tolls .....	#	1,135,779.68	1,483,314.17	1,400,000.00
Escheats .....	156,669.93	180,147.06	206,243.71	200,000.00
Department of Agriculture				
Sale of Surplus Products .....		2,151.97	4,107.31	4,000.00
Recovered Damages—Dog Law .....		4,372.15	2,522.90	3,000.00
Reimbursement—Plant Pest Law .....			1,165.11	500.00
Department of Forests and Waters				
Costs of Extinction of Forest Fires .....		14,833.58	17,862.48	15,000.00
Recovered Damages .....		178.75	352.40	400.00
Sale of Seedlings .....		34,602.33	39,838.67	32,000.00
Sale of Surplus Products .....			7,138.45	14,000.00
Rental of Telephone Lines .....	1,975.67	1,515.75	1,424.27	1,400.00
Miscellaneous .....	.60	90.59	1,294.06	900.00
Pymatuning Project Revenue .....	13,157.00	15,340.23	18,968.33	20,900.00
Aid Under Water Power Act .....	583.68	62.96		
Washington Crossing Park—Rent .....		3,000.00		
Department of Health				
Borough Refunds .....			3,679.87	3,000.00
Vital Statistics Transcripts—Federal Government .....			15,893.99	18,800.00
Miscellaneous .....			1,687.67	300.00
Department of Highways				
Contract Deposit Forfeitures .....		7,100.00	9,000.00	
Rental of Toll Houses .....			898.00	816.00
State Highway Bridges Income .....			2,297.95	
Sale of Highway Blue Prints .....	16,075.50			
Sale of Highway Maps .....	3,762.00			
Miscellaneous .....		1.80		
Department of Justice				
Miscellaneous .....			1,316.69	
Department of Labor and Industry				
Sale of Testimony—State Workmen's Insurance Board .....	\$ 5,363.65	\$ 612.50		
Recovery of Compensation Paid to Injured State Employees ..			758.73	
Department of Military Affairs				
Sale of Surplus Products .....			15,481.35	\$ 10,750.00
Recovery on Surety Bonds .....			10,000.00	
Miscellaneous—Mt. Gretna .....			3,189.63	1,585.00
Rentals—State Armories .....			57,533.52	34,783.00
Sale of Military Stores .....	2,149.62	2,276.91	83.18	
Boxing Purse Forfeitures—State Athletic Commission .....			7,880.54	4,200.00
Miscellaneous .....			486.94	
Department of Mines				
Sale of Mine Record Books .....		1,744.43		
Department of Property and Supplies				
Sale of Publications .....	574.08	4,965.63	6,855.39	9,000.00
Sale of Unserviceable Property .....	43,645.65	132,669.13	23,187.35	21,400.00
Sale of Documents, Waste Paper .....			5,181.48	6,000.00
Rent of State Property .....	4,926.91	100,183.17	8,185.96	7,000.00
Recovery on Surety Bonds .....			134.00	
Recovered Damages .....	307.50	500.00	427.09	
Mileage of State Automobiles .....			5,482.94	8,000.00
Contract Forfeitures and Damages .....			2,836.55	2,664.00
Miscellaneous .....	649.78	1,158.00	4,156.29	4,320.00
Department of Public Instruction				
Miscellaneous .....			15,003.37	
Department of Revenue				
Federal Water Power Contributions .....			70.50	
Reimbursement for Tax Liens .....			53.04	
Pennsylvania State Police				
Reimbursement for Lost Property .....			309.95	340.00
Miscellaneous .....	2,100.00		80.67	80.00
Department of Welfare				
Forfeiture of Alcohol Permit Bonds .....		20,300.00	41,335.43	42,000.00
Miscellaneous				
Conscience Money .....	330.00	239.20	564.56	
Surplus Funds—Departments, Boards and Commissions other than State Institutions .....		83,028.84	984.53	
Former Teachers Fund Balance .....		.92		
Receipts Credited to Special Funds in Error .....		2,362.10		
Miscellaneous Refunds .....	27,414.57	20,502.15		
TOTAL MISCELLANEOUS REVENUE .....	\$ 1,025,664.10	\$ 3,669,102.99	\$ 3,893,137.48	\$ 3,189,138.00

# Deposited in Special Fund.

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## GENERAL FUND REVENUES AND RECEIPTS (Continued)

Sources	Actual		Actual and Estimated	Estimated
	1925-1927	1927-1929	Estimated 1929-1931	1931-1933
INSTITUTIONAL REVENUE				
State Teachers Colleges .....	#	#	\$ 5,821,849.90	\$ 6,058,709.00
Schools for the Deaf .....	#	#	35,776.05	40,000.00
Schools for Vocational Education .....	#	#	350.46	323.00
Medical and Surgical Hospitals .....	#	#	1,146,126.43	1,213,671.00
Hospitals for Insane and Institutions for Feeble-Minded and Epileptics .....	#	#	4,689,393.40	5,481,667.00
Penal and Correctional Institutions .....	#	#	3,576,929.01	4,296,591.00
Soldiers' and Sailors' Home .....	#	#	1,041.20	525.00
Care and Maintenance of Insane and Feeble-Minded .....	\$ 513,721.33	\$ 645,937.93	330,403.16	248,000.00
Surplus Funds—State Institutions .....	#	#	853,633.65	.....
Undistributed Interest—State Institutions .....	#	#	5,251.06	.....
Federal Contributions for Soldiers' and Sailors' Home .....	38,130.00	42,809.00	49,590.00	42,809.00
TOTAL INSTITUTIONAL REVENUE .....	\$ 551,851.33	\$ 688,746.93	\$ 16,510,344.32	\$ 17,382,295.00
TOTAL REVENUE EXCLUDING TRANSFERS .....	\$ 140,613,701.04	\$ 158,736,199.82	\$ 192,462,768.23	\$ 159,174,528.00
TRANSFERS FROM OPERATING SPECIAL FUNDS .....	245,353.50	710,809.34	41,761.17	.....
TOTAL REVENUE .....	\$ 140,859,054.54	\$ 159,447,009.16	\$ 192,504,529.40	\$ 159,174,528.00
RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES				
Federal Government				
Vocational Education .....	\$ 1,137,983.91	\$ 1,073,103.57	\$ 644,197.46	\$ 1,341,273.00
Rehabilitation .....			108,773.39	.....
National Forests Revenue Allotment .....	9,709.94	2,933.89	4,817.02	2,000.00
Nautical School .....	50,000.00	50,000.00	50,000.00	50,000.00
Pennsylvania State College .....	100,000.00	100,000.00	100,000.00	100,000.00
Interest Due Federal Government .....	23,993.18	22,458.70	329.94	.....
Aid to Highways .....	985.86	#	#	#
Childrens Welfare Hygiene .....	187,621.98	156,432.97	.....	.....
Aid to Tuberculosis Fund .....	3,972.00	.....	.....	.....
Aid to National Park and Harbor Commission, Erie .....	5,000.00	.....	.....	.....
National Forest Receipts .....	483.45	.....	.....	.....
Forest Protection .....	.....	93,594.71	#	#
Aid for Nursery .....	.....	11,199.83	#	#
Liquid Fuels Tax Payable to Counties .....	#	8,362,583.42	32,232.63	#
Miscellaneous				
Annuity for Right of Way .....	20,000.00	20,000.00	20,000.00	20,000.00
Purchase and Erection of Armories .....	.....	.....	39,500.00	.....
Contributions for Cook Forest Purchases .....	.....	200,000.00	.....	.....
Contributions for Prevention and Control of Forest Fires .....	53,461.45	104.50	1.75	.....
Contributions for Forestry Purposes .....	.....	204.80	.....	.....
State Aid Highways .....	.....	192,473.19	#	#
State Aid Maintenance .....	.....	101,436.03	#	#
Borough Maintenance and Repairs .....	2,199,104.54	8,666.25	#	#
Construction of State Highways .....	.....	35,756.49	#	#
Department of Health—Borough Refunds .....	.....	4,710.20	.....	.....
Department of Health—Miscellaneous Refunds .....	.....	151.72	.....	.....
Salaries and Expenses of Mine Inspectors .....	.....	52.06	.....	.....
Refunds to Federal Government—Plant Pest Law .....	.....	4,374.35	#	#
Sale of Land to Pennsylvania Railroad Company for Soldiers' and Sailors' Memorial Bridge .....	.....	45,105.00	.....	.....
Refunded Cash—Credited to Appropriations .....	136,452.69	.....	.....	.....
TOTAL RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES .....	\$ 3,928,769.00	\$ 10,485,341.68	\$ 999,852.19	\$ 1,513,273.00
TOTAL GENERAL FUND REVENUE AND RECEIPTS .....	\$ 144,787,823.54	\$ 169,932,350.84	\$ 193,504,381.59	\$ 160,687,801.00

# Deposited in Special Fund.



## APPENDIX TO THE

## MOTOR LICENSE FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
LIQUID FUELS TAX, PENALTIES AND INTEREST				
Liquid Fuels Tax .....			\$ 55,672,974.29	\$ 53,750,000.00
Liquid Fuels Tax Penalties .....	\$ 15,446,104.22	\$ 35,739,256.29	80,086.33	130,000.00
Liquid Fuels Tax Interest .....			14,817.81	23,000.00
TOTAL LIQUID FUELS TAX, PENALTIES AND INTEREST	\$ 15,446,104.22	\$ 35,739,256.29	\$ 55,767,878.43	\$ 53,903,000.00
MOTOR LICENSES AND FEES				
Motor Vehicle Licenses .....		\$ 29,014,580.30	\$ 32,072,892.90	\$ 36,738,000.00
Commercial Motor Vehicle and Truck Tractor Licenses .....		13,023,935.00	16,039,299.61	18,220,800.00
Motor Bus and Omnibus Licenses .....		697,719.48	1,422,281.35	1,600,200.00
Tractor Licenses .....		47,775.50	45,089.25	46,800.00
Trailer and Semi-Trailer Licenses .....		101,422.50	153,726.50	149,000.00
Motorcycle and Motor Bicycle Licenses .....		68,398.25	64,997.00	74,200.00
Manufacturers', Jobbers' and Dealers' Licenses .....		707,926.00	698,835.00	741,700.00
Operators' Licenses .....		4,997,468.50	9,311,841.50	10,446,500.00
Certificates of Title Fees .....		3,445,268.00	3,423,897.00	3,999,500.00
Transferring Registration Fees .....	\$ 48,345,370.79	1,354,397.34	1,586,815.49	1,915,000.00
Duplicate Registration Card Fees .....		21,193.00	25,959.00	28,600.00
Fees for Certified Copies of Records .....		1,488.00	2,075.00	2,300.00
Special Hauling Permit Fees .....		7,425.00		
Testing Fees .....		1,150.00	2,845.00	2,400.00
Uncollectible Check Fees .....		36,945.00	44,015.60	46,700.00
Returned Checks .....		143,731.93	192,211.54	210,300.00
Miscellaneous Licenses and Fees .....		849.98	2,733.78	2,700.00
Less: Returned Checks .....		—148,837.46*	—208,602.63*	—228,600.00*
TOTAL MOTOR LICENSES AND FEES .....	\$ 48,345,370.79	\$ 53,524,836.32	\$ 64,880,912.89	\$ 73,996,300.00
FINES AND PENALTIES				
Motor Law Fines .....	\$ 748,998.53	\$ 1,022,814.05	\$ 1,164,914.39	\$ 1,453,700.00
Liquid Fuels Tax Fines .....		500.00	4,050.00	4,000.00
TOTAL FINES AND PENALTIES .....	\$ 748,998.53	\$ 1,023,314.05	\$ 1,168,964.39	\$ 1,457,700.00
MISCELLANEOUS REVENUE				
Interest on Deposits—Motor License Fund .....		\$ 1,213,436.32	\$ 1,412,358.33	\$ 1,000,500.00
Interest on Deposits—Liquid Fuels Tax Fund .....	\$ 600,637.52		48,499.90	33,000.00
Interest on Overdue Accounts .....		2,832.73	11,699.37	6,000.00
Penalty on Interest on Deposits—Motor License Fund .....		232.56		
Highway Encroachment Permits .....	92,448.38	123,716.00	195,607.61	185,000.00
Rental of State Equipment .....		5,327.60	26,695.25	30,000.00
Rent of State Property .....	1,827.62	2,000.00	2,000.00	2,400.00
Sale of Maps and Plans .....	633.50	18,222.96	28,263.41	22,400.00
Sale of Unserviceable Property .....	6,533.17	2,421.05	15,595.24	10,000.00
Sale of Registration Lists .....	19,687.81	22,254.24	46,408.89	50,000.00
Miscellaneous Refunds .....	136,533.77			
Miscellaneous Revenue .....	1,625.00	31,397.78	5,808.09	4,800.00
TOTAL MISCELLANEOUS REVENUE .....	\$ 859,926.77	\$ 1,421,841.24	\$ 1,792,936.09	\$ 1,344,100.00
TRANSFERS FROM OTHER FUNDS				
Appropriation from General Fund for North Office Building ..			\$ 2,905,340.11	
Highway Maintenance Appropriations from General Fund ..			101,311.59	
Balance from State Bond Road Fund .....			.27	
TOTAL TRANSFERS FROM OTHER FUNDS .....			\$ 3,006,651.97	
TOTAL REVENUE .....	\$ 65,400,400.31	\$ 91,709,247.90	\$ 126,617,343.77	\$ 130,701,100.00
CONSTRUCTION AND MAINTENANCE CONTRIBUTIONS				
Federal Aid .....	\$ 274,946.45	\$ 3,748,380.16	\$ 9,366,766.41	\$ 11,000,000.00
Special Emergency Federal Aid .....				3,512,943.00
Highway Construction Contributions .....	2,250,446.75	3,014,280.00	7,823,386.15	3,375,377.00
Highway Maintenance Contributions .....	234,503.29	530,505.02	362,794.43	100,000.00
TOTAL CONSTRUCTION AND MAINTENANCE CONTRI- BUTIONS .....	\$ 2,759,896.49	\$ 7,293,165.18	\$ 17,552,946.99	\$ 17,688,320.00
TOTAL .....	\$ 68,160,296.80	\$ 99,002,413.08	\$ 144,170,290.76	\$ 148,389,420.00
CREDITS TO APPROPRIATIONS				
State Aid Highway Construction Appropriation Credits .....	\$ 449,193.02	\$ 4,686,541.93	\$ 3,490,422.75	\$ 1,000,000.00
Transfer of State Aid Highway Appropriations from General Fund .....			435,547.42	
TOTAL CREDITS TO APPROPRIATIONS .....	\$ 449,193.02	\$ 4,686,541.93	\$ 3,925,970.17	\$ 1,000,000.00
TOTAL MOTOR LICENSE FUND REVENUE AND RECEIPTS	\$ 68,609,489.82	\$ 103,688,955.01	\$ 148,096,260.93	\$ 149,389,420.00

\* Indicates deduction.

## MOTOR LICENSE FUND RECAPITULATION

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
Liquid Fuels Tax, Penalties and Interest .....	15,446,104.22	\$ 35,739,256.29	\$ 55,767,878.43	\$ 53,303,000.09
Motor Licenses and Fees .....	48,345,370.79	53,524,836.32	61,880,912.89	73,396,300.09
Fines and Penalties .....	748,998.53	1,023,314.05	1,168,964.39	1,457,700.99
Miscellaneous Revenue .....	859,926.77	1,421,841.24	1,792,936.09	1,344,100.00
Transfers from Other Funds .....			3,006,651.97	
Total Revenue .....	\$ 65,400,400.31	\$ 91,709,247.90	\$ 126,617,343.77	\$ 130,701,100.00
Construction and Maintenance Contributions .....	2,759,896.49	7,293,165.18	17,552,946.99	17,588,320.00
Total .....	\$ 68,160,296.80	\$ 99,002,413.08	\$ 144,170,290.76	\$ 148,389,420.00
State Aid Highway Appropriation Credits .....	449,193.02	4,686,541.93	3,925,970.17	1,000,000.00
TOTAL MOTOR LICENSE FUND REVENUE AND RECEIPTS	\$ 68,609,489.82	\$ 103,688,955.01	\$ 148,096,260.93	\$ 149,389,420.00

NOTE: The Revenues and Receipts to the Motor License Fund for 1931-33 are estimated upon the basis of the present laws. Federal Aid to become available during the biennium 1931-33 and the Special Emergency Federal Aid Allotment which must be expended prior to September 1, 1931 are included in the estimate.

## FISH FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated	Estimated
	1925-1927	1927-1929	1929-1931	1931-1933
LICENSES AND FEES				
Resident Fishing Licenses .....	\$ 532,378.09	\$ 738,691.07	\$ 800,318.05	\$ 311,495.00
Non-Resident Fishing Licenses .....	31,749.41	41,840.37	45,114.00	46,680.00
Lake Erie Licenses .....	11,404.00	8,413.00	10,714.00	12,285.00
Commercial Hatchery Licenses .....	594.00	679.00	1,635.00	1,975.00
Seine Licenses .....	436.00	38.00	12.00	12.00
TOTAL LICENSES AND FEES .....	\$ 576,561.50	\$ 789,661.44	\$ 857,793.05	\$ 872,447.00
FINES AND PENALTIES				
Fish Law Fines .....	\$ 34,449.70	\$ 38,558.80	\$ 40,356.50	\$ 36,250.00
MISCELLANEOUS REVENUE				
Interest on Deposits .....	\$ 13,958.31	\$ 18,064.05	\$ 25,989.65	\$ 25,500.00
Contributions for Restocking Streams .....		5,300.00	9,210.00	8,000.00
Sale of Unserviceable Property .....			186.00	
Miscellaneous .....	267.05	59.23		
TOTAL MISCELLANEOUS REVENUE .....	\$ 14,225.36	\$ 23,423.28	\$ 35,385.65	\$ 33,500.00
TOTAL FISH FUND REVENUE .....	\$ 625,236.56	\$ 851,643.52	\$ 933,535.20	\$ 942,197.00

## GAME FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated	Estimated
	1925-1927	1927-1929	1929-1931	1931-1933
LICENSES AND FEES				
Resident Hunting Licenses .....	\$ 1,199,201.23	\$ 1,786,165.70	\$ 1,976,408.82	\$ 1,919,000.00
Non-Resident Hunting Licenses .....	91,727.90	88,073.30	158,203.40	136,500.00
Special Game Licenses .....	7,959.00	4,291.00	16,072.00	16,500.00
Special Deer Licenses .....	19,378.00	148,818.53	62,974.00	.....
TOTAL LICENSES AND FEES .....	\$ 1,318,266.13	\$ 2,027,348.53	\$ 2,213,658.22	\$ 2,072,000.00
FINES AND PENALTIES				
Game Law Fines .....	\$ 119,782.77	\$ 128,322.50	\$ 150,389.50	\$ 132,500.00
MISCELLANEOUS REVENUE				
Interest on Deposits .....	\$ 13,353.87	\$ 33,443.60	\$ 28,920.67	\$ 28,000.00
Sale of Skins and Guns .....	684.33	3,851.16	6,062.16	6,000.00
Sale of Unserviceable Property .....	12.00	92.00	25.00	.....
Contributions for Deer Fences .....	1,091.41	.....	.....	.....
Sale of Real Estate .....	.....	.....	63,571.62	.....
Miscellaneous .....	3,371.00	.....	260.51	.....
TOTAL MISCELLANEOUS REVENUE .....	\$ 18,640.61	\$ 37,385.76	\$ 103,839.95	\$ 34,000.00
TOTAL GAME FUND REVENUE .....	\$ 1,456,689.51	\$ 2,193,057.79	\$ 2,467,887.68	\$ 2,239,500.00



## APPENDIX TO THE

## BANKING DEPARTMENT FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
LICENSES AND FEES				
Examination Fees .....	\$ 800,611.18	\$ 948,479.51	\$ 1,051,983.37	\$ 1,188,675.00
Overhead Assessment Fees .....	177,967.44	134,667.02	192,851.23	237,382.00
Money Lenders Licenses .....	33,300.00	51,850.00	70,950.00	68,000.00
Steamship Ticket Agents Licenses .....	21,450.00	.....	.....	.....
Miscellaneous Licenses .....	1,328.61	62.00	162.00	64.00
Miscellaneous Fees .....	2,644.65	4,333.70	3,336.47	3,982.00
TOTAL LICENSES AND FEES .....	\$ 1,037,301.88	\$ 1,139,392.23	\$ 1,319,283.07	\$ 1,498,103.00
MISCELLANEOUS REVENUE				
Interest on Deposits .....	\$ 2,935.66	\$ 3,797.44	\$ 2,812.51	\$ 3,541.00
Sale of Publications .....	.....	.....	112.00	.....
Sale of Unserviceable Property .....	.....	23.78	.....	.....
Miscellaneous .....	695.04	.....	.....	.....
TOTAL MISCELLANEOUS REVENUE .....	\$ 3,630.70	\$ 3,821.22	\$ 2,924.51	\$ 3,541.00
TOTAL BANKING DEPARTMENT FUND REVENUE .....	\$ 1,040,932.58	\$ 1,143,213.45	\$ 1,322,207.58	\$ 1,501,644.00

## SECURITIES COMMISSION FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
LICENSES AND FEES				
Dealers Application Fees .....	\$ 178,370.00	\$ 19,480.00	\$ 19,760.00	\$ 20,240.00
Dealers Registration Fees .....		64,680.00	61,220.00	64,000.00
Salesmen Application Fees .....		34,900.00	40,650.00	35,388.00
Salesmen Registration Fees .....		100,790.00	127,310.00	121,740.00
Certified Copies Fees .....		10.80		
Miscellaneous Fees .....			2.00	
TOTAL LICENSES AND FEES .....	\$ 178,370.00	\$ 219,860.80	\$ 248,942.00	\$ 241,360.00
MISCELLANEOUS REVENUE				
Interest on Deposits .....	\$ 7,908.39	\$ 7,468.56	\$ 8,880.96	\$ 9,000.00
Miscellaneous .....	40.38		44.24	
TOTAL MISCELLANEOUS REVENUE .....	\$ 7,949.28	\$ 7,468.56	\$ 8,925.20	\$ 9,000.00
TOTAL SECURITIES COMMISSION FUND REVENUES...	\$ 186,319.28	\$ 227,329.36	\$ 257,867.20	\$ 250,360.00

## STATE FARM PRODUCTS SHOW FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
FEES				
Exhibit Fees—Competitive .....			\$ 6,183.70	\$ 8,800.00
Exhibit Fees—Commercial .....			58,531.25	80,200.00
Exhibit Fees—State Agencies .....			4,282.50	6,000.00
TOTAL FEES .....			\$ 66,977.45	\$ 95,000.00
MISCELLANEOUS REVENUE				
Concession Revenue .....		Maintained outside	\$ 2,218.08	\$ 4,000.00
Service Charges .....		State Treasury .....	1,992.04	2,000.00
Sale of Exhibits—Net Proceeds .....		these periods	611.66	200.00
Sale of Exhibits—Commissions .....			1,142.11	1,400.00
Interest on Deposits .....			75.94	
Transfer of Abolished Fund .....			3,728.41	
TOTAL MISCELLANEOUS REVENUE .....			\$ 9,768.24	\$ 7,600.00
TOTAL STATE FARM PRODUCTS SHOW FUND REVENUE				
			\$ 76,745.69	\$ 102,600.00

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## FEDERAL ALLOTMENT FOREST PROTECTION FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
Allotment of Federal Appropriation .....	Maintained in General Fund these periods		\$ 107,632.73	\$ 99,880.00
Interest on Deposits .....			336.78	120.00
Total .....			\$ 107,969.51	\$ 100,000.00
Transfer of Balance of Federal Appropriation from General Fund .....			10,102.38	.....
<b>TOTAL FEDERAL ALLOTMENT FOREST PROTECTION FUND REVENUE .....</b>			<b>\$ 118,071.89</b>	<b>\$ 100,000.00</b>

## FEDERAL FOREST NURSERY FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
Federal Appropriations .....	Maintained in General Fund these periods		\$ 4,950.00	\$ 4,000.00
Interest on Deposits .....			25.04	10.00
Total .....			\$ 4,975.04	\$ 4,010.00
Transfer of Balance of Federal Appropriation from General Fund .....			1.27	.....
<b>TOTAL FEDERAL FOREST NURSERY FUND REVENUE...</b>			<b>\$ 4,976.31</b>	<b>\$ 4,010.00</b>

## ABOLISHED OPERATING SPECIAL FUND REVENUES AND RECEIPTS

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
<b>DOG FUND</b>				
Dog Licenses .....	\$ 1,208,889.99	.....	.....	.....
Dog Law Fines .....	111,361.91	.....	.....	.....
Interest on Deposits .....	11,366.15	.....	.....	.....
Sale of Farm Products .....	2,369.68	.....	.....	.....
Sale on State Property .....	625.42	.....	.....	.....
Miscellaneous .....	1,797.33	.....	.....	.....
<b>TOTAL DOG FUND .....</b>	<b>\$ 1,336,410.48</b>	.....	.....	.....
<b>EXPERIMENTAL AGRICULTURE FUND</b>				
Interest on Deposits .....	\$ 442.13	\$ 29.40	.....	.....
<b>TOTAL EXPERIMENTAL AGRICULTURE FUND .....</b>	<b>\$ 442.13</b>	<b>\$ 29.40</b>	.....	.....
<b>BUREAU OF MARKETS FUND</b>				
Farm Products Inspection Fees .....	\$ 12,266.41	.....	.....	.....
Interest on Deposits .....	88.89	.....	.....	.....
<b>TOTAL BUREAU OF MARKETS FUND .....</b>	<b>\$ 12,355.30</b>	.....	.....	.....
<b>CARBONATED BEVERAGE FUND</b>				
Carbonated Beverage Licenses .....	\$ 87,750.00	.....	.....	.....
Carbonated Beverage Fines .....	5,009.00	.....	.....	.....
Interest on Deposits .....	931.62	.....	.....	.....
<b>TOTAL CARBONATED BEVERAGE FUND .....</b>	<b>\$ 93,690.62</b>	.....	.....	.....
<b>STATE BOND ROAD FUND</b>				
Sale of Bonds .....	\$ 30,000,000.00	.....	.....	.....
Premiums on Bonds Sold .....	599.00	.....	.....	.....
Accrued Interest on Bonds Sold .....	129,400.91	.....	.....	.....
Federal Aid .....	8,575,340.39	\$ 3,162,541.65	.....	.....
State Highway Construction Contributions .....	7,970,890.39	3,065,948.38	.....	.....
Interest on Deposits .....	574,995.45	200,536.98	.....	.....
Penalty on Interest on Deposits .....	.....	584.79	.....	.....
Interest on Overdue Accounts .....	.....	1,530.10	.....	.....
Miscellaneous .....	14,154.32	42,149.65	.....	.....
<b>TOTAL STATE BOND ROAD FUND .....</b>	<b>\$ 47,265,380.45</b>	<b>\$ 6,473,291.55</b>	.....	.....
<b>INSURANCE DEPARTMENT FUND</b>				
Licenses and Fees .....	\$ 684,147.05	.....	.....	.....
Interest on Bank Balances .....	2,107.42	.....	.....	.....
Miscellaneous .....	73.99	.....	.....	.....
<b>TOTAL INSURANCE DEPARTMENT FUND .....</b>	<b>\$ 686,328.46</b>	.....	.....	.....



## APPENDIX TO THE

## ABOLISHED OPERATING SPECIAL FUNDS REVENUES AND RECEIPTS (Continued)

Sources	Actual		Actual and Estimated 1929-1931	Estimated 1931-1933
	1925-1927	1927-1929		
<b>BEDDING AND UPHOLSTERY FUND</b>				
Bedding and Upholstery Fees .....	\$ 93,859.63	\$ 106,150.25	\$ 4,826.15	.....
Bedding and Upholstery Fines .....	190.00	1,545.00	20.00	.....
Interest on Deposits .....	1,331.83	1,210.75	177.24	.....
<b>TOTAL BEDDING AND UPHOLSTERY FUND .....</b>	<b>\$ 95,381.45</b>	<b>\$ 108,906.00</b>	<b>\$ 5,023.39</b>	.....
<b>BOILER INSPECTION FUND</b>				
Boiler Inspection Fees .....	\$ 87,206.04	.....	.....	.....
Interest on Deposits .....	1,773.01	.....	.....	.....
<b>TOTAL BOILER INSPECTION FUND.....</b>	<b>\$ 88,979.05</b>	.....	.....	.....
<b>ELEVATOR INSPECTION FUND</b>				
Elevator Inspection Fees .....	\$ 10,770.00	.....	.....	.....
Interest on Deposits .....	93.10	.....	.....	.....
<b>TOTAL ELEVATOR INSPECTION FUND .....</b>	<b>\$ 10,863.10</b>	.....	.....	.....
<b>STATE ATHLETIC COMMISSION FUND</b>				
Gross Receipts Tax—Boxing and Wrestling Exhibitions .....	\$ 207,589.63	.....	.....	.....
Boxing and Wrestling Licenses .....	39,960.00	.....	.....	.....
Boxing and Wrestling Fines .....	7,348.30	.....	.....	.....
Boxing Purse Forfeitures .....	47.50	.....	.....	.....
Interest on Deposits .....	5,961.51	.....	.....	.....
Miscellaneous .....	8.86	.....	.....	.....
<b>TOTAL STATE ATHLETIC COMMISSION FUND .....</b>	<b>\$ 260,915.80</b>	.....	.....	.....
<b>ENGINEERS FUND</b>				
Fees .....	\$ 1,558.90	.....	.....	.....
Interest on Deposits .....	115.32	.....	.....	.....
<b>TOTAL ENGINEERS FUND .....</b>	<b>\$ 1,674.22</b>	.....	.....	.....
<b>BADGE AND EMBLEM FUND</b>				
Fees .....	\$ 1,410.00	.....	.....	.....
<b>TOTAL BADGE AND EMBLEM FUND .....</b>	<b>\$ 1,410.00</b>	.....	.....	.....
<b>REGISTERED NAMES FUND</b>				
Registration Fees .....	\$ 910.00	.....	.....	.....
Interest on Deposits .....	81.06	.....	.....	.....
<b>TOTAL REGISTERED NAMES FUND .....</b>	<b>\$ 991.06</b>	.....	.....	.....
<b>STANDARDIZATION LABORATORY FUND</b>				
Testing Fees .....	\$ 28,297.00	.....	.....	.....
Interest on Deposits .....	65.43	.....	.....	.....
<b>TOTAL STANDARDIZATION LABORATORY FUND .....</b>	<b>\$ 28,362.43</b>	.....	.....	.....
<b>ALCOHOL PERMIT FUND</b>				
Alcohol Permit Licenses .....	\$ 37,026.53	.....	.....	.....
Miscellaneous Fees .....	24.35	.....	.....	.....
Interest on Deposits .....	65.50	.....	.....	.....
Miscellaneous .....	150.00	.....	.....	.....
<b>TOTAL ALCOHOL PERMIT FUND .....</b>	<b>\$ 37,266.40</b>	.....	.....	.....
<b>DELAWARE RIVER BRIDGE FUND</b>				
Delaware River Bridge Tolls .....	\$ 236,670.71	.....	.....	.....
Interest on Deposits .....	1,296.83	.....	.....	.....
<b>TOTAL DELAWARE RIVER BRIDGE FUND .....</b>	<b>\$ 237,967.54</b>	.....	.....	.....
<b>TOTAL ABOLISHED FUNDS .....</b>	<b>\$ 50,158,418.50</b>	<b>\$ 6,582,226.95</b>	<b>\$ 5,023.39</b>	.....

## SECTION FOUR

## APPROPRIATION LIABILITIES

JUNE 1, 1929 AND DECEMBER 31, 1930

## SUMMARY OF GENERAL FUND APPROPRIATION LIABILITY

JUNE 1, 1929 AND DECEMBER 31, 1930

	Appropriation Liability June 1, 1929	Credits to December 31, 1930	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
<b>APPROPRIATIONS PRIOR TO 1923-1925</b>					
1913-1915 Appropriations .....	\$ 209.63	.....	.....	\$ 209.63	.....
1919-1921 Appropriations .....	7,500.00	.....	\$ 400.00	.....	\$ 7,100.00
1921-1923 Appropriations .....	587,345.79	.....	542,109.01	13,986.78	\$1,250.00
<b>TOTAL APPROPRIATIONS PRIOR TO 1923-25 .....</b>	<b>\$ 595,055.42</b>	<b>.....</b>	<b>\$ 542,509.01</b>	<b>\$ 14,196.41</b>	<b>\$ 38,350.00</b>
<b>1923-1925 APPROPRIATIONS</b>					
Granted by 1923 General Assembly .....	\$ 23,415.60	.....	\$ 6,325.00	\$ 16,693.18	\$ 397.42
Deficiencies Granted by 1927 General Assembly .....	31,362.00	.....	.....	.....	31,362.00
<b>TOTAL APPROPRIATIONS FOR 1923-1925 BIENNIUM .....</b>	<b>\$ 54,777.60</b>	<b>.....</b>	<b>\$ 6,325.00</b>	<b>\$ 16,693.18</b>	<b>\$ 31,759.42</b>
<b>1925-1927 APPROPRIATIONS</b>					
Granted by 1925 General Assembly .....	\$ 1,508,656.57	.....	\$ 307,034.02	\$ 1,148,887.98	\$ 52,734.57
Deficiencies Granted by 1927 General Assembly .....	28,430.71	.....	992.96	22,299.62	5,138.13
Granted by 1926 General Assembly for Special Session .....	867.20	.....	.....	867.20	.....
Deficiencies Granted by 1929 General Assembly .....	92,908.05	.....	69,594.17	20,683.71	2,630.17
<b>TOTAL APPROPRIATIONS FOR 1925-1927 BIENNIUM .....</b>	<b>\$ 1,630,862.53</b>	<b>.....</b>	<b>\$ 377,621.15</b>	<b>\$ 1,192,738.51</b>	<b>\$ 60,502.87</b>
<b>1927-1929 APPROPRIATIONS</b>					
Granted by 1927 General Assembly .....	\$ 13,152,988.10	\$ 426,945.02	\$ 9,570,756.30	\$ 3,251,162.99	\$ 758,013.83
Additional Granted by 1929 General Assembly .....	488,150.75	.....	445,879.07	42,271.68	.....
Deficiencies Granted by 1929 General Assembly .....	309,630.14	.....	217,064.27	92,565.87	.....
<b>TOTAL APPROPRIATIONS FOR 1927-1929 BIENNIUM .....</b>	<b>\$ 13,950,768.99</b>	<b>\$ 426,945.02</b>	<b>\$ 10,233,699.64</b>	<b>\$ 3,386,000.54</b>	<b>\$ 758,013.83</b>
<b>1929-1931 APPROPRIATIONS</b>					
Granted by 1929 General Assembly .....	\$ 189,963,339.07	\$ 293,664.83	\$ 136,255,518.05	\$ 1,682,199.11	\$ 52,319,286.74
Granted by 1929 General Assembly—Available Prior to June 1, 1929 .....	(1) 186,950.66	.....	186,136.81	813.85	.....
<b>TOTAL APPROPRIATIONS FOR 1929-1931 BIENNIUM .....</b>	<b>\$ 190,150,289.73</b>	<b>\$ 293,664.83</b>	<b>\$ 136,441,654.86</b>	<b>\$ 1,683,012.96</b>	<b>\$ 52,319,286.74</b>
<b>ACTS APPROPRIATING SPECIFIC RECEIPTS FOR SPECIAL PURPOSES</b>					
Liquid Fuels to be Returned to Counties ....	\$ 1,106,249.55	\$ 32,232.63	\$ 1,138,482.18	.....	.....
Miscellaneous .....	37,409.91	154,648.71	160,818.14	.....	\$ 31,240.48
<b>TOTAL ACTS APPROPRIATING SPECIFIC RECEIPTS FOR SPECIAL PURPOSES .....</b>	<b>\$ 1,143,659.46</b>	<b>\$ 186,881.34</b>	<b>\$ 1,299,300.32</b>	<b>.....</b>	<b>\$ 31,240.48</b>
<b>TOTALS .....</b>	<b>\$ 207,525,413.73</b>	<b>\$ 907,491.19</b>	<b>\$ 148,901,109.98</b>	<b>\$ 6,292,641.60</b>	<b>\$ 53,239,153.34</b>
<b>1913-1915 APPROPRIATIONS</b>					
<b>DEPARTMENT OF PROPERTY AND SUPPLIES</b>					
246 Perry Memorial Commission .....	\$ 209.63	.....	.....	\$ 209.63	.....
<b>TOTAL 1913-1915 APPROPRIATIONS .....</b>	<b>\$ 209.63</b>	<b>.....</b>	<b>.....</b>	<b>\$ 209.63</b>	<b>.....</b>
<b>1919-1921 APPROPRIATIONS</b>					
<b>DEPARTMENT OF PROPERTY AND SUPPLIES</b>					
410 A Erecting Monument to Colonel Bouquet .....	\$ 7,500.00	.....	\$ 400.00	.....	\$ 7,100.00
<b>TOTAL 1919-1921 APPROPRIATIONS .....</b>	<b>\$ 7,500.00</b>	<b>.....</b>	<b>\$ 400.00</b>	<b>.....</b>	<b>\$ 7,100.00</b>

(1) Total amount appropriated \$700,000.00. Of this amount \$513,049.34 was expended prior to June 1, 1929.



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
<b>1921-1923 APPROPRIATIONS</b>					
DEPARTMENT OF HIGHWAYS					
2 A	Construction of State Highways .....	\$ 3,514.68	\$ 3,514.68	.....	.....
2 A	State Aid .....	435,547.42	435,547.42	.....	.....
2 A	State Aid Maintenance .....	91,011.76	91,011.76	.....	.....
2 A	Borough Maintenance and Repairs .....	6,785.15	6,785.15	.....	.....
2 A	Property Damage .....	13,986.78	.....	\$ 13,986.78	.....
	Total Department of Highways .....	\$ 550,845.79	\$ 536,859.01	\$ 13,986.78	.....
DEPARTMENT OF PROPERTY AND SUPPLIES					
418 A	Monument to Pennypacker .....	\$ 24,500.00	\$ 5,250.00	.....	\$ 19,250.00
418 A	Monument to Pennypacker (Reappropriation) ....	12,000.00	.....	.....	12,000.00
	Total Department of Property and Supplies ....	\$ 36,500.00	\$ 5,250.00	.....	\$ 31,250.00
	TOTAL 1921-1923 APPROPRIATIONS .....	\$ 587,345.79	\$ 542,109.01	\$ 13,986.78	\$ 31,250.00
<b>1923-1925 APPROPRIATIONS</b>					
DEPARTMENT OF THE AUDITOR GENERAL					
44 A	Informants in Escheats .....	\$ 7,281.37	.....	\$ 7,281.37	.....
DEPARTMENT OF PROPERTY AND SUPPLIES					
44 A	Printing and Binding .....	8,520.05	.....	8,520.05	.....
46 A	Toll Bridges—Pennsylvania and New York .....	1.17	.....	.....	1.17
	Total Department of Property and Supplies ....	\$ 8,521.22	.....	\$ 8,520.05	\$ 1.17
DEPARTMENT OF WELFARE					
74 A	Danville State Hospital—Repairs .....	\$ 7,613.01	\$ 6,325.00	\$ 891.76	\$ 396.25
	TOTAL 1923-1925 APPROPRIATIONS .....	\$ 23,415.60	\$ 6,325.00	\$ 16,693.18	\$ 397.42
<b>1923-1925 DEFICIENCIES BY 1927 ASSEMBLY</b>					
DEPARTMENT OF WELFARE					
20 A	Coaldale State Hospital—Construction .....	\$ 31,362.00	.....	.....	\$ 31,362.00
<b>1925-1927 APPROPRIATIONS</b>					
GOVERNOR'S AND LIEUTENANT GOVERNOR'S OFFICES					
Governor					
328 A	Portrait of Governor Pinchot .....	\$ 750.00	.....	.....	\$ 750.00
Lieutenant Governor					
328 A	Portrait of Lieutenant Governor Davis .....	750.00	.....	.....	750.00
	Total Governor's and Lieutenant Governor's Offices .....	\$ 1,500.00	.....	.....	\$ 1,500.00
DEPARTMENT OF THE AUDITOR GENERAL					
328 A	Salaries and General Expenses .....	\$ 54,910.34	.....	\$ 54,910.34	.....
328 A	Informants in Escheats .....	7,898.02	.....	7,898.02	.....
	Total Department of the Auditor General .....	\$ 62,808.36	.....	\$ 62,808.36	.....
DEPARTMENT OF FORESTS AND WATERS					
328 A	County and Township Taxes .....	\$ 926.90	.....	\$ 926.90	.....
289 A	Repairs to Laurel Dam .....	125.05	\$ 29.26	95.79	.....
153	Moral Claims .....	1,835.00	.....	1,835.00	.....
	Total Department of Forests and Waters .....	\$ 2,886.95	\$ 29.26	\$ 28,857.69	.....
DEPARTMENT OF HEALTH					
403	State Hospital for Crippled Children—Construction	\$ 11,223.83	\$ 10,963.55	.....	\$ 530.28
DEPARTMENT OF MILITARY AFFAIRS					
282	Marking Graves of Revolutionary Soldiers .....	\$ 2,965.00	\$ 771.51	\$ 2,193.49	.....
DEPARTMENT OF PROPERTY AND SUPPLIES					
328 A	South Office Building No. 1 .....	\$ 5,473.31	\$ 3,500.00	\$ 1,973.31	.....
328 A	Statue of General Meade .....	21,725.07	365.00	21,360.07	.....
328 A	General Pennypacker Memorial .....	5,000.00	.....	.....	\$ 5,000.00
318 A	Pennsylvania—New York Joint Bridge Commission	23,184.37	13,621.45	.....	9,562.92
	Total Department of Property and Supplies ...	\$ 55,382.75	\$ 17,486.45	\$ 23,333.38	\$ 14,562.92
DEPARTMENT OF PUBLIC INSTRUCTION					
328 A	Normal Schools—Maintenance, Repairs and Improvements .....	\$ 1,689.05	\$ 1,589.00	.....	\$ 100.05
328 A	Normal Schools—Construction .....	745.83	282.00	.....	463.88
328 A	School Subsidies .....	656,693.60	4,899.98	\$ 651,793.62	.....
328 A	Pennsylvania Historical Commission .....	2,944.55	.....	2,944.55	.....
	Total Department of Public Instruction .....	\$ 662,073.03	\$ 6,770.98	\$ 654,738.17	\$ 563.88

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act. No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1925-1927 APPROPRIATIONS (Continued)					
DEPARTMENT OF WELFARE					
Medical and Surgical Hospitals—State-Owned					
92 A	Blossburg—Buildings and Equipment .....	\$ 1,019.71	\$ 1,018.97	.....	\$ .74
40 A	Coaldale—Equipment and Alterations .....	31,586.93	3,959.49	.....	27,627.44
106 A	Scranton—Repairs and Improvements .....	126.38	.....	\$ 126.38	.....
Penal and Correctional Institutions—State-Owned					
115 A	Morganza—Repairs and Improvements .....	1,227.67	1,202.65	25.02	.....
289 A	Western Penitentiary, Pittsburgh—Repairs and Equipment .....	799.52	762.45	37.07	.....
Schools for Mental Defectives and Feeble Minded— State Owned					
116 A	Pennhurst—Repairs and Improvements .....	3,848.72	.....	2,231.48	1,617.24
301 A	Polk—Repairs and Improvements .....	14,240.62	.....	14,240.62	.....
Hospitals for Insane—State Owned					
70 A	Danville .....	37,767.43	37,767.43	.....	.....
30 A	Farview .....	62.53	.....	62.53	.....
38 A	Torrance .....	4,722.40	1,631.28	976.17	2,114.95
36 A	Warren .....	925.29	60.00*	31.29	954.00
43 A	Wernersville .....	955.06	.....	955.06	.....
Total Department of Welfare .....		\$ 97,282.26	\$ 46,282.27	\$ 18,685.62	\$ 32,314.37
MISCELLANEOUS					
283 A	Sesqui Centennial .....	\$ 32,971.57	.....	\$ 32,971.57	.....
313 A	Philadelphia Judgment .....	2,694.15	.....	.....	\$ 2,694.15
274 A	Refund—R. E. Lamberton .....	568.97	.....	.....	568.97
279 A	State College Bonds .....	25,000.00	.....	25,000.00	.....
280 A	Forestry Bonds .....	50,000.00	.....	50,000.00	.....
Total Miscellaneous .....		\$ 111,234.69	.....	\$ 107,971.57	\$ 3,263.12
LEGISLATIVE					
328 A	Senate .....	\$ 21,285.75	.....	\$ 21,285.75	.....
328 A	House of Representatives .....	33,351.95	.....	33,351.95	.....
Total Legislative .....		\$ 54,637.70	.....	\$ 54,637.70	.....
SPECIAL ADMINISTRATIVE COMMISSIONS					
138	Delaware River Bridge .....	\$ 446,662.00	\$ 225,000.00	\$ 221,662.00	.....
TOTAL 1925-1927 APPROPRIATIONS .....		\$ 1,508,656.57	\$ 307,034.02	\$ 1,148,887.98	\$ 52,734.57
1925-1927 DEFICIENCIES BY 1927 ASSEMBLY					
DEPARTMENT OF THE AUDITOR GENERAL					
10 A	Publishing Monthly Money Statements .....	\$ 5,790.76	.....	\$ 5,790.76	.....
DEPARTMENT OF AGRICULTURE					
3 A	Agricultural Exhibits .....	\$ 3,353.43	.....	\$ 3,353.43	.....
DEPARTMENT OF PROPERTY AND SUPPLIES					
10 A	Equipment of Vault Room—Treasury Department	\$ 370.52	.....	\$ 370.52	.....
6 A	Pennsylvania—New York Joint Bridge Commission	5,138.13	.....	.....	\$ 5,138.13
Total Department of Property and Supplies ....		\$ 5,508.65	.....	\$ 370.52	\$ 5,138.13
DEPARTMENT OF WELFARE					
Schools For Feeble Minded and Epileptics—State- Owned					
345 A	Pennhurst State School .....	\$ 2,290.00	.....	\$ 2,290.00	.....
Penal and Correctional Institutions—State-Owned					
15 A	Muncy .....	1,038.42	\$ 992.96	45.46	.....
10 A	Eastern State Penitentiary Site Commission .....	10,449.45	.....	10,449.45	.....
Total Department of Welfare .....		\$ 13,777.87	\$ 992.96	\$ 12,784.91	.....
TOTAL 1925-1927 DEFICIENCIES BY 1927 AS- SEMBLY .....		\$ 28,430.71	\$ 992.96	\$ 22,299.62	\$ 5,138.13
1926 SPECIAL SESSION					
LEGISLATIVE					
House of Representatives .....		\$ 867.20	.....	\$ 867.20	.....

\* Refund Deduction.



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1925-1927 DEFICIENCIES BY 1929 ASSEMBLY					
DEPARTMENT OF WELFARE					
Medical and Surgical Hospitals—State Owned					
8 A	Blossburg State Hospital—Maintenance .....	\$ 2,099.57	\$ 2,099.57	.....	.....
8 A	Blossburg State Hospital—Repairs .....	10,570.27	10,550.15	\$ 20.12	.....
10 A	Hazleton State Hospital—Maintenance .....	9,806.90	.....	9,806.90	.....
11 A	Locust Mountain State Hospital—Maintenance ..	7,596.23	7,596.23	.....	.....
11 A	Locust Mountain State Hospital—Equipment .....	1,426.23	1,426.23	.....	.....
13 A	Nanticoke State Hospital—Maintenance .....	2,762.22	.....	2,762.22	.....
15 A	Phillipsburg State Hospital—Maintenance .....	74.26	74.26	.....	.....
17 A	Scranton State Hospital—Maintenance .....	11,569.29	11,569.29	.....	.....
19 A	Shamokin State Hospital—Maintenance .....	12,000.00	10,287.95	1,712.05	.....
Total Medical and Surgical Hospitals State-Owned .....		\$ 57,904.97	\$ 43,603.68	\$ 14,301.29	.....
Hospitals for Insane—State-Owned					
22 A	Danville State Hospital—Maintenance .....	\$ 6,272.25	\$ 6,272.25	.....	.....
23 A	Torrance State Hospital—Maintenance .....	3,261.82	3,261.82	.....	.....
21 A	Maintenance, Care and Treatment of the Indigent Insane .....	13,844.90	10,573.51	\$ 3,271.39	.....
Total Hospitals for Insane—State Owned .....		\$ 23,378.97	\$ 20,107.58	\$ 3,271.39	.....
Institutions for Feeble Minded and Epileptics—State-Owned					
25 A	Pennhurst State School—Maintenance .....	\$ 3,111.03	.....	\$ 3,111.03	.....
26 A	Laurelton State Village—Construction .....	8,513.08	\$ 5,882.91	.....	\$ 2,630.17
Total Institutions for Feeble Minded and Epileptics—State-Owned .....		\$ 11,624.11	\$ 5,882.91	\$ 3,111.03	\$ 2,630.17
TOTAL 1925-1927 DEFICIENCIES BY 1929 ASSEMBLY .....		\$ 92,908.05	\$ 69,594.17	\$ 20,633.71	\$ 2,630.17
1927-1929 APPROPRIATIONS					
GOVERNOR'S AND LIEUTENANT GOVERNOR'S OFFICES					
347 A	Governor's Office—Salaries and General Expenses	\$ 52,682.70	\$ 26,570.47	\$ 26,112.23	.....
347 A	Lieutenant Governor's office—Contingent Expenses	246.47	246.47	.....	.....
Total Governor's and Lieutenant Governor's Offices .....		\$ 52,929.17	\$ 26,816.94	\$ 26,112.23	.....
DEPARTMENT OF THE AUDITOR GENERAL					
347 A	Salaries and General Expenses .....	\$ 26,456.90	\$ 25,200.40	\$ 1,256.50	.....
347 A	Purchase of Law Books and Patent Indices .....	978.02	127.00	851.02	.....
347 A	Contingent Expenses .....	417.24	331.51	85.73	.....
347 A	Due Retired County Offices .....	1,849.03	.....	1,849.03	.....
347 A	Informants in Escheats .....	6,975.87	.....	6,975.87	.....
347 A	Mileage of Mercantile Appraisers .....	4,685.49	.....	4,685.49	.....
347 A	Costs in Suits Against Delinquent Dealers .....	16.87	.....	16.87	.....
347 A	Fees of County Officers .....	\$ 2,764.00	\$ 35.00	\$ 2,729.00	.....
347 A	Publishing Monthly Money Statements .....	6,988.63	5,415.82	1,572.81	.....
347 A	Refunding Stock Transfer Stamps .....	74.72	.....	74.72	.....
347 A	Refunding Collateral Inheritance Tax .....	14,900.34	1,541.23	13,359.11	.....
347 A	Refunding Retail Liquor Licenses .....	4,386.19	235.18	4,150.92	.....
347 A	Refunding Fees of Examining Boards .....	1,187.00	.....	1,187.00	.....
99 A	Refunding Notary Public Gross Receipts .....	80.92	17.70	63.22	.....
Total Department of the Auditor General .....		\$ 75,761.13	\$ 32,903.84	\$ 42,857.29	.....
TREASURY DEPARTMENT					
347 A	Salary of the Cashier .....	\$ 541.74	.....	\$ 541.74	.....
347 A	Salary of the Assistant Cashier .....	40.33	.....	40.33	.....
347 A	Contingent Expenses .....	3,106.24	\$ 383.23	2,723.01	.....
347 A	Clerk—Board of Finance and Revenue .....	3,000.00	.....	3,000.00	.....
Total Treasury Department .....		\$ 6,688.31	\$ 383.23	\$ 6,305.08	.....
DEPARTMENT OF AGRICULTURE					
347 A	Salaries and General Expenses .....	\$ 50,370.55	\$ 16,151.26	\$ 34,219.29	.....
347 A	State Farm Products Show Commission .....	163.93	100.00*	263.93	.....
347 A	Japanese Beetle .....	3,716.14	1,890.43	1,825.71	.....
347 A	European Corn Borer .....	25,401.07	5,469.45	19,931.62	.....
347 A	Encouraging Agricultural Exhibits .....	.25	.....	.25	.....
Bureau of Animal Industry					
347 A	Salaries and General Expenses .....	129,283.96	58,669.42	70,614.54	.....
347 A	Enforcement of the Dog Law .....	50,070.02	18,156.24	31,913.78	.....
347 A	Animal Indemnities .....	376.65	4,051.91*	.02	\$ 4,431.54
Total Department of Agriculture .....		\$ 259,382.57	\$ 96,181.89	\$ 158,769.14	\$ 4,431.54
DEPARTMENT OF BANKING					
347 A	Supervision and Examination of B. and L. Associations .....	\$ 4,035.15	\$ 3,023.42	\$ 1,011.73	.....

\* Refund Deduction.

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1927-1929 APPROPRIATIONS (Continued)					
DEPARTMENT OF FORESTS AND WATERS					
Forestry					
347 A	Salaries and General Expenses .....	\$ 51,921.04	\$ 51,910.13	\$ 10.91	.....
347 A	Annual Fixed Charges .....	.10	.....	.10	.....
347 A	Control of Forest Fires .....	74,357.38	2,928.88	71,428.50	.....
347 A	Purchase of Land .....	32,964.88	32,964.88	.....	.....
347 A	Maintenance and Development—Cook Forest .....	11,526.64	11,483.31	43.33	.....
168	Cook Forest—Purchase of Land .....	10,000.00	10,000.00	.....	.....
Water and Power Resources Board					
347 A	Salary of Engineer Member .....	1,775.00	450.00	1,325.00	.....
347 A	Salaries and General Expenses .....	5,633.33	5,072.92	610.41	.....
347 A	Expenses—Delaware River Treaty .....	5,000.00	.....	5,000.00	.....
347 A	County and Township Taxes .....	162.83	.....	162.83	.....
347 A	Mortgage—Fort Washington Park .....	41,750.00	.....	41,750.00	.....
54 A	Pymatuning Lands .....	34,393.92	34,393.92	.....	.....
Parks Canal Boards, Etc.					
55 A	Lake Erie and Ohio River Canal Board.....	2,755.64	.....	2,755.64	.....
59 A	Washington Crossing Park—Administration .....	7,120.26	7,119.06	1.20	.....
59 A	Washington Crossing Park—Condemned Land ....	10.00	.....	10.00	.....
58 A	Valley Forge Park Commission .....	2,783.72	2,779.70	4.02	.....
56 A	Pennsylvania State Park and Harbor Commission— Maintenance .....	174.52	173.76	.76	.....
57 A	Pennsylvania State Park and Harbor Commission— Jetties .....	660.48	638.75	21.73	.....
398	Bushy Run Battlefield .....	16,438.05	5,361.86	.....	\$ 11,076.19
60 A	Conrad Welsler Memorial Park .....	3.99	.....	3.99	.....
331 A	Land—Fort Washington Extension of Fairmount Park .....	275,140.00	.....	.....	275,140.00
Total Department of Forests and Waters....		\$ 574,621.78	\$ 165,277.17	\$ 123,128.42	\$ 286,216.19
DEPARTMENT OF HEALTH					
347 A	Salaries and General Expenses .....	\$ 112,785.21	\$ 112,785.21	.....	.....
347 A	State Hospital for Crippled Children .....	108,562.58	104,304.37	.....	\$ 5,258.21
347 A	Sanitary Water Board .....	12,510.37	10,409.91	2,100.46	.....
Total Department of Health .....		\$ 233,858.16	\$ 227,499.49	\$ 2,100.46	\$ 4,258.21
INSURANCE DEPARTMENT					
347 A	Salaries and General Expenses .....	\$ 169,932.35	\$ 2,205.66	\$ 167,725.69	.....
DEPARTMENT OF INTERNAL AFFAIRS					
347 A	Bureau of Topographic and Geologic Survey.....	\$ 21,659.52	\$ 20,868.36	\$ 790.66	.....
DEPARTMENT OF JUSTICE					
347 A	Salaries and General Expenses .....	\$ 86,223.19	\$ 8,435.72	\$ 77,787.47	.....
347 A	Board of Pardons .....	623.22	404.73	218.49	.....
347 A	Board of Commissioners on Uniform State Laws..	196.92	.....	196.82	.....
Total Department of Justice .....		\$ 87,043.23	\$ 8,840.45	\$ 78,202.78	.....
DEPARTMENT OF LABOR AND INDUSTRY					
347 A	Salaries and General Expenses .....	\$ 6.58	\$ 1.08	\$ 5.50	.....
DEPARTMENT OF MILITARY AFFAIRS					
347 A	Memorial—Battle of Monmouth .....	\$ 2,920.32	.....	\$ 2,920.32	.....
347 A	Support of National Guard .....	36,296.92	36,024.25	272.67	.....
347 A	Purchase of Military Stores .....	10,000.00	418.48	9,581.52	.....
347 A	Improvements—Mt. Gretna .....	530.50	530.45	.05	.....
347 A	Riot and Insurrection, Repairs to Armories, Etc..	169,538.92	836.95	168,701.98	.....
347 A	Contingent Expenses .....	386.52	386.52	.....	.....
347 A	Compilation of World War Records .....	4,289.89	163.56	4,126.33	.....
347 A	Land—Mt. Gretna .....	13,400.00	9,629.11	.....	\$ 3,770.89
347 A	Additional Repairs and Improvements—Mt. Gretna	2,360.95	2,360.23	.72	.....
Armory Board					
347 A	Salaries of Members .....	2,400.00	.....	2,400.00	.....
347 A	Maintenance of Armories .....	22,196.93	21,988.21	.....	208.72
347 A	Erection of Armories .....	145,600.32	144,700.66	.....	899.66
State Athletic Commission					
347 A	Secretary of the Commission .....	2,000.00	.....	2,000.00	.....
347 A	Salaries and General Expenses .....	1.60	1.25	.35	.....
Total Department of Military Affairs .....		\$ 411,922.88	\$ 217,039.67	\$ 190,003.94	\$ 4,879.27
DEPARTMENT OF MINES					
347 A	Salary of the Secretary .....	\$ 833.33	.....	\$ 833.33	.....
347 A	Salaries and General Expenses .....	17,333.66	1,600.17	15,733.49	.....
347 A	Salaries and Expenses of Mine Inspectors .....	35,093.85	4,298.94	30,794.91	.....
347 A	Expenses of Examining Boards .....	687.02	687.02	.....	.....
Total Department of Mines .....		\$ 53,947.86	\$ 6,586.13	\$ 47,361.73	.....



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1927-1929 APPROPRIATIONS (Continued)					
DEPARTMENT OF PROPERTY AND SUPPLIES					
347 A	Contingent Fund .....	\$ 810.10	\$ 806.50	\$ 3.60	.....
347 A	Advertising .....	2,206.54	1,162.69	1,043.85	.....
347 A	Light, Heat, Power and Water .....	10,049.86	2,846.62	7,203.24	.....
347 A	Telephone and Telegraph .....	941.58	841.58	.....	.....
347 A	Rent of Offices Outside Capitol .....	6,514.50	250.42	6,264.08	.....
347 A	Additions and Extensions to Power Plant .....	37,467.34	1,609.66	35,857.68	.....
347 A	Surety Bonds—Employees .....	68.27	37.02	31.25	.....
347 A	Capitol Park Improvements .....	52,349.08	22,623.58	.....	\$ 29,725.50
347 A	Repairs—State Library and Museum .....	944.22	.....	944.22	.....
347 A	Alterations—State Arsenal .....	16,923.21	16,923.21	.....	.....
347 A	Recarpeting Halls of Assembly .....	3,701.66	.....	3,701.66	.....
387	North Office Building .....	1,000,000.00	.....	1,000,000.00	.....
44 A	Monument to John Morton .....	10,000.00	.....	.....	10,000.00
45 A	Commission—Executive Mansion .....	5,000.00	.....	5,000.00	.....
46 A	Boise Penrose Monument .....	17,000.00	17,000.00	.....	.....
47 A	Curtin-Parke Monument .....	13,125.00	11,908.22	.....	1,216.78
Bureau of Publications					
347 A	Printing .....	\$ 32,183.13	\$ 32,183.13	.....	.....
Total Department of Property and Supplies .....		\$ 1,209,184.49	\$ 108,192.63	\$ 1,060,049.58	\$ 40,942.28
DEPARTMENT OF PUBLIC INSTRUCTION					
Administration					
347 A	Salaries and General Expenses .....	\$ 67,813.75(1)	\$ 5,003.17	\$ 63,008.28	.....
392	Aid to School Districts of 3rd and 4th Class .....	60,000.00	53,200.00	6,800.00	.....
347 A	Liberty and Museum .....	437.32	437.32	.....	.....
School Subsidies					
347 A	Salaries of County Superintendents .....	385.74	.....	385.74	.....
347 A	Expenses of County Superintendents .....	4,247.26	2,526.08	1,721.18	.....
347 A	Salaries of Assistant County Superintendents .....	15,544.40	.....	15,544.40	.....
347 A	Expenses of Assistant County Superintendents .....	8,389.69	2,380.82	6,028.87	.....
347 A	Transportation .....	643,967.66	643,976.66	.....	.....
347 A	Training Vocational Teachers .....	\$ 13,675.53(2)	\$ 12,357.04	\$ 7,496.98	.....
347 A	Vocational Education .....	339,016.73(3)	737,301.74	.....	\$ 22,283.82
347 A	Miscellaneous Subsidies .....	6,607.02	6,542.41	.....	64.62
347 A	Support of Public Schools .....	104,568.18	104,568.18	.....	.....
Normal Schools					
347 A	Maintenance .....	80,825.16	52,658.55	.....	28,166.61
347 A	Buildings and Construction .....	1,202,495.88	1,154,880.59	.....	47,615.29
347 A	Examining Boards .....	24,785.28	17,780.60	7,004.68	.....
347 A	Education of Deaf and Blind .....	205,305.14	184,573.59	20,731.55	.....
347 A	Board of Censors .....	1,481.47	1,480.44	1.03	.....
347 A	Pennsylvania Historical Commission .....	20,280.13	20,280.13	.....	.....
School Employees Retirement System					
347 A	Administrative Salaries and Expenses .....	8,145.42	277.01	7,868.41	.....
347 A	Former Teachers Fund .....	192,500.00	.....	192,500.00	.....
Institutions—State-Owned					
28 A	Pennsylvania State Oral School .....	573.63	573.63	.....	.....
29 A	Home for Training in Speech—Maintenance .....	9,141.34	2,419.48	6,721.86	.....
30 A	Home for Training in Speech—Repairs .....	4,967.11	3,861.60	1,105.51	.....
31 A	Pennsylvania Soldiers' Orphan School .....	8,691.17	8,587.42	103.75	.....
32 A	Thaddeus Stevens Industrial School .....	5,081.72	5,081.72	.....	.....
Universities and Colleges—State-Aided					
Pennsylvania State College					
104 A	Experimental Research, Maintenance and Repairs .....	25,627.00	25,627.00	.....	.....
104 A	Economics and Extension .....	18,340.12	18,340.12	.....	.....
104 A	Buildings .....	458,579.22	458,579.22	.....	.....
35 A	Women's Medical College .....	13,556.51	13,556.51	.....	.....
34 A	Jefferson Medical College .....	114,700.72	114,700.72	.....	.....
33 A	Hahnemann Medical College .....	6,250.00	6,250.00	.....	.....
University of Pennsylvania					
101 A	School of Liberal Arts .....	50,000.00	50,000.00	.....	.....
101 A	Technical Schools .....	72,100.50	72,100.50	.....	.....
101 A	Education and Extension .....	22,512.11	22,512.11	.....	.....
101 A	Professional .....	78,125.00	78,125.00	.....	.....
101 A	Other Extension .....	22,367.16	22,367.16	.....	.....
103 A	University of Pittsburgh .....	485,305.65	485,305.65	.....	.....
102 A	Temple University .....	100,000.00	100,000.00	.....	.....

(1) Credits to this appropriation of \$197.70.

(2) Credits to this appropriation of \$6,178.49.

(3) Credits to this appropriation of \$420,568.83.

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1927-1929 APPROPRIATIONS (Continued)					
	Other State-Aided Institutions				
39 A	Downingtown Industrial and Agricultural School..	7,000.00	7,000.00	.....	.....
38 A	Philadelphia School of Design .....	8,382.46	8,086.26	296.20	.....
36 A	Philadelphia Museums .....	672.24	672.24	.....	.....
37 A	Pennsylvania Museum and School of Industrial Art	12,500.00	12,500.00	.....	.....
40 A	Commissioners of Navigation .....	13,383.50	4,263.44	9,120.06	.....
41 A	National Farm School .....	3,750.00	3,750.00	.....	.....
	Total Department of Public Instruction .....	\$ 4,542,078.93(4)	\$ 4,524,455.11	\$ 346,438.50	\$ 98,130.34
	PUBLIC SERVICE COMMISSION				
347 A	Salaries of the Commissioners .....	\$ 1,370.97	.....	\$ 1,370.97	.....
347 A	Salaries and General Expenses .....	70,254.63	\$ 50,892.97	19,361.66	.....
347 A	Protecting Grade Crossings .....	25,000.00	.....	25,000.00	.....
	Total Public Service Commission .....	\$ 96,625.60	\$ 50,892.97	\$ 45,732.63	.....
	DEPARTMENT OF REVENUE				
347 A	Salary of the Secretary .....	\$ 6,161.29	.....	\$ 6,161.29	.....
347 A	Salaries and General Expenses .....	5,733.63	\$ 4,716.78	1,016.85	.....
	Total Department of Revenues .....	\$ 11,894.92	\$ 4,716.78	\$ 7,178.14	.....
	DEPARTMENT OF STATE				
347 A	Salaries and General Expenses .....	\$ 23,029.33	\$ 156.82	\$ 22,872.51	.....
347 A	Publishing Constitutional Amendments .....	130.64	.....	130.64	.....
	State Employees Retirement Board				
347 A	Salaries and General Expenses .....	7,508.13	5,765.15	1,742.98	.....
347 A	Retired State Employees .....	21,083.41	3,970.83	17,112.58	.....
347 A	Pensions and Gratuities .....	669.00	204.00	465.00	.....
	Total Department of State .....	\$ 52,420.51	\$ 10,096.80	\$ 42,323.71	.....
	PENNSYLVANIA STATE POLICE				
347 A	Salaries and General Expenses .....	\$ 46,389.20	\$ 46,389.20	.....	.....
	STATE REPORTER				
347 A	Salary of Assistant Reporter .....	\$ 250.00	\$ 250.00	.....	.....
347 A	General Expenses .....	188.36	.....	188.36	.....
	Total State Reporter .....	\$ 438.36	\$ 250.00	\$ 188.36	.....
	DEPARTMENT OF WELFARE				
	Administration				
347 A	Salaries and General Expenses .....	\$ 377.59	\$ 377.41	\$ .18	.....
347 A	Intra Departmental Boards .....	2,643.29	1,033.30	1,609.99	.....
347 A	Orthopaedic Unit .....	1,107.21	1,106.01	1.20	.....
	Medical and Surgical Hospitals—State-Owned				
	Ashland State Hospital				
61 A	Maintenance .....	14,445.37	14,445.37	.....	.....
63 A	Repairs and Improvements .....	22,384.53	22,375.94	.....	\$ 8.59
61 A	Construction .....	34,076.96	17,315.72	.....	16,761.24
	Bloomsburg State Hospital				
62 A	Maintenance .....	24,773.50	24,773.50	.....	.....
62 A	Repairs and Improvements .....	1,954.45	1,928.97	.....	.....
	Coaldale State Hospital				
63 A	Maintenance .....	15,617.28	1,784.45	.....	13,832.83
63 A	Repairs and Improvements .....	69,907.83	7,820.36	.....	62,087.47
63 A	Construction .....	77,044.35	56,262.06	.....	20,782.29
	Connellsville State Hospital				
64 A	Repairs and Improvements .....	2,396.84	2,388.73	8.11	.....
64 A	Construction .....	547.01	545.32	1.69	.....
	Hazleton State Hospital				
65 A	Maintenance .....	20,678.20	11,664.56	9,013.64	.....
65 A	Repairs and Improvements .....	17,074.73	15,643.10	1,431.63	.....
65 A	Construction .....	7,269.60	7,219.61	49.99	.....
	Locust Mountain State Hospital				
66 A	Maintenance .....	5,107.87	5,107.87	.....	.....
66 A	Repairs and Improvements .....	1,579.73	1,579.73	.....	.....
66 A	Construction .....	29,707.95	29,699.04	.....	8.91
	Nanticoke State Hospital				
67 A	Maintenance .....	13,453.63	13,453.63	.....	.....
67 A	Repairs and Improvements .....	967.48	958.95	8.53	.....
67 A	Construction .....	19,319.80	19,290.67	29.13	.....
	Phillipsburg State Hospital				
68 A	Maintenance .....	2,310.28	2,255.84	54.44	.....

(4) Credits to these appropriations of 426,945.02



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Liability	Expenditures December 31,	Actual and Estimated	Liability December 31, 1930
1927-1929 APPROPRIATIONS (Continued)					
	Scranton State Hospital				
69 A	Repairs and Improvements .....	3,354.59	3,338.25	16.34	.....
69 A	Construction .....	34,405.26	34,171.05	78.21	156.00
	Shamokin State Hospital				
70 A	Maintenance .....	9,043.23	9,043.23	.....	.....
70 A	Repairs and Improvements .....	3,673.72	3,667.41	6.31	.....
	Total Medical and Surgical Hospitals—State-Owned .....	\$ 431,094.19	\$ 306,733.36	\$ 10,723.50	\$ 113,637.33
	Penal and Correctional Institutional—State-Owned				
	Pennsylvania Industrial Reformatory—Huntingdon				
71 A	Maintenance .....	\$ 23,899.01	\$ 23,856.02	\$ 32.99	.....
71 A	Repairs and Improvements .....	18,404.63	18,404.50	.13	.....
71 A	Construction .....	12,783.39	12,783.03	.36	.....
	Pennsylvania Training School—Morganza				
72 A	Maintenance .....	16,845.66	16,809.30	36.36	.....
72 A	Repairs and Improvements .....	53,558.02	53,415.92	10.31	\$ 131.79
72 A	Construction .....	33,724.89	33,457.22	.....	267.67
	State Industrial Home for Women—Muncy				
73 A	Maintenance .....	7,527.56	7,527.56	.....	.....
73 A	Repairs and Improvements .....	2,939.88	2,939.60	.28	.....
	Eastern State Penitentiary—Philadelphia				
74 A	Maintenance .....	133,661.02	77,914.94	55,746.08	.....
74 A	Repairs and Improvements .....	29,623.68	2,056.09	27,567.59	.....
	New Eastern State Penitentiary—Graterford				
399	Construction .....	.03	.....	.03	.....
	Western State Penitentiary—Pittsburgh				
75 A	Maintenance .....	30,135.10	30,020.85	114.25	.....
75 A	Repairs and Improvements .....	1,474.45	1,466.63	7.82	.....
	New Western State Penitentiary Rockview				
76 A	Repairs and Improvements .....	\$ 20,995.44	\$ 20,590.72	\$ 395.72	.....
76 A	Construction .....	67,996.92	64,654.75	.....	\$ 3,342.17
	Total Penal and Correctional Institutions—State-Owned .....	\$ 453,559.68	\$ 365,906.13	\$ 83,911.92	\$ 3,741.63
	Penal and Correctional Institutions—State-Aided				
77 A	Glen Mills Schools—Maintenance .....	\$ 74,707.10	\$ 72,060.49	\$ 2,646.61	.....
	Hospitals for Insane—State-Owned				
	Allentown State Hospital				
78 A	Repairs and Improvements .....	\$ 23,701.05	\$ 23,664.71	\$ 36.34	.....
78 A	Construction .....	183,539.77	163,120.17	20,412.43	\$ 7.17
	Danville State Hospital				
79 A	Repairs and Improvements .....	81,135.72	79,647.09	.....	1,488.63
79 A	Construction .....	85,673.54	85,297.60	.....	375.94
	Farview State Hospital				
80 A	Repairs and Improvements .....	132.38	128.80	3.58	.....
80 A	Construction .....	12,060.98	10,924.59	.....	1,136.39
	Harrisburg State Hospital				
81 A	Repairs and Improvements .....	277.15	277.15	.....	.....
81 A	Construction .....	48,138.47	48,137.13	1.34	.....
	Norristown State Hospital				
82 A	Repairs and Improvements .....	52,263.57	51,739.91	.....	523.66
82 A	Construction .....	2,177.84	2,175.86	1.96	.....
	Torrance State Hospital				
83 A	Repairs and Improvements .....	172.03	170.88	1.15	.....
83 A	Construction .....	205,776.50	190,756.52	4.22	15,035.78
	Warren State Hospital				
84 A	Repairs and Improvements .....	32,250.30	32,192.44	.39	57.47
84 A	Construction .....	104,182.92	102,304.92	.....	1,878.00
	Wernersville State Hospital				
85 A	Repairs and Improvements .....	11,854.16	11,853.51	.65	.....
85 A	Construction .....	47,374.51	37,817.74	.61	9,556.16
86 A	Maintenance, Care and Treatment of Indigent Insane .....	446,900.64	445,410.64	.....	1,490.00
	Total Hospitals for Insane—State-Owned ....	\$ 1,337,611.53	\$ 1,285,599.68	\$ 20,462.67	\$ 31,549.18

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1927-1929 APPROPRIATIONS (Continued)					
	Hospitals for Insane—State-Aided				
340 A	Dixmont—Reservoirs, Etc. ....	\$ 26.14		\$ 26.14	
	Schools For Mental Defectives and Feeble Minded— State-Owned				
	Laurelton State Village				
87 A	Maintenance .....	\$ 18,146.61	\$ 18,146.61		
87 A	Repairs and Improvements .....	1,813.37	1,813.12	\$ .25	
87 A	Construction .....	211,348.43	207,006.45		\$ 4,342.03
	Fennhurst State School				
88 A	Maintenance .....	19,890.48	19,890.48		
88 A	Repairs and Improvements .....	31,398.38	27,981.89	84.38	3,332.11
88 A	Construction .....	125,094.63	124,981.80	41.82	71.01
	Folk State School				
89 A	Repairs and Improvements .....	988.49	987.54	.95	
89 A	Construction .....	299,910.49	299,727.63		1,182.81
	Selinsgrove State Colony for Epileptics				
90 A	Maintenance .....	23,917.20	23,914.46	2.74	
90 A	Construction .....	65,927.52	65,927.28	.24	
	Total Schools for Mental Defectives and Feeble Minded—State-Owned .....	\$ 798,435.65	\$ 789,377.31	\$ 130.38	\$ 8,927.96
	Schools For Mental Defectives and Feeble Minded— State-Aided				
91 A	Elwyn .....	\$ 77,864.41	\$ 45,745.51	\$ 32,118.90	
	Mothers Assistance System .....	175,000.57	112,360.14	62,640.43	
	Homes—State-Owned				
92 A	Pennsylvania Soldiers' and Sailors' Home, Erie— Maintenance .....	7,202.95	7,195.63	7.32	
338 A	Maintenance of Sick and Injured .....	497,188.55	378.00	496,810.55	
	Medical and Surgical Hospitals—State-Aided				
159 A	Hanover General Hospital, Hanover .....	\$ 4,773.50	\$ 4,126.00	\$ 647.50	
198 A	North Pennsylvania General Hospital and Sana- torium, Austin .....	2,837.50		2,837.50	
204 A	Phoenixville Hospital .....	2,404.94	824.94	1,580.00	
216 A	Roselia Foundling Asylum and Maternity Hospital .....	45,000.00		45,000.00	
227 A	Simon H. Barnes Memorial Hospital .....	1,236.50	1,107.00	129.50	
241 A	Wayne County Memorial Hospital, Honesdale .....	825.00	665.00	160.00	
	All Other Hospitals (Liabilities as of June 1, 1929 all Expended) .....	868,691.18	868,691.18		
	Total Medical and Surgical Hospitals—State- Aided .....	\$ 925,788.62	\$ 875,414.12	\$ 50,374.50	
	Homes—State-Aided				
260 A	Beacon Light Mission, Bradford .....	\$ 3,000.00		\$ 3,000.00	
282 A	Florence Crittenton Circle, Wilkes-Barre .....	1,000.00	584.46	415.54	
284 A	Florence Crittenton Home, Harrisburg .....	750.00		750.00	
304 A	Lithuanian National Catholic Vilnius .....	2,187.50		2,187.50	
310 A	Orphan Asylum of the Holy Family, Emsworth ..	29,000.00		29,000.00	
328 A	Williamsport Training Home for Girls .....	4,375.00		4,375.00	
	All Other Homes (Liabilities as of June 1, 1929 all Expended) .....	81,589.61	81,589.61		
	Total Homes—State-Aided .....	\$ 121,902.11	\$ 82,174.07	\$ 39,728.04	
	Total Department of Welfare .....	\$ 4,904,509.58	\$ 3,945,461.16	\$ 801,192.35	\$ 157,856.10
	SPECIAL LEGISLATIVE COMMISSIONS				
100 A	Board of Commissioners of Navigation .....	\$ 7,075.95	\$ 659.10	\$ 6,416.55	
42 A	Pennsylvania-New Jersey Joint Bridge Commission for Acquisition of Toll Bridges .....	53,177.88	22,740.00		\$ 30,437.88
217	Pennsylvania Commission for Cooperation with Federal Government .....	2,500.00			2,500.00
152	Pennsylvania-Delaware River Bridge Commission No. 2 .....	25,000.00			25,000.00
	Total Special Administrative Commissions .....	\$ 87,753.53	\$ 23,399.10	\$ 6,416.55	\$ 57,937.88
	MISCELLANEOUS ADMINISTRATIVE				
347 A	Expenses, Electoral College .....	\$ 438.84	\$ 103.44	\$ 335.40	
	MISCELLANEOUS LEGISLATIVE				
347 A	Delegates to Legislators' Convention, Denver .....	\$ 338.57			\$ 338.57
347 A	Delegates to Annual Conventions .....	193.53			193.53
347 A	Delegates to Exercises Commemorating Battle of Germantown .....	250.00			250.00
347 A	Delegates to York Centennial .....	4,113.47			4,113.47
	Total Miscellaneous Legislative .....	\$ 4,895.57			\$ 4,895.57



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1927-1929 APPROPRIATIONS (Continued)					
SPECIAL ADMINISTRATIVE COMMISSIONS					
429	Salary Survey Commission .....	\$ 4,012.42	\$ 719.76		\$ 3,292.66
393	Investigation of Geological Formation of Bitumi- nous Coal .....	.73			.73
396	Healing Art Commission .....	7,173.33			7,173.33
397	To Study the Distribution of State School Sub- sidies to School Districts .....	3,387.06			3,387.06
395	Election Law Commission .....	14,814.43	2,037.65		12,776.78
449	Penal Institution Commission .....	13,231.15	536.28		12,694.87
393	To Revise the Penal Code .....	2,500.00			2,500.00
347 A	Commission to Study Criminal Law .....	234.49	190.05		44.44
427	Old Portage Railroad Celebration .....	9,329.69	4,267.00		5,062.69
48 A	Colored Soldiers Monument .....	48,858.88	6,000.00		42,858.88
	Total Special Legislative Commissions .....	\$ 103,542.18	\$ 13,750.74		\$ 89,791.44
LEGISLATIVE					
Senate					
347 A	Postage, Chief Clerk, Session .....	\$ 150.00	\$ 150.00		
	Postage, Legislative Journal, Session .....	400.00		\$ 400.00	
	Salaries of Officers and Employees .....	11,331.00	7,175.00	4,046.00	
	Mileage of Officers and Employees .....	687.40		687.40	
	Salaries of Returning Officers .....	4,605.00	98.00*	4,703.00	
	Mileage of Returning Officers .....	934.60	55.40*	990.00	
	Salary of the Secretary .....	8,024.20		8,024.20	
347 A	Assistant Clerk, Recess .....	\$ 30.00		\$ 30.00	
	Superintendent of the Storeroom .....	19.82	\$ 9.21*	29.03	
	Custodians of the Washrooms .....	130.68		130.68	
	Custodians and Assistants, Senate .....	435.00		435.00	
	Expenses of Committee on Appropriation .....	435.35			\$ 435.35
	Necessary Expenses of Chief Clerk, Year ending May 31, 1928 .....	647.40		647.40	
	Necessary Expenses of Chief Clerk, Six Months ending November 30, 1928 .....	105.20		105.20	
	Expense, Office of Chief Clerk, ending May 31, 1929 .....		483.09*	483.09	
	Postage, Labor and Expenses, Session .....	800.00	130.00*	930.00	
	Postage, Labor and Expenses, Recess .....	800.00		800.00	
	Postage, Labor and Expenses, Librarian, Recess ..	236.97		236.97	
	Funeral Expenses .....	1,000.00	266.47*	1,266.47	
	Postage, Labor and Expenses, Librarian, Session ..		19.79*	19.79	
	Total Senate .....	\$ 30,662.62	\$ 6,263.04	\$ 23,964.23	\$ 435.35
House of Representatives					
347 A	Postage of Members .....	\$ 300.00	\$ 150.00	\$ 150.00	
	Postage, Legislative Journal .....	1,736.60	1,736.60		
	Salaries of Officers and Members .....	28,201.50	11,785.00	16,416.50	
	Mileage of Officers and Employees, Session .....	662.70		662.70	
	Salaries of Returning Officers, Session .....	6,466.00		6,466.00	
	Mileage of Returning Officers, Session .....	1,257.00		1,257.00	
	Assistant Clerk, Recess .....	30.00		30.00	
	Stenographer to Resident Clerk .....	15.00		15.00	
	Four Assistant Custodians .....	1,788.00		1,788.00	
	Contingent Expenses of Speaker, Recess .....	1,163.46		1,163.46	
	Expenses of Resident Clerk, Year ending May 31, 1928 .....	1,298.77	179.11*	1,477.88	
	Expenses of Resident Clerk, Year ending May 31, 1929 .....	2,500.00		2,500.00	
	Funeral Expenses .....	2,000.00	2,051.46*	4,051.46	
335 A	E. L. Allum Estate .....	2,189.00			\$ 2,189.00
347 A	Expenses of Appropriation Committee .....		1,550.68*		1,550.66
	Total House of Representatives .....	\$ 49,608.03	\$ 9,890.37	\$ 35,978.00	\$ 3,739.66
Legislative Journal					
347 A	Proofreading .....	\$ 4,500.00			\$ 4,500.00
	Indexing Legislative Journal .....	1,500.00	\$ 1,500.00		
	Total Legislative Journal .....	\$ 6,000.00	\$ 1,500.00		\$ 4,500.00
	Total Legislative .....	\$ 86,270.65	\$ 17,653.41	\$ 59,942.23	\$ 8,675.01
LEGISLATIVE REFERENCE BUREAU					
347 A	Clerk Hire and Maintenance .....	\$ 299.56	\$ 30.98	\$ 268.58	
JUDICIARY					
Supreme Court					
347 A	Expenses of Judges .....	\$ 2,452.58		\$ 2,452.58	
347 A	Salaries and Expenses, Librarian and Assistant ..	1.42		1.42	
347 A	Salaries of Criers and Tipstaves .....	5,669.89	\$ 507.91	5,161.98	
347 A	Stationery and Supplies, Eastern District .....	8.22		8.22	
347 A	Stationery and Supplies, Western District .....	714.69	714.69		
347 A	Contingent Expenses .....	224.05	67.88	156.17	
	Total Supreme Court .....	\$ 9,070.85	\$ 1,290.48	\$ 7,780.37	

\* Refund—Deduction.

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1927-1929 APPROPRIATIONS (Continued)					
	Superior Court				
347 A	Salaries of Judges .....	\$ 1,978.58	\$ 602.14	\$ 1,376.44	.....
347 A	Expenses of Judges .....	8,291.25	.....	8,291.25	.....
347 A	Salaries and Expenses of Clerks and Tipstaves .....	5,800.78	.....	5,800.78	.....
347 A	Docket Stationery and Supplies .....	.08	.....	.08	.....
	Total Superior Court .....	\$ 16,070.69	\$ 602.14	\$ 15,468.55	.....
	Common Pleas Court				
347 A	Salaries of Judges .....	\$ 12,108.55	\$ 10,526.72	\$ 1,581.83	.....
347 A	Expenses of Traveling Judges .....	.81	.....	.81	.....
347 A	Mileage, Divided Judicial Districts .....	1,167.45	.....	1,167.45	.....
	Total Common Pleas Court .....	\$ 13,276.81	\$ 10,526.72	\$ 2,750.09	.....
347 A	Orphans Court .....	\$ 4,815.05	\$ 1,806.42	\$ 3,008.63	.....
347 A	Municipal Court of Philadelphia .....	3,461.14	860.20	2,600.94	.....
347 A	Retired Judges—Salaries .....	1,256.34	721.82	534.42	.....
347 A	Associate Judges—Salaries .....	6,481.00	1,901.67	4,579.33	.....
347 A	Associate Judges—Mileage .....	26.10	26.10	.....	.....
	Total Judiciary .....	\$ 54,457.98	\$ 17,735.65	\$ 36,722.33	.....
	TOTAL 1927-1929 APPROPRIATIONS .....	\$ 13,152,988.10(1)	\$ 9,570,756.30	\$ 3,251,162.99	\$ 758,013.83
1927-1929 ADDITIONAL APPROPRIATIONS					
	DEPARTMENT OF AGRICULTURE				
313 A	Encouraging Agricultural Exhibits .....	\$ 2,700.00	\$ 2,622.08	\$ 77.92	.....
	DEPARTMENT OF MILITARY AFFAIRS				
2 A	Inauguration of Herbert Hoover .....	.....	\$ 2,695.91*	\$ 2,695.91	.....
	DEPARTMENT OF PROPERTY AND SUPPLIES				
4 A	Soldiers' and Sailors' Memorial Bridge .....	\$ 355,161.50	\$ 350,952.90	\$ 4,208.60	.....
	DEPARTMENT OF PUBLIC INSTRUCTION				
316 A	Pennsylvania Institution for Deaf, Mt. Airy .....	\$ 75,000.00	\$ 75,000.00	.....	.....
317 A	Western Pennsylvania School for the Deaf .....	20,000.00	20,000.00	.....	.....
	Total Department of Public Instruction .....	\$ 95,000.00	\$ 95,000.00	.....	.....
LEGISLATIVE					
	Senate				
1 A	Mileage of Fifty Senators .....	\$ 7,138.75	.....	\$ 7,138.75	.....
1 A	Assistant to Secretary—Recess .....	120.00	.....	120.00	.....
1 A	Stenographer to Librarian—Recess .....	180.00	.....	180.00	.....
	Total Senate .....	\$ 7,438.75	.....	\$ 7,438.75	.....
	House of Representatives				
1 A	Salaries of Members and Speaker .....	\$ 3,000.00	.....	\$ 3,000.00	.....
1 A	Mileage of Members .....	24,850.50	.....	24,850.50	.....
	Total House of Representatives .....	\$ 27,850.50	.....	\$ 27,850.50	.....
	Total Legislative .....	\$ 35,289.25	.....	\$ 35,289.25	.....
	TOTAL 1927-1929 ADDITIONAL APPROPRIATIONS .....	\$ 488,150.75	\$ 445,879.07	\$ 42,271.68	.....
1929-1931 APPROPRIATIONS AVAILABLE PRIOR TO JUNE 1, 1929					
	DEPARTMENT OF JUSTICE				
238	Purchase of Emerson Brantingham Building ....	\$ 838.74	\$ 24.89	\$ 813.85	.....
	DEPARTMENT OF WELFARE				
3 A	New Eastern Penitentiary—Construction .....	\$ 186,111.92	\$ 186,111.92	.....	.....
	TOTAL 1929-1931 APPROPRIATIONS AVAILABLE PRIOR TO JUNE 1, 1929 .....	\$ 186,950.66	\$ 186,136.81	\$ 813.85	.....
1927-1929 DEFICIENCIES					
	TREASURY DEPARTMENT				
5 A	Clerk Hire and Maintenance .....	\$ 8,079.40	\$ 7,992.47	\$ 86.93	.....
	DEPARTMENT OF INTERNAL AFFAIRS				
5 A	Clerk Hire and Maintenance .....	\$ 13,590.37	\$ 3,755.43	\$ 9,834.94	.....
	DEPARTMENT OF LABOR AND INDUSTRY				
5 A	Compensation of Injured State Employees .....	\$ .29	.....	\$ .29	.....
	DEPARTMENT OF MILITARY AFFAIRS				
5 A	Headquarters Maintenance .....	\$ 4,836.35	\$ 4,836.35	.....	.....
5 A	Pennsylvania Athletic Commission—Maintenance .....	1,952.63	1,952.41	.22	.....
	Total Department of Military Affairs .....	\$ 6,788.98	\$ 6,788.76	\$ .22	.....

\* Refund—Deduction.

(1) Credits to these appropriations of \$426,945.02.



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1927-1929 DEFICIENCIES (Continued)					
DEPARTMENT OF MINES					
5 A	Expenses of Examining Boards .....	\$ 5,000.00	\$ 3,705.25	\$ 1,294.75	.....
DEPARTMENT OF PROPERTY AND SUPPLIES					
5 A	Salaries and General Expenses .....	\$ 34,991.77	\$ 9,690.95	\$ 25,300.82	.....
5 A	General Supplies .....	14,375.66	14,375.66	.....	.....
5 A	Rent of Offices Outside Capitol .....	20,000.00	.....	20,000.00	.....
5 A	Surety Bonds—Employees .....	1,702.82	767.85	934.97	.....
5 A	Express and Cartage .....	3,742.83	1,556.09	2,186.74	.....
	Total Department of Property and Supplies .....	\$ 74,813.08	\$ 26,390.55	\$ 48,422.53	.....
DEPARTMENT OF PUBLIC INSTRUCTION					
3 A	Board of Censors .....	\$ 14,000.00	\$ 13,807.91	\$ 192.09	.....
JUDICIARY					
3 A	Supreme Court—Fees of Prothonotaries, Eastern, Middle and Western Districts .....	\$ 650.00	\$ 220.00	\$ 430.00	.....
3 A	Common Pleas Court—Expenses of Traveling Judges .....	2,526.60	648.42	1,878.18	.....
	Total Judiciary .....	\$ 3,176.00	\$ 868.42	\$ 2,308.18	.....
DEPARTMENT OF WELFARE					
Medical and Surgical Hospitals—State-Owned					
7 A	Ashland State Hospital—Maintenance .....	\$ 5,000.00	\$ 4,371.29	\$ 628.71	.....
8 A	Blossburg State Hospital—Maintenance .....	4,000.00	3,813.22	186.78	.....
9 A	Connelville State Hospital—Maintenance .....	10,100.00	7,488.30	2,611.70	.....
12 A	Locust Mountain State Hospital—Maintenance .....	40,000.00	35,542.28	4,457.72	.....
14 A	Nanticoke State Hospital—Maintenance .....	15,000.00	2,203.41	12,796.59	.....
16 A	Philipsburg State Hospital—Maintenance .....	10,000.00	8,256.43	1,743.57	.....
18 A	Scranton State Hospital—Maintenance .....	28,474.69	27,639.54	835.15	.....
20 A	Shamokin State Hospital—Maintenance .....	32,000.00	31,497.73	502.27	.....
	Total Medical and Surgical Hospitals—State- Owned .....	\$ 144,574.69	\$ 120,812.20	\$ 23,762.49	.....
Penal and Correctional Institutions—State-Owned					
28 A	Western Penitentiary, Rockview—Maintenance .....	\$ 23,255.91	\$ 21,885.86	\$ 1,370.05	.....
Institutions for Feeble Minded and Epileptic—State- Owned					
27 A	Polk State School—Maintenance .....	\$ 16,350.82	\$ 11,057.42	\$ 5,293.40	.....
	Total Department of Welfare .....	\$ 181,181.42	\$ 153,755.48	\$ 30,425.94	.....
	TOTAL 1927-1929 DEFICIENCIES .....	\$ 309,630.14	\$ 217,064.27	\$ 92,565.87	.....
1929-1931 APPROPRIATIONS					
GOVERNOR'S AND LIEUTENANT GOVERNOR'S OFFICES					
Governor					
354 A	Salary of the Governor .....	\$ 36,000.00	\$ 28,500.00	\$ 7,500.00	.....
354 A	Salaries and General Expenses .....	410,400.00	221,398.10	189,001.90	.....
	Total Governor's Office .....	\$ 446,400.00	\$ 249,898.10	\$ 196,501.90	.....
Lieutenant Governor					
354 A	Salary of the Lieutenant Governor .....	\$ 16,000.00	\$ 12,666.54	\$ 3,333.46	.....
354 A	Contingent Expenses .....	5,000.00	4,614.33	385.67	.....
	Total Lieutenant Governor's Office .....	\$ 21,000.00	\$ 17,280.87	\$ 3,719.13	.....
	Total Governor's and Lieutenant Governor's Office ..	\$ 467,400.00	\$ 267,178.97	\$ 200,221.03	.....
DEPARTMENT OF THE AUDITOR GENERAL					
354 A	Salary of the Auditor General .....	\$ 24,000.00	\$ 19,000.00	\$ 5,000.00	.....
354 A	Salary of the Disbursing Deputy .....	15,000.00	4,678.50	10,321.50	.....
354 A	Salaries and General Expenses—Continued Duties .....	650,000.00	476,320.94	173,679.06	.....
354 A	Salaries and General Expenses—Additional Duties .....	530,000.00	375,694.13	154,305.87	.....
354 A	Painting Portrait of Auditor General .....	750.00	.....	750.00	.....
354 A	Fees of County Officers .....	4,000.00	1,478.50	2,521.50	.....
354 A	Compensation of Fiscal Agents .....	1,000.00	1,000.00	.....	.....
354 A	Refund—Roach Stave Company .....	500.00	500.00	.....	.....
	Total Department of the Auditor General .....	\$ 1,225,250.00	\$ 878,681.07	\$ 346,568.93	.....
TREASURY DEPARTMENT					
Administration					
354 A	Salary of the Treasurer .....	\$ 24,000.00	\$ 19,000.00	\$ 5,000.00	.....
354 A	Salaries and General Expenses .....	550,000.00	401,504.43	148,495.57	.....
354 A	Painting Portrait of State Treasurer .....	750.00	750.00	.....	.....
	Total Administration .....	\$ 574,750.00	\$ 421,254.43	\$ 153,495.57	.....

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
TREASURY DEPARTMENT (Continued)					
Board of Finance and Revenue					
354 A	Salaries and General Expenses .....	\$ 50,000.00	\$ 25,761.67		\$ 24,238.33
354 A	Interest on the Funded Debt .....	9,440.00	1,530.00		7,910.00
354 A	Due Retired County Officers .....	2,000.00	146.31		1,853.69
354 A	Publishing Monthly Money Statements .....	45,000.00	39,467.38		5,532.62
354 A	Refunding Stock Transfer Stamps .....	2,000.00	1,322.20		677.80
531	Refunding on Decedents Estates .....	1,200.00	1,103.53		96.47
354 A	Refunding Inheritance Taxes .....	75,000.00	35,265.58		39,734.42
354 A	Refunding Fees of Examining Board .....	2,000.00	1,108.50		891.50
254 A	Refund—Notary Public Fees .....	1,500.00	650.00		850.00
354 A	Refund—Money Subject to Escheat .....	15,000.00	7,582.10		7,417.90
354 A	Refund—Braun Salvage Company .....	167.75			167.75
354 A	Refund—Moneys Erroneously Paid to the Depart- ment of Internal Affairs .....	275.00	263.59		11.41
551	Refund—Bonus Fees .....	50.00	40.00		10.00
	Total Board of Finance and Revenue .....	\$ 203,632.75	\$ 114,240.86		\$ 89,391.89
	Total Treasury Department .....	\$ 778,382.75	\$ 535,495.29		\$ 242,887.46
DEPARTMENT OF AGRICULTURE					
354 A	Salary of the Secretary .....	\$ 20,000.00	\$ 15,816.42		\$ 4,183.58
354 A	Salaries and General Expenses .....	2,450,000.00	1,789,903.94		660,096.06
354 A	Encouraging Agricultural Exhibits .....	130,000.00	65,543.21		63,456.79
354 A	State Farm Products Show Commission .....	54,500.00	7,544.57		46,955.43
354 A	Animal Indemnities .....	2,160,000.00	1,588,697.08		571,302.92
539	Plant Indemnities .....	3,000.00	103.00		2,897.00
	Total Department of Agriculture .....	\$ 4,817,500.00	\$ 3,467,613.22		\$ 1,349,885.78
DEPARTMENT OF BANKING					
354 A	Examination of Building and Loan Associations ..	\$ 121,000.00	\$ 89,523.20		\$ 31,476.80
DEPARTMENT OF FORESTS AND WATERS					
354 A	Salary of the Secretary .....	\$ 20,000.00	\$ 15,833.08		\$ 4,166.92
Forests					
354 A	Salaries and General Expenses .....	\$ 1,794,000.00	\$ 1,649,163.30		\$ 144,836.70
354 A	Purchase of State Forest Lands .....	1,000,000.00	609,637.82		390,362.18
354 A	Control of Forest Fires .....	200,000.00	199,457.66		542.34
591	Taxes—State Forests .....	25,000.00	25,000.00		
	Total Forests .....	\$ 3,019,000.00	\$ 2,483,258.78		\$ 535,741.22
Waters					
Water and Power Resources Board					
354 A	Salary of Engineer Member .....	\$ 6,000.00	\$ 4,500.00		\$ 1,500.00
354 A	Salaries and General Expenses .....	208,320.00	173,151.30		35,168.70
354 A	Pymatuning Land Purchase .....	300,000.00	163,594.14		136,405.86
354 A	Pymatuning—Maintenance and Improvements ....	198,300.00	14,045.02		184,254.98
51 A	Matamoras Dyke—Retaining Walls .....	5,000.00			5,000.00
	Total Waters .....	\$ 717,260.00	\$ 355,290.46		\$ 362,329.54
Parks, Canal Boards Etc.					
354 A	Lake Erie and Ohio River Canal Board .....	\$ 5,000.00	\$ 1,675.47		\$ 3,324.53
354 A	Washington Crossing Park Commission—Main- tenance .....	120,500.00	95,887.09		24,612.91
310 A	Washington Crossing Park Commission—Claims ..	200.00	200.00		
354 A	Valley Forge Park Commission .....	194,900.00	118,126.29		76,773.71
354 A	Pennsylvania State Park and Harbor Commission— Maintenance .....	245,500.00	229,065.61		16,434.39
315 A	Pennsylvania State Park and Harbor Commission— Repairs .....	25,000.00	24,969.13		30.87
50 A	Bushy Run Battlefield Commission .....	15,000.00	15,000.00		
354 A	Fort Washington Park—Mortgages .....	47,000.00	46,808.70		191.30
	Total Parks, Canal Boards, Etc. ....	\$ 653,100.00	\$ 531,723.79		\$ 121,376.21
354 A	Delaware River Tri-State Treaty Commission....	\$ 10,000.00			\$ 10,000.00
	Total Department of Forests and Waters .....	\$ 4,419,720.00	\$ 3,386,106.11		\$ 1,033,613.89
DEPARTMENT OF HEALTH					
354 A	Salary of the Secretary .....	\$ 20,000.00	\$ 15,833.27		\$ 4,166.73
354 A	Salaries and General Expenses .....	3,665,000.00	2,821,107.70		843,892.30
354 A	Sanitary Water Board .....	186,000.00	153,336.54		32,663.46
	Total Department of Health .....	\$ 3,871,000.00	\$ 2,990,277.51		\$ 880,722.49
DEPARTMENT OF HIGHWAYS					
354 A	Salary of the Secretary .....	\$ 24,000.00	\$ 19,000.00		\$ 5,000.00
52 A	North Office Building .....	3,000,000.00	2,905,340.11		94,659.89
	Total Department of Highways .....	\$ 3,024,000.00	\$ 2,924,340.11		\$ 99,659.89



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
INSURANCE DEPARTMENT					
354 A	Salary of the Commissioner .....	\$ 20,000.00	\$ 15,833.32	.....	\$ 4,166.68
354 A	Salaries and General Expenses .....	600,000.00	409,310.16	.....	190,689.84
	Total Insurance Department .....	\$ 620,000.00	\$ 425,143.48	.....	\$ 194,856.52
DEPARTMENT OF INTERNAL AFFAIRS					
354 A	Salary of the Secretary .....	\$ 20,000.00	\$ 12,666.54	.....	\$ 7,333.46
354 A	Salaries and General Expenses .....	500,000.00	385,257.91	.....	114,742.09
354 A	Topographical and Geologic Survey .....	146,800.00	110,817.49	.....	35,982.51
354 A	Bureau of Aeronautics .....	162,400.00	106,787.69	.....	55,612.31
	Total Department of Internal Affairs .....	\$ 829,200.00	\$ 615,529.63	.....	\$ 213,670.37
DEPARTMENT OF JUSTICE					
354 A	Salary of the Attorney General .....	\$ 24,000.00	\$ 19,000.00	.....	\$ 5,000.00
354 A	Salaries and General Expenses .....	342,000.00	238,790.06	.....	103,209.94
354 A	Board of Pardons—General Expenses .....	1,000.00	351.13	.....	648.87
354 A	Board of Pardons—Parole Expenses .....	70,000.00	12,348.98	.....	57,651.02
354 A	Board of Commissioners on Uniform State Laws..	3,000.00	1,499.73	.....	1,500.27
354 A	Costs in Suits Against Delinquent Dealers .....	8,000.00	3,406.85	.....	4,593.15
	Total Department of Justice .....	\$ 448,000.00	\$ 275,396.75	.....	\$ 172,603.25
DEPARTMENT OF LABOR AND INDUSTRY					
354 A	Salary of the Secretary .....	\$ 20,000.00	\$ 15,833.08	.....	\$ 4,166.92
354 A	Salaries and General Expenses .....	2,293,000.00(1)	1,855,923.43	.....	523,537.37
354 A	Workmen's Compensation to Injured State Em- ployes .....	110,000.00	84,260.28	.....	25,739.72
	Total Department of Labor and Industry .....	\$ 2,423,000.00(1)	\$ 1,956,016.79	.....	\$ 553,444.01
DEPARTMENT OF MILITARY AFFAIRS					
Administration					
354 A	Salary of the Adjutant General .....	\$ 20,000.00	\$ 15,816.58	.....	\$ 4,183.42
354 A	Salary of the Division Commander .....	16,000.00	12,666.62	.....	3,333.38
354 A	Salaries and General Expenses .....	421,000.00	311,002.13	.....	109,997.87
354 A	Support of the National Guard .....	675,000.00	552,354.22	.....	122,645.78
354 A	Riot and Insurrection .....	200,000.00	1,107.98	.....	198,892.02
354 A	Mt. Gretna—Repairs and Improvements .....	102,600.00	85,208.64	.....	17,391.36
354 A	Marking Graves of Revolutionary Soldiers .....	10,000.00	843.15	.....	9,156.85
354 A	Compilation of World War Records .....	47,500.00	36,048.08	.....	11,451.92
354 A	Escort of Honor—France .....	70,000.00	60,831.12	.....	9,168.88
314 A	Materials Furnished for Rifle Ranges .....	1,660.00	1,658.25	.....	1.75
318 A	Expenses—Dedication of Memorial Bridge .....	15,000.00	6,658.13	.....	8,341.87
	Total Administration .....	\$ 1,578,760.00	\$ 1,084,194.90	.....	\$ 494,656.10
Armory Board					
354 A	Salaries of Members .....	\$ 12,000.00	\$ 7,600.00	.....	\$ 4,400.00
354 A	Maintenance of Armories .....	520,000.00	383,044.66	.....	136,955.34
	Total Armory Board .....	\$ 532,000.00	\$ 390,644.66	.....	\$ 141,355.34
State Athletic Commission					
354 A	Salaries of Commissioners .....	\$ 30,000.00	\$ 23,749.86	.....	\$ 6,250.14
354 A	Salaries and General Expenses .....	105,000.00	64,548.38	.....	40,451.62
	Total State Athletic Commission .....	\$ 135,000.00	\$ 88,298.24	.....	\$ 46,701.76
State Veterans' Commission					
	State Veterans' Commission .....	\$ 20,000.00	\$ 5,852.50	.....	\$ 14,147.50
	Soldiers' Home at Erie .....	315,000.00	228,305.49	.....	86,694.51
	Total Department of Military Affairs .....	\$ 2,580,760.00	\$ 1,797,295.79	.....	\$ 783,464.21
DEPARTMENT OF MINES					
354 A	Salary of the Secretary .....	\$ 20,000.00	\$ 15,838.08	.....	\$ 4,166.92
354 A	Salary and General Expenses .....	116,500.00	77,181.71	.....	39,318.29
354 A	Salaries and Expenses of Inspectors .....	584,500.00	448,647.01	.....	135,852.99
354 A	Expenses of Examining Boards .....	13,475.00	4,061.19	.....	9,413.81
	Total Department of Mines .....	\$ 734,475.00	\$ 545,722.99	.....	\$ 188,752.01
DEPARTMENT OF PROPERTY AND SUPPLIES					
354 A	Salary of the Secretary .....	\$ 20,000.00	\$ 15,816.57	.....	\$ 4,183.43
354 A	Salaries and General Expenses .....	1,750,000.00	1,372,758.49	.....	377,241.51
Allocated to Spending Agencies					
354 A	General Supplies, Telephone, Telegraph and Print- ing, Etc. ....	\$ 3,765,000.00	2,766,074.68	.....	998,925.32
354 A	Rent, Heat, Light, Power, Water and Improvements	1,750,000.00	1,261,567.73	.....	388,432.27
354 A	Surety Bonds .....	100,000.00	89,592.54	.....	10,407.46
354 A	Motor Supplies and Equipment .....	1,010,000.00	395,643.09	.....	614,356.91
	Total Allocated to Spending Agencies .....	\$ 6,625,000.00	\$ 4,512,878.04	.....	\$ 2,112,121.96

(1) Credits to this appropriation of \$86,460.80.

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)					
352 A	Soldiers' and Sailors' Memorial Bridge—Additional	\$ 900,000.00	\$ 751,033.39		\$ 148,966.61
34 A	Educational and Farm Building	5,840,000.00	4,789,101.92		1,050,898.08
54 A	Capitol Park Sewers	37,523.00	37,523.00		
49 A	Cresson Volunteer Fire Company	1,000.00	1,000.00		
29 A	Harrisburg Fire Companies	5,000.00	5,000.00		
	For Department of Agriculture				
329 A	Purchase of Additional Land	9,100.00	9,002.25		97.75
	For Department of Forests and Waters				
329 A	Additional Lands for State Parks	150,000.00	25,900.42		124,099.58
	For Department of Health				
353 A	Sanatoria—New Construction	975,000.00	329,943.40		645,056.60
353 A	Hospital for Crippled Children—Construction	110,000.00	101,045.18		8,954.82
	Total for Department of Health	\$ 1,085,000.00	\$ 430,988.58		\$ 354,011.42
	For Department of Military Affairs				
353 A	Mt. Gretna—New Construction	\$ 18,500.00	\$ 10,865.60		\$ 7,634.40
329 A	Mt. Gretna—Additional Land	300,000.00			300,000.00
353 A	Construction of Armories	975,000.00	437,456.59		537,543.41
	Total for Department of Military Affairs	\$ 1,293,500.00	\$ 448,322.19		\$ 845,177.81
	For Department of Public Instruction				
571	Classified Edits of Statutes at Large	\$ 15,000.00			\$ 15,000.00
570	Classified Edit of 8th and 9th Series	75,000.00			75,000.00
353 A	Normal Schools—Construction	1,902,000.00	\$ 965,550.07		936,449.93
353 A	Pennsylvania State Oral School—Construction	103,000.00	58,851.64		44,148.36
353 A	Pennsylvania Soldiers' Orphans School—Construction				
		57,500.00	39,852.28		17,647.72
353 A	Thaddeus Stevens Industrial School—Construction	27,500.00	2,229.63		25,270.37
	Total for Department of Public Instruction	\$ 2,180,000.00	\$ 1,066,483.62		\$ 1,113,516.38
	For Department of Welfare				
353 A	Emergency Construction	\$ 250,000.00			\$ 250,000.00
329 A	Nanticoke State Hospital—Land	2,500.00			2,500.00
353 A	Pennsylvania Industrial Reformatory—Construction	258,000.00	\$ 129,100.43		128,899.57
353 A	Pennsylvania Training School—Construction	257,000.00	48,610.24		208,389.76
353 A	State Industrial Home for Women—Construction	269,000.00	137,154.23		131,845.77
353 A	New Eastern Penitentiary—Construction After				
	June 1, 1929	3,500,000.00	3,140,443.70		359,556.30
329 A	New Eastern Penitentiary—Land	5,500.00	5,345.47		154.53
353 A	Western Penitentiary—Pittsburgh—Construction	88,000.00	15,522.86		72,477.14
353 A	Western Penitentiary—Rockview—Construction and				
	Land	338,000.00	233,837.22		104,162.78
353 A	Allentown—Construction	323,000.00	118,896.39		204,103.61
353 A	Danville—Construction and Land	310,000.00	261,006.74		48,993.26
353 A	Farview—Construction	503,000.00	393,147.14		109,852.86
353 A	Harrisburg—Construction	608,000.00	353,014.75		254,985.25
353 A	Norristown—Construction and Land	142,251.00	106,682.54		35,568.46
353 A	Torrance—Construction	478,000.00	200,233.90		277,766.10
353 A	Warren—Construction	\$ 287,000.00	\$ 190,053.70		\$ 96,946.30
353 A	Wernersville—Construction	313,350.00	113,242.01		200,107.99
353 A	Laurelton—Construction	150,000.00	98,749.61		51,250.39
353 A	Pennhurst—Construction	678,000.00	388,340.43		289,659.57
353 A	Polk—Construction and Land	196,000.00	125,815.10		70,184.90
353 A	Selinsgrove—Construction and Land	643,000.00	329,867.05		313,132.95
341 A	Cumberland Valley—Construction	243,000.00	107,233.83		135,766.17
	Total for Department of Welfare	\$ 9,842,601.00	\$ 6,496,297.37		\$ 3,346,303.63
	Total Department of Property and Supplies	\$ 29,738,724.00	\$ 19,962,105.84		\$ 9,776,618.16
DEPARTMENT OF PUBLIC INSTRUCTION					
	Administration				
354 A	Salary of the Superintendent	\$ 24,000.00	\$ 19,000.00		\$ 5,000.00
354 A	Salaries and General Expenses	(1) 868,000.00	653,824.99		233,169.24
	Total Administration	\$ (1) 892,000.00	\$ 672,824.99		\$ 243,169.24
354 A	Library and Museum—Salaries and General Expenses	\$ 250,000.00	\$ 193,438.07		\$ 56,561.93
	School Subsidies				
354 A	Salaries of County Superintendents	\$ 441,000.00	\$ 365,091.30		\$ 75,908.70
354 A	Expenses of County Superintendents	66,000.00	47,305.19		18,694.81
354 A	Salaries of Assistant County Superintendents	525,000.00	430,007.74		94,992.26
354 A	Expenses of Assistant County Superintendents	105,000.00	70,782.47		34,217.53
354 A	Transportation	2,300,000.00	1,527,844.92		772,155.08
354 A	Training Vocational Teachers	(2) 112,000.00	149,432.12		27,735.47
354 A	Vocational Education	(3) 511,000.00	160,850.90		408,191.31
354 A	Miscellaneous Subsidies	125,000.00	77,548.50		47,451.50
48 A	Complanter Indian Reservations—Roads	600.00	312.85		287.15
	Total School Subsidies	\$ (4) 4,185,600.00	\$ 2,830,075.99		\$ 1,438,733.81

(1) Credits to this appropriation of \$ 23,994.23.

(2) Credits to this appropriation of 75,167.59.

(3) Credits to this appropriation of 58,042.21.

(4) Credits to this appropriation of 133,209.80.



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
DEPARTMENT OF PUBLIC INSTRUCTION (Continued)					
354 A	Support of Common Schools .....	\$ 52,000,000.00	\$ 39,552,130.46	.....	\$ 12,447,869.54
574	Aid to School Districts .....	100,000.00	86,855.66	.....	13,144.34
354 A	Normal Schools—Maintenance and Repairs .....	10,728,000.00	7,723,711.16	.....	3,004,288.84
354 A	Examining Boards .....	310,000.00	201,131.59	.....	108,868.41
Education of Blind and Deaf					
354 A	Subsidies for Blind and Deaf Schools .....	1,160,000.00	580,518.45	.....	579,481.55
573	Commission to Investigate Blind and Deaf Schools .....	1,000.00	245.98	.....	754.02
	Total Education of Blind and Deaf .....	\$ 1,161,000.00	\$ 580,764.43	.....	\$ 580,235.57
354 A	Board of Censors .....	\$ 175,500.00	\$ 134,314.18	.....	\$ 41,185.82
Historical					
354 A	Salaries and Expenses of Pennsylvania Historical Commission .....	\$ 51,000.00	\$ 29,723.89	.....	\$ 21,276.11
60 A	Historical Society of Western Pennsylvania .....	40,000.00	.....	.....	40,000.00
528	Conrad Weiser Park Association .....	4,500.00	4,392.00	.....	108.00
	Total Historical .....	\$ 95,500.00	\$ 34,115.89	.....	\$ 61,384.11
School Employees Retirement System					
354 A	Salaries and General Expenses .....	\$ 111,400.00	\$ 82,057.16	.....	\$ 29,342.84
354 A	Contingent Reserve Fund .....	1,825,000.00	834,905.36	.....	990,094.64
354 A	Annuity Reserve Fund No. 2 .....	4,075,000.00	1,915,094.64	.....	2,159,905.36
	Total School Employees Retirement System .....	\$ 6,011,400.00	\$ 2,832,057.16	.....	\$ 3,179,342.84
Institutions—State-Owned					
354 A	Pennsylvania State Oral School—Maintenance .....	\$ 129,000.00	\$ 95,233.02	.....	\$ 33,766.98
354 A	Home for Training in Speech .....	90,500.00	67,492.01	.....	23,007.99
354 A	Pennsylvania Soldiers' Orphans School—Maintenance .....	309,500.00	218,025.86	.....	91,474.14
354 A	Thaddeus Stevens Industrial School—Maintenance .....	109,000.00	83,219.39	.....	25,780.61
	Total Institutions—State-Owned .....	\$ 638,000.00	\$ 463,970.28	.....	\$ 174,029.72
Universities and Colleges (State-Aided)					
Pennsylvania State College					
66 A	General Maintenance .....	\$ 2,350,000.00	\$ 1,833,419.25	.....	\$ 516,580.75
66 A	Agricultural Research and Experiment .....	300,000.00	216,436.67	.....	83,563.33
66 A	Economics and Extension .....	650,000.00	442,567.47	.....	207,432.53
66 A	Liquidation of Accumulated Debts .....	711,000.00	711,000.00	.....	.....
312 A	Petroleum Industry .....	50,000.00	28,727.93	.....	21,272.07
66 A	Construction .....	2,250,000.00	2,250,000.00	.....	.....
68 A	University of Pennsylvania .....	1,500,000.00	937,500.00	.....	562,500.00
69 A	University of Pittsburgh .....	1,200,000.00	803,144.55	.....	396,855.45
70 A	Women's Medical College .....	70,000.00	40,523.47	.....	29,476.53
65 A	Jefferson Medical College .....	150,000.00	85,312.10	.....	64,687.90
64 A	Hahnemann Medical College .....	100,000.00	62,506.00	.....	37,500.00
67 A	Temple University .....	600,000.00	450,000.00	.....	150,000.00
	Total Universities and Colleges—State-Aided .....	\$ 9,931,000.00	\$ 7,861,131.44	.....	\$ 2,059,868.56
Other State-Aided Institutions					
72 A	Pennsylvania Museum and School of Industrial Art .....	\$ 100,000.00	\$ 75,000.00	.....	\$ 25,000.00
74 A	Philadelphia School of Design for Women .....	40,000.00	25,000.00	.....	15,000.00
71 A	Downingtown Industrial and Agricultural School .....	56,000.00	42,000.00	.....	14,000.00
71 A	Stock and Implements .....	4,000.00	2,974.61	.....	1,025.39
47 A	Nautical School .....	(1)100,000.00	103,363.49	.....	46,636.51
62 A	National Farm School .....	35,000.00	26,250.00	.....	8,750.00
61 A	Johnson Industrial School .....	50,000.00	31,250.00	.....	18,750.00
73 A	Philadelphia Museums .....	35,000.00	28,103.68	.....	6,896.32
	Total Other State-Aided Institutions .....	(1)420,000.00	\$ 333,941.78	.....	\$ 136,058.22
319 A	Former Teachers' Fund .....	\$ 150,000.00	\$ 111,779.79	.....	\$ 38,220.21
	Total Department of Public Instruction .....	\$(2)87,048,000.00	\$ 63,612,242.87	.....	\$ 23,642,961.16
PUBLIC SERVICE COMMISSION					
354 A	Salaries of the Chairman .....	\$ 21,000.00	\$ 16,625.00	.....	\$ 4,375.00
354 A	Salaries of the Commissioners .....	120,000.00	95,000.04	.....	24,999.96
354 A	Salaries and General Expenses .....	845,000.00	650,705.18	.....	194,294.82
354 A	Grade Crossing Protection .....	25,000.00	.....	.....	25,000.00
	Total Public Service Commission .....	\$ 1,011,000.00	\$ 762,330.22	.....	\$ 248,669.78
DEPARTMENT OF REVENUE					
354 A	Salary of the Secretary .....	\$ 24,000.00	\$ 19,000.00	.....	\$ 5,000.00
354 A	Salaries and General Expenses .....	1,170,000.00	538,464.91	.....	631,535.09
354 A	Compensation of Informants in Escheats .....	10,000.00	1,062.69	.....	8,937.31
354 A	Mileage of Mercantile Appraisers .....	25,000.00	15,502.99	.....	9,497.01
	Total Department of Revenue .....	\$ 1,229,000.00	\$ 574,030.59	.....	\$ 654,969.41

(1) Credits to this appropriation of \$ 30,000.00.

(2) Credits to this appropriation of 207,204.03.

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
DEPARTMENT OF STATE					
354 A	Salary of the Secretary .....	\$ 20,000.00	\$ 15,816.42	.....	\$ 4,183.58
354 A	Salaries and General Expenses .....	160,000.00	115,482.25	.....	44,517.75
354 A	Publishing Constitutional Amendments .....	50,000.00	40,749.49	.....	9,250.51
354 A	Salaries of Retired State Employees .....	105,000.00	66,366.29	.....	28,633.71
354 A	Payment of Pensions and Gratuities .....	5,216.00	3,989.00	.....	1,227.00
State Employees Retirement Board					
354 A	Salaries and General Expenses .....	44,500.00	33,699.64	.....	10,800.36
354 A	Annuity Reserve Fund No. 2 .....	1,126,124.00	1,126,124.00	.....	.....
354 A	Annuity Savings Fund Interest .....	76,376.00	76,376.00	.....	.....
354 A	Contingent Reserve Fund .....	555,000.00	416,250.00	.....	138,750.00
Total State Employees Retirement Board .....		\$ 1,802,000.00	\$ 1,652,449.64	.....	\$ 149,550.36
Total Department of State .....		\$ 2,142,216.00	\$ 1,894,833.09	.....	\$ 247,382.91
PENNSYLVANIA STATE POLICE					
354 A	Salary of the Superintendent .....	\$ 15,000.00	\$ 11,875.00	.....	\$ 3,125.00
354 A	Salaries and General Expenses .....	2,075,000.00	1,508,687.47	.....	566,312.53
35 A	Telephone-Typewriter System .....	260,000.00	172,148.44	.....	87,851.56
354 A	Property Damage .....	1,500.00	539.25	.....	960.75
Total Pennsylvania State Police .....		\$ 2,351,500.00	\$ 1,693,230.16	.....	\$ 658,269.84
DEPARTMENT OF WELFARE					
Administration					
354 A	Salary of the Secretary .....	\$ 20,000.00	15,833.03	.....	\$ 4,166.92
354 A	Salaries and General Expenses .....	437,000.00	336,171.98	.....	100,828.02
354 A	Departmental Administrative Boards .....	63,800.00	48,587.70	.....	15,212.30
354 A	Orthopaedic Unit .....	54,400.00	39,736.15	.....	14,663.85
367	Mother's Assistance System .....	2,750,000.00	2,053,276.23	.....	696,723.77
35 A	Emergency Maintenance .....	250,000.00	.....	.....	250,000.00
Total Administration .....		\$ 3,575,200.00	\$ 2,493,605.14	.....	\$ 1,081,594.86
Medical and Surgical Hospitals—State-Owned					
342 A	Ashland State Hospital—Maintenance, Repairs and Furnishings .....	\$ 491,750.00	\$ 349,051.53	.....	\$ 142,698.47
343 A	Blossburg State Hospital Maintenance, Repairs and Furnishing .....	170,000.00	131,959.72	.....	38,040.28
344 A	Coaldale State Hospital—Maintenance, Repairs and Furnishings .....	209,000.00	161,575.90	.....	46,424.10
345 A	Connellsville State Hospital—Maintenance, Repairs and Furnishings .....	189,200.00	130,826.33	.....	58,373.67
346 A	Hazleton State Hospital—Maintenance, Repairs and Furnishings .....	286,000.00	245,251.25	.....	40,748.75
347 A	Locust Mountain State Hospital—Maintenance, Re- pairs and Furnishings .....	211,400.00	138,110.47	.....	73,289.53
348 A	Nanticoke State Hospital — Maintenance, Repairs and Furnishings .....	269,800.00	206,649.86	.....	63,150.14
349 A	Phillipsburg State Hospital—Maintenance, Repairs and Furnishings .....	179,400.00	130,754.29	.....	48,645.71
350 A	Scranton State Hospital—Maintenance, Repairs and Furnishings .....	436,700.00	339,114.71	.....	97,585.29
351 A	Shamokin State Hospital—Maintenance, Repairs and Furnishings .....	236,000.00	155,538.95	.....	80,461.05
Total Medical and Surgical Hospitals — State- Owned .....		\$ 2,678,250.00	\$ 1,968,833.01	.....	\$ 689,416.99
Penal and Correctional Institutions—State-Owned					
330 A	Huntingdon—Maintenance, Repairs and Furnish- ings .....	\$ 1,156,000.00	\$ 766,275.73	.....	\$ 389,724.27
331 A	Morgantza—Maintenance, Repairs and Furnishings .....	700,000.00	542,955.51	.....	157,044.49
332 A	Muncy—Maintenance, Repairs and Furnishings .....	265,000.00	169,038.65	.....	95,961.35
333 A	Eastern State Penitentiary—Maintenance, Repairs and Furnishings .....	1,548,200.00	1,248,810.54	.....	299,389.46
335 A	Western State Penitentiary—Maintenance, Repairs and Furnishings .....	1,213,000.00	907,592.82	.....	305,407.18
336 A	Western State Penitentiary, Rockview — Mainte- nance, Repairs and Furnishings .....	868,000.00	657,525.11	.....	210,474.89
Total Penal and Correctional Institutions—State- Owned .....		\$ 5,750,200.00	\$ 4,292,198.36	.....	\$ 1,458,001.64
Penal and Correctional Institutions—(State-Aided)					
Glen Mills Schools					
59 A	Maintenance .....	\$ 620,000.00	\$ 467,965.89	.....	\$ 152,034.11
59 A	Construction .....	45,000.00	45,000.00	.....	.....
Total Penal and Correctional Institutions— State-Aided .....		\$ 665,000.00	\$ 512,965.89	.....	\$ 152,034.11



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
DEPARTMENT OF WELFARE (Continued)					
Hospitals for Insane—State-Owned					
321 A	Allentown State Hospital—Maintenance, Repairs and Furnishings .....	\$ 1,014,500.00	\$ 780,840.10	.....	\$ 233,659.90
322 A	Danville State Hospital—Maintenance, Repairs and Furnishings .....	1,287,000.00	930,134.23	.....	356,865.77
323 A	Farview State Hospital—Maintenance, Repairs and Furnishings .....	467,300.00	356,572.06	.....	110,727.94
324 A	Harrisburg State Hospital—Maintenance, Repairs and Furnishings .....	1,040,200.00	762,740.40	.....	277,459.60
325 A	Norristown State Hospital—Maintenance, Repairs and Furnishings .....	1,827,500.00	1,452,258.52	.....	375,241.48
326 A	Torrance State Hospital—Maintenance, Repairs and Furnishings .....	560,500.00	354,130.34	.....	206,369.66
327 A	Warren State Hospital—Maintenance, Repairs and Furnishings .....	1,291,700.00	899,757.33	.....	391,942.67
328 A	Wernersville State Hospital—Maintenance, Repairs and Furnishings .....	764,000.00	542,870.31	.....	221,129.69
	Total Hospitals for Insane—State-Owned ....	\$ 8,252,700.00	\$ 6,079,303.29	.....	\$ 2,173,396.71
34 A	County Hospitals and Poor Districts .....	\$ 2,260,000.00	\$ 1,467,226.74	.....	\$ 792,773.26
Hospitals for Insane—State-Aided					
56 A	Dixmont Maintenance, Repairs and Furnishings .....	\$ 330,000.00	\$ 253,812.43	.....	\$ 76,187.57
57 A	Water System .....	70,000.00	69,773.38	.....	226.62
57 A	Electric Wiring .....	5,000.00	4,586.45	.....	413.55
	Total Hospitals for Insane—State-Aided .....	\$ 405,000.00	\$ 328,172.26	.....	\$ 76,827.74
Institutions for Feeble Minded and Epileptics—State-Owned					
338 A	Laurelton State Village—Maintenance, Repairs and Furnishings .....	\$ 516,500.00	\$ 337,750.35	.....	\$ 178,749.65
339 A	Pennhurst State School—Maintenance, Repairs and Furnishings .....	784,400.00	563,474.56	.....	220,925.44
340 A	Polk State School — Maintenance, Repairs and Furnishings .....	1,252,000.00	932,164.61	.....	319,835.39
337 A	Selinsgrove State Colony — Maintenance, Repairs and Furnishings .....	286,200.00	221,420.57	.....	64,779.43
	Total Institutions for Feeble Minded and Epileptics—State-Owned .....	\$ 2,839,100.00	\$ 2,054,810.09	.....	\$ 784,289.91
Institutions for Feeble Minded and Epileptics—State-Aided					
58 A	Elwyn Training School—Maintenance .....	\$ 420,000.00	\$ 302,705.65	.....	\$ 117,294.35
Medical and Surgical Hospitals—State-Aided					
75 A	Adrian Hospital Association, Punxsutawney .....	\$ 22,000.00	\$ 13,750.00	.....	\$ 8,250.00
76 A	Allegheny General Hospital, Pittsburgh .....	150,000.00	93,750.00	.....	56,250.00
77 A	Allegheny Valley Hospital, Tarentum .....	15,000.00	7,500.00	.....	7,500.00
73 A	Allentown Hospital, Allentown .....	100,000.00	62,500.00	.....	37,500.00
79 A	Altoona Hospital .....	56,000.00	35,000.00	.....	21,000.00
80 A	American Hospital for Diseases of the Stomach, Philadelphia .....	6,000.00	3,750.00	.....	2,250.00
81 A	American Oncologic Hospital, Philadelphia .....	8,000.00	4,000.00	.....	4,000.00
82 A	Anthraxite Hospital, Pottsville .....	3,500.00	2,187.50	.....	1,312.50
83 A	Simon H. Barnes Memorial Hospital .....	3,000.00	1,875.00	.....	1,125.00
84 A	Beaver Valley General Hospital, New Brighton .....	14,800.00	9,250.00	.....	5,550.00
85 A	Belvedere Hospital, Pittsburgh .....	3,200.00	2,000.00	.....	1,200.00
86 A	Berwick Hospital .....	10,000.00	6,250.00	.....	3,750.00
87 A	Blair, J. C. Memorial, Huntingdon .....	26,500.00	16,562.50	.....	6,000.00
88 A	Bloomsburg Hospital .....	16,000.00	10,000.00	.....	6,000.00
89 A	Braddock General Hospital .....	40,000.00	25,000.00	.....	15,000.00
90 A	Bradford Hospital .....	25,000.00	15,625.00	.....	9,375.00
91 A	Brookville Hospital .....	6,500.00	3,537.48	.....	2,962.52
92 A	Brownsville General Hospital .....	25,000.00	15,625.00	.....	9,375.00
93 A	Butler County General Hospital .....	15,000.00	9,375.00	.....	5,625.00
94 A	Canonsburg General Hospital .....	10,000.00	5,000.00	.....	5,000.00
95 A	Carbondale Emergency Hospital .....	20,000.00	12,500.00	.....	7,500.00
96 A	Carlisle Hospital .....	15,900.00	9,937.50	.....	5,962.50
97 A	Centre County Hospital, Bellefonte .....	19,500.00	9,750.00	.....	9,750.00
98 A	Chambersburg Hospital .....	15,000.00	9,325.00	.....	5,625.00
99 A	Charleroi-Monessen Hospital .....	10,000.00	6,250.00	.....	3,750.00
100 A	Chester County Hospital, West Chester .....	40,000.00	25,000.00	.....	15,000.00
101 A	Chester Hospital—City of Chester .....	70,000.00	43,750.00	.....	26,250.00
102 A	Chestnut Hill Hospital, Philadelphia .....	10,000.00	6,250.00	.....	3,750.00
103 A	Children's Hospital, Pittsburgh .....	90,000.00	56,250.00	.....	33,750.00
104 A	Christian H. Buhl Hospital, Sharon .....	15,000.00	9,375.00	.....	5,625.00
105 A	Citizens General Hospital, New Kensington .....	28,400.00	14,200.00	.....	14,200.00
106 A	Clearfield Hospital .....	33,000.00	20,625.00	.....	12,375.00
108 A	Columbia Hospital .....	45,000.00	22,500.00	.....	22,500.00
107 A	Coatesville Hospital .....	13,300.00	8,312.50	.....	4,987.50
109 A	Community Hospital, Kittanning .....	5,000.00	3,125.00	.....	1,875.00
110 A	Conemaugh Valley Memorial Hospital .....	80,000.00	50,000.00	.....	30,000.00
111 A	Corry Hospital Association .....	11,000.00	6,875.00	.....	4,125.00
112 A	Coudersport General Hospital .....	3,000.00	2,216.85	.....	783.15
113 A	Delaware County Hospital .....	16,500.00	8,250.00	.....	8,250.00
114 A	Eagleville Sanatorium for Consumptives .....	100,000.00	62,500.00	.....	37,500.00
115 A	Easton Hospital .....	38,000.00	23,750.00	.....	14,250.00

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
DEPARTMENT OF WELFARE (Continued)					
Medical and Surgical Hospitals—State-Aided (Continued)					
116 A	Elk County General Hospital, Ridgway .....	\$ 20,000.00	\$ 12,159.00	.....	\$ 7,841.00
117 A	Ellwood City Hospital, Ridgway .....	8,500.00	5,312.50	.....	3,187.50
118 A	Eye and Ear Hospital, Pittsburgh .....	21,000.00	13,125.00	.....	7,875.00
119 A	Frankford Hospital, Philadelphia .....	52,000.00	32,500.00	.....	19,500.00
120 A	Franklin City Hospital .....	4,800.00	3,000.00	.....	1,800.00
121 A	Frederick Douglas Memorial Hospital and Training School, Philadelphia .....	16,000.00	10,001.17	.....	5,998.83
122 A	Garretson Hospital, Philadelphia .....	8,500.00	5,312.50	.....	3,187.50
123 A	General Hospital, East Stroudsburg .....	8,200.00	5,125.00	.....	3,075.00
124 A	Germantown Dispensary and Hospital .....	85,000.00	53,125.00	.....	31,875.00
125 A	Good Samaritan Hospital, Lebanon .....	25,000.00	15,625.00	.....	9,375.00
126 A	Grandview Hospital, Sellersville .....	15,000.00	9,375.00	.....	5,625.00
127 A	Grandview Hospital for Consumptives, Oil City ..	9,000.00	5,625.00	.....	3,375.00
128 A	Green County Memorial Hospital, Waynesburg ..	8,500.00	5,312.50	.....	3,187.50
129 A	Greenville Hospital, Greenville .....	3,000.00	1,875.00	.....	1,125.00
130 A	Grove City Hospital .....	3,600.00	1,800.00	.....	1,800.00
131 A	Hahnemann Hospital, Philadelphia .....	160,000.00	100,000.00	.....	60,000.00
132 A	Hahnemann Hospital, Scranton .....	50,000.00	31,250.00	.....	18,750.00
133 A	Hamot Hospital Association, Erie .....	70,000.00	43,750.00	.....	26,250.00
134 A	Hanover General Hospital, Hanover .....	10,000.00	6,250.00	.....	3,750.00
135 A	Harrisburg Hospital .....	70,000.00	52,500.00	.....	17,500.00
136 A	Harrisburg Polyclinic Hospital .....	50,000.00	31,250.00	.....	18,750.00
137 A	Homeopathic Hospital of Chester County, West Chester .....	18,000.00	11,250.00	.....	6,750.00
138 A	Homeopathic Medical and Surgical Hospital, Pitts- burgh .....	80,000.00	50,000.00	.....	30,000.00
139 A	Homeopathic Medical and Surgical Hospital, Reading .....	40,000.00	25,000.00	.....	15,000.00
140 A	Homestead Hospital .....	32,000.00	20,000.00	.....	12,000.00
141 A	Howard Hospital, Philadelphia .....	32,000.00	20,000.00	.....	12,000.00
142 A	Indiana Hospital .....	22,500.00	14,062.50	.....	8,437.50
143 A	Jamison Memorial Hospital Association, New Castle	24,000.00	15,000.00	.....	9,000.00
144 A	Jefferson Medical College .....	175,000.00	109,375.00	.....	65,625.00
145 A	Kane Summit Hospital Association .....	10,000.00	6,250.00	.....	3,750.00
146 A	Kensington Hospital for Women, Philadelphia ..	27,500.00	17,187.50	.....	10,312.50
147 A	Kittanning General Hospital .....	5,700.00	3,562.50	.....	2,137.50
148 A	Lancaster County Tuberculosis Society, Rossmere	50,000.00	31,250.00	.....	18,750.00
149 A	Lancaster General Hospital .....	54,000.00	33,750.00	.....	20,250.00
150 A	Latrobe Hospital .....	20,000.00	12,500.00	.....	7,500.00
151 A	Lewistown Hospital .....	25,000.00	15,625.00	.....	9,375.00
152 A	Lock Haven Hospital .....	28,500.00	17,812.50	.....	10,687.50
153 A	Lying-in-Charity Hospital, Philadelphia .....	35,000.00	21,875.00	.....	13,125.00
154 A	Maple Avenue Hospital Association, DuBois .....	11,500.00	7,187.50	.....	4,312.50
155 A	Maternity Hospital, Philadelphia .....	17,000.00	10,625.00	.....	6,375.00
156 A	McKeesport Hospital .....	56,000.00	35,000.00	.....	21,000.00
157 A	Meadville City Hospital .....	10,000.00	6,250.00	.....	3,750.00
158 A	Memorial Hospital Association, Monongahela City	11,200.00	7,000.00	.....	4,200.00
159 A	Memorial Hospital of Roxborough, Philadelphia ..	40,000.00	25,000.00	.....	15,000.00
160 A	Mercy Hospital, Altoona .....	36,000.00	22,500.00	.....	13,500.00
161 A	Mercy Hospital, Philadelphia .....	54,000.00	33,750.00	.....	20,250.00
162 A	Mercy Hospital, Wilkes-Barre .....	70,000.00	43,750.00	.....	26,250.00
163 A	Mid Valley Hospital, Blakely .....	16,500.00	8,250.00	.....	8,250.00
164 A	Miners Hospital of Northern Cambria .....	25,000.00	15,625.00	.....	9,375.00
165 A	Montefiore Hospital, Pittsburgh .....	45,000.00	28,125.00	.....	16,875.00
166 A	Montgomery Hospital, Norristown .....	19,000.00	11,875.00	.....	7,125.00
167 A	Mt. Pleasant Memorial Hospital, Mt. Pleasant ....	12,500.00	7,812.50	.....	4,687.50
168 A	Mt. Sinai Hospital, Philadelphia .....	110,000.00	68,750.00	.....	41,250.00
169 A	Nason Hospital Association, Roaring Springs .....	18,000.00	11,250.00	.....	6,750.00
170 A	National Stomach Hospital, Philadelphia .....	5,700.00	2,671.70	.....	3,028.30
171 A	Northern Liberties Hospital .....	20,000.00	12,500.00	.....	7,500.00
172 A	Northeastern Hospital, Philadelphia .....	21,000.00	13,125.00	.....	7,875.00
173 A	Northwestern General Hospital, Philadelphia ....	15,000.00	9,375.00	.....	5,625.00
174 A	Ohio Valley General Hospital, McKees Rocks .....	16,800.00	10,500.00	.....	6,300.00
175 A	Oil City Hospital .....	14,000.00	8,750.00	.....	5,250.00
176 A	Mary M. Packer Hospital, Sunbury .....	20,000.00	12,500.00	.....	7,500.00
177 A	Packer, Robert Hospital, Sayre .....	75,000.00	46,875.00	.....	28,125.00
178 A	Passavant Hospital, Pittsburgh .....	40,000.00	25,000.00	.....	15,000.00
179 A	Pennsylvania Epileptic Hospital and Colony Farm, Oakburne .....	25,000.00	15,625.00	.....	9,375.00
180 A	Pennsylvania Hospital of Philadelphia .....	50,000.00	25,000.00	.....	25,000.00
181 A	Philadelphia Orthopaedic Hospital and Infirmary..	60,000.00	37,500.00	.....	22,500.00
182 A	Phoenixville Hospital .....	16,500.00	10,312.50	.....	6,187.50
183 A	Pittsburgh Hospital Association .....	40,000.00	25,000.00	.....	15,000.00
184 A	Pittston Hospital Association .....	35,000.00	21,875.00	.....	13,125.00
185 A	Pottstown Homeopathic Hospital .....	9,000.00	5,625.00	.....	3,375.00
186 A	Pottstown Hospital .....	15,500.00	7,750.00	.....	7,750.00
187 A	Pottsville Hospital .....	50,000.00	31,250.00	.....	18,750.00
188 A	Presbyterian Hospital, Pittsburgh .....	40,000.00	25,000.00	.....	15,000.00
189 A	Providence Hospital of Beaver County .....	10,000.00	6,250.00	.....	3,750.00
190 A	Punxsutawney Hospital Association .....	14,000.00	8,750.00	.....	5,250.00
191 A	Reading Hospital .....	80,000.00	60,000.00	.....	20,000.00
192 A	Renovo Hospital .....	3,500.00	1,750.00	.....	1,750.00
193 A	Rochester General Hospital .....	30,500.00	19,062.50	.....	11,437.50
194 A	Rush Hospital for Consumptives, Philadelphia ....	62,400.00	39,000.00	.....	23,400.00
195 A	Saint Christopher's Hospital for Children, Phila- delphia .....	44,000.00	27,500.00	.....	16,500.00
196 A	Saint Francis' Hospital, Pittsburgh .....	160,000.00	.....	.....	160,000.00
197 A	Saint John's General Hospital, Pittsburgh .....	45,000.00	28,125.00	.....	16,875.00



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

June 1, 1929 and December 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
DEPARTMENT OF WELFARE (Continued)					
Medical and Surgical Hospitals—State-Aided (Continued)					
198 A	Saint John's Hospital, Carbondale .....	\$ 10,000.00	\$ 6,250.00		\$ 3,750.00
199 A	Saint Luke's Hospital, South Bethlehem .....	64,000.00	40,000.00		24,000.00
200 A	Saint Luke's Homeopathic Hospital, Philadelphia, and Children's Homeopathic Hospital, Philadel- phia .....	75,000.00	46,875.00		28,125.00
201 A	Saint Vincent's Hospital Association, Erie .....	70,000.00	43,750.00		26,250.00
202 A	Samaritan Hospital, Philadelphia .....	63,000.00	39,375.00		23,625.00
203 A	Sewickley Valley Hospital .....	15,000.00	9,375.00		5,625.00
204 A	South Side Hospital, Pittsburgh .....	70,000.00	43,750.00		26,250.00
205 A	Spencer Hospital, Meadville .....	10,500.00	6,562.50		3,937.50
206 A	Stetson Hospital, Philadelphia .....	7,500.00	4,687.50		2,812.50
207 A	Suburban General Hospital, Bellevue .....	9,000.00	4,500.00		4,500.00
208 A	Taylor Hospital Association .....	25,000.00	15,625.00		9,375.00
209 A	Taylor Hospital, Ridley Park .....	12,000.00	7,500.00		4,500.00
210 A	Titusville Hospital .....	5,500.00	2,750.00		2,750.00
211 A	Tuberculosis League, Pittsburgh .....	75,000.00	46,875.00		28,125.00
212 A	Two Lick Hospital .....	5,500.00	3,437.50		2,062.50
213 A	Uniontown Hospital .....	47,000.00	23,500.00		23,500.00
214 A	University of Pennsylvania Hospital .....	160,000.00	100,000.00		60,000.00
215 A	University of Pennsylvania, Graduate, Polyclinic and Medico-Chirurgical Hospitals, Philadelphia .....	140,000.00	87,500.00		52,500.00
216 A	Warner, Annie M. Hospital, Gettysburg .....	6,500.00	4,062.50		2,437.50
217 A	Warren General Hospital .....	10,000.00	6,250.00		3,750.00
218 A	Washington Hospital .....	48,000.00	30,000.00		18,000.00
219 A	Wayne County Memorial Hospital, Honesdale .....	3,300.00	2,062.50		1,237.50
220 A	Waynesboro Hospital .....	7,500.00	4,687.50		2,812.50
221 A	Western Pennsylvania Hospital, Pittsburgh .....	140,000.00	87,500.00		52,500.00
222 A	Westmoreland Hospital Association, Greensburg .....	35,500.00	22,187.50		13,312.50
223 A	West Philadelphia General Homeopathic Hospital .....	18,000.00	11,250.00		6,750.00
224 A	West Philadelphia Hospital for Women .....	40,000.00	25,000.00		15,000.00
225 A	West Side Hospital Association, Scranton .....	50,000.00	31,250.00		18,750.00
226 A	Wilkes-Barre General Hospital .....	130,000.00	81,250.00		48,750.00
227 A	Williamsport Hospital .....	82,500.00	51,562.50		30,937.50
228 A	Wills Eye Hospital, Philadelphia .....	65,000.00	40,625.00		24,375.00
229 A	Women's Homeopathic Hospital, Philadelphia .....	50,000.00	31,250.00		18,750.00
230 A	Women's Hospital, Philadelphia .....	47,500.00	29,687.50		17,812.50
231 A	Women's Medical College, Philadelphia .....	50,000.00	31,250.00		18,750.00
232 A	Women's Southern Homeopathic Hospital, Phila- delphia .....	16,000.00	10,000.00		6,000.00
233 A	Wyoming Valley Homeopathic Hospital, Wilkes- Barre .....	28,000.00	17,500.00		10,500.00
234 A	York Hospital .....	50,000.00	31,250.00		18,750.00
	Total Medical and Surgical Hospitals—State- Aided .....	\$ 5,922,800.00	\$ 3,582,461.20		\$ 2,340,338.80
Homes—State-Aided					
235 A	Aged Colored Women's Home, Williamsport .....	\$ 2,000.00	\$ 1,500.00		\$ 500.00
236 A	Almira Home Association, New Castle .....	7,000.00	4,747.92		2,252.08
237 A	Baby Welfare Association, Philadelphia .....	4,000.00	3,000.00		1,000.00
238 A	Beacon Light Mission, Bradford .....	3,000.00			3,000.00
239 A	Beaver County Children's Home, New Brighton .....	7,500.00	4,687.50		2,812.50
240 A	Benevolent Home Association for Children, Potts- ville .....	2,000.00	1,250.00		750.00
241 A	Berean Manual Training School .....	20,000.00	15,000.00		5,000.00
242 A	Bethel Orphanage .....	3,500.00	1,863.34		1,636.66
243 A	Beulah Anchorage, Reading .....	2,000.00	1,500.00		500.00
244 A	Boys Industrial Home, Oakdale .....	13,000.00	9,750.00		3,250.00
245 A	Chester Day Nursery and Children's Boarding Home .....	2,500.00	1,409.60		1,090.40
246 A	Children's Aid Society of Franklin County, Cham- bersburg .....	2,000.00	1,250.00		750.00
247 A	Children's Aid Society of Pennsylvania, Philadel- phia .....	60,000.00	45,000.00		15,000.00
248 A	Children's Aid Society of Western Pennsylvania, Pittsburgh .....	25,000.00	15,625.00		9,375.00
249 A	Children's Home of Easton .....	8,500.00	6,375.00		2,125.00
250 A	Children's Home of South Bethlehem .....	4,500.00	2,812.50		1,687.50
251 A	Children's Home Society of Pennsylvania .....	6,500.00	4,062.50		2,437.50
252 A	Children's Industrial Home, Harrisburg .....	11,000.00	8,250.00		2,750.00
253 A	Christian Home of Johnstown .....	3,500.00	2,187.50		1,312.50
254 A	Coleman Industrial Home for Colored Boys, Pitts- burgh .....	3,000.00	1,875.00		1,125.00
255 A	Colored Women's Relief Association of Western Pennsylvania, Pittsburgh .....	2,500.00	1,562.50		937.50
256 A	Curtis Home for Destitute Women and Children, Pittsburgh .....	5,500.00	3,437.50		2,062.50
257 A	Erie Home for the Friendless .....	14,500.00	7,250.00		7,250.00
258 A	Erie Infants Home and Hospital .....	3,500.00	1,877.46		1,622.54
259 A	First Allegheny Day Nursery, Pittsburgh .....	4,500.00	3,375.00		1,125.00
260 A	Florence Crittenton Circle, Wilkes-Barre .....	1,000.00	625.00		375.00
261 A	Florence Crittenton Home, Erie .....	1,500.00	582.50		917.50
262 A	Florence Crittenton Home, Philadelphia .....	2,000.00	1,500.00		500.00
263 A	Florence Crittenton Mission, Williamsport .....	1,000.00	125.00		875.00
264 A	Friends Home for Children .....	3,000.00	1,875.00		1,125.00
265 A	George Jr., Republic Association, Grove City .....	7,500.00	5,625.00		1,875.00
266 A	Home for the Aged, Philadelphia .....	4,500.00	2,812.50		1,687.50

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
DEPARTMENT OF WELFARE (Continued)					
Homes—State-Aided (Continued)					
267 A	Home for the Aged of Westmoreland County .....	\$ 1,000.00	\$ 625.00	.....	\$ 375.00
268 A	Home for Aged and Infirm Women, Easton .....	5,500.00	4,125.00	.....	1,375.00
269 A	Home for Aged and Infirm Colored Women, Pitts- burgh .....	4,500.00	2,250.00	.....	2,250.00
270 A	Home for Colored Children, Pittsburgh .....	3,900.00	1,462.50	.....	2,437.50
271 A	Home for the Friendless, Harrisburg .....	6,500.00	4,082.50	.....	2,437.50
272 A	Home for Friendless Children, Lancaster .....	7,500.00	5,625.00	.....	1,875.00
273 A	Home for Friendless Children, Reading .....	3,400.00	693.66	.....	2,706.34
274 A	Home for Friendless, Williamsport .....	10,500.00	7,875.00	.....	2,625.00
275 A	Home for Friendless Women, Scranton .....	8,500.00	5,312.50	.....	3,187.50
276 A	Home of Industry for Discharged Prisoners, Phila- delphia .....	4,000.00	3,000.00	.....	1,000.00
277 A	Home for Veterans of G. A. R. and Wives, Phila- delphia .....	22,500.00	16,875.00	.....	5,625.00
278 A	Home for Widows and Single Women, Lebanon ..	3,500.00	2,625.00	.....	875.00
279 A	Home for Widows and Single Women, Reading..	4,000.00	2,550.76	.....	1,449.24
280 A	Industrial Home for Crippled Children, Pittsburgh	20,000.00	12,500.00	.....	7,500.00
281 A	Julia White Priscilla Home for Colored People, La Motte .....	1,500.00	1,125.00	.....	375.00
282 A	Ladies of G. A. R. Home, Hawkins Station .....	27,000.00	16,875.00	.....	10,125.00
283 A	McKeesport Day Nursery, McKeesport .....	1,000.00	750.00	.....	250.00
284 A	Meadville Children's Aid Society and Home for Aged .....	4,000.00	3,000.00	.....	1,000.00
285 A	Nazarene Home for Aged, Philadelphia .....	5,000.00	3,750.00	.....	1,250.00
286 A	Northern Home for Friendless Children, Philadel- phia .....	14,000.00	8,750.00	.....	5,250.00
287 A	Northern Tier Home, Harrison Valley .....	5,000.00	3,125.00	.....	1,875.00
288 A	Old Ladies Home, Philadelphia .....	12,000.00	6,223.66	.....	5,776.34
289 A	Pennsylvania Memorial Home, Brookville .....	12,000.00	9,000.00	.....	3,000.00
290 A	Pennsylvania Association for the Blind, Pittsburgh	30,000.00	18,750.00	.....	11,250.00
291 A	Philadelphia Association for Protection of Colored Women .....	5,000.00	3,125.00	.....	1,875.00
292 A	Pennsylvania Home Teaching Society and Free Cir- culating Library for the Blind, Philadelphia ....	14,000.00	8,750.00	.....	5,250.00
292 A	Pennsylvania Home Teaching Society and Free Cir- culating Library for the Blind, Philadelphia, books	2,000.00	1,248.90	.....	751.10
293 A	Pennsylvania Seaman's Friends Society, Philadel- phia .....	3,200.00	2,400.00	.....	800.00
294 A	New Future Association, Pittsburgh .....	1,000.00	750.00	.....	250.00
295 A	Pennsylvania Society to Protect Children from Cruelty, Philadelphia .....	5,000.00	3,125.00	.....	1,875.00
296 A	Pennsylvania Working Home for the Blind, Phila- delphia .....	45,500.00	28,437.50	.....	17,062.50
297 A	Philadelphia Home for Incurables .....	22,500.00	10,559.79	.....	11,940.21
298 A	Philadelphia Home for Infants .....	4,500.00	2,746.95	.....	1,753.05
299 A	Pittsburgh Home for Babies .....	12,500.00	9,375.00	.....	3,125.00
300 A	Pittsburgh and Allegheny Home for the Friendless	11,000.00	8,250.00	.....	2,750.00
301 A	Robert Wood's Industrial Home and Day Nursery, Philadelphia .....	2,500.00	1,562.50	.....	937.50
302 A	Seaman's Church Institute, Philadelphia .....	5,000.00	3,125.00	.....	1,875.00
303 A	Tabor Home for Children, Doylestown .....	6,500.00	4,062.50	.....	2,437.50
304 A	United Charities Home for Children, Hazleton ....	2,000.00	743.05	.....	1,256.95
305 A	United Home for Old Ladies, Philadelphia .....	4,000.00	2,500.00	.....	1,500.00
306 A	Westmoreland County Children's Aid Society, Greensburg .....	9,000.00	5,625.00	.....	3,375.00
307 A	Western Temporary Home, Philadelphia .....	3,000.00	1,500.00	.....	1,500.00
308 A	Woods Run Settlement Association, Pittsburgh ..	1,700.00	1,062.50	.....	637.50
309 A	York Society to Protect Children and Aged Persons	7,500.00	4,687.50	.....	2,812.50
Total Homes—State-Aided .....		\$ 625,700.00	\$ 407,340.09	.....	\$ 218,359.91
Total Department of Welfare .....		\$ 33,393,950.00	\$ 23,509,621.72	.....	\$ 9,884,328.28
SPECIAL ADMINISTRATIVE COMMISSIONS					
46 A	Board of Commissioners of Navigation of the Del- aware River .....	\$ 75,000.00	\$ 51,624.48	.....	\$ 23,375.52
30 A	Pennsylvania-New Jersey Joint Bridge Commission for Acquiring Toll Bridges .....	160,000.00	.....	.....	160,000.00
354 A	Pennsylvania-New York Joint Bridge Commission for Acquisition and Maintenance of Toll Bridges	50,000.00	.....	.....	50,000.00
Total Special Administrative Commissions ..		\$ 285,000.00	\$ 51,624.48	.....	\$ 233,375.52
MISCELLANEOUS LEGISLATIVE					
Delegates to Legislators Conventions .....		\$ 2,000.00	\$ 250.35	.....	\$ 1,749.65
SPECIAL LEGISLATIVE COMMISSIONS					
533	To Study Present Plan of Financing the Public Schools and Related Matters .....	\$ 10,000.00	\$ 325.77	.....	\$ 9,674.23
368	Township Law Commission .....	15,000.00	9,572.26	.....	5,427.74
465	Penn Landing Commission .....	1,500.00	.....	.....	1,500.00
Total Special Legislative Commissions .....		\$ 26,500.00	\$ 9,898.03	.....	\$ 16,601.97



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
LEGISLATIVE					
Senate					
354 A	Salaries of Fifty Senators .....	\$ 151,000.00	.....	.....	\$ 151,000.00
354 A	Mileage of Fifty Senators .....	18,000.00	.....	.....	18,000.00
354 A	Postage—Chief Clerk—Session .....	150.00	.....	.....	150.00
354 A	Postage—Lieutenant Governor—Session .....	150.00	.....	.....	150.00
354 A	Postage—Legislative Journal—Session .....	4,500.00	.....	.....	4,500.00
354 A	Salaries of Officers and Employees .....	76,000.00	.....	.....	76,000.00
354 A	Mileage of Officers and Employees .....	2,700.00	.....	.....	2,700.00
354 A	Salaries of Returning Officers .....	8,000.00	.....	.....	8,000.00
354 A	Mileage of Returning Officers .....	2,000.00	.....	.....	2,000.00
354 A	Clerk to President of Senate .....	3,000.00	\$ 2,375.00	.....	625.00
354 A	Salary of the Secretary .....	15,000.00	11,875.00	.....	3,125.00
354 A	Salary of the Chief Clerk .....	12,000.00	9,500.00	.....	2,500.00
354 A	Assistant Clerk—Session .....	2,000.00	.....	.....	2,000.00
354 A	Assistant Clerk—Recess .....	3,800.00	3,325.00	.....	475.00
354 A	Salary of Librarian .....	9,000.00	7,125.00	.....	1,875.00
354 A	Assistant Librarian .....	7,200.00	5,700.00	.....	1,500.00
354 A	Postage of Fifty Senators .....	7,500.00	.....	.....	7,500.00
354 A	Assistant to Secretary—Recess .....	4,200.00	3,800.00	.....	500.00
354 A	Stenographer to President of Senate .....	2,400.00	1,900.00	.....	500.00
354 A	Stenographers to Librarian—Recess .....	6,300.00	5,700.00	.....	600.00
354 A	Salaries of Two Watchmen .....	7,200.00	5,700.00	.....	1,500.00
354 A	Superintendent of the Storeroom .....	6,000.00	4,750.00	.....	1,250.00
354 A	Custodians of Washroom and Basement .....	7,200.00	2,850.00	.....	4,350.00
354 A	Custodians of Senate and Assistants .....	8,625.00	7,125.00	.....	1,500.00
354 A	Messenger in Library .....	2,400.00	1,900.00	.....	500.00
354 A	Extra Services—History of Legislation .....	2,500.00	2,500.00	.....	.....
354 A	Expenses of Appropriation Committee .....	12,000.00	.....	.....	12,000.00
354 A	Issuing Certificates of Election .....	75.00	.....	.....	75.00
354 A	Contingent Expenses of President Pro Tem—Recess .....	2,000.00	2,000.00	.....	.....
354 A	Contingent Expenses of President Pro Tem—Session .....	2,000.00	.....	.....	2,000.00
354 A	Necessary Expenses—Chief Clerk—Year ending 5-31-30 .....	4,000.00	3,195.01	.....	804.99
354 A	Necessary Expenses—Chief Clerk—Six Months ending 11-30-30 .....	2,000.00	1,800.56	.....	199.44
354 A	Incidental Expenses—Six Months from 12-1-30 .....	8,000.00	2,000.00	.....	6,000.00
354 A	Expenses—Office of Secretary—6-1-29 to 5-31-30 ..	2,500.00	1,930.00	.....	570.00
354 A	Expenses—Office of Secretary—6-1-30 to 5-31-31 ..	2,500.00	1,500.00	.....	1,000.00
354 A	Expenses—Office of Librarian—6-1-29 to 5-31-30 ..	2,800.00	2,381.24	.....	418.76
354 A	Expenses—Office of Librarian—6-1-30 to 5-31-31 ..	2,800.00	2,000.00	.....	800.00
354 A	Expenses—Attending Funerals .....	3,000.00	2,000.00	.....	1,000.00
	Total Senate .....	\$ 412,500.00	\$ 94,931.81	.....	\$ 317,568.19
House of Representatives					
354 A	Salaries of Members .....	\$ 625,000.00	.....	.....	\$ 625,000.00
354 A	Mileage of Members .....	75,000.00	.....	.....	75,000.00
354 A	Postage of Members .....	31,200.00	.....	.....	31,200.00
354 A	Postage of Chief Clerk and Assistant .....	150.00	.....	.....	150.00
354 A	Postage of Legislative Journal .....	10,000.00	.....	.....	10,000.00
354 A	Salaries of Officers and Employees .....	120,000.00	.....	.....	120,000.00
354 A	Mileage of Officers and Employees .....	4,000.00	.....	.....	4,000.00
354 A	Salaries of Returning Officers .....	13,000.00	.....	.....	13,000.00
354 A	Mileage of Returning Officers .....	3,000.00	.....	.....	3,000.00
354 A	Salary of the Chief Clerk .....	12,000.00	\$ 9,500.00	.....	2,500.00
354 A	Assistant to Chief Clerk .....	7,200.00	5,700.00	.....	1,500.00
354 A	Assistant Clerk—Session .....	2,000.00	.....	.....	2,000.00
354 A	Assistant Clerk—Recess .....	3,600.00	3,325.00	.....	275.00
354 A	Resident Clerk .....	9,000.00	7,125.00	.....	1,875.00
354 A	Stenographer to Resident Clerk .....	3,075.00	2,850.00	.....	225.00
354 A	Superintendent of the Storeroom .....	6,000.00	4,750.00	.....	1,250.00
354 A	Assistant Resident Clerk .....	7,200.00	4,950.00	.....	2,250.00
354 A	Salaries of Two Watchmen .....	7,200.00	5,700.00	.....	1,500.00
354 A	Custodian of the Basement .....	3,600.00	2,850.00	.....	750.00
354 A	Custodian of the Hall of Fame .....	3,600.00	2,850.00	.....	750.00
354 A	Four Assistant Custodians .....	7,908.00	5,700.00	.....	2,208.00
354 A	Messenger in Library .....	2,400.00	1,900.00	.....	500.00
354 A	Contingent Expenses of Speaker—Recess .....	2,000.00	2,000.00	.....	.....
354 A	Contingent Expenses of Speaker—Session .....	2,000.00	.....	.....	2,000.00
354 A	Necessary Expenses—Chief Clerk—Year ending 5-31-30 .....	10,000.00	10,000.00	.....	.....
354 A	Necessary Expenses—Chief Clerk—Six Months ending 11-30-30 .....	\$ 5,000.00	\$ 5,000.00	.....	.....
354 A	Incidental Expenses—Six Months from 12-1-30 .....	12,000.00	3,000.00	.....	\$ 2,328.36
354 A	Expenses—Office of Resident Clerk—6-1-29 to 5-31-30 .....	3,500.00	1,171.64	.....	2,328.36
354 A	Expenses—Office of Resident Clerk—6-1-30 to 5-31-31 .....	3,500.00	1,000.00	.....	2,500.00
354 A	Expenses of Appropriation Committee .....	12,000.00	.....	.....	12,000.00
354 A	Extra Expenses of Appropriation Committee—1929 .....	512.40	512.40	.....	.....
354 A	Issuing Certificates of Election .....	570.00	.....	.....	570.00
354 A	Expenses of Attending Funerals .....	6,000.00	4,000.00	.....	2,000.00
	Total House of Representatives .....	\$ 1,013,215.40	\$ 83,884.04	.....	\$ 929,331.36

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
LEGISLATIVE (Continued)					
Legislative Journal					
354 A	Indices—Session of 1929 .....	\$ 1,500.00	\$ 1,500.00	.....	.....
354 A	Proof-reading—Session of 1929 .....	4,500.00	.....	.....	\$ 4,500.00
354 A	Indexing .....	1,500.00	.....	.....	1,500.00
	Total Legislative Journal .....	\$ 7,500.00	\$ 1,500.00	.....	\$ 6,000.00
	Total Legislative .....	\$ 1,433,215.40	\$ 180,315.85	.....	\$ 1,252,899.55
LEGISLATIVE REFERENCE BUREAU					
354 A	Salary of the Director .....	12,000.00	8,282.20	.....	3,717.74
354 A	Salary of the Assistant Director .....	15,000.00	11,875.00	.....	3,125.00
354 A	Salaries and General Expenses .....	71,500.00	47,028.41	.....	24,471.59
	Total Legislative Reference Bureau .....	\$ 98,500.00	\$ 67,185.67	.....	\$ 31,314.33
JUDICIARY					
Supreme Court					
354 A	Salaries of Judges .....	\$ 274,000.00	\$ 217,518.80	.....	\$ 56,481.20
354 A	Expenses of Judges .....	56,000.00	41,546.54	.....	14,453.46
354 A	Salary of Deputy Prothonotary—Eastern District..	7,800.00	6,175.00	.....	1,625.00
354 A	Chief Clerk in Office of Prothonotary—Eastern Dis- trict .....	5,400.00	4,275.00	.....	1,125.00
354 A	Assistant Chief Clerk in Office of Prothonotary— Eastern District .....	3,600.00	2,850.00	.....	750.00
354 A	Clerk in Office of Prothonotary—Eastern District..	3,600.00	2,850.00	.....	750.00
354 A	Salary of Record Clerk .....	5,400.00	4,275.00	.....	1,125.00
354 A	Salaries and Expenses of Librarian and Assistant..	16,100.00	12,334.37	.....	3,765.63
354 A	Deputy Prothonotary and Clerk—Middle District..	4,000.00	3,800.00	.....	1,000.00
354 A	Attendant—Middle District .....	1,200.00	950.00	.....	250.00
354 A	Clerk in Office of Prothonotary—Western District	6,000.00	4,750.00	.....	1,250.00
354 A	Salaries and Expenses of Clerks and Tipstaves ....	73,195.92	53,703.07	.....	19,492.85
354 A	Expenses—Eastern District .....	16,000.00	12,845.99	.....	3,154.01
354 A	Expenses—Western District .....	5,500.00	3,421.29	.....	2,078.71
354 A	Fees of Prothonotaries—All Districts .....	10,000.00	8,100.00	.....	1,900.00
354 A	Expenses in Middle District and Superior Court at Harrisburg .....	800.00	275.20	.....	524.80
354 A	Fees of Special Masters .....	10,000.00	750.78	.....	9,249.22
63 A	Portrait of Chief Justice .....	750.00	750.00	.....	.....
	Total Supreme Court .....	\$ 500,145.92	\$ 381,171.04	.....	\$ 113,974.88
Superior Court					
354 A	Salaries of Judges .....	\$ 253,000.00	\$ 198,223.83	.....	\$ 54,776.12
354 A	Expenses of Judges .....	49,000.00	34,263.96	.....	14,736.04
354 A	Salaries and Expenses of Clerks and Tipstaves....	56,000.00	39,305.00	.....	16,695.00
354 A	Docket, Stationery and Supplies .....	10,000.00	9,118.82	.....	881.18
	Total Superior Court .....	\$ 368,000.00	\$ 280,911.66	.....	\$ 87,088.34
Court of Common Pleas					
354 A	Salaries of Judges .....	\$ 2,784,000.00	\$ 2,186,484.12	.....	\$ 597,515.88
354 A	Expenses of Traveling Judges .....	90,000.00	89,843.87	.....	156.13
354 A	Mileage in Divided Judicial Districts .....	5,000.00	3,120.35	.....	1,879.65
354 A	Clerk Hire—Dauphin County .....	14,400.00	11,400.00	.....	3,000.00
	Total Court of Common Pleas .....	\$ 2,893,400.00	\$ 2,290,848.34	.....	\$ 602,551.66
354 A	Orphans' Court—Salaries of Judges .....	\$ 540,000.00	\$ 423,960.00	.....	\$ 116,040.00
354 A	Municipal Court of Philadelphia — Salaries of Judges .....	201,000.00	159,124.43	.....	41,875.57
354 A	County Court of Allegheny County — Salaries of Judges .....	121,000.00	94,775.22	.....	26,224.78
Miscellaneous					
354 A	Salaries of Retired Judges .....	\$ 141,000.00	\$ 95,238.06	.....	\$ 45,761.94
354 A	Salaries of Associate Judges .....	50,000.00	35,401.43	.....	14,598.57
354 A	Mileage of Associate Judges .....	5,000.00	4,006.80	.....	993.20
464	Commission—Supreme and Superior Court House Site .....	500.00	.....	.....	500.00
	Total Miscellaneous .....	\$ 196,500.00	\$ 134,646.29	.....	\$ 61,853.71
	Total Judiciary .....	\$ 4,820,045.92	\$ 3,765,436.98	.....	\$ 1,054,608.94



## APPENDIX TO THE

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1929-1931 APPROPRIATIONS (Continued)					
STATE REPORTER					
354 A	Salary of Reporter .....	\$ 10,000.00	\$ 7,500.00	.....	\$ 2,500.00
354 A	Salary of Assistant Reporter .....	6,000.00	4,750.00	.....	1,250.00
354 A	Salaries and General Expenses .....	8,000.00	5,821.29	.....	2,178.71
	Total State Reporter .....	\$ 24,000.00	\$ 18,071.29	.....	\$ 5,928.71
	TOTAL 1929-1931 APPROPRIATIONS .....	\$ 189,963,339.07(1)	\$ 136,255,518.05	.....	\$ 54,001,485.85
	Less:—Liabilities on Account of 1929-1931 Appropriations estimated to Lapse as of May 31, 1931..	.....	.....	\$ 1,682,199.11	\$ 1,682,199.11
	TOTAL 1929-1931 APPROPRIATIONS — ADJUSTED LIABILITIES .....	\$ 189,963,339.07(1)	\$ 136,255,518.05	\$ 1,682,199.11	\$ 52,319,286.74
RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES					
	Money to be Refunded to Federal Government—				
	Plant Pest Act .....	\$ 265.20	\$ 261.40	.....	\$ 3.80
	National Forest Revenue Allotment .....	2,933.89(2)	.....	.....	7,750.91
	Voluntary Contributions—Control of Forest Fires.	134.05(3)	.....	.....	135.80
	Voluntary Contributions—General .....	1.00	.....	.....	1.00
	Voluntary Contributions—Miss Keen—Purchase of Land .....	175.03	.....	.....	175.03
	Federal Aid—Nurseries .....	1.27	1.27	.....	.....
	Federal Aid—Protection .....	21,525.54	21,525.54	.....	.....
	Federal Aid—State College .....	(4)	100,000.00	.....	.....
	Sheppard-Towner .....	12,373.93	12,373.93	.....	.....
	Interest Due Federal Governor—Sheppard-Towner Fund .....	(5)	329.94	.....	.....
	Purchase and Erection of Armories .....	(6)	16,326.06	.....	23,173.94
	Gasoline Tax Payment to Counties .....	1,106,249.55(7)	1,138,482.18	.....	.....
	Annulty for Right-Of-Way .....	(8)	10,000.00	.....	.....
	TOTAL RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES .....	\$ 1,143,659.46(9)	\$ 1,299,300.32	.....	\$ 31,240.48
(1)	Credits to these appropriations of \$ 293,664.83		(6) Credits to these appropriations of 39,500.00		
(2)	Credits to these appropriations of 4,817.02		(7) Credits to these appropriations of 32,232.63		
(3)	Credits to these appropriations of 1.75		(8) Credits to these appropriations of 10,000.00		
(4)	Credits to these appropriations of 100,000.00		(9) Credits to these appropriations of 186,881.34		
(5)	Credits to these appropriations of 329.94				

## MOTOR LICENSE FUND APPROPRIATION LIABILITY

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Appropriation Transfers and Credits	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
1925-1927 APPROPRIATIONS						
DEPARTMENT OF HIGHWAYS						
390	Township Reward .....	\$ 14,051.82	\$ 14,051.82(1)	.....	.....	.....
390	State-Aid Highway Construction .....	349,714.98	349,714.98(2)	.....	.....	.....
122 A	State-Aid—Butler County .....	6,129.61	6,129.61(2)	.....	.....	.....
	TOTAL 1925-1927 APPROPRIATIONS .....	\$ 369,896.41	\$ 369,896.41	.....	.....	.....
1927-1929 APPROPRIATIONS						
DEPARTMENT OF HIGHWAYS						
438	Township Reward .....	\$ 331,803.13	\$ 331,803.13(1)	.....	.....	.....
438	State-Aid Highway Construction .....	2,413,783.81	2,413,783.81(2)	.....	.....	.....
96 A	County Bridges Destroyed .....	49,255.63	.....	\$ 1,252.05	\$ 48,003.58	.....
PUBLIC SERVICE COMMISSION						
49 A	Eliminating Grade Crossings ...	235,000.00	.....	94,000.00	59,500.00	\$ 81,500.00
JOINT BRIDGE COMMISSION						
426	Reconstruction Morrisville Bridge .....	36,169.00	.....	32,928.55	.....	3,240.45
	TOTAL 1927-1929 APPROPRIATIONS .....	\$ 3,066,011.57	\$ 2,745,586.94	\$ 128,180.60	\$ 107,503.58	\$ 84,740.45
	TOTAL APPROPRIATIONS PRIOR TO 1929-1931 ..	\$ 3,435,907.98	\$ 3,115,483.35	\$ 128,180.60	\$ 107,503.58	\$ 84,740.45

NOTE: See next page for notes.

## GENERAL FUND APPROPRIATION LIABILITY (Continued)

JUNE 1, 1929 AND DECEMBER 31, 1930

Act No.	Purpose of Appropriation	Appropriation Liability June 1, 1929	Appropriation Transfers and Credits	Expenditures to December 31, 1930	Actual and Estimated Lapses	Appropriation Liability December 31, 1930
<b>1929-1931 APPROPRIATIONS</b>						
<b>BOARD OF FINANCE AND REVENUE</b>						
36 A	Interest and Sinking Fund					
	State Road Bonds .....	\$ 13,855,219.55		\$ 11,649,427.89		\$ 2,205,791.66
37 A	Loan and Transfer Agent .....	30,000.00		22,500.00		7,500.00
<b>DEPARTMENT OF PROPERTY AND SUPPLIES</b>						
540	Acquiring Landing Fields .....	70,000.00		5,398.25		64,602.75
<b>PUBLIC SERVICE COMMISSION</b>						
45 A	Eliminating Grade Crossings ...	250,000.00				250,000.00
<b>JOINT BRIDGE COMMISSION</b>						
556	Making Surveys .....	2,500.00		742.89		1,757.11
<b>DEPARTMENT OF HIGHWAYS</b>						
407	Highway Program (Wheeler Flynn) .....	\$ 23,500,000.00	\$ 78,468.15(3)	\$ 20,959,184.17		\$ 2,462,347.68
409	State-Aid Cities (except first class) .....	2,000,000.00	8,004.02(3)	966,478.39		1,025,517.59
412	Maintenance Township Reward Roads .....	500,000.00		158,200.72	\$ 100,000.00	241,799.28
40 A	Township Reward .....	6,000,000.00	345,854.95(1)	5,113,898.61		1,231,956.34
38 A	Counties of the First Class .....	750,000.00	3,271,024.75(4)	562,500.00		187,500.00
			3,205,175.82(2)			
39 A	State-Aid Highway Construction	2,000,000.00	1.24(3)	7,378,141.97		1,098,057.36
41 A	Welfare Institutions—Roads ....	125,000.00		81,623.52		43,376.48
42 A	Health Institutions—Roads .....	25,000.00		16,062.59		8,937.41
43 A	State Parks—Roads .....	100,000.00		81,216.38		18,783.62
44 A	Educational Institutions—Roads .	50,000.00		29,830.66		20,169.34
53 A	Property Damage .....	10,000.00		4,590.51		5,409.49
	<b>TOTAL 1929-1931 APPROPRIATIONS .....</b>	<b>\$ 49,267,719.55</b>	<b>{ \$ 86,473.41(3) 3,271,024.75(4) 3,551,030.77 (1.2)</b>	<b>\$ 47,029,795.55</b>	<b>\$ 100,000.00</b>	<b>\$ 8,873,506.11</b>
	<b>GRAND TOTAL ALL APPROPRIATIONS .....</b>	<b>\$ 52,703,627.53</b>	<b>{ \$ 86,473.41(3) 3,271,024.75(4) 435,547.42(2)</b>	<b>\$ 47,157,976.15</b>	<b>\$ 207,503.58</b>	<b>(5)\$8,958,246.56</b>

## NOTES

- (1) Under the provisions of the Act of 1929, P. L. 1676, the unexpended balances of Township Reward appropriations of 1927 and prior at June 1, 1929, were carried forward and made liabilities under the 1929 appropriation, as follows:

Transferred from:  
 1925 Appropriation balance ..... \$ 14,051.32  
 1927 Appropriation balance ..... 331,803.13

Transferred to 1929 Township Reward .. \$ 345,854.95

- (2) Under the provisions of the Act of 1929, P. L. 474, the unexpended balances of State-Aid Highway construction appropriations of 1927 and prior were carried forward and made liabilities under the 1929 appropriation, as follows:

Transferred from:  
 1921 Appropriation balance (General Fund) \$ 435,547.42  
 1925 Appropriation balance (Motor Fund) . 349,714.98  
 1925 Appropriation balance, State-Aid Butler County (Motor Fund) ..... 6,129.61  
 1927 Appropriation balance (Motor Fund) .. 2,413,783.81

Transferred to 1929 State-Aid Highway ..... \$3,205,175.82

- (3) Under the provisions of the Act of 1929, P. L. 1046 (Sec. 5) the Department of Highways is entitled to charge appropriations in specific amounts with stores, equipment and equipment rentals used. The amounts by which these appropriations are reduced become available for general highway purposes.

- (4) Receipts of \$3,271,024.75 credited to this appropriation between June 1, 1929, and December 31, 1930.

- (5) It is estimated that all appropriations will be expended at May 31, 1931, except the following:

Highway Program—Wheeler-Flynn Act .... \$ 650,000.00  
 State-Aid to Cities (except first class) .... 100,000.00  
 State-Aid Highway Construction ..... 1,000,000.00

Total Estimated Specific Appropriation  
 Liabilities, May 31, 1931 ..... \$1,750,000.00



## APPENDIX TO THE

## SECTION FIVE

STATISTICS OF THE FREE SERVICE RENDERED BY THE STATE-AIDED MEDICAL AND SURGICAL HOSPITALS  
AND THE STATE-AIDED HOMES

## STATE-AIDED MEDICAL AND SURGICAL HOSPITALS

## STATEMENT OF APPROPRIATIONS AND VALUE OF FREE SERVICE RENDERED

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Actual Experience Biennium 1929-1931								
Item No.	STATE-AIDED HOSPITALS	Location	Amount of 1929-1931 Appropriations	Total Free Days Approved for One Year Period June 1, 1929 to May 31, 1930.	Average Per Capita Cost of Public Ward Patients Not to Exceed the \$3.00 Maximum for One Year Period	Amounts Approved At Actual Per Capita up to the \$3.00 Maximum for One Year Period	Amounts Paid By the State Treasurer for One Year Period June 1, 1929, to May 31, 1930.	
CLASS A. LARGE EARNING CAPACITY								
1.	Allegheny General .....	Pittsburgh	\$ 150,000.00	60,412.85	\$ 3.00	\$ 181,238.54	\$ 75,000.00	
2.	Hahnemann .....	Philadelphia	160,000.00	66,261.80	3.00	198,785.40	80,000.00	
3.	Jefferson Medical College ..	Philadelphia	175,000.00	83,300.62	3.00	249,901.86	87,500.00	
4.	St. Francis' .....	Pittsburgh	160,000.00	55,822.37	2.99	167,190.57	.....	
5.	University of Pennsylvania ..	Philadelphia	160,000.00	60,943.65	3.00	182,830.95	80,000.00	
6.	Western Pennsylvania .....	Pittsburgh	140,000.00	62,521.98	3.00	187,565.94	70,000.00	
TOTAL CLASS A .....			\$ 945,000.00	389,263.27	\$ 2.99	\$ 1,167,513.26	\$ 392,500.00	
CLASS B. ALL OTHERS								
1.	Adrian .....	Punxsutawney	\$ 22,000.00	5,260.90	\$ 3.00	\$ 15,782.71	\$ 11,000.00	
2.	Allegheny Valley .....	Tarentum	15,000.00	3,546.25	3.00	10,638.74	7,500.00	
3.	Allentown .....	Allentown	100,000.00	31,568.01	3.00	94,704.02	50,000.00	
4.	Altoona .....	Altoona	56,000.00	17,555.13	3.00	52,665.39	28,000.00	
5.	American Hospital—Diseases of Stomach .....	Philadelphia	6,000.00	1,191.92	3.00	3,575.75	3,000.00	
6.	American Oncologic .....	Philadelphia	8,000.00	2,801.83	3.00	8,405.49	4,000.00	
7.	Simon H. Barnes Memorial ..	Susquehanna	3,000.00	529.67	3.00	1,589.00	1,125.00	
8.	Beaver Valley General .....	New Brighton	14,800.00	3,047.00	3.00	9,141.00	7,400.00	
9.	Belvedere .....	Pittsburgh	3,200.00	678.46	2.95	2,002.90	1,600.00	
10.	Berwick .....	Berwick	10,000.00	3,033.80	2.98	9,049.51	5,000.00	
11.	Blair, J. C. Memorial .....	Huntingdon	26,500.00	7,392.00	3.00	22,176.00	13,250.00	
12.	Bloomsburg .....	Bloomsburg	16,000.00	6,205.68	2.79	17,287.63	8,000.00	
13.	Braddock General .....	Braddock	40,000.00	11,206.14	3.00	33,618.42	20,000.00	
14.	Bradford .....	Bradford	25,000.00	7,607.04	3.00	22,821.12	12,500.00	
15.	Brookville .....	Brookville	0,500.00	975.00	2.98	2,901.48	2,901.48	
16.	Brownsville General .....	Brownsville	25,000.00	6,771.13	3.00	20,313.39	12,500.00	
17.	Buhl, Christian H. .....	Sharon	15,000.00	4,477.55	3.00	13,432.65	7,500.00	
18.	Butler County General .....	Butler	15,000.00	3,247.67	3.00	9,743.00	7,500.00	
19.	Canonsburg General .....	Canonsburg	10,000.00	2,353.60	2.97	6,984.86	5,000.00	
20.	Carbondale Emergency .....	Carbondale	20,000.00	3,424.00	3.00	10,272.00	10,000.00	
21.	Carlisle .....	Carlisle	15,900.00	4,261.41	2.96	12,631.79	7,950.00	
22.	Centre County .....	Bellefonte	19,500.00	5,470.75	3.00	16,412.25	9,750.00	
23.	Chambersburg .....	Chambersburg	15,000.00	4,530.84	2.84	12,887.97	7,500.00	
24.	Charleroi-Monessen .....	N. Charleroi	10,000.00	1,829.00	3.00	5,487.00	5,000.00	
25.	Chester .....	Chester	70,000.00	23,244.93	3.00	69,734.78	35,000.00	
26.	Chester County .....	West Chester	40,000.00	12,003.35	3.00	36,010.05	20,000.00	
27.	Children's Homeopathic ..	Philadelphia	(Consolidated with Saint Luke's Homeopathic—See Item No. 125)					45,000.00
28.	Children's .....	Pittsburgh	90,000.00	32,424.13	3.00	97,272.39	50,000.00	
29.	Citizen's General .....	New Kensington	28,400.00	7,676.53	3.00	23,029.60	14,200.00	
30.	Clearfield .....	Clearfield	33,000.00	9,780.58	3.00	29,341.74	16,500.00	
31.	Coatesville .....	Coatesville	45,000.00	9,299.52	3.00	27,898.56	16,875.00	
32.	Columbia .....	Columbia	13,300.00	2,947.00	3.00	8,841.00	6,650.00	
33.	Conemaugh Valley Memorial ..	Johnstown	80,000.00	19,143.86	3.00	57,431.58	40,000.00	
34.	Corry Hospital Association ..	Corry	11,000.00	2,713.54	3.00	8,155.62	5,500.00	
35.	Coudersport General .....	Coudersport	3,000.00	653.67	2.96	1,936.60	1,500.00	
36.	Delaware County .....	Darby	16,500.00	4,524.14	3.00	13,572.42	8,250.00	
37.	Douglass, Frederick Memorial .....	Philadelphia	16,000.00	2,885.68	2.77	8,001.20	8,001.17	
38.	Eaglesville Sanatorium for Consumptives .....	Eaglesville	100,000.00	48,706.66	2.59	125,942.70	50,000.00	
39.	Easton .....	Easton	38,000.00	11,174.70	3.00	33,524.10	19,000.00	
40.	Elk County General .....	Ridgway	20,000.00	3,165.00	3.00	9,498.00	4,998.00	
41.	Ellwood City .....	Ellwood City	8,500.00	2,211.33	3.00	6,634.00	4,250.00	
42.	Eye and Ear .....	Pittsburgh	21,000.00	4,040.17	3.00	12,120.52	10,500.00	
43.	Frankford .....	Philadelphia	52,000.00	14,760.38	3.00	44,281.14	26,000.00	
44.	Franklin City .....	Franklin	4,800.00	1,841.00	3.00	5,523.00	2,400.00	
45.	Garretson .....	Philadelphia	8,500.00	2,210.83	2.86	6,332.68	4,250.00	
46.	General (a) .....	E. Stroudsburg	8,200.00	1,910.83	3.00	5,732.50	4,100.00	
47.	Germantown Dispensary and Hospital .....	Germantown	85,000.00	33,384.20	3.00	100,152.59	42,500.00	
48.	Good Samaritan .....	Lebanon	25,000.00	6,552.67	3.00	19,658.00	12,500.00	
49.	Grandview .....	Sellersville	15,000.00	3,207.34	3.00	9,622.00	7,500.00	
50.	Grandview Hospital for Consumptives .....	Oil City	9,000.00	3,612.84	3.00	10,838.51	4,500.00	
51.	Greene County Memorial .....	Waynesburg	8,500.00	2,047.66	3.00	6,143.00	4,250.00	
52.	Greenville .....	Greenville	3,000.00	956.50	3.00	2,869.50	1,560.00	
53.	Grove City .....	Grove City	3,600.00	615.67	3.00	1,847.00	1,800.00	
54.	Hahnemann .....	Scranton	50,000.00	16,614.13	3.00	49,842.38	25,000.00	
55.	Hamot Hospital Association ..	Erie	70,000.00	22,858.33	3.00	68,575.00	35,000.00	
56.	Hanover General .....	Hanover	10,000.00	2,351.33	3.00	7,054.00	5,000.00	
57.	Harrisburg .....	Harrisburg	70,000.00	22,817.37	3.00	68,452.11	35,000.00	
58.	Harrisburg Polyclinic .....	Harrisburg	50,000.00	11,892.51	3.00	35,677.52	25,000.00	
59.	Homeopathic, Pottstown ..	Pottstown	9,000.00	1,919.67	3.00	5,759.00	4,500.00	

(a) Merged with Monroe County of Stroudsburg.

## SECTION FIVE (Continued)

STATISTICS OF THE FREE SERVICE RENDERED BY THE STATE-AIDED MEDICAL AND SURGICAL HOSPITALS  
AND THE STATE-AIDED HOMES

## STATE-AIDED MEDICAL AND SURGICAL HOSPITALS

## STATEMENT OF APPROPRIATIONS AND VALUE OF FREE SERVICE RENDERED

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Item No.	Totals for Biennium 1929-1931 As Estimated from Actual Figures for First Year		Estimated Additional Free Service Probable, Biennium 1931-1933, from Reported Additional Ward Beds Calculated on Basis of Each Hospital's Reported Percentage of Occupancy and Free Work			Combined Totals of Estimates for Biennium 1929-1931 and Hospitals' Reports of Additional Serv- ices Contemplated for Biennium 1931-1933	
	Estimated Free Days Approved	Estimated Amounts Approved	Free Ward Beds Additional	Estimated Additional Free Days	Estimated Additional Earnings	Combined Total Estimated Free Ward Days	Combined Total Estimate of Earnings
CLASS A. LARGE EARNING CAPACITY (Continued)							
1.	120,825	\$ 362,477.00	57	26,186	\$ 78,559.00	147,011	\$ 441,036.00
2.	132,523	397,570.00	..	.....	.....	132,523	397,570.00
3.	166,601	499,803.00	..	.....	.....	166,601	499,803.00
4.	111,644	334,381.00	35	8,226	24,596.00	119,870	358,977.00
5.	121,887	335,661.00	25	7,617	22,853.00	129,504	388,514.00
6.	125,043	375,131.00	..	.....	.....	125,043	375,131.00
	778,523	\$ 2,335,023.00	117	42,029	\$ 126,008.00	820,552	\$ 2,461,031.00
CLASS B. ALL OTHERS (Continued)							
1.	10,521	\$ 31,565.00	..	.....	.....	10,521	\$ 31,565.00
2.	7,092	21,277.00	..	.....	.....	7,092	21,277.00
3.	63,136	189,408.00	..	.....	.....	63,136	189,408.00
4.	35,110	105,330.00	..	.....	.....	35,110	105,330.00
5.	2,383	7,151.00	16	1,907	\$ 5,721.00	4,290	12,872.00
6.	5,603	16,810.00	..	.....	.....	5,603	16,810.00
7.	1,059	3,178.00	..	.....	.....	1,059	3,178.00
8.	6,094	18,282.00	..	.....	.....	6,094	18,282.00
9.	1,356	4,005.00	..	.....	.....	1,356	4,005.00
10.	6,067	18,099.00	..	.....	.....	6,067	18,099.00
11.	14,784	44,352.00	..	.....	.....	14,784	44,352.00
12.	12,411	34,575.00	..	.....	.....	12,411	34,575.00
13.	22,412	67,236.00	..	.....	.....	22,412	67,236.00
14.	15,214	45,642.00	..	.....	.....	15,214	45,642.00
15.	1,950	5,802.00	..	.....	.....	1,950	5,802.00
16.	13,542	40,626.00	..	.....	.....	13,542	40,626.00
17.	8,955	26,865.00	..	.....	.....	8,955	26,865.00
18.	6,495	19,486.00	..	.....	.....	6,495	19,486.00
19.	4,707	13,969.00	7	844	2,509.00	5,551	16,478.00
20.	6,848	20,544.00	..	.....	.....	6,848	20,544.00
21.	8,522	25,263.00	..	.....	.....	8,522	25,263.00
22.	10,941	32,824.00	..	.....	.....	10,941	32,824.00
23.	9,061	25,775.00	..	.....	.....	9,061	25,775.00
24.	3,658	10,974.00	49	8,147	24,441.00	11,805	35,415.00
25.	46,489	139,469.00	..	.....	.....	46,489	139,469.00
26.	24,006	72,020.00	9	3,043	9,129.00	27,049	81,149.00
27.			..	.....	.....		
28.	64,848	194,544.00	..	.....	.....	64,848	194,544.00
29.	15,353	46,059.00	..	.....	.....	15,353	46,059.00
30.	19,561	58,683.00	..	.....	.....	19,561	58,683.00
31.	18,599	55,797.00	..	.....	.....	18,599	55,797.00
32.	5,894	17,682.00	..	.....	.....	5,894	17,682.00
33.	38,287	114,863.00	..	.....	.....	38,287	114,863.00
34.	5,437	16,311.00	..	.....	.....	5,437	16,311.00
35.	1,307	3,873.00	..	.....	.....	1,307	3,873.00
36.	9,048	27,144.00	..	.....	.....	9,048	27,144.00
37.	5,771	16,002.00	..	.....	.....	5,771	16,002.00
38.			..	.....	.....		
39.	97,413	251,885.00	..	.....	.....	97,413	251,885.00
40.	22,349	67,048.00	39	14,288	42,866.00	36,637	109,914.00
41.	6,332	18,996.00	..	.....	.....	6,332	18,996.00
42.	4,422	13,268.00	..	.....	.....	4,422	13,268.00
43.	8,080	24,241.00	..	.....	.....	8,080	24,241.00
44.	29,520	88,562.00	..	.....	.....	29,520	88,562.00
45.	3,682	11,046.00	..	.....	.....	3,682	11,046.00
46.	4,421	12,665.00	10	2,210	6,322.00	6,631	18,987.00
47.	3,821	11,465.00	..	.....	.....	3,821	11,465.00
48.			..	.....	.....		
49.	66,768	200,305.00	..	.....	.....	66,768	200,305.00
50.	13,105	39,316.00	..	.....	.....	13,105	39,316.00
51.	6,414	19,244.00	..	.....	.....	6,414	19,244.00
52.			..	.....	.....		
53.	7,225	21,677.00	..	.....	.....	7,225	21,677.00
54.	4,095	12,286.00	..	.....	.....	4,095	12,286.00
55.	1,913	5,739.00	..	.....	.....	1,913	5,739.00
56.	1,231	3,694.00	..	.....	.....	1,231	3,694.00
57.	33,228	99,684.00	..	.....	.....	33,228	99,684.00
58.	45,716	137,150.00	..	.....	.....	45,716	137,150.00
59.	4,702	14,108.00	..	.....	.....	4,702	14,108.00
60.	45,634	136,904.00	21	6,796	20,389.00	52,430	157,293.00
61.	23,785	71,355.00	..	.....	.....	23,785	71,355.00
62.	3,839	11,518.00	..	.....	.....	3,839	11,518.00



## APPENDIX TO THE

## STATE-AIDED MEDICAL AND SURGICAL HOSPITALS (Continued)

## STATEMENT OF APPROPRIATIONS AND VALUE OF FREE SERVICE RENDERED

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Actual Experience Biennium 1929-1931							
Item No.	STATE-AIDED HOSPITALS	Location	Amount of 1929-1931 Appropriations	Total Free Days Approved for One Year Period June 1, 1929 to May 31, 1930.	Average Per Capita Cost of Public Ward Patients Not to Exceed the \$3.00 Maximum for One Year Period	Amounts Approved At Actual Per Capita up to the \$3.00 Maximum for One Year Period	Amounts Paid By the State Treasurer for One Year Period June 1, 1929, to May 31, 1930.
CLASS B. ALL OTHERS (Continued)							
60.	Homeopathic Hospital of Chester Co. ....	West Chester	\$ 80,000.00	\$ 5,398.18	\$ 3.00	\$ 17,814.50	\$ 9,000.00
61.	Homeopathic Medical and Surgical .....	Pittsburgh	80,000.00	20,914.38	3.00	62,743.15	40,000.00
62.	Homeopathic Medical and Surgical .....	Reading	40,000.00	15,269.00	3.00	45,809.49	20,000.00
63.	Homestead .....	Homestead	32,000.00	7,998.00	3.00	23,994.00	16,000.00
64.	Howard .....	Philadelphia	(Combined with Graduate Hospital of the University of Pennsylvania)				
65.	Indiana .....	Indiana	22,500.00	5,304.00	2.87	15,240.94	11,250.00
66.	Kane Summit Hospital Association .....	Kane	10,000.00	1,870.33	3.00	5,611.00	5,000.00
67.	Kensington Hospital for Women .....	Philadelphia	27,500.00	6,559.00	3.00	19,651.32	13,750.00
68.	Kittanning General .....	Kittanning	5,700.00	1,632.67	3.00	4,898.00	2,850.00
69.	Lancaster General .....	Lancaster	54,000.00	14,608.00	3.00	43,818.00	27,000.00
70.	Latrobe .....	Latrobe	20,000.00	3,647.33	3.00	10,912.00	10,000.00
71.	Lewistown .....	Lewistown	25,000.00	5,895.90	3.00	17,687.70	12,500.00
72.	Lock Haven .....	Lock Haven	28,500.00	7,732.67	3.00	23,198.00	14,250.00
73.	McKeesport .....	McKeesport	56,000.00	15,938.00	2.94	46,891.59	28,000.00
74.	Maple Avenue Hospital Association .....	DuBois	11,500.00	2,297.60	3.00	6,892.80	5,750.00
75.	Maternity .....	Philadelphia	17,000.00	5,374.36	2.68	14,380.39	8,500.00
76.	Meadville City .....	Meadville	10,000.00	1,972.00	3.00	5,916.00	5,000.00
77.	Medico-Chirurgical .....	Philadelphia	(Combined with Graduate Hospital of the University of Pennsylvania)				
78.	Memorial Hospital Association, Monongahela City .....	New Eagle	11,200.00	2,738.22	3.00	8,214.67	5,600.00
79.	Memorial Hospital, Roxborough .....	Philadelphia	40,000.00	12,821.72	3.00	38,465.15	20,000.00
80.	Mount Pleasant Memorial .....	Mt. Pleasant	12,500.00	3,220.84	3.00	9,662.52	6,250.00
81.	Mercy Hospital and School for Nurses .....	Philadelphia	54,000.00	20,515.90	2.68	54,944.71	27,000.00
82.	Mercy .....	Altoona	36,000.00	12,780.60	2.87	36,618.48	18,000.00
83.	Mercy .....	Wilkes-Barre	70,000.00	18,736.01	3.00	56,208.01	35,000.00
84.	Midvalley .....	Blakely	16,500.00	5,881.08	2.72	16,011.67	8,250.00
85.	Milliken, J. C. ....	Pottsville	3,500.00	1,397.42	3.00	4,192.26	1,750.00
86.	Miners Hospital of Northern Cambria .....	Spangler	25,000.00	8,482.37	2.70	22,935.10	12,500.00
87.	Montefiore .....	Pittsburgh	45,000.00	9,873.53	3.00	29,620.50	22,500.00
88.	Montgomery .....	Norristown	19,000.00	6,920.23	3.00	20,709.67	9,500.00
89.	Mount Sinai .....	Philadelphia	110,000.00	28,904.41	3.00	86,713.22	55,000.00
90.	Nason Hospital Association .....	Rearing Springs	18,000.00	6,543.39	2.89	18,882.02	9,000.00
91.	National Stomach .....	Philadelphia	5,700.00	890.57	3.00	2,671.70	2,671.70
92.	Northern Liberties .....	Philadelphia	20,000.00	3,914.01	3.00	11,744.34	10,000.00
93.	Northeastern .....	Philadelphia	21,000.00	5,609.01	3.00	16,827.02	10,500.00
94.	North Pennsylvania General .....	(Closed September, 1927)					
95.	Northwestern General .....	Philadelphia	15,000.00	3,897.83	3.00	11,693.50	7,500.00
96.	Ohio Valley General .....	McKees Rocks	16,800.00	4,542.67	3.00	13,628.00	8,500.00
97.	Oil City .....	Oil City	14,000.00	5,176.15	3.00	15,528.45	7,000.00
98.	Packer, Mary M. ....	Sunbury	20,000.00	6,609.00	2.51	16,588.37	10,000.00
99.	Packer, Robert .....	Sayre	75,000.00	23,337.67	3.00	70,013.02	37,500.00
100.	Pennsylvania Epileptic Hospital and Colony Farm .....	Oakburne	25,000.00	28,403.70	1.31	37,086.24	12,500.00
101.	Passavant .....	Pittsburgh	40,000.00	13,297.18	3.00	39,891.54	20,000.00
102.	Philadelphia Lying-in-Charity .....	Philadelphia	35,000.00	26,574.92	2.93	77,819.60	17,500.00
103.	Philadelphia Orthopaedic and Infirmary .....	Philadelphia	60,000.00	15,700.62	3.00	47,101.85	30,000.00
104.	Phoenixville .....	Phoenixville	16,500.00	3,200.67	3.00	9,602.00	8,250.00
105.	Pittsburgh Hospital Association .....	Pittsburgh	40,000.00	12,545.51	3.00	37,636.52	20,000.00
106.	Pittston Hospital Association .....	Pittston	35,000.00	9,139.84	3.00	27,419.54	17,500.00
107.	Polyclinic of University of Pennsylvania .....	Philadelphia	(Combined with Graduate Hospital of the University)				
108.	Pottstown .....	Pottstown	15,500.00	3,861.17	3.00	11,583.50	7,750.00
109.	Pottsville .....	Pottsville	50,000.00	13,396.28	3.00	40,188.86	25,000.00
110.	Punxsutawney Hospital Association .....	Punxsutawney	14,000.00	2,462.85	3.00	7,388.55	7,000.00
111.	Reading .....	Reading	80,000.00	26,735.16	3.00	80,205.49	40,000.00
112.	Roselia Foundling Asylum and Maternity .....	Pittsburgh	(Sectarian)				
113.	Rossmere Sanatorium .....	Rossmere	50,000.00	17,644.58	2.42	42,617.66	25,000.00
114.	Renovo .....	Renovo	3,500.00	972.67	3.00	2,918.00	1,750.00
115.	Rochester General .....	Rochester	30,500.00	15,623.95	3.00	16,871.86	15,250.00
116.	Rush Hospital for Consumptives .....	Philadelphia	62,400.00	22,861.44	2.68	61,173.41	31,200.00
117.	Samaritan .....	Philadelphia	63,000.00	24,836.38	3.00	74,509.15	31,500.00
118.	Sewickley Valley .....	Sewickley	15,000.00	4,167.37	3.00	12,502.11	7,500.00
119.	Shenango Valley .....	New Castle	24,000.00	4,483.83	3.00	13,451.50	12,000.00
120.	South Side .....	Pittsburgh	70,000.00	18,468.81	3.00	55,406.43	35,000.00
121.	Spencer .....	Meadville	10,500.00	3,596.53	3.00	10,789.58	5,250.00
122.	St. Christopher's Hospital for Children .....	Philadelphia	44,000.00	15,006.02	3.00	45,018.06	22,000.00
123.	Saint John's General .....	Pittsburgh	45,000.00	11,048.62	3.00	33,145.85	22,500.00
124.	Saint Luke's .....	Bethlehem	64,000.00	22,757.64	3.00	68,272.91	32,000.00
125.	Saint Luke's Homeopathic .....	Philadelphia	75,000.00	23,991.71	3.00	71,975.11	37,500.00

STATE-AIDED MEDICAL AND SURGICAL HOSPITALS (Continued)  
STATEMENT OF APPROPRIATIONS AND VALUE OF FREE SERVICE RENDERED  
Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Item No	Totals for Biennium 1929-1931 As Estimated from Actual Figures for First Year		Estimated Additional Free Service Probable, Biennium 1931-1933, from Reported Additional Ward Beds Calculated on Basis of Each Hospital's Reported Percentage of Occupancy and Free Work			Combined Totals of Estimates for Biennium 1929-1931 and Hospitals' Reports of Additional Serv- ices Contemplated for Biennium 1931-1933	
	Estimated Free Days Approved	Estimated Amounts Approved	Free Ward Beds Additional	Estimated Additional Free Days	Estimated Additional Earnings	Combined Total Estimated Free Ward Days	Combined Total Estimate of Earnings
CLASS B. ALL OTHERS (Continued)							
60.	11,876	\$ 35,629.00	..	.....	.....	11,876	\$ 35,629.00
61.	41,828	125,486.00	..	.....	.....	41,828	125,486.00
62.	30,539	91,618.00	..	.....	.....	30,539	91,618.00
63.	15,996	47,988.00	28	7,464	\$ 22,394.00	23,460	70,382.00
64.							
65.	10,608	30,481.00	22	3,432	9,849.00	14,040	40,330.00
66.	3,749	11,222.00	..	.....	.....	3,749	11,222.00
67.	13,100	39,302.00	..	.....	.....	13,100	39,302.00
68.	3,265	9,796.00	..	.....	.....	3,265	9,796.00
69.	29,212	87,636.00	..	.....	.....	29,212	87,636.00
70.	7,294	21,884.00	..	.....	.....	7,294	21,884.00
71.	11,791	35,375.00	28	9,710	29,132.00	21,501	64,507.00
72.	15,465	46,396.00	..	.....	.....	15,465	46,396.00
73.	31,876	93,783.00	..	.....	.....	31,876	93,783.00
74.	4,595	13,785.00	..	.....	.....	4,595	13,785.00
75.	10,748	28,760.00	..	.....	.....	10,748	28,760.00
76.	3,944	11,832.00	4	788	2,366.00	4,732	14,198.00
77.							
78.	5,476	16,429.00	..	.....	.....	5,476	16,429.00
79.	25,643	76,930.00	..	.....	.....	25,643	76,930.00
80.	6,441	19,325.00	5	715	2,147.00	7,156	21,472.00
81.	41,031	109,889.00	..	.....	.....	41,031	109,889.00
82.	25,561	73,236.00	..	.....	.....	25,561	73,236.00
83.	37,472	112,416.00	..	.....	.....	37,472	112,416.00
84.	11,762	32,023.00	..	.....	.....	11,762	32,023.00
85.	2,794	8,384.00	..	.....	.....	2,794	8,384.00
86.	16,964	45,870.00	..	.....	.....	16,964	45,870.00
87.	19,747	59,241.00	28	8,639	25,918.00	23,386	85,159.00
88.	13,840	41,419.00	..	.....	.....	13,840	41,419.00
89.	57,808	173,426.00	45	15,671	47,013.00	73,479	220,439.00
90.	13,086	37,764.00	..	.....	.....	13,086	37,764.00
91.	1,781	5,343.00	..	.....	.....	1,781	5,343.00
92.	7,829	23,488.00	..	.....	.....	7,829	23,488.00
93.	11,218	33,654.00	..	.....	.....	11,218	33,654.00
94.							
95.	7,795	23,387.00	..	.....	.....	7,795	23,387.00
96.	9,035	27,256.00	..	.....	.....	9,035	27,256.00
97.	10,352	31,056.00	..	.....	.....	10,352	31,056.00
98.	13,218	33,176.00	..	.....	.....	13,218	33,176.00
99.	46,675	140,026.00	..	.....	.....	46,675	140,026.00
100.	56,807	74,172.00	..	.....	.....	56,807	74,172.00
101.	26,594	79,783.00	..	.....	.....	26,594	79,783.00
102.	53,149	155,639.00	..	.....	.....	53,149	155,639.00
103.	31,401	94,203.00	..	.....	.....	31,401	94,203.00
104.	6,401	19,204.00	..	.....	.....	6,401	19,204.00
105.	25,091	75,273.00	..	.....	.....	25,091	75,273.00
106.	18,279	54,839.00	..	.....	.....	18,279	54,839.00
107.							
108.	7,722	23,167.00	..	.....	.....	7,722	23,167.00
109.	26,792	80,377.00	..	.....	.....	26,792	80,377.00
110.	4,925	14,777.00	..	.....	.....	4,925	14,777.00
111.	53,470	160,410.00	30	12,532	37,596.00	66,002	198,006.00
112.							
113.	35,289	85,235.00	..	.....	.....	35,289	85,235.00
114.	1,945	5,826.00	..	.....	.....	1,945	5,826.00
115.	31,247	33,743.00	..	.....	.....	31,247	33,743.00
116.	45,722	122,346.00	15	3,852	10,325.00	49,574	132,671.00
117.	49,672	149,018.00	40	9,934	29,803.00	59,606	178,821.00
118.	8,334	25,004.00	..	.....	.....	8,334	25,004.00
119.	8,967	26,903.00	..	.....	.....	8,967	26,903.00
120.	36,937	110,812.00	..	.....	.....	36,937	110,812.00
121.	7,193	21,579.00	28	4,793	14,385.00	11,988	35,964.00
122.	30,012	90,036.00	..	.....	.....	30,012	90,036.00
123.	22,097	66,291.00	..	.....	.....	22,097	66,291.00
124.	45,515	136,545.00	..	.....	.....	45,515	136,545.00
125.	47,983	143,950.00	14	4,193	12,595.00	52,181	156,545.00



## APPENDIX TO THE

## STATE-AIDED MEDICAL AND SURGICAL HOSPITALS (Continued)

## STATEMENT OF APPROPRIATIONS AND VALUE OF FREE SERVICE RENDERED

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Item No.	STATE-AIDED HOSPITALS	Location	Actual Experience Biennium 1929-1931				
			Amount of 1929-1931 Appropriations	Total Free Days Approved for One Year Period June 1, 1929 to May 31, 1930.	Average Per Capita Cost of Public Ward Patients Not to Exceed the \$3.00 Maximum for One Year Period	Amounts Approved At Actual Per Capita up to the \$3.00 Maximum for One Year Period	Amounts Paid By the State Treasurer for One Year Period June 1, 1929, to May 31, 1930.
CLASS B. ALL OTHERS (Continued)							
126.	Saint Vincent's Hospital Association	Erie	\$ 70,000.00	24,994.92	\$ 3.00	\$ 74,984.75	\$ 35,000.00
127.	Stetson	Philadelphia	7,500.00	2,528.58	3.00	7,585.75	3,750.00
128.	Suburban General	Bellevue	9,000.00	2,660.39	3.00	7,981.17	4,500.00
129.	Taylor	Ridley Park	12,000.00	4,565.11	3.00	13,685.34	6,000.00
130.	Taylor Hospital Association	Taylor	25,000.00	4,682.79	3.00	14,048.37	12,500.00
131.	Titusville	Titusville	5,500.00	1,178.00	3.00	3,534.00	2,750.00
132.	Tuberculosis League, Pittsburgh	Pittsburgh	75,000.00	32,622.31	2.61	85,147.66	37,500.00
133.	Two Lick	Dixonville	5,500.00	1,304.00	3.00	3,912.00	2,750.00
134.	Uniontown	Uniontown	47,000.00	14,680.00	3.00	44,040.00	23,500.00
135.	Warner, Annie M.	Gettysburg	6,500.00	1,477.90	3.00	4,433.70	3,250.00
136.	Warren General	Warren	10,000.00	3,076.00	3.00	9,228.00	5,000.00
137.	Washington	Washington	48,000.00	13,442.23	3.00	40,326.69	24,000.00
138.	Wayne County Memorial	Honesdale	3,300.00	622.00	3.00	1,866.00	1,650.00
139.	Waynesboro	Waynesboro	7,500.00	2,491.00	3.00	7,473.00	3,750.00
140.	Westmoreland Hospital Association	Greensburg	35,500.00	7,458.15	3.00	22,374.45	17,750.00
141.	West Philadelphia General Homeopathic	Philadelphia	18,000.00	6,516.12	2.98	19,395.24	9,000.00
142.	West Philadelphia Hospital for Women	Philadelphia	40,000.00	10,695.94	3.00	32,087.83	20,000.00
143.	West Side Hospital Association	Scranton	50,000.00	15,792.34	2.95	46,508.76	25,000.00
144.	Wilkes-Barre General	Wilkes-Barre	130,000.00	37,740.38	3.00	113,221.16	65,000.00
145.	Williamsport	Williamsport	82,500.00	16,835.31	3.00	50,505.92	41,250.00
146.	Wills Eye Hospital	Philadelphia	65,000.00	23,188.00	2.91	67,578.58	32,500.00
147.	Women's Homeopathic	Philadelphia	50,000.00	15,619.92	3.00	46,859.77	25,000.00
148.	Women's Hospital of Philadelphia	Philadelphia	47,500.00	10,508.96	3.00	31,526.89	23,750.00
149.	Women's Medical College	Philadelphia	50,000.00	13,217.00	3.00	39,651.02	25,000.00
150.	Women's Southern Homeopathic	Philadelphia	16,000.00	6,336.84	3.00	19,010.51	8,000.00
151.	Wyoming Valley Homeopathic	Wilkes-Barre	28,000.00	7,919.66	3.00	23,759.00	14,000.00
152.	York	York	50,000.00	18,837.24	2.96	55,727.56	25,000.00
153.	University of Pennsylvania Graduate Hospital, being combination of:						
64.	Howard	Philadelphia	140,000.00	65,852.20	3.00	197,556.58	86,000.00
77.	Medico Chirurgical	Philadelphia	32,000.00				
107.	Polyclinic	Philadelphia					
	Diagnostic	Philadelphia					
154.	Chestnut Hill Hospital	Philadelphia	10,000.00	3,737.47	3.00	11,212.40	5,000.00
155.	Monroe County	Stroudsburg		(Combined with General Hospital, East Stroudsburg)			
156.	Pennsylvania Hospital	Philadelphia	50,000.00	49,249.47	3.00	147,748.39	18,750.00
157.	Community Hospital	Kane	5,000.00	1,444.83	3.00	4,334.49	2,500.00
158.	Presbyterian Hospital	Pittsburgh	40,000.00	14,538.46	3.00	43,615.37	20,000.00
159.	Saint Joseph's Hospital	Carbondale	10,000.00	2,614.67	3.00	7,925.00	5,000.00
160.	Providence Hospital	Beaver Falls	10,000.00	1,879.01	3.00	5,637.04	5,000.00
161.	Somerset Community	Somerset					
CLASS B HOSPITALS APPLYING FOR APPROPRIATIONS FOR THE FIRST TIME FOR BIENNIUM 1931-1933							
162.	Children's Hospital of Philadelphia	Philadelphia		28,246.75	3.00	84,740.25	
163.	Elizabeth Steel Magee	Pittsburgh		48,543.00	3.00	145,629.00	
TOTAL CLASS B			\$ 4,977,800.00	\$ 1,658,755.32		\$ 4,818,627.18	\$ 2,475,622.85
RECAPITULATION							
TOTAL CLASS A			\$ 945,000.00	\$ 389,263.27	\$ 2.99	\$ 1,167,513.26	\$ 392,500.00
TOTAL CLASS B			4,977,800.00	1,658,755.32		4,818,627.18	2,475,622.85
TOTAL CLASS A AND B			\$ 5,922,800.00	\$ 2,048,018.59		\$ 5,986,140.44	\$ 2,868,122.85

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## STATE-AIDED MEDICAL AND SURGICAL HOSPITALS (Continued)

### STATEMENT OF APPROPRIATIONS AND VALUE OF FREE SERVICE RENDERED

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Item No.	Totals for Biennium 1929-1931 As Estimated from Actual Figures for First Year		Estimated Additional Free Service Probable, Biennium 1931-1933, from Reported Additional Ward Beds Calculated on Basis of Each Hospital's Reported Percentage of Occupancy and Free Work			Combined Totals of Estimates for Biennium 1929-1931 and Hospitals' Reports of Additional Services Contemplated for Biennium 1931-1933	
	Estimated Free Days Approved	Estimated Amounts Approved	Free Ward Beds Additional	Estimated Additional Free Days	Estimated Additional Earnings	Combined Total Estimated Free Ward Days	Combined Total Estimate of Earnings
CLASS B. ALL OTHERS (Continued)							
126.	49,989	\$ 149,969.00	..	.....	.....	49,989	\$ 149,969.00
127.	5,057	15,171.00	..	.....	.....	5,057	15,171.00
128.	5,320	15,962.00	..	.....	.....	5,320	15,962.00
129.	9,130	27,390.00	..	.....	.....	9,130	27,390.00
130.	9,365	28,096.00	..	.....	.....	9,365	28,096.00
131.	2,356	7,068.00	..	.....	.....	2,356	7,068.00
132.	65,244	170,295.00	..	.....	.....	65,244	170,295.00
133.	2,608	7,824.00	(Closed as of Nov. 1, 1930—Merged with Indiana Hospital)				
134.	29,360	88,080.00	..	.....	.....	29,360	88,080.00
135.	2,955	8,867.00	..	.....	.....	2,955	8,867.00
136.	6,152	18,456.00	..	.....	.....	6,152	18,456.00
137.	26,884	80,653.00	..	.....	.....	26,884	80,653.00
138.	1,244	3,732.00	4	310	\$ 932.00	1,554	4,664.00
139.	4,982	14,946.00	..	.....	.....	4,982	14,946.00
140.	14,916	44,748.00	..	.....	.....	14,916	44,748.00
141.	13,032	38,790.00	..	.....	.....	13,032	38,790.00
142.	21,391	64,175.00	..	.....	.....	21,391	64,175.00
143.	31,584	93,017.00	..	.....	.....	31,584	93,017.00
144.	75,480	226,442.00	..	.....	.....	75,480	226,442.00
145.	33,670	101,011.00	..	.....	.....	33,670	101,011.00
146.	46,376	135,157.00	..	.....	.....	46,376	135,157.00
147.	31,239	93,719.00	..	.....	.....	31,239	93,719.00
148.	21,017	63,053.00	..	.....	.....	21,017	63,053.00
149.	26,434	79,302.00	11	2,550	7,651.00	28,984	86,953.00
150.	12,673	38,021.00	..	.....	.....	12,673	38,021.00
151.	15,839	47,518.00	..	.....	.....	15,839	47,518.00
152.	37,674	111,455.00	26	10,764	31,861.00	48,438	143,316.00
153.	131,704	395,113.00	..	.....	.....	131,704	395,113.00
154.	7,474	22,424.00	..	.....	.....	7,474	22,424.00
155.			..	.....	.....		
156.	98,498	295,496.00	..	.....	.....	98,498	295,496.00
157.	2,889	8,668.00	..	.....	.....	2,889	8,668.00
158.	29,076	87,230.00	..	.....	.....	29,076	87,230.00
159.	5,283	15,850.00	..	.....	.....	5,283	15,850.00
160.	3,758	11,274.00	..	.....	.....	3,758	11,274.00
161.	.....	.....	..	.....	.....	.....	.....
162.	56,493	169,480.00	..	.....	.....	56,493	169,480.00
163.	97,086	291,258.00	..	.....	.....	97,086	291,258.00
	3,317,447	\$ 9,637,204.00	479	132,589	\$ 395,344.00	3,447,428	\$ 10,024,724.00
	778,523	\$ 2,335,023.00	171	42,029	\$ 126,008.00	820,552	\$ 2,461,031.00
	3,317,447	\$ 9,637,204.00	479	132,589	\$ 395,344.00	3,447,428	\$ 10,024,724.00
	4,095,970	\$ 11,972,227.00	596	174,618	\$ 521,352.00	4,267,980	\$ 12,485,755.00



## APPENDIX TO THE

## STATE AIDED HOMES

## STATEMENT OF APPROPRIATIONS, EARNINGS AND RECEIPTS

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Item No.	Institution	Location	Amount Appropriated for Biennium 1929-1931	Total Expenditures for One Year June 1, 1929 to May 31, 1930	Estimated Percentage of Expenditures Borne by the State for Two Years on Basis of 1929-1930 Average
<b>HOMES FOR ADULTS</b>					
1.	Aged Colored Women's Home	Williamsport .....	\$ 2,000.00	\$ 1,979.75	50.5
2.	Almira Home Association	New Castle .....	7,000.00	17,400.26	20.1
3.	Home for Aged .....	Philadelphia .....	4,500.00	8,047.43	27.9
4.	Home for Aged and Infirm Women .....	Easton .....	5,500.00	16,983.48	16.2
5.	Home for Aged and Infirm Colored Women of Western Pennsylvania .....	Pittsburgh .....	4,500.00	12,589.24	18.2
6.	Home of Industry of Discharged Prisoners .....	Philadelphia .....	4,000.00	20,974.89	9.5
7.	Home for the Friendless .....	Harrisburg .....	6,500.00	11,789.51	27.5
8.	Home for Veterans of G. A. R. and Wives .....	Philadelphia .....	22,500.00	28,594.32	39.3
9.	Home for Widows and Single Women .....	Lebanon .....	3,500.00	10,335.15	16.9
10.	Home for Widows and Single Women .....	Reading .....	4,000.00	19,367.73	10.3
11.	Julia White Priscilla Home for Aged Colored People .....	Lamott .....	1,500.00	4,438.53	16.9
12.	Ladies of the G. A. R. Home .....	Swissvale .....	27,000.00	35,856.82	37.6
13.	Nazarene Home for the Aged .....	Philadelphia .....	5,000.00	10,179.35	24.6
14.	Old Ladies Home .....	Wissinoming .....	12,000.00	48,012.52	12.5
15.	Pennsylvania Memorial Home .....	Brookville .....	12,000.00	23,369.40	25.7
16.	Pennsylvania Seamen's Friend Society .....	Philadelphia .....	3,200.00	10,231.21	15.6
17.	Philadelphia Home for Incapable .....	Philadelphia .....	22,500.00	162,259.02	6.9
18.	Philadelphia Association for Protection of Colored Women .....	Philadelphia .....	5,000.00	11,194.17	22.3
19.	Union Home for Old Ladies .....	Philadelphia .....	4,000.00	13,023.45	15.4
20.	Home for the Aged of Westmoreland County .....	Greensburg .....	1,000.00	7,879.98	6.3
21.	Seamen's Church Institute .....	Philadelphia .....	5,000.00	147,675.50	1.7
22.	New Future Home .....	Pittsburgh .....	1,000.00	4,054.95	12.3
TOTAL .....			\$ 163,200.00	\$ 626,046.66	
<b>INSTITUTIONS FOR THE BLIND</b>					
1.	Pennsylvania Association for the Blind .....	Pittsburgh .....	\$ 30,000.00	\$ 325,498.76	4.6
2.	Pennsylvania Home Teaching Society and Free Circulating Library for Blind .....	Philadelphia .....	Maintenance 14,000.00 Embossed Books 2,000.00	11,120.78 1,048.32	62.9 100.
3.	Pennsylvania Working Home for Blind Men .....	Philadelphia .....	45,500.00	260,216.61	8.7
TOTAL .....			\$ 91,500.00	\$ 597,884.47	
<b>HOMES AND AGENCIES FOR AGED AND CHILDREN</b>					
1.	Beulah Anchorage .....	Reading .....	\$ 2,000.00	\$ 10,454.50	9.6
2.	Boy's Industrial Home of Western Pennsylvania .....	Oakdale .....	13,000.00	59,387.11	10.9
3.	George Jr. Republic of Western Pennsylvania .....	Grove City .....	7,500.00	24,688.45	15.2
4.	Beacon Light Mission .....	Bradford .....	3,000.00	16,975.46	8.8
5.	Beaver County Children's Home .....	New Brighton .....	7,500.00	18,545.09	20.2
6.	Bethel Orphanage .....	Osceola .....	3,500.00	8,157.54	21.5
7.	Chester Day Nursery and Children's Boarding Home .....	Chester .....	2,500.00	15,231.04	8.2
8.	Children's Aid Society and Home for Aged .....	Meadville .....	4,000.00	16,080.32	12.4
9.	Children's Aid Society of Franklin County .....	Chambersburg .....	2,000.00	9,162.83	10.9
10.	Children's Home of Easton .....	Easton .....	8,500.00	36,744.50	11.8

## STATE AIDED HOMES

## STATEMENT OF APPROPRIATIONS, EARNINGS AND RECEIPTS

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Item No.	Average Indigent Population		Average Per Capita Cost Per Day June 1, 1929 to May 31, 1930	Total Receipts Other Than from State for Year June 1, 1929 to May 31, 1930	Excess of Expenditures Over Receipts for Year June 1, 1929 to May 31, 1930	Estimated Excess of Expenditures Over Receipts for Two Years on Same Basis	Comments 1931-33
	Actual as of May 31, 1930	Estimated for Biennium 1931-1933					
HOMES FOR ADULTS (Continued)							
1.	6	10	\$ .90	\$ 990.00	\$ 989.75	\$ 1,979.50	
2.	43	43	1.44	15,260.80	2,139.46	4,278.92	
3.	22	22	1.00	5,481.68	2,565.75	5,131.50	
4.	24	27	1.88	13,417.72	3,565.76	7,131.52	
5.	33	33	1.09	8,802.66	3,586.58	7,173.16	
6.	21	27	2.80	17,578.08	3,396.81	6,793.62	
7.	40	40	*.81	9,346.05	2,453.46	4,906.92	
8.	51	55	1.51	14,760.30	13,834.02	27,668.04	
9.	33	40	.86	4,969.48	5,365.67	10,731.34	
10.	51	51	1.09	18,739.09	628.64	1,257.28	
11.	11	21	1.11	1,918.18	2,520.35	5,040.70	
12.	39	89	1.07	18,416.28	17,440.54	34,881.08	
13.	29	30	.97	7,648.43	2,530.92	5,061.84	
14.	140	140	.94	42,298.63	5,713.89	11,427.78	
15.	30	50	1.39	17,369.40	6,000.00	12,000.00	
16.	30	40	1.00	7,806.22	2,424.99	4,849.98	
17.	171	223	2.30	151,699.23	10,559.79	21,119.58	
18.	22	25	2.25	8,912.72	2,281.45	4,562.90	
19.	40	40	.90	9,156.04	3,867.41	7,734.82	
20.	12	14	1.80	6,830.51	1,049.47	2,098.94	
21.	44	50	1.57	141,696.57	5,978.93	11,957.86	
22.	42	57	2.57	2,581.32	1,473.63	2,947.26	
				\$ 525,679.39	\$ 100,367.27	\$ 200,734.54	
1.	{ 144 blind men and women employed in shop 1773 served outside 435 aided in prevent of blindness department }			\$ 272,828.58	\$ 52,670.18	\$ 105,340.36	350 blind men and women to be employed in shop. 4380 to be served outside. 1142 to be aided in prevention of blindness department. 10,000 Blind to be visited in homes during biennium.
2.	4694 Blind visited in homes during year			4,111.93	7,008.85	14,017.70	
	2328 lessons given to 798 Blind during year			None	1,048.32	2,096.64	5,200 lessons to be given to 2,000 Blind during biennium.
3.	{ 115 employed in shop of whom 86 are maintained in Institution }			224,110.94	36,105.67	72,211.34	120 to be employed in shop of whom 83 are to be maintained in Institution.
				\$ 501,051.45	\$ 96,833.02	\$ 193,666.04	
1.	19	79	\$ 1.34	\$ 9,635.63	\$ 818.87	\$ 1,637.74	
2.	172	192	1.03	52,856.28	6,530.83	13,061.66	
3.	48	75	1.41	16,048.50	8,639.95	17,279.90	
4.	50	50	.93	15,091.03	1,884.43	3,768.86	
5.	47 (15 Indigent)	(16 Indigent)	1.17	12,151.74	6,393.35	12,786.70	
6.	39	45	.60	5,106.19	3,051.35	6,102.70	
7.	20	65	.74	14,151.85	1,079.19	2,158.33	
8.	47	50	.92	10,493.89	5,586.43	11,172.83	
9.	50	75	1.47	8,231.52	931.31	1,862.62	
10.	86	95-100	1.17	32,494.50	4,250.00	8,500.00	

\*Institution reports "Receipts unusually large and not likely to duplicated in next year or biennium."



## STATE AIDED HOMES (Continued)

## STATEMENT OF APPROPRIATIONS, EARNINGS AND RECEIPTS

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Item No.	Institution	Location	Amount Appropriated for Biennium 1929-1931	Total Expenditures for One Year June 1, 1929 to May 31, 1930	Estimated Percentage of Expenditures Borne by the State for Two Years on Basis of 1929-1930 Average
<b>HOMES AND AGENCIES FOR AGED AND CHILDREN (Continued)</b>					
11.	Children's Industrial Home (merged with "Nursery Home")	Harrisburg	\$ 11,000.00	\$ 24,860.70	22.1
12.	Children's Home of South Bethlehem and Allentown	S. Bethlehem	4,500.00	23,719.14	9.5
13.	Christian Home	Johnstown	3,500.00	13,307.29	13.2
14.	Coleman Industrial Home	Pittsburgh	3,000.00	6,043.84	24.8
15.	Curtis Home for Women and Children	Pittsburgh	5,500.00	8,935.54	30.8
16.	Davis Temporary Home (Colored Women's Relief Assn. of Pa.)	Pittsburgh	2,500.00	4,532.12	27.6
17.	Erie Infants' Home and Hospital	Erie	3,500.00	24,842.47	7.0
18.	First Allegheny Day Nursery and Temporary Home for Children	Pittsburgh	4,500.00	8,586.91	26.2
19.	Florence Crittenton Home	Wilkes-Barre	1,000.00	11,789.41	4.2
20.	Florence Crittenton Home	Erie	1,500.00	5,066.35	14.8
21.	Florence Crittenton Home	Germanstown	2,000.00	6,888.48	14.5
22.	Florence Crittenton Mission	Williamsport	1,000.00	3,076.47	16.3
23.	Friends' Home for Children	Philadelphia	3,000.00	11,899.39	12.6
24.	Home for Colored Children	Pittsburgh	3,900.00	13,540.50	10.5
25.	Home for Friendless Children	Lancaster	7,500.00	19,589.29	19.1
26.	Home for Friendless Children	Reading	3,400.00	18,563.81	9.2
27.	Home for the Friendless	Erie	14,500.00	40,597.45	17.9
28.	Home for the Friendless	Williamsport	10,500.00	31,305.00	16.8
29.	Home for Friendless Women and Children	Scranton	8,500.00	37,498.22	11.3
30.	Industrial Home for Crippled Children	Pittsburgh	20,000.00	50,544.21	19.8
31.	Northern Home for Friendless Children	Philadelphia	14,000.00	49,554.77	14.1
32.	Northern Tier Home	Harrison Valley	5,000.00	6,281.92	39.8
33.	Philadelpha Home for Infants	Philadelphia	4,500.00	18,616.89	12.1
34.	Pittsburgh and Allegheny Home for Friendless	Pittsburgh	11,000.00	48,652.28	11.3
35.	Pittsburgh Home for Babies	Ingram	12,500.00	32,445.45	19.3
36.	Tabor Home for Children	Doylestown	6,500.00	17,110.64	19.0
37.	United Charities Home for Children	W. Hazleton	2,000.00	7,961.00	12.6
38.	Western Temporary Home	Philadelphia	3,000.00	18,997.18	7.9
39.	Westmoreland County Children's Aid Society	Greensburg	9,000.00	26,457.90	17.0
40.	Robert Wood's Industrial Home for Colored Boys and Girls	Philadelphia	2,500.00	10,214.85	12.2
41.	York Society to Protect Children and Aged Persons	York	7,500.00	15,117.39	24.8
42.	Children's Aid Society of Pennsylvania	Philadelphia	60,000.00	373,022.86	8.0
43.	Children's Aid Society of Western Pennsylvania	Pittsburgh	25,000.00	(2)14,708.12	(2)84.9
44.	Pennsylvania Society to Protect Children from Cruelty	Philadelphia	5,000.00	(3)10,864.72	(2)7.9
45.	Woods Run Settlement Association	Pittsburgh	1,700.00	30,880.80	(2)23.0
46.	Benevolent Association Home for Children	Pottsville	2,000.00	15,484.33	1.6
47.	Baby Welfare Association	Philadelphia	4,000.00	7,224.19	2.8
48.	Children's Home Society of Pennsylvania	Pittsburgh	6,500.00	27,494.02	6.5
49.	McKeesport Day Nursery	McKeesport	1,000.00	2,202.27	27.7
50.	Berean Manual Training and Industrial School	Philadelphia	20,000.00	16,156.21	11.8
TOTAL HOMES AND AGENCIES FOR AGED AND CHILDREN			\$ 371,000.00	\$ 1,334,860.82	61.8
<b>RECAPITULATION</b>					
HOMES FOR ADULTS			\$ 163,200.00	\$ 626,046.66	
INSTITUTIONS FOR THE BLIND			91,500.00	597,884.47	
TOTAL HOMES AND AGENCIES FOR AGED AND CHILDREN			\$ 371,000.00	1,334,860.82	
TOTAL			\$ 625,700.00	\$ 2,558,791.95	

(1) Expenses of the Local Headquarters only.

(2) Expenses shown are for Pittsburgh Headquarters only. Expenses of entire organization reported as \$157,896.26.

(3) Expenses shown are only those per quarterly maintenance reports. Expenses of entire organization reported as \$152,445.71.

## STATE AIDED HOMES (Continued)

## STATEMENT OF APPROPRIATIONS, EARNINGS AND RECEIPTS

Compiled by the Department of Welfare from Reports Submitted to and Audited by the Auditor General

Item No.	Average Indigent Population		Average Per Capita Cost Per Day June 1, 1929 to May 31, 1930	Total Receipts Other Than from State for Year June 1, 1929 to May 31, 1930	Excess of Expenditures Over Receipts for Year June 1, 1929 to May 31, 1930	Estimated Excess of Expenditures Over Receipts for Two Years on Same Basis	Comments 1931-33
	Actual as of May 31, 1930	Estimated for Biennium 1931-1933					
HOMES AND AGENCIES FOR AGED AND CHILDREN (Continued)							
11.	70	80	\$ 1.01	\$ 18,355.55	\$ 6,505.15	\$ 13,010.30	
12.	64	64	1.06	20,730.00	2,989.14	5,978.28	
13.	59	60	.69	9,187.73	4,119.56	8,239.12	
14.	24	32	.63	3,084.93	2,958.91	5,917.82	
15.	28	35	.93	4,364.59	4,570.95	9,141.90	
16.	19	21	.69	3,040.20	1,491.92	2,983.84	
17.	40	45	1.77	20,910.26	3,932.21	7,864.42	
18.	32	40	.78	5,105.71	3,481.20	6,962.40	
19.	40	50	.81	10,875.70	913.71	1,827.42	
20.	19 girls and babies	23 girls and babies	.87	3,775.80	1,290.55	2,581.10	
21.	14	18	1.23	4,178.84	2,709.64	5,419.28	
22.	12	15	.92	2,961.11	115.36	230.72	
23.	30	30	1.09	7,806.87	4,092.52	8,185.04	
24.	43	43	1.18	15,310.41	3,230.09	6,460.18	
25.	63	80	.83	12,250.85	7,338.44	14,676.88	
26.	65	75	.93	16,809.85	1,753.96	3,507.92	
27.	109	120	1.10	32,714.48	7,882.97	15,765.94	
28.	99	99	.89	25,127.95	6,177.05	12,354.10	
29.	40	150	.77	33,491.03	4,007.19	8,014.38	
30.	78	78	1.86	28,529.35	22,014.86	44,029.72	
31.	137	140	1.03	37,243.04	12,311.73	24,623.46	
32.	18	22	.93	2,762.45	3,519.47	7,038.94	
33.	24	30	2.35	16,359.70	2,257.19	4,514.38	
34.	131	140	1.00	39,466.43	9,185.85	18,371.70	
35.	40	40	2.34	22,833.04	9,612.41	19,224.82	
36.	76	80	2.47	12,373.90	4,736.74	9,473.48	
37.	20	25	1.14	7,728.43	232.57	465.14	
38.	20	23	2.24	17,094.07	1,903.11	3,806.22	
39.	85	85	.86	20,736.92	5,702.98	14,441.96	
40.	36	40	.73	6,368.26	3,846.59	7,693.18	
41.	49	52-54	.84	5,752.40	9,364.99	18,729.98	
42.	1,062	1,440	.99	287,739.45	85,283.21	170,566.42	
43.	1,032	1,225	.11	2,265.74	12,442.38	24,884.76	
44.	799 cases handled involving 2,957 children—9,312 visits made		.....	3,768.82	7,095.90	14,191.80	
45.	No population		.....	24,682.97	5,997.63	11,995.26	
46.	43	50	.98	12,772.79	2,711.54	5,423.08	
47.	No population		.....	1,714.62	5,509.57	11,019.14	
48.	711	(1) 711	.11	21,559.16	5,934.86	11,869.72	
49.	14	25	.43	1,289.46	912.81	1,825.62	
50.	white 190,000 colored 22,000	190,000 25,000	(1) .35	4,322.63	11,833.58	23,667.16	
	.....	.....	.....	\$ 1,003,706.62	\$ 331,154.20	\$ 662,308.40	
	.....	.....	.....	\$ 525,679.39	\$ 100,367.27	\$ 200,734.54	
	.....	.....	.....	501,051.45	96,833.02	193,666.04	
	.....	.....	.....	\$ 1,003,706.62	331,154.20	662,308.40	
	.....	.....	.....	\$ 2,030,437.46	\$ 528,354.49	\$ 1,056,708.98	



## APPENDIX TO THE

## SECTION SIX

## THE CUSTODIAL SPECIAL FUNDS INCLUDING THE SINKING FUND

THE PUBLIC DEBT AS OF DECEMBER 31, 1930

## CUSTODIAL SPECIAL FUNDS . . .

## SUMMARY STATEMENT OF BALANCES, RECEIPTS AND EXPENDITURES

June 1, 1929, to December 31, 1930

Funds	Balance June 1, 1929 Cash and Investments	Receipts	Transfers	Expenditures	Balance December 31, 1930, Cash and Investments
Sinking Fund .....	\$ 8,807,162.43	\$ 12,152,230.78	\$ 17,000.00(b)	\$ 10,523,939.57	\$ 10,418,453.64
Agricultural College Land Scrip Fund .....	497,971.57	34,915.71	.....	37,500.00	495,387.28
State College Experimental Farm Fund .....	.....	435.33	17,000.00(a)	.....	17,435.33
Federal Plant Pest Fund .....	.....	118.03	.....	117.12	.91
Fire Insurance Tax Fund .....	2,202,692.42	1,087,410.56	1,199,106.06(b)	1,171,644.95	919,351.97
Liquid Fuels Tax Fund .....	.....	8,698,293.43	.....	6,519,388.86	2,178,904.57
State Workmen's Insurance Fund .....	9,474,191.64	6,235,976.44	.....	6,477,316.28	9,232,851.80
State Insurance Fund .....	215,251.36	76,326.52	1,199,106.06(a)	147,514.73	1,343,169.21
Soldiers' and Sailors' Memorial Bridge Fund ..	722.05	618.16	.....	.....	1,340.21
Federal Vocational Education Fund .....	351,157.39	824,124.29	.....	596,348.34	578,933.34
Federal Rehabilitation Fund .....	63,711.16	66,674.92	.....	90,600.69	39,785.39
State School Fund .....	1,210,542.03	158,761.63	.....	76,030.38	1,293,273.28
School Employees' Retirement Fund .....	60,928,253.28	17,898,881.76	.....	4,828,034.55	73,999,100.49
State Employees' Retirement Fund .....	5,450,716.11	3,536,531.73	.....	683,141.91	8,304,105.93
Manufacturing Fund .....	137,558.71	1,622,348.63	.....	1,313,912.02	445,995.32
Total Custodial Special Funds .....	\$ 89,339,930.15	\$ 52,393,647.92	.....	\$ 32,465,489.40	\$ 109,268,088.67

(a) Transfers to—Addition.

(b) Transfers from—Deduction.

## SINKING FUND

## STATEMENT OF ACTUAL AND ESTIMATED RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

Sources	Actual 1927-1929	Actual and Estimated 1929-1931	Estimated 1931-1933
<b>APPROPRIATIONS AND RECEIPTS</b>			
Motor Fund Appropriations .....	\$ 15,526,065.46	\$ 13,855,220.00	\$ 13,532,720.00
<b>REVENUE RECEIPTS</b>			
Interest on Investments .....	\$ 380,911.25	\$ 591,050.83	\$ 600,000.00
Interest on Deposits .....	102,398.64	75,484.06	60,000.00
Sabbath Breaking Fines .....	485.90	28.00	.....
TOTAL REVENUE RECEIPTS .....	\$ 483,795.79	\$ 666,562.89	\$ 660,000.00
TOTAL APPROPRIATION AND REVENUE RECEIPTS .....	\$ 16,009,861.25	\$ 14,521,782.89	\$ 14,192,720.00
<b>EXPENDITURES</b>			
Payments for Road Bonds Matured .....	.....	\$ 4,000,000.00	\$ 2,076,000.00
Road Bonds Purchased and Cancelled Before Maturity .....	\$ 4,667,000.00	.....	.....
Interest on Road Bonds .....	8,297,155.00	7,981,103.74	7,774,047.00
Premiums and Accrued Interest on Investments Purchased .....	92,456.56	2,304.17*	.....
TOTAL EXPENDITURES .....	\$ 13,056,611.56	\$ 11,978,799.57	\$ 9,850,047.00
<b>TRANSFERS</b>			
Proceeds from State of Agricultural Experimental Farms Transferred to State College Experimental Farm Fund .....	.....	\$ 17,000.00	.....
TOTAL EXPENDITURES AND TRANSFERS .....	\$ 13,056,611.56	\$ 11,995,799.57	\$ 9,850,047.00
EXCESS OF RECEIPTS OVER EXPENDITURES .....	\$ 2,953,249.69	\$ 2,525,983.32	\$ 4,342,673.00
BALANCE AT BEGINNING .....	5,853,912.74	8,807,162.43	10,419,453.64
<b>BALANCE AT END</b>			
Cash .....	\$ 962,162.43	.....	.....
Investments .....	7,845,000.00	.....	.....
TOTAL BALANCE AT END .....	\$ 8,807,162.43	\$ 11,333,145.75	\$ 14,761,126.64

\* Contra.

## SINKING FUND

STATEMENT SHOWING THE APPROPRIATIONS NECESSARY TO MEET THE PRINCIPAL AND INTEREST  
REQUIREMENTS FOR ROAD BONDS

June 1, 1931, to May 31, 1933

Date of Payment	Requirements		
	Principal	Interest	Total
July 1, 1931 .....	\$ 695,407.69	\$ 513,125.00	\$ 1,208,532.69
August 2, 1931 .....	214,736.61	292,200.00	506,936.61
September 1, 1931 .....	702,328.29	347,660.00	1,049,988.29
October 1, 1931 .....	324,818.29	189,000.00	513,818.29
December 1, 1931 .....	216,958.90	626,000.00	842,958.90
January 1, 1932 .....	31,875.00	513,125.00	545,000.00
February 2, 1932 .....	.....	292,200.00	292,200.00
March 1, 1932 .....	13,860.00	346,140.00	360,000.00
April 1, 1932 .....	698,591.66	215,666.67	914,258.33
June 1, 1932 .....	.....	586,000.00	586,000.00
July 1, 1932 .....	695,407.69	513,125.00	1,208,532.69
August 2, 1932 .....	214,736.61	292,200.00	506,936.61
September 1, 1932 .....	663,848.29	346,140.00	1,009,988.29
October 1, 1932 .....	324,818.29	189,000.00	513,818.29
December 1, 1932 .....	216,958.90	586,000.00	802,958.90
January 1, 1933 .....	31,875.00	513,125.00	545,000.00
February 2, 1933 .....	.....	292,200.00	292,200.00
March 1, 1933 .....	13,860.00	346,140.00	360,000.00
April 1, 1933 .....	698,591.66	189,000.00	887,591.66
June 1, 1933 .....	.....	586,000.00	586,000.00
<b>TOTAL .....</b>	<b>\$ 5,758,672.88</b>	<b>\$ 7,774,046.67</b>	<b>\$ 13,532,719.55</b>

## AGRICULTURAL COLLEGE LAND SCRIPT FUND

## STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Interest on Investments and Deposits .....	\$ 44,908.03	\$ 22,750.75	\$ 12,164.96	\$ 34,915.71
Premium on Sale of Securities .....	710.83	.....	.....	.....
<b>TOTAL RECEIPTS .....</b>	<b>\$ 45,618.86</b>	<b>\$ 22,750.75</b>	<b>\$ 12,164.96</b>	<b>\$ 34,915.71</b>
<b>EXPENDITURES</b>				
Interest Paid to Pennsylvania State College .....	\$ 38,727.00	\$ 25,000.00	\$ 12,500.00	\$ 37,500.00
<b>TOTAL EXPENDITURES .....</b>	<b>\$ 38,727.00</b>	<b>\$ 25,000.00</b>	<b>\$ 12,500.00</b>	<b>\$ 37,500.00</b>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES .....</b>	<b>\$ 6,891.86</b>	<b>\$ 2,249.25*</b>	<b>\$ 335.04*</b>	<b>\$ 2,544.29*</b>
<b>BALANCE AT BEGINNING .....</b>	<b>491,079.71</b>	<b>497,971.57</b>	<b>495,722.32</b>	<b>497,971.57</b>
<b>BALANCE AT END</b>				
Cash on Deposit .....	\$ 27,471.57	\$ 32,722.32	\$ 37,387.28	\$ 37,387.28
Investments .....	470,500.00	463,000.00	458,000.00	458,000.00
<b>TOTAL BALANCE AT END .....</b>	<b>\$ 497,971.57</b>	<b>\$ 495,722.32</b>	<b>\$ 495,387.28</b>	<b>\$ 495,387.28</b>
<b>GUARANTEED PRINCIPAL .....</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>
<b>LESS CASH AND INVESTMENTS .....</b>	<b>497,971.57</b>	<b>495,722.32</b>	<b>495,387.28</b>	<b>495,387.28</b>
<b>EXCESS OF GUARANTEED PRINCIPAL OVER CASH AND INVESTMENTS .....</b>	<b>\$ 2,028.43</b>	<b>\$ 4,277.68</b>	<b>\$ 4,612.72</b>	<b>\$ 4,612.72</b>

\* Excess of Expenditures over Receipts.



## APPENDIX TO THE

## STATE COLLEGE EXPERIMENTAL FARM FUND

## STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Transfer from Sinking Fund .....		\$ 17,000.00		\$ 17,000.00
Interest on Securities .....			\$ 371.09	\$ 371.09
Interest on Deposits .....			64.24	64.24
<b>TOTAL RECEIPTS</b> .....		\$ 17,000.00	\$ 435.33	\$ 17,435.33
<b>BALANCE AT BEGINNING</b> .....			\$ 17,000.00	
<b>BALANCE AT END</b>				
Cash .....			\$ 435.33	\$ 435.33
Investments .....		\$ 17,000.00	17,000.00	17,000.00
<b>TOTAL BALANCE AT END</b> .....		\$ 17,000.00	\$ 17,435.33	\$ 17,435.33

## FIRE INSURANCE TAX FUND

## STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Interest on Deposits .....	\$ 1.25	\$ 16,772.03	\$ 10,329.27	\$ 27,101.30
Foreign Fire Insurance Premiums .....	2,090,452.65	1,055,138.94	5,170.32	1,050,309.26
<b>TOTAL RECEIPTS</b> .....	\$ 2,090,453.90	\$ 1,071,910.97	\$ 15,499.59	\$ 1,087,410.56
<b>EXPENDITURES AND TRANSFERS</b>				
Returned to Cities, Boroughs and Townships .....	\$ 1,577,007.16	\$ 811,952.26	\$ 359,692.69	\$ 1,171,644.95
Transferred to State Insurance Fund .....		1,199,106.06		1,199,106.06
<b>TOTAL EXPENDITURES AND TRANSFERS</b> .....	\$ 1,577,007.16	\$ 2,011,058.32	\$ 359,692.69	\$ 2,370,751.01
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	\$ 513,446.74	\$ * 939,147.35	\$ * 344,193.10	\$ * 1,283,340.45
<b>BALANCE AT BEGINNING</b> .....	1,689,245.68	2,202,692.42	1,263,545.07	2,202,692.42
<b>BALANCE AT END</b> .....	\$ 2,202,692.42	\$ 1,263,545.07	\$ 919,351.97	\$ 919,351.97

## FEDERAL PLANT PEST FUND

## STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Interest on Deposits .....		\$ .72	\$ .19	\$ .91
Reimbursement Due Federal Government .....		117.12		117.12
<b>TOTAL RECEIPTS</b> .....		\$ 117.84	\$ .19	\$ 118.03
<b>EXPENDITURES</b>				
Reimbursements to Federal Government .....		\$ 117.12		\$ 117.12
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....		\$ .72	\$ .19	\$ .91
<b>BALANCE AT BEGINNING</b> .....			.72	
<b>BALANCE AT END</b> .....		\$ .72	\$ .91	\$ .91

\* Excess of Expenditures over Receipts.

## STATE WORKMEN'S INSURANCE FUND

## STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Net Premiums Collected .....	\$ 7,318,897.01	\$ 3,702,722.44	\$ 1,723,411.34	\$ 5,426,133.72
Net Interest Earned .....	749,574.46	433,117.58	278,047.93	711,165.51
Reimbursement for Losses and Expenses .....	471,480.48	92,892.43	.....	92,892.43
Miscellaneous .....	.....	844.09	.....	844.09
Premiums on Sale of Securities .....	.....	.....	4,940.63	4,940.63
<b>TOTAL RECEIPTS</b> .....	<b>\$ 8,539,951.95</b>	<b>\$ 4,229,576.54</b>	<b>\$ 2,006,399.90</b>	<b>\$ 6,235,976.44</b>
<b>EXPENDITURES</b>				
General Expenses .....	\$ 1,344,221.77	\$ 1,008,209.96	\$ 510,596.70	\$ 1,518,806.66
Losses Paid .....	5,346,219.51	3,076,579.79	1,793,149.89	4,869,729.68
Reinsurance Premiums .....	44,709.66	43,589.94	30,721.39	74,311.33
For Account of Coal Operators Mutual of Western Pennsylvania .....	3,447.38	967.42	330.00	1,297.42
Net Premiums on Bonds Owned .....	50,845.59	2,394.93	.....	2,394.93
Accrued Interest on Investments Purchased .....	17,965.51	7,402.93	3,373.33	10,776.26
<b>TOTAL EXPENDITURES</b> .....	<b>\$ 6,807,409.42</b>	<b>\$ 4,139,144.97</b>	<b>\$ 2,338,171.31</b>	<b>\$ 6,477,316.28</b>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	<b>\$ 1,732,542.53</b>	<b>\$ 90,431.57</b>	<b>\$ * 331,771.41</b>	<b>\$ * 241,339.84</b>
<b>BALANCE AT BEGINNING</b> .....	<b>\$ # 7,741,649.11</b>	<b>\$ 9,474,191.64</b>	<b>\$ 9,564,623.21</b>	<b>\$ 0,474,191.64</b>
<b>BALANCE AT END</b>				
Cash on Deposit .....	\$ 706,478.32	\$ 137,973.21	\$ 399,401.80	\$ 399,401.80
Investments .....	.....	.....	.....	.....
Bonds .....	8,067,100.00	8,414,800.00	7,566,500.00	7,566,500.00
Mortgages .....	700,613.32	1,011,850.00	1,266,950.00	1,266,950.00
<b>TOTAL BALANCE AT END</b> .....	<b>\$ 9,474,191.64</b>	<b>\$ 9,564,623.21</b>	<b>\$ 9,232,851.80</b>	<b>\$ 9,232,851.80</b>

\* Excess of Expenditures over Receipts.

# Treasury Balance is \$4,344.30 less than this amount consisting of old outstanding checks which the State Workmen's Insurance Board considers cancelled.

## LIQUID FUELS TAX FUND

## STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Liquid Fuels Tax (Portion Returnable to Counties) .....	\$ (2) 7,637,070.02	\$ (4) 4,573,275.05	\$ 3,018,768.83	\$ (4) 7,592,043.88
<b>EXPENDITURES</b>				
Returned to Counties .....	\$ 7,256,333.87	\$ 4,502,478.10	\$ 2,016,910.76	\$ 6,519,388.80
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	<b>\$ 380,736.15</b>	<b>\$ 70,796.95</b>	<b>\$ 1,001,858.07</b>	<b>\$ 1,072,655.02</b>
<b>BALANCE AT BEGINNING</b> .....	<b>\$ (1) 725,513.50</b>	<b>\$ (3) 1,106,249.55</b>	<b>\$ 1,177,046.50</b>	<b>\$ (3) 1,106,240.55</b>
<b>BALANCE AT END</b> .....	<b>\$ (3) 1,106,249.55</b>	<b>\$ 1,177,046.50</b>	<b>\$ 2,178,904.57</b>	<b>\$ 2,178,904.57</b>

(1) This balance plus \$2,270.91 transferred to General Fund from Gasoline Tax Fund during 1927-29 Biennium.

(2) Includes \$2,270.91 deposited in Gasoline Tax Fund during 1927-29 Biennium and subsequently transferred to the General Fund and carried as "Receipts Appropriated for Special Purposes."

(3) This balance plus \$32,232.63 transferred to Liquid Fuels Tax Fund from the General Fund during 1929-31 Biennium.

(4) Includes \$32,232.61 deposited in General Fund during 1929-31 Biennium and subsequently transferred to Liquid Fuels Tax Fund.



## APPENDIX TO THE

STATE INSURANCE FUND  
STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Transfer from Insurance Tax Fund .....		\$ 1,199,106.06		\$ 1,199,106.06
Interest on Investments and Deposits .....	\$ 35,678.23	38,024.50	\$ 37,499.33	75,523.83
Premiums on Sale of Securities .....	20,883.20	.....	.....	.....
Sale of State Property .....	515.00	660.69	.....	660.69
Penalties and Interest on Deposits .....	234.24	.....	.....	.....
Miscellaneous .....	142.00	.....	142.00	142.00
<b>TOTAL RECEIPTS</b> .....	\$ 57,452.67	\$ 1,237,791.25	\$ 37,641.33	\$ 1,275,432.58
<b>EXPENDITURES</b>				
Interest and Premiums on Securities Purchased .....		\$ 3,187.50		\$ 3,187.50
Fire Losses and Claims .....	\$ 361,525.86	122,457.37	\$ 21,838.56	144,327.23
Traveling Expenses .....	1,443.81	31.30	.....	.....
<b>TOTAL EXPENDITURES</b> .....	\$ 362,969.67	\$ 125,676.17	\$ 21,838.56	\$ 147,514.73
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	\$ 305,517.00*	\$ 1,112,115.08	\$ 15,802.77	\$ 1,127,917.85
<b>BALANCE AT BEGINNING</b> .....	520,768.36	215,251.36	1,327,366.44	215,251.36
<b>BALANCE AT END</b>				
Cash on Deposit .....	\$ 165,251.36	\$ 277,366.44	\$ 297,169.21	\$ 297,169.21
Investments .....	50,000.00	1,050,000.00	1,046,000.00	1,046,000.00
<b>TOTAL BALANCE AT END</b> .....	\$ 215,251.36	\$ 1,327,366.44	\$ 1,343,169.21	\$ 1,343,169.21

SOLDIERS' AND SAILORS' MEMORIAL BRIDGE FUND  
STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Interest on Deposits .....	\$ 13,991.36	\$ 605.00	\$ 13.16	\$ 618.16
<b>EXPENDITURES</b>				
Construction on Memorial Bridge .....	\$ 315,162.14	.....	.....	.....
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	\$ 301,170.78*	\$ 605.00	\$ 13.16	\$ 618.16
<b>BALANCE AT BEGINNING</b> ..	301,892.83	722.05	1,327.05	722.05
<b>TOTAL BALANCE AT END</b> .....	\$ 722.05	\$ 1,327.05	\$ 1,340.21	\$ 1,340.21

FEDERAL VOCATIONAL EDUCATION FUND  
STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Interest on Deposits .....	\$ 5,437.88	\$ 8,074.00	\$ 3,144.05	\$ 11,218.05
Federal Government Appropriation .....	858,495.44	689,268.93	123,637.31	812,906.24
<b>TOTAL RECEIPTS</b> .....	\$ 863,933.32	\$ 697,342.93	\$ 126,781.36	\$ 824,124.29
<b>EXPENDITURES</b>				
Interest Due Federal Government .....	.....	\$ 5,437.88	\$ 8,074.00	\$ 13,511.88
Transferred to General Fund for use of Department of Public Instruction .....	\$ 1,013,440.07	534,478.37	48,358.09	582,836.46
<b>TOTAL EXPENDITURES</b> .....	\$ 1,013,440.07	\$ 539,916.25	\$ 56,432.09	\$ 596,348.34
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	\$ 149,506.75*	\$ 157,426.68	\$ 70,349.27	\$ 227,775.95
<b>BALANCE AT BEGINNING</b> .....	500,664.14	351,157.39	508,584.07	351,157.39
<b>BALANCE AT END</b> .....	\$ 351,157.39	\$ 508,584.07	\$ 578,933.34	\$ 578,933.34

\* Excess of Expenditures over Receipts.

FEDERAL REHABILITATION FUND  
STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to Ma. 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Interest on Deposits .....	\$ 1,586.85	\$ 1,240.42	\$ 678.85	\$ 1,919.27
Federal Government Appropriation .....	57,843.67	64,755.65	.....	64,755.65
<b>TOTAL RECEIPTS</b> .....	<b>\$ 59,430.55</b>	<b>\$ 65,996.07</b>	<b>\$ 678.85</b>	<b>\$ 66,674.92</b>
<b>EXPENDITURES</b>				
Interest Due Federal Government .....	.....	\$ 1,214.96	\$ 1,612.34	\$ 2,827.30
Transferred to General Fund for use of Departments of Labor and Industry and Public Instruction .....	\$ 59,663.50	44,047.55	43,725.84	87,773.39
<b>TOTAL EXPENDITURES</b> .....	<b>\$ 59,663.50</b>	<b>\$ 45,262.51</b>	<b>\$ 45,338.18</b>	<b>\$ 90,600.69</b>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	<b>\$ 232.95*</b>	<b>\$ 20,733.56</b>	<b>\$ 44,659.33*</b>	<b>\$ 23,925.77*</b>
<b>BALANCE AT BEGINNING</b> .....	<b>63,944.11</b>	<b>63,711.16</b>	<b>84,444.72</b>	<b>63,711.16</b>
<b>BALANCE AT END</b> .....	<b>\$ 63,711.16</b>	<b>\$ 84,444.72</b>	<b>\$ 39,785.39</b>	<b>\$ 39,785.39</b>

\* Excess of Expenditures over Receipts.

STATE SCHOOL FUND  
STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Forestry .....	\$ 80,171.01	\$ 40,474.46	\$ 25,295.56	\$ 65,770.02
Escheats .....	11,130.89	964.94	.....	964.94
Interest on Investments and Deposits .....	101,415.83	59,418.98	32,502.75	91,921.73
Sale of Land .....	7,724.76	104.94	.....	104.94
Sale of State Property .....	364.18	.....	.....	.....
<b>TOTAL RECEIPTS</b> .....	<b>\$ 200,806.67</b>	<b>\$ 100,963.32</b>	<b>\$ 57,798.31</b>	<b>\$ 158,761.63</b>
<b>EXPENDITURES</b>				
Aid to School Districts .....	\$ 92,426.80	\$ 35,691.20	\$ 35,016.05	\$ 70,707.25
Accrued Interest on Securities Purchased .....	2,251.30	801.41	3,219.60	5,232.13
Premiums on Securities Purchased .....	5,590.94	1,302.12	.....	.....
<b>TOTAL EXPENDITURES</b> .....	<b>\$ 100,269.04</b>	<b>\$ 37,794.73</b>	<b>\$ 38,235.65</b>	<b>\$ 76,030.38</b>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	<b>\$ 100,537.63</b>	<b>\$ 63,168.59</b>	<b>\$ 19,562.66</b>	<b>\$ 82,731.25</b>
<b>BALANCE AT BEGINNING</b> .....	<b>1,110,004.40</b>	<b>1,210,542.03</b>	<b>1,273,710.62</b>	<b>1,210,542.03</b>
<b>BALANCE AT END</b> .....	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>
Cash on Deposit .....	\$ 27,792.03	\$ 43,960.62	\$ 33,023.28	\$ 33,023.28
Investments .....	1,169,750.00	1,216,750.00	1,247,750.00	1,247,750.00
Loans to School Districts .....	13,000.00	13,000.00	12,500.00	12,500.00
<b>TOTAL BALANCE AT END</b> .....	<b>\$ 1,210,542.03</b>	<b>\$ 1,273,710.62</b>	<b>\$ 1,293,273.28</b>	<b>\$ 1,293,273.28</b>

MANUFACTURING FUND  
STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Sale of Manufactured Articles .....	\$ 1,618,824.96	\$ 860,230.52	\$ 508,708.75	\$ 1,420,939.27
Interest on Deposits .....	2,370.65	3,173.66	2,472.07	5,645.73
General—Maintenance—Wages .....	.....	108,679.88	87,083.75	195,763.63
<b>TOTAL RECEIPTS</b> .....	<b>\$ 1,621,195.61</b>	<b>\$ 972,084.06</b>	<b>\$ 650,264.57</b>	<b>\$ 1,622,348.63</b>
<b>EXPENDITURES</b>				
Salaries and General Expenses .....	\$ 1,531,190.69	\$ 837,383.02	\$ 476,529.00	\$ 1,313,912.02
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	<b>\$ 90,004.92</b>	<b>\$ 134,701.04</b>	<b>\$ 173,735.57</b>	<b>\$ 308,436.61</b>
<b>BALANCE AT BEGINNING</b> .....	<b>47,553.79</b>	<b>137,558.71</b>	<b>272,259.75</b>	<b>137,558.71</b>
<b>TOTAL BALANCE AT END</b> .....	<b>\$ 137,558.71</b>	<b>\$ 272,259.75</b>	<b>\$ 445,995.32</b>	<b>\$ 445,995.32</b>



## APPENDIX TO THE

## SCHOOL EMPLOYES' RETIREMENT FUND

## STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Appropriations from Commonwealth of Pennsylvania State Annuity Reserve Account No. 2 .....	\$ 5,337,447.19	\$ 2,393,736.26	\$ 356,263.74	\$ 2,750,000.00
Contributions of School Districts .....	5,143,689.05	2,287,925.61	1,852,438.40	4,140,364.01
Contributions of School Employees .....	7,469,126.18	3,826,241.49	2,053,110.87	5,879,352.36
Interest on Securities and Deposits .....	4,551,812.38	3,039,061.37	2,046,457.30	5,085,518.67
Refunds of Expenditures .....	9,462.24			
Returned Contributions of School Employees .....		17,615.32	9,781.40	27,396.72
Premiums on Sale of Securities .....			16,250.00	16,250.00
<b>TOTAL RECEIPTS</b> .....	<b>\$ 22,511,537.04</b>	<b>\$ 11,564,580.05</b>	<b>\$ 6,334,301.71</b>	<b>\$ 17,898,881.76</b>
<b>EXPENDITURES</b>				
Retirement Annuities .....	\$ 1,990,575.14	\$ 1,119,231.28	\$ 925,206.44	\$ 2,044,437.72
Return of Contributions .....	2,014,732.86	1,166,684.51	985,041.88	2,151,726.39
Premiums on Securities Purchased .....	494,207.27	176,786.81		
Accrued Interest on Securities Purchased .....	205,209.19	92,550.79	362,532.84	631,870.44
<b>TOTAL EXPENDITURES</b> .....	<b>\$ 4,704,724.46</b>	<b>\$ 2,555,253.39</b>	<b>\$ 2,272,781.16</b>	<b>\$ 4,828,034.55</b>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	<b>\$ 17,806,812.58</b>	<b>\$ 9,009,326.66</b>	<b>\$ 4,061,520.55</b>	<b>\$ 13,070,847.21</b>
<b>BALANCE AT BEGINNING</b> .....	<b>43,121,440.70</b>	<b>60,928,253.28</b>	<b>69,937,579.94</b>	<b>60,928,253.28</b>
<b>BALANCE AT END</b>				
Cash on Deposit .....	\$ 1,075,733.28	\$ 1,732,274.94	\$ 1,782,095.49	\$ 1,782,095.49
Investments .....	59,852,520.00	68,205,305.00	72,217,005.00	72,217,005.00
<b>TOTAL BALANCE AT END</b> .....	<b>\$ 60,928,253.28</b>	<b>\$ 69,937,579.94</b>	<b>\$ 73,999,100.49</b>	<b>\$ 73,999,100.49</b>

## STATE EMPLOYES' RETIREMENT FUND

## STATEMENT OF ACTUAL RECEIPTS AND EXPENDITURES FOR PERIODS INDICATED

	June 1, 1927 to May 31, 1929	June 1, 1929 to May 31, 1930	June 1, 1930 to Dec. 31, 1930	June 1, 1929 to Dec. 31, 1930
<b>RECEIPTS</b>				
Appropriations from Commonwealth of Pennsylvania				
Contingent Reserve Account .....	\$ 161,460.00	\$ 277,500.00	\$ 138,750.00	\$ 416,250.00
Contingent Reserve Account-Deficiency .....	166,580.00			
Annuity Reserve Account No. 2 .....	1,126,124.00	563,062.00	563,062.00	1,126,124.00
Annuity Reserve Account No. 2-Deficiency .....	928,888.00			
Annuity Reserve Account No. 2-Interest .....	265.00	76,376.00		76,376.00
Employees Annuity Savings Account .....	12,260.00			
Contributions of State Employees .....	1,388,174.06	816,494.53	576,853.66	1,393,348.19
Interest on Securities and Deposits .....	329,064.23	291,846.96	228,520.72	520,367.68
Refunds of Expenditures .....	52.89			
Returned Contributions of State Employees .....		2,543.40	1,522.46	4,065.86
<b>TOTAL RECEIPTS</b> .....	<b>\$ 4,112,848.18</b>	<b>\$ 2,027,822.89</b>	<b>\$ 1,508,708.84</b>	<b>\$ 3,536,531.73</b>
<b>EXPENDITURES</b>				
Retirement Annuities .....	\$ 298,703.59	\$ 195,539.27	\$ 124,808.94	\$ 320,348.21
Return of Contributions .....	251,092.95	159,669.31	110,040.83	269,710.14
Premiums on Securities Purchased .....	36,054.70	24,365.90	48,310.11	93,083.56
Accrued Interest on Securities Purchased .....	28,160.94	20,407.55		
<b>TOTAL EXPENDITURES</b> .....	<b>\$ 614,012.18</b>	<b>\$ 399,982.03</b>	<b>\$ 283,159.88</b>	<b>\$ 683,141.91</b>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b> .....	<b>\$ 3,498,836.00</b>	<b>\$ 1,627,840.86</b>	<b>\$ 1,255,548.96</b>	<b>\$ 2,853,389.82</b>
<b>BALANCE AT BEGINNING</b> .....	<b>1,951,880.11</b>	<b>5,450,716.11</b>	<b>7,078,556.97</b>	<b>5,450,716.11</b>
<b>BALANCE AT END</b>				
Cash on Deposit .....	\$ 144,516.11	\$ 46,856.97	\$ 138,905.93	\$ 138,905.93
Investments .....	5,306,200.00	7,031,700.00	8,165,200.00	8,165,200.00
<b>TOTAL BALANCE AT END</b> .....	<b>\$ 5,450,716.11</b>	<b>\$ 7,078,556.97</b>	<b>\$ 8,304,105.93</b>	<b>\$ 8,304,105.93</b>

CUSTODIAL SPECIAL FUNDS  
STATEMENT OF INVESTMENTS—PAR VALUES

December 31, 1930

Obligations of	Total All Funds	Agricultural College Land Scrip Fund	State Insurance Fund	School Em- ploys Re- tirement Fund	Sinking Fund	State Em- ploys Re- tirement Fund	State School Fund	State Workmen's Insurance Fund	State College Experimental Farm Fund
1. United States .....	\$ 10,131,750.00	\$ 500.00	\$ 1,000,000.00	\$ 700,000.00	\$ 7,000,000.00	\$ 1,405,000.00	\$ 26,250.00	.....	.....
2. Pennsylvania .....	\$ 10,496,000.00	.....	.....	\$ 8,700,000.00	\$ 150,000.00	.....	\$ 281,000.00	\$ 1,365,000.00	.....
3. Other States .....	\$ 310,000.00	.....	.....	.....	.....	.....	\$ 10,000.00	\$ 700,000.00	.....
4. Sub-Divisions of Pennsylvania									
a. Counties .....	\$ 3,686,500.00	.....	.....	\$ 3,060,500.00	.....	\$ 228,000.00	\$ 69,000.00	\$ 329,000.00	.....
b. Cities .....	11,239,100.00	\$ 69,000.00	.....	10,010,600.00	.....	628,500.00	143,000.00	382,000.00	.....
c. Boroughs .....	13,018,900.00	67,000.00	46,000.00	10,018,600.00	\$ 27,000.00	1,314,700.00	105,000.00	1,432,600.00	.....
d. Townships .....	8,589,100.00	.....	.....	6,937,700.00	.....	878,500.00	42,000.00	730,900.00	.....
e. School Districts .....	37,149,605.00	321,500.00	.....	31,188,605.00	129,000.00	2,965,500.00	400,000.00	2,195,000.00	.....
f. Poor Districts .....	1,043,000.00	.....	.....	1,043,000.00	.....	.....	.....	.....	.....
Total .....	\$ 74,726,205.00	\$ 457,500.00	\$ 46,000.00	\$ 62,267,005.00	\$ 156,000.00	\$ 5,955,200.00	\$ 759,000.00	\$ 5,085,500.00	.....
5. Sub-Divisions of Other States .....	\$ 662,500.00	.....	.....	.....	.....	.....	\$ 171,500.00	\$ 491,000.00	.....
6. Farm Loan Bonds									
a. Federal Land Banks .....	\$ 650,000.00	.....	.....	\$ 500,000.00	.....	.....	.....	\$ 150,000.00	.....
b. Joint Stock Land Banks .....	50,000.00	.....	.....	50,000.00	.....	.....	.....	.....	.....
Total .....	\$ 700,000.00	.....	.....	\$ 550,000.00	.....	.....	.....	\$ 150,000.00	.....
7. Pennsylvania Real Estate Liens									
a. Mortgage Bonds of Individuals .....	\$ 445,000.00	.....	.....	.....	.....	\$ 270,000.00	.....	\$ 175,000.00	.....
b. Mortgage Loans to Individuals .....	1,818,950.00	.....	.....	.....	.....	535,000.00	.....	1,266,950.00	\$ 17,000.00
Total .....	\$ 2,263,950.00	.....	.....	.....	.....	\$ 805,000.00	.....	\$ 1,441,950.00	\$ 17,000.00
8. Loans to School Districts .....	\$ 12,500.00	.....	.....	.....	.....	.....	\$ 12,500.00	.....	.....
TOTAL .....	\$ 96,302,905.00	\$ 458,000.00	\$ 1,046,000.00	\$ 72,217,065.00	\$ 7,306,000.00	\$ 8,165,200.00	\$ 1,260,250.00	\$ 8,833,450.00	\$ 17,000.00



## STATEMENT OF OUTSTANDING PUBLIC DEBT OF THE COMMONWEALTH

December 31, 1930

Date of Loan	Pamphlet Law Reference	Purpose	Amount	Rate of Interest	Date of Maturity	Amount Outstanding December 31, 1930
STATE HIGHWAY ROAD BONDS						
July 1, 1919	62-1919 (1)	Series "A"	\$12,000,000.00	4 1/2 %	July 1, 1949 (3)	\$ 6,500,000.00
August 2, 1920	62-1919	Series "B" (Old)	112,000.00	4 1/2 %	August 2, 1951	11,683,000.00
August 2, 1921	62-1919 (1, 2)	Series "B"	11,683,000.00	5 %	July 1, 1951	15,000,000.00
July 1, 1921	62-1919 (1)	Series "C"	15,000,000.00	5 %	December 1, 1951 (5)	11,200,000.00
December 1, 1921	62-1919 (1)	Series "D"	11,200,000.00	4 3/4 %	April 1, 1952 (6)	13,000,000.00
April 1, 1925	24-1925	Series "E"	20,000,000.00	4 %	September 1, 1953 (7)	17,385,000.00
September 1, 1925	24-1925	Series "F"	20,000,000.00	4 %	October 1, 1954 (8)	9,450,000.00
October 1, 1926	24-1925	Series "G"	10,000,000.00	4 %		
TOTAL ROAD BONDS OUTSTANDING						
						\$ 39,221,000.00
NON-INTEREST BEARING DEBT AND MATURED LOANS UNCLAIMED						
April 2, 1921	22-1921	For Expenses and Other Purposes	\$1,000,000.00	5 %	June 1, 1941	230.00
December 13, 1923	21-1923	Canal and Railroad	300,000.00	5 %	January 1, 1951	2,000.00
April 22, 1924	23-1924	Canal and Railroad	2,000,000.00	5 %	December 1, 1954	2,133.11
March 21, 1931	23-1931	Canal and Railroad	2,433,161.33	5 %	July 1, 1956	15.00
March 30, 1932	22-1932	Canal and Railroad	2,348,680.00	5 %	July 1, 1956	1,501.11
April 15, 1935	201-1935	Canal and Railroad	1,133,600.00	5 %	July 1, 1955	1,231.14
January 25, 1939	8-1939	Interest and Internal Improvements	1,200,000.00	5 %	August 15, 1957	3.11
March 27, 1939	660-1939	To Pay Maturing Loans	470,000.00	5 %	June 1, 1963	191.00
June 27, 1939	517-1939	Canal and Railroad	1,150,000.00	5 %	July 1, 1964	4,600.00
July 19, 1939	634-1939	Interest and Temporary Loans	2,054,000.00	5 %	July 1, 1965	3,571.00
January 23, 1940	29-1940	For Redemption of Specie Payments	870,000.00	5 %	January 1, 1965	1,000.00
April 3, 1940	716-1940	Improvement of State and Interest	927,010.00	5 %	July 1, 1965	515.11
June 11, 1940	648-1940	Regulating Banks	1,956,362.15	5 %	July 1, 1965	96,033.00
May 5, 1941	147-1941	Relief Loans	575,737.50	5 %	July 1, 1965	4,153.15
May 7, 1941	307-1941	Interest Certificates			August 1, 1946	4,312.41
July 27, 1942	441-1942	Interest Certificates			August 1, 1946	4,567.96
March 7, 1943	375-1943	Interest Certificates	60,643.72	5 %	March 1, 1943	53.00
May 31, 1944	582-1944	Pennsylvania Canal and Railroad	4,476,572.00	5 %	August 1, 1955	1,224.39
April 24, 1944	502-1944	Expenses, Repairs of Canal	3,000,000.00	5 %	August 1, 1971	2,000.00
April 15, 1945	513-1945	Armstrong the State		6 %		
May 15, 1951	749-1951	Outstanding Scrip, Chambersburg				30.40
May 27, 1951		Sufferers		6 %		25.00
		Domestic Creditors' Certificates				11,658.62
		Interest Certificates Unclaimed				
TOTAL NON-INTEREST BEARING DEBT AND MATURED LOANS UNCLAIMED						
						\$ 141,320.26
TOTAL PUBLIC DEBT, December 31, 1930						
						\$ 39,362,320.26

(1) Amended by Act of February 18, 1921, P. L. 3  
 (2) See also Act of April 14, 1921, P. L. 145.  
 (3) Serial Bonds, due at various dates; \$2,000,000.00 matured July 1, 1924 and  
 April 1, 1930—\$1,500,000.00 cancelled December 1, 1927.  
 (4) Matured August 2, 1923.  
 (5) May be redeemed at December 1, 1935, or at interest periods thereafter.  
 (6) Serial Bonds, due at various dates; \$2,000,000.00 matured March 31, 1923.  
 (7) Serial Bonds, due at various dates; 2,617,000.00 cancelled February 28, 1923.  
 (8) Serial Bonds, due at various dates; 550,000.00 cancelled February 28, 1923.  
 (9) At expiration of charters.

SUPPLEMENT TO THE BUDGET OF THE COMMONWEALTH OF PENNSYLVANIA FOR THE FISCAL BIENNIUM 1931-1933

Submitted to the  
GENERAL ASSEMBLY  
By GIFFORD PINCHOT, Governor  
February 3, 1931

PRESENTING ACTUAL CLASSIFIED OPERATING EXPENDITURES OF THE STATE GOVERNMENT BY DEPARTMENTS  
AND APPROPRIATIONS FROM JUNE 1, 1925, TO MAY 31, 1930; AND ESTIMATED CLASSIFIED OPERATING  
EXPENDITURES FOR THE YEAR JUNE 1, 1930, TO MAY 31, 1931, BASED ON BUDGETS  
SUBMITTED AS OF OCTOBER 1, 1930.

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Summary Statement of Actual Expenditures by Departments during the Bienniums 1925-1927 and 1927-1929, and the Year 1929-1930:

All Operating Funds in State Treasury.  
General Fund.  
Operating Special Funds.

### EXECUTIVE DEPARTMENT

Governor's and Lieutenant Governor's Offices.  
Department of the Auditor General.  
Treasury Department.  
Department of Agriculture.  
Department of Banking.  
Department of Forests and Waters.  
Department of Health.  
Department of Highways.  
Insurance Department.  
Department of Internal Affairs.  
Department of Justice.  
Department of Labor and Industry.

Department of Military Affairs.  
Department of Mines.  
Department of Property and Supplies.  
Department of Public Instruction.  
Department of Revenue.  
Department of State.  
Pennsylvania State Police.  
Department of Welfare.  
Public Service Commission.  
Board of Fish Commissioners.  
Board of Game Commissioners.  
Special Administrative Commissions.  
Miscellaneous Administrative.

### LEGISLATIVE DEPARTMENT

Senate.  
House of Representatives.  
Legislative Journal.  
Legislative Reference Bureau.  
Special Legislative Commissions.  
Miscellaneous Legislative.

### JUDICIAL DEPARTMENT

### MISCELLANEOUS COMMISSIONS

### TAXES RETURNED TO POLITICAL SUB-DIVISIONS



## APPENDIX TO THE

COMMONWEALTH OF PENNSYLVANIA  
SUMMARY STATEMENT OF ACTUAL BALANCES, REVENUE AND RECEIPTS, TRANSFERS, AND EXPENDITURES  
DURING THE PERIODS INDICATED

## ALL OPERATING FUNDS IN STATE TREASURY

	Balance June 1	Revenue and Receipts	Transfers	Expenditures	Balance May 31
Year June 1, 1929 to May 31, 1930					
GENERAL FUND .....	\$ 39,801,815.54	\$ 88,087,619.99	{ \$ 3,429,174.20(b) \$ 41,761.17(a)}	\$ 92,851,456.05	\$ 31,650,566.45
OPERATING SPECIAL FUNDS:					
Motor License Fund .....	\$ 28,542,247.02	\$ 70,874,522.25	\$ (a) 3,419,070.82	\$ 69,290,843.04	\$ 33,544,997.05
State Farm Products Show Fund .....	.....	23,987.87	.....	18,775.18	5,212.69
Banking Department Fund .....	28,547.12	627,762.69	.....	651,026.89	5,282.92
Securities Commission Fund .....	186,998.33	138,335.12	.....	102,946.60	222,386.85
Federal Allotment Forest Protection Fund....	.....	48,064.33	(a) 10,102.38	41,497.42	16,669.29
Federal Forest Nursery Fund .....	.....	2,403.94	(a) 1.27	1,983.99	421.22
Fish Fund .....	427,581.96	465,369.59	.....	430,082.86	462,868.69
Game Fund .....	599,990.45	1,141,138.24	.....	1,132,256.92	608,871.77
Abolished Special Funds .....	51,675.57	5,023.39	(b) 41,761.44	14,937.52	.....
TOTAL OPERATING SPECIAL FUNDS ...	\$ 29,837,040.45	\$ 73,326,607.42	\$ (a) 3,387,413.03	\$ 17,684,350.42	\$ 34,866,710.48
TOTAL OPERATING FUNDS .....	\$ 69,638,855.99	\$ 161,414,227.41	.....	\$ 164,535,806.47	\$ 66,517,276.93

Biennium June 1, 1927 to May 31, 1929					
GENERAL FUND .....	\$ 20,972,350.94	\$ 169,221,541.50	\$(a) 710,809.34	\$ 151,102,886.24	\$ 39,801,815.54
OPERATING SPECIAL FUNDS:					
Motor License Fund .....	\$ 21,899,062.46	\$ 103,688,955.01	.....	\$ 97,045,770.45	\$ 28,542,247.02
State Bond Road Fund .....	8,470,074.68	6,473,291.55	.....	14,943,365.96	* 27
Banking Department Fund .....	48,612.80	1,143,213.45	.....	1,163,279.13	28,547.12
Securities Bureau Fund .....	161,133.39	227,329.36	.....	201,464.42	186,998.33
Bedding and Upholstery Fund .....	33,032.55	108,906.00	.....	123,552.42	* 18,386.13
Fish Fund .....	253,463.24	851,643.52	.....	677,524.80	427,581.96
Game Fund .....	275,443.77	2,193,057.79	.....	1,868,511.11	599,990.45
Abolished Special Funds .....	1,012,358.45	29.40	\$(b) 710,809.34	268,289.34	33,289.17
TOTAL OPERATING SPECIAL FUNDS ...	\$ 32,153,181.34	\$ 114,686,426.08	\$(b) 710,809.34	\$ 116,291,757.63	\$ 29,837,040.45
TOTAL OPERATING FUNDS .....	\$ 53,125,532.28	\$ 283,907,967.58	.....	\$ 267,394,643.87	\$ 69,938,855.99

Biennium June 1, 1925 to May 31, 1927					
GENERAL FUND .....	\$ 4,690,707.01	\$ 144,542,470.04	\$(a) 245,353.50	\$ 128,506,179.61	\$ 20,972,350.94
OPERATING SPECIAL FUNDS:					
Motor License Fund .....	\$ 4,783,577.25	\$ 68,609,489.82	.....	\$ 51,494,004.61	\$ 21,899,062.46
State Bond Road Fund .....	18,373,886.14	47,265,380.45	.....	57,169,191.91	8,470,074.68
Banking Department Fund .....	28,820.93	1,040,932.58	.....	1,021,140.71	48,612.80
Securities Commission Fund .....	137,053.64	186,319.28	.....	162,239.53	161,133.39
Game Fund .....	196,943.26	1,456,689.51	.....	1,378,189.00	275,443.77
Fish Fund .....	252,255.09	625,236.56	.....	624,028.41	253,463.24
Delaware River Bridge Fund .....	.....	237,967.54	.....	.....	* 237,967.54
Bureau of Markets Fund .....	2,247.91	12,355.30	.....	14,203.68	* 399.53
Dog Fund .....	365,357.17	1,336,410.48	.....	1,408,445.68	* 293,321.97
Experimental Agricultural Fund .....	12,871.71	442.13	.....	13,259.12	* 54.72
Carbonated Beverage Fund .....	.....	93,690.62	\$(b) 32,436.64	38,603.84	* 22,650.14
Insurance Department Fund .....	.....	686,328.46	(b) 192,562.63	280,945.30	* 212,820.53
Boiler Inspection Fund .....	46,072.84	88,979.05	.....	134,915.63	* 136.26
Bedding and Upholstery Fund .....	24,882.16	95,381.46	.....	87,231.07	33,032.55
Elevator Inspection Fund .....	1,398.76	10,863.10	.....	12,058.67	* 203.19
Athletic Commission Fund .....	73,807.92	260,915.80	.....	105,817.06	* 228,906.66
Standardization Laboratory Fund .....	2,075.85	28,362.43	.....	28,895.42	* 1,542.86
Badge and Emblem Fund .....	.....	1,410.00	.....	.....	* 1,410.00
Registered Names Fund .....	10,574.05	991.06	(b) 8,637.60	2,927.51	.....
Engineers Fund .....	17,482.70	1,674.22	(b) 11,716.63	7,440.29	.....
Alcohol Permit Fund .....	.....	37,266.40	.....	24,321.35	* 12,945.05
TOTAL OPERATING SPECIAL FUNDS ...	\$ 24,329,307.38	\$ 122,077,086.25	\$(b) 245,353.50	\$ 114,007,858.79	\$ 32,153,181.34
TOTAL OPERATING FUNDS .....	\$ 29,020,014.39	\$ 266,619,556.29	.....	\$ 242,514,038.40	\$ 53,125,532.28

\* Shown under Abolished Funds in succeeding periods.

(a) Transfers to—Addition.

(b) Transfers from—Deduction.

## COMMONWEALTH OF PENNSYLVANIA (Continued)

## SUMMARY STATEMENT OF ACTUAL EXPENDITURES DURING THE PERIODS INDICATED

## ALL OPERATING FUNDS IN STATE TREASURY

EXPENDED FOR	ACTUAL EXPENDITURES		
	1925-27	1927-29	1929-30
<b>EXECUTIVE DEPARTMENT</b>			
Governor's and Lieutenant Governor's Offices .....	\$ 157,406.79	\$ 306,784.34	\$ 193,082.74
Department of the Auditor General .....	1,246,783.91	1,285,278.95	506,844.10
Treasury Department .....	10,466,682.05	16,095,143.69	7,369,716.06
Department of Agriculture .....	4,090,230.69	5,148,670.56	2,028,946.89
Department of Banking .....	1,233,380.24	1,485,708.40	812,648.84
Department of Forests and Waters .....	2,464,761.25	3,945,640.65	1,938,481.00
Department of Health .....	5,073,892.71	5,451,682.83	2,069,585.58
Department of Highways .....	103,567,400.77	96,554,642.68	62,525,418.43
Insurance Department .....	281,159.81	533,128.96	269,078.77
Department of Internal Affairs .....	289,943.84	610,560.82	374,759.65
Department of Justice .....	294,653.70	543,221.58	158,307.91
Department of Labor and Industry .....	2,034,684.52	2,458,020.03	1,250,659.12
Department of Military Affairs .....	1,629,824.25	2,910,965.78	1,292,140.40
Department of Mines .....	591,396.44	711,275.98	352,187.59
Department of Property and Supplies .....	4,408,251.36	5,834,285.72	10,724,350.72
Department of Public Instruction .....	66,783,024.94	73,293,221.38	46,539,571.33
Department of Revenue .....		5,105.08	3,466,171.77
Department of State .....	1,230,882.37	2,840,483.16	1,073,383.98
Pennsylvania State Police .....	1,644,786.32	1,677,250.97	1,029,169.91
Department of Welfare .....	21,035,217.33	28,463,879.80	17,816,573.58
Public Service Commission .....	905,531.13	899,641.35	545,437.24
Board of Fish Commissioners .....	624,028.41	677,524.80	418,891.95
Board of Game Commissioners .....	1,378,189.00	1,868,511.11	1,103,599.96
Special Administrative Commissions .....	4,513,008.86	854,609.81	303,249.06
Miscellaneous Administrative .....	257,408.16	183,129.01	60,894.78
<b>TOTAL EXECUTIVE DEPARTMENT .....</b>	<b>\$ 236,182,528.85</b>	<b>\$ 254,638,387.44</b>	<b>\$ 164,220,959.46</b>
<b>LEGISLATIVE DEPARTMENT</b>			
Senate .....	\$ 414,256.56	\$ 369,575.01	\$ 66,563.04
House of Representatives .....	980,116.34	948,843.70	64,252.77
Legislative Journal .....	4,252.00	3,000.00	1,500.00
Legislative Reference Bureau .....	70,109.30	82,300.44	43,706.66
Special Legislative Commissions .....	974,511.48	86,765.74	12,465.80
Miscellaneous Legislative .....		2,554.43	250.35
<b>TOTAL LEGISLATIVE DEPARTMENT .....</b>	<b>\$ 2,443,245.68</b>	<b>\$ 1,493,039.32</b>	<b>\$ 188,738.62</b>
<b>JUDICIAL DEPARTMENT</b>			
Supreme Court .....	\$ 430,280.90	\$ 450,475.07	\$ 242,863.02
Superior Court .....	312,094.42	313,179.31	179,873.93
Common Pleas Court .....	2,240,732.72	2,333,322.39	1,467,335.23
Orphans' Court .....	430,916.68	451,184.95	268,305.72
Municipal Court of Philadelphia .....	160,999.84	157,538.86	101,359.84
County Court of Allegheny .....	96,616.32	97,000.00	61,015.92
State Reporter .....	21,990.01	23,561.64	11,973.54
Miscellaneous Judicial .....	189,652.55	180,602.52	84,073.21
<b>TOTAL JUDICIAL DEPARTMENT .....</b>	<b>\$ 3,883,283.44</b>	<b>\$ 4,006,864.74</b>	<b>\$ 2,416,800.41</b>
<b>MISCELLANEOUS COMMISSIONS .....</b>	<b>\$ 4,980.43</b>	<b>\$ 18.50</b>	<b>.....</b>
<b>TOTAL RETURNED TO POLITICAL SUB-DIVISIONS .....</b>	<b>.....</b>	<b>7,256,333.87</b>	<b>\$ 1,138,482.18</b>
<b>TOTAL EXPENDITURES .....</b>	<b>\$ 242,514,038.40</b>	<b>\$ 267,394,643.87</b>	<b>\$ 167,964,980.67</b>
<b>SUMMARY OF ACTUAL EXPENDITURES BY APPROPRIATION BIENNIUMS</b>			
Appropriations—Biennium 1929-1931 .....		\$ 513,049.34	\$ 157,306,973.75
Appropriations—Biennium 1927-1929 .....		250,570,019.11	9,739,220.73
Appropriations—Biennium 1925-1927 .....	\$ 227,742,058.42	15,499,106.83	376,602.18
Appropriations—Bienniums Prior to June 1, 1925 .....	14,771,979.98	812,468.59	543,184.01
<b>TOTAL .....</b>	<b>\$ 242,514,038.40</b>	<b>\$ 267,394,643.87</b>	<b>\$ 167,964,980.67</b>
Less: Transfers from General Fund to Operating Special Funds Included in General Fund Expenditures .....			3,429,174.20
<b>TOTAL EXPENDITURES .....</b>	<b>\$ 242,514,038.40</b>	<b>\$ 267,394,643.87</b>	<b>\$ 164,535,806.47</b>



## APPENDIX TO THE

## COMMONWEALTH OF PENNSYLVANIA (Continued)

## SUMMARY STATEMENT OF ACTUAL EXPENDITURES DURING THE PERIODS INDICATED

## GENERAL FUND

EXPENDED FOR	ACTUAL EXPENDITURES		
	1925-27	1927-29	1929-30
<b>EXECUTIVE DEPARTMENT</b>			
Governor's and Lieutenant Governor's Offices .....	\$ 157,406.79	\$ 306,784.34	\$ 193,082.74
Department of the Auditor General .....	1,246,783.91	1,285,278.95	506,844.10
Treasury Department .....	495,501.72	524,181.33	338,776.38
Department of Agriculture .....	2,615,718.37	4,887,375.80	2,010,171.71
Department of Banking .....	50,000.00	120,964.85	58,675.35
Department of Forests and Waters .....	2,464,761.25	3,945,640.65	(a) 1,894,999.59
Department of Health .....	5,073,892.71	5,451,682.83	2,069,585.58
Department of Highways .....	4,855,384.58	440,300.15	(b) 3,431,070.55
Insurance Department .....	214.51	530,037.65	269,078.77
Department of Internal Affairs .....	289,943.84	610,560.82	374,759.65
Department of Justice .....	294,653.70	543,221.58	156,307.01
Department of Labor and Industry .....	1,800,479.15	2,334,467.61	1,235,721.60
Department of Military Affairs .....	1,524,007.19	2,909,101.68	1,292,149.40
Department of Mines .....	591,396.44	711,275.98	352,187.59
Department of Property and Supplies .....	4,403,251.36	5,834,285.72	10,719,189.47
Department of Public Instruction .....	68,775,584.65	73,293,221.38	46,539,571.33
Department of Revenue .....	.....	5,105.08	309,339.16
Department of State .....	1,227,954.86	2,839,353.22	1,073,333.98
Pennsylvania State Police .....	1,644,786.32	1,677,250.97	1,029,169.91
Department of Welfare .....	21,010,895.98	28,463,879.30	17,816,573.58
Public Service Commission .....	876,635.71	883,717.12	522,937.24
Special Administrative Commissions .....	4,513,003.86	565,778.29	282,309.57
Miscellaneous Administrative .....	257,403.16	183,129.01	60,694.78
<b>TOTAL EXECUTIVE DEPARTMENT .....</b>	<b>\$ 122,174,670.06</b>	<b>\$ 138,346,629.81</b>	<b>\$ 92,536,609.04</b>
<b>LEGISLATIVE DEPARTMENT</b>			
Senate .....	\$ 414,256.56	\$ 369,575.01	\$ 66,583.04
House of Representatives .....	980,116.34	943,843.70	64,252.77
Legislative Journal .....	4,252.00	3,000.00	1,500.00
Legislative Reference Bureau .....	70,109.30	82,300.44	43,706.65
Special Legislative Commissions .....	974,511.48	86,765.74	12,465.80
Miscellaneous Legislative .....	.....	2,554.43	250.35
<b>TOTAL LEGISLATIVE DEPARTMENT .....</b>	<b>\$ 2,443,245.68</b>	<b>\$ 1,493,039.32</b>	<b>\$ 188,738.62</b>
<b>JUDICIAL DEPARTMENT</b>			
Supreme Court .....	\$ 430,280.90	\$ 450,475.07	\$ 242,863.02
Superior Court .....	312,094.42	313,179.31	179,873.93
Common Pleas Court .....	2,240,732.79	2,333,322.39	1,467,335.23
Orphans' Court .....	430,016.63	451,184.95	268,305.72
Municipal Court of Philadelphia .....	160,999.84	157,538.88	101,359.84
County Court of Allegheny .....	96,616.32	97,000.00	61,015.92
State Reporter .....	21,990.01	23,561.64	11,973.54
Miscellaneous Judicial .....	189,652.55	180,602.52	84,073.21
<b>TOTAL JUDICIAL DEPARTMENT .....</b>	<b>\$ 3,883,283.44</b>	<b>\$ 4,006,864.74</b>	<b>\$ 2,416,800.41</b>
<b>MISCELLANEOUS COMMISSIONS .....</b>	<b>\$ 4,980.43</b>	<b>\$ 18.50</b>	<b>.....</b>
<b>TAXES RETURNED TO POLITICAL SUB-DIVISIONS .....</b>	<b>.....</b>	<b>7,256,333.87</b>	<b>\$ 1,138,482.18</b>
<b>TOTAL EXPENDITURES .....</b>	<b>\$ 128,506,179.61</b>	<b>\$ 151,102,886.24</b>	<b>\$ 96,280,630.25</b>

## SUMMARY OF ACTUAL EXPENDITURES BY APPROPRIATION BIENNIUMS

Appropriations—Biennium 1929-1931 .....	.....	\$ 513,049.34	\$ 85,667,314.87
Appropriations—Biennium 1927-1929 .....	.....	141,148,069.88	9,693,529.19
Appropriations—Biennium 1925-1927 .....	\$ 114,445,759.57	8,629,298.43	376,602.18
Appropriations—Bienniums Prior to June 1, 1925 .....	14,060,420.04	812,468.59	543,184.01
<b>TOTAL .....</b>	<b>\$ 128,506,179.61</b>	<b>\$ 151,102,886.24</b>	<b>\$ 96,280,630.25</b>
Less: Transfers to Operating Special Funds included in General Fund Expenditures .....	.....	.....	\$ 3,429,174.20
<b>TOTAL EXPENDITURES .....</b>	<b>\$ 128,506,179.61</b>	<b>\$ 151,102,886.24</b>	<b>\$ 92,851,456.05</b>

(a) Includes \$10,102.38 transferred to Federal Allotment Forest Protection Fund and \$1.27 transferred to the Federal Forest Nursery Fund.

(b) Includes \$3,419,070.57 transferred to Motor License Fund as Reimbursement for construction of North Office Building.

COMMONWEALTH OF PENNSYLVANIA (Continued)  
SUMMARY STATEMENT OF ACTUAL EXPENDITURES DURING THE PERIODS INDICATED  
OPERATING SPECIAL FUNDS

EXPENDED FOR	ACTUAL EXPENDITURES		
	1925-27	1927-29	1929-30
<b>EXECUTIVE DEPARTMENT</b>			
Treasury Department .....	\$ 9,951,180.33	\$ 15,570,962.36	\$ 7,030,939.63
Department of Agriculture .....	1,474,512.32	261,294.76	18,775.18
Department of Banking .....	1,183,380.24	1,364,743.55	753,973.49
Department of Forests and Waters .....	.....	.....	43,481.41
Department of Highways .....	98,712,016.19	96,114,342.53	59,094,347.83
Insurance Department .....	280,945.30	3,061.31	.....
Department of Labor and Industry .....	234,205.37	123,552.42	14,937.52
Department of Military Affairs .....	105,817.06	1,884.10	.....
Department of Property and Supplies .....	.....	.....	5,161.25
Department of Public Instruction .....	7,440.29	.....	.....
Department of Revenue .....	.....	.....	3,156,802.61
Department of State .....	2,927.51	1,124.94	.....
Department of Welfare .....	24,321.35	.....	.....
Public Service Commission .....	28,895.42	15,924.23	22,500.00
Board of Fish Commissioners .....	624,028.41	677,524.80	418,891.95
Board of Game Commissioners .....	1,378,189.00	1,868,511.11	1,103,599.96
Special Administrative Commissions .....	.....	288,831.52	20,939.49
<b>TOTAL EXPENDITURES</b> .....	<b>\$ 114,007,858.79</b>	<b>\$ 116,291,757.63</b>	<b>\$ 71,684,350.42</b>
<b>FUNDS</b>			
Motor License Fund .....	\$ 51,494,094.61	\$ 97,045,770.45	\$ 69,290,843.04
State Farm Products Show Fund .....	.....	.....	18,775.18
State Bond Road Fund .....	57,169,191.91	14,943,365.96	.....
Banking Department Fund .....	1,021,140.71	1,163,279.13	651,026.89
Securities Commission Fund .....	162,239.53	201,464.42	102,948.60
Federal Allotment Forest Protection Fund .....	.....	.....	41,497.42
Federal Forest Nursery Fund .....	.....	.....	1,923.99
Game Fund .....	1,378,189.00	1,868,511.11	1,132,250.92
Fish Fund .....	624,028.41	677,524.80	430,032.86
Bureau of Markets Fund .....	14,203.63	.....	.....
Dog Fund .....	1,408,445.68	260,032.80	.....
Experimental Agriculture Fund .....	13,259.12	.....	.....
Carbonated Beverage Fund .....	38,603.84	1,261.96	.....
Insurance Department Fund .....	280,945.30	3,061.31	.....
Boiler Inspection Fund .....	134,915.63	.....	.....
Bedding and Upholstery Fund .....	87,231.07	123,552.42	14,937.52
Elevator Inspection Fund .....	12,058.67	.....	.....
Athletic Commission Fund .....	105,817.06	1,884.10	.....
Standardization Laboratory Fund .....	28,895.42	924.23	.....
Badge and Emblem Fund .....	.....	1,124.94	.....
Registered Names Fund .....	2,927.51	.....	.....
Engineers Fund .....	7,440.29	.....	.....
Alcohol Permit Fund .....	24,321.35	.....	.....
<b>TOTAL EXPENDITURES</b> .....	<b>\$ 114,007,858.79</b>	<b>\$ 116,291,757.63</b>	<b>\$ 71,684,350.42</b>
<b>SUMMARY OF ACTUAL EXPENDITURES BY APPROPRIATION BIENNIUMS</b>			
Appropriations—Biennium 1920-1931 .....	.....	.....	\$ 71,639,658.38
Appropriations—Biennium 1927-1929 .....	.....	\$ 109,421,949.23	44,691.54
Appropriations—Biennium 1925-1927 .....	\$ 113,296,298.85	6,869,808.40	.....
Appropriations—Bienniums Prior to June 1, 1925 .....	711,559.94	.....	.....
<b>TOTAL EXPENDITURES</b> .....	<b>\$ 114,007,858.79</b>	<b>\$ 116,291,757.63</b>	<b>\$ 71,684,350.42</b>



## APPENDIX TO THE

## COMMONWEALTH OF PENNSYLVANIA (Continued)

RECAPITULATION OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS  
REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
EXECUTIVE DEPARTMENT						
	Governor's and Lieutenant Governor's Offices.	\$ 158,529.03	\$ 332,387.77	\$ 467,400.00	\$ 166,266.00	\$ 301,134.00
	Pennsylvania State Police .....	1,662,000.00	1,662,000.00	2,351,500.00	982,781.00	1,368,719.00
	Department of the Auditor General .....	1,217,652.44	1,295,836.99	1,225,250.00	474,260.00	750,990.00
	Treasury Department .....	492,623.55	528,320.99	778,382.75	330,401.00	447,981.75
	Department of Agriculture .....	2,754,476.74	4,851,718.28	4,817,500.00	1,907,071.00	2,910,429.00
	Department of Banking .....	50,000.00	123,988.27	121,000.00	55,652.00	65,348.00
	Department of Forests and Waters .....	2,364,602.96	4,012,412.45	4,446,505.00	1,746,401.00	2,700,104.00
	Department of Health .....	5,144,720.84	5,411,074.89	3,883,374.00	1,836,087.00	2,047,287.00
	Department of Highways .....	87,548.81	39,652.00	3,024,000.00	2,894,212.00	129,788.00
	Insurance Department .....		532,274.31	620,000.00	266,872.00	353,128.00
	Department of Internal Affairs .....	290,868.73	633,874.40	829,200.00	350,136.00	479,064.00
	Department of Justice .....	292,745.48	349,573.81	648,000.00	346,588.00	301,412.00
	Department of Labor and Industry .....	1,803,508.31	2,323,708.73	2,530,000.00	1,235,721.00	1,294,279.00
	Department of Military Affairs .....	1,621,646.33	2,013,875.18	2,620,265.00	1,072,474.00	1,547,786.00
	Department of Mines .....	601,210.46	714,343.52	734,457.00	341,896.00	392,579.00
	Department of Property and Supplies .....	3,982,662.89	5,542,554.58	29,738,724.00	10,244,914.00	19,493,810.00
	Department of Public Instruction .....	66,186,441.71	74,805,945.63	87,776,936.00	42,166,894.00	45,610,042.00
	Department of Revenue .....		9,821.86	1,229,000.00	304,652.00	924,348.00
	Department of State .....	2,336,480.68	1,737,150.29	2,142,216.00	1,063,287.00	1,078,929.00
	Department of Welfare .....	22,878,991.50	28,831,259.81	33,893,950.00	14,127,063.00	19,766,887.00
	Public Service Commission .....	771,259.45	928,267.37	1,011,000.00	472,044.00	538,956.00
	Special Administrative Commissions .....	2,399,682.50	238,145.57	285,000.00	33,910.00	251,090.00
	Miscellaneous Administrative .....	268,213.30	183,232.45	120,595.00	60,591.00	60,004.00
	TOTAL EXECUTIVE DEPARTMENT .....	\$ 117,365,865.71	\$ 138,101,419.15	\$ 185,294,267.75	\$ 82,480,173.00	\$ 102,814,094.75
LEGISLATIVE DEPARTMENT						
	Senate .....	\$ 418,993.44	\$ 365,858.17	\$ 412,500.00	\$ 60,300.00	\$ 352,200.00
	House of Representatives .....	983,816.71	936,223.09	1,013,215.40	54,362.40	958,853.00
	Legislative Journal .....	4,252.00	3,000.00	7,500.00		7,500.00
	Legislative Reference Bureau .....	70,109.30	82,331.42	98,500.00	43,676.00	54,824.00
	Special Legislative Commissions .....	798,233.81	72,608.56	26,500.00	4,815.00	21,685.00
	Miscellaneous Legislative .....		2,554.43	2,000.00	250.00	1,750.00
	TOTAL LEGISLATIVE DEPARTMENT ....	\$ 2,275,405.26	\$ 1,462,575.67	\$ 1,560,215.40	\$ 163,403.40	\$ 1,396,812.00
JUDICIAL DEPARTMENT						
	Supreme Court .....	\$ 430,212.95	\$ 451,985.55	\$ 500,145.92	\$ 241,353.90	\$ 258,792.02
	Superior Court .....	312,094.42	313,781.45	368,000.00	179,272.00	188,728.00
	Common Pleas Court .....	2,238,096.68	2,343,771.73	2,893,400.00	1,458,160.00	1,437,240.00
	Orphans Court .....	429,249.86	452,991.37	540,000.00	266,499.00	273,501.00
	Municipal Court of Philadelphia .....	160,999.84	158,399.06	201,000.00	100,500.00	100,500.00
	County Court of Allegheny .....	96,444.28	97,000.00	121,000.00	61,016.00	59,984.00
	State Reporter .....	21,990.01	23,811.64	24,000.00	11,724.00	12,276.00
	Miscellaneous Judicial .....	190,065.43	179,529.58	196,500.00	81,780.00	114,720.00
		\$ 3,879,153.47	\$ 4,021,270.38	\$ 4,844,045.92	\$ 2,398,304.90	\$ 2,445,741.02
	MISCELLANEOUS COMMISSIONS	\$ 4,998.93				
	TAXES RETURNED TO POLITICAL SUB-DIVISIONS		\$ 7,256,333.87	\$ 1,138,483.00	\$ 1,138,483.00	
	TOTAL EXPENDITURES .....	\$ 123,525,423.37	\$ 150,841,599.07	\$ 192,837,012.07	\$ 86,180,364.30	\$ 106,656,647.77

## COMMONWEALTH OF PENNSYLVANIA (Continued)

RECAPITULATION OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS  
REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1934 To May 31, 1931

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES										
AVAILABLE FUNDS—										
State Appropriation .....	\$	120,696,789.91	\$	145,130,154.16	\$	190,663,339.07	\$	84,770,808.30	\$	105,392,529.77
State Appropriations—Deficiency Acts of 1927 .....		4,207,279.75								
State Appropriations—Deficiency Acts of 1929 .....		144,096.59		592,248.48						
State Appropriations—Acts of 1929 Additional .....				757,200.00						
Credits 1925-27 .....		1,413,502.56								
Credits 1927-29 .....		411,742.54		9,754,330.35						
Credits 1929-31 .....				426,945.02		1,030,013.00		309,657.00		720,356.00
Balance Transferred from Prior Bienniums ..		21,893.78		9,624.01		1,143,660.00		1,143,660.00		43,762.00
TOTAL AVAILABLE FUNDS .....	\$	126,895,305.13	\$	156,670,502.02	\$	192,837,012.07	\$	86,224,126.30	\$	106,656,647.77
LESS EXPENDITURES—										
Expended from State Appropriation during 1921-23 .....	\$	5,000.00								
Expended from State Appropriation during 1923-25 .....		68,763.19								
Expended from State Appropriation during 1925-27 .....		114,445,759.57								
Expended from State Appropriation during 1927-29 .....	\$	8,629,298.43	\$	141,148,069.88	\$	513,049.00	\$	513,049.00		
Expended from State Appropriation during 1929-31 .....		376,602.18		9,693,529.19		192,323,963.07*		86,667,315.30*	\$	106,656,647.77
TOTAL EXPENDITURES (As Detailed Above) .....	\$	123,525,423.37	\$	150,841,599.07	\$	192,837,012.07	\$	86,180,364.30	\$	106,656,647.77
BALANCE—										
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$	3,251,405.39								
State Appropriation to Lapse .....			\$	3,111,523.53						
State Appropriations to Continue .....		108,852.36		1,573,719.96						
State Appropriations to Continue (Balances Transferred) .....		9,624.01		1,143,659.46			\$	43,762.00		

\*Includes \$1,148,586 transferred to Special Funds.



## APPENDIX TO THE

## GOVERNOR'S OFFICE

STATEMENT OF ACTUAL AND ESTIMATE EXPENDITURES APPLICABLE TO PERIODS REGARDLESS TO DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE GOVERNOR .....						
		\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 18,000.00	\$ 18,000.00
SALARIES AND GENERAL EXPENSES						
EXPENDED FROM DEPARTMENTAL APPROPRIATION FOR—						
A-1	Salaries—\$3,000 and Over .....	76,501.50	96,676.06	116,102.00	50,402.00	65,700.00
A-2	Salaries—Less than \$3,000 .....		104,992.34	165,301.00	74,581.00	90,720.00
B	Wages .....	17,748.33	127.05	1,426.00	226.00	1,200.00
C	Fees .....		47,062.14	9,130.00	130.00	9,000.00
D	Office Supplies, Printing, Postage and Stationery .....	4,203.82	3,927.95	4,931.00	1,331.00	3,600.00
E	Traveling Expenses .....	2,408.34	1,446.20	22,782.00	2,312.00	20,470.00
F	Telephone and Telegraph .....	3,186.47	4,208.79	4,425.00	1,975.00	2,450.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	1,112.52	3,495.14	8,725.00	2,585.00	6,140.00
J	Newspaper Advertising and Notices .....	91.58	42.55	100.00		100.00
L	Freight, Express and Cartage .....	11.94	7.53	423.00	3.00	420.00
M	Rents .....		71.50			
P-1	Equipment—Office .....		34.00			
P-2	Equipment—Motor, Passenger Cars .....	204.41	3,506.13			
U	Subsidies and Indemnities .....		9,290.39	8,783.00	3,383.00	5,400.00
	Other Items .....	4,709.00				
	Reserve .....			68,272.00		68,272.00
TOTAL EXPENDITURES .....		\$ 146,177.91	\$ 310,887.77	\$ 446,400.00	\$ 154,928.00	\$ 291,472.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
D-1	Office Supplies .....	\$ 2,289.51	\$ 9,172.17		\$ 3,170.00	
D-2	Printing and Binding .....	8,609.07	29,581.65		5,152.00	
F	Telephone, Telegraph and Leased Office Devices .....	1,451.70	1,726.78		1,031.00	
H	Miscellaneous Supplies .....	(1)	(1)	\$ 51,288.00	69.00	\$ 36,488.00
O	Repairs .....	(1)	(1)		79.00	
	Insurance, Surety and Fidelity Bonds ..	25.00	62.50		311.00	
P-1	Equipment—Office .....	(1)	9,279.14		3,764.00	
P-2	Equipment—Motor, Passenger Cars .....				1,189.00	
P-4	Equipment—Miscellaneous .....	(1)	(3)		75.00	
TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....		\$ 12,375.28	\$ 49,822.24	\$ 51,288.00	\$ 14,840.00	\$ 36,448.00
GRAND TOTAL EXPENDITURES ..		\$ 158,553.19	\$ 360,710.01	\$ 497,688.00	\$ 169,768.00	\$ 327,920.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

AVAILABLE FUNDS—						
	State Appropriation—Salary of the Governor ..	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 18,000.00	\$ 18,000.00
	State Appropriation—Salaries and General Expenses .....	90,000.00	301,000.00	410,400.00	136,928.00	273,472.00
	State Appropriation—Salaries and General Expenses—Deficiency .....	23,810.00				
	State Appropriation—Portrait of Ex-Governor ..	750.00				
	State Appropriation—Credits—1925-27 .....	10.76				
TOTAL AVAILABLE FUNDS .....		\$ 150,570.76	\$ 337,000.00	\$ 446,400.00	\$ 154,928.00	\$ 291,472.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 145,045.01				
	Expended from State Appropriation during 1927-29 .....	1,132.90	\$ 284,317.30			
	Expended from State Appropriation during 1929-31 .....		26,570.47	\$ 446,400.00	\$ 154,928.00	\$ 291,472.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 146,177.91	\$ 310,887.77	\$ 446,400.00	\$ 154,928.00	\$ 291,472.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 3,642.85				
	State Appropriation to Lapse .....		\$ 26,112.23			
	State Appropriation to Continue .....	750.00				

Notes: (1) Included with Office Supplies these periods.  
(3) Included with Office Equipment this period.

## LIEUTENANT GOVERNOR'S OFFICE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE LIEUTENANT GOVERNOR ....	\$	11,108.87	\$ 16,000.00	\$ 16,000.00	\$ 8,000.00	\$ 8,000.00
INCIDENTAL EXPENSES .....		1,242.25	5,500.00	5,000.00	3,338.00	1,662.00
TOTAL EXPENDITURES .....	\$	12,351.12	\$ 21,500.00	\$ 21,000.00	\$ 11,338.00	\$ 9,662.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Salary of the Lieutenant Governor .....	\$	10,000.00	\$ 16,000.00	\$ 16,000.00	\$ 8,000.00	\$ 8,000.00
State Appropriation—Salary of the Lieutenant Governor—Deficiency .....		1,108.87	.....	.....	.....	.....
State Appropriation—Incidental Expenses ....		2,500.00	5,500.00	5,000.00	3,338.00	1,662.00
State Appropriation—Portrait of the Lieutenant Governor .....		750.00	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$	14,358.87	\$ 21,500.00	\$ 21,000.00	\$ 11,338.00	\$ 9,662.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$	12,270.51	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....		80.61	\$ 21,253.53	.....	.....	.....
Expended from State Appropriation during 1929-31 .....		.....	246.47	\$ 21,000.00	\$ 11,338.00	\$ 9,662.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$	12,351.12	\$ 21,500.00	\$ 21,000.00	\$ 11,338.00	\$ 9,662.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$	1,257.75	.....	.....	.....	.....
State Appropriation to Continue .....		750.00	.....	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF THE AUDITOR GENERAL

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salary of the Auditor General .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
	Salary of the Disbursing Deputy .....	14,848.79	15,000.00	15,000.00	4,687.00	10,313.00
	Salaries and General Expenses .....	918,674.46	1,023,693.50	.....	.....	.....
	Law Books and Patent Indices .....	3,013.00	2,148.98	1,180,000.00	455,621.00	724,379.00
	Contingent Expenses .....	30,089.65	49,914.27	.....	.....	.....
	Compensation of Fiscal Agents .....	1,000.00	1,000.00	1,000.00	500.00	500.00
	Informants in Escheat .....	2,101.98	3,024.13	See Department of Revenue	.....	.....
	Cost of Suits against Delinquent Dealers .....	7,538.61	7,983.13	See Department of Justice	.....	.....
	Portrait of the Auditor General .....	750.00	.....	750.00	.....	750.00
	Total Administration .....	\$ 1,002,016.49	\$ 1,126,764.01	\$ 1,220,750.00	\$ 472,808.00	\$ 747,942.00
COUNTY OFFICERS						
	Fees of County Officers .....	\$ 1,379.74	\$ 1,271.00	\$ 4,000.00	\$ 952.00	\$ 3,048.00
	Mileage of Mercantile Appraisers .....	14,846.23	16,314.51	See Department of Revenue	.....	.....
	Total County Officers .....	\$ 16,225.97	\$ 17,585.51	\$ 4,000.00	\$ 952.00	\$ 3,048.00
ADVERTISING						
	Publishing Monthly Money Statements .....	\$ 44,209.24	\$ 43,231.99	See Treasury Department	.....	.....
REFUNDS						
	Refunds of Overpayments by Retired County Officers .....	\$ 1,282.06	\$ 150.97	See Treasury Department	.....	.....
	Refunding Stock Transfer Stamps .....	379.92	925.28	See Treasury Department	.....	.....
	Refunding Inheritance Taxes .....	130,000.00	86,640.89	See Treasury Department	.....	.....
	Refunding Fees of Examining Boards .....	.....	813.00	See Treasury Department	.....	.....
	Refunding Notary Public Gross Receipts Tax .....	.....	36.78	.....	.....	.....
	Refunding Moneys Subject to Escheat .....	10,113.81	18,848.17	.....	.....	.....
	Refunding Retail Liquor License Fees .....	4,600.10	774.30	.....	.....	.....
	Refunding Mercantile Taxes .....	8,824.85	.....	.....	.....	.....
	Refund—F. P. Holly—Mercantile Tax .....	.....	66.09	.....	.....	.....
	Refund—Roach Stave Company .....	.....	.....	\$ 500.00	\$ 500.00	.....
	Total Refunds .....	\$ 155,200.74	\$ 108,255.48	\$ 500.00	\$ 500.00	.....
	TOTAL EXPENDITURES .....	\$ 1,217,652.44	\$ 1,295,836.99	\$ 1,225,250.00	\$ 474,260.00	\$ 750,990.00
EXPENDED FROM PROPERTY AND SUPPLIES						
ALLOCATIONS—						
D-1	Office Supplies .....	\$ 30,852.89	\$ 11,886.34	.....	.....	.....
D-2	Printing and Binding .....	56,325.28	48,470.81	.....	\$ 7,134.00	.....
F	Telephone, Telegraph and Leased Office Devices .....	1,643.98	1,746.74	.....	.....	.....
H	Miscellaneous Supplies .....	(1)	(1)	.....	.....	.....
I	Repairs .....	(1)	(1)	\$ 17,620.00	.....	\$ 8,083.00
M	Rents .....	6,645.99	5,880.00	.....	1,715.00	.....
O	Insurance, Surety and Fidelity Bonds ..	992.48	1,219.22	.....	688.00	.....
P-1	Equipment—Office .....	(1)	21,480.55	.....	.....	.....
P-2	Equipment—Motor, Passenger Cars .....	.....	.....	.....	.....	.....
P-3	Equipment—Motor, All Other .....	(2)	(2)	.....	.....	.....
P-4	Equipment—Miscellaneous .....	(1)	(3)	.....	.....	.....
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 96,460.62	\$ 90,683.66	\$ 17,620.00	\$ 9,537.00	\$ 8,083.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees ....	\$ 1,451.36	.....	\$ (4) 3,029.00	\$ (4) 1,641.00	\$ (4) 1,388.00
	GRAND TOTAL EXPENDITURES ..	\$ 1,315,564.42	\$ 1,386,520.65	\$ 1,245,899.00	\$ 485,438.00	\$ 760,461.00

Notes: (1) Included with Office Supplies these periods.

(2) No allocation these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O. These amounts represent payments on old liabilities.

## DEPARTMENT OF THE AUDITOR GENERAL (Continued)

## STATEMENT OF ACTUAL AND ESTIMATE EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931

**SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES**  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

## AVAILABLE FUNDS—

## State Appropriation:

## Administration:

Salary of the Auditor General .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
Salary of the Disbursing Deputy .....	15,000.00	15,000.00	15,000.00	4,687.00	10,313.00
Salaries and General Expenses .....	975,800.00	1,025,000.00	.....	.....	.....
Law Books and Patent Indices .....	3,000.00	3,000.00	1,180,000.00	455,621.00	724,379.00
Contingent Expenses .....	30,000.00	50,000.00	.....	.....	.....
Compensation of Fiscal Agents .....	1,000.00	1,000.00	1,000.00	500.00	500.00
Informants in Escheat .....	10,000.00	10,000.00	See Department of Revenue	.....	.....
Cost of Suits against Delinquent Dealers ..	8,000.00	8,000.00	See Department of Justice	.....	.....
Portrait of the Auditor General .....	750.00	.....	750.00	.....	750.00

Total Administration .....	\$ 1,067,550.00	\$ 1,136,000.00	\$ 1,220,750.00	\$ 472,808.00	\$ 747,942.00
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## County Officers:

Fees of County Officers .....	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 952.00	\$ 3,048.00
Mileage of Mercantile Appraisers .....	25,000.00	25,000.00	See Department of Revenue	.....	.....

Total County Officers .....	\$ 29,000.00	\$ 29,000.00	\$ 4,000.00	\$ 952.00	\$ 3,048.00
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## Advertising:

Publishing Monthly Money Statements.....	\$ 35,000.00	\$ 45,000.00	See Treasury Department	.....	.....
Publishing Monthly Money Statements—De-	15,000.00	.....	.....	.....	.....
ficiency .....	.....	.....	.....	.....	.....

Total Advertising .....	\$ 50,000.00	\$ 45,000.00	.....	.....	.....
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## Refunds:

Refunds of Overpayments by Retired County					
Officers .....	\$ 2,000.00	\$ 2,000.00	See Treasury Department	.....	.....
Refunding Stock Transfer Stamps .....	1,000.00	1,000.00	See Treasury Department	.....	.....
Refunding Inheritance Taxes .....	80,000.00	100,000.00	See Treasury Department	.....	.....
Refunding Inheritance Taxes—Deficiency ..	50,000.00	.....	.....	.....	.....
Refunding Fees of Examining Boards .....	.....	2,000.00	See Treasury Department	.....	.....
Refunding Notary Public Gross Receipts Tax	.....	100.00	.....	.....	.....
Refunding Retail Liquor License Fees .....	7,500.00	5,000.00	.....	.....	.....
Refunding Retail Liquor License Fees—Re-	.....	.....	.....	.....	.....
appropriated .....	4,981.73	.....	.....	.....	.....
Refunding Mercantile Taxes—Deficiency ..	10,500.00	.....	.....	.....	.....
Refunding Excess Emergency Profits Tax ..	100,000.00	.....	.....	.....	.....
Refund—F. P. Holly—Mercantile Tax .....	.....	66.09	.....	.....	.....
Refund—Roach Stave Company .....	.....	.....	\$ 500.00	\$ 500.00	.....

Total Refunds .....	\$ 255,981.73	\$ 110,166.09	\$ 500.00	\$ 500.00	.....
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Total State Appropriations .....	\$ 1,402,531.73	\$ 1,320,168.09	\$ 1,225,250.00	\$ 474,260.00	\$ 750,990.00
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State Appropriation—Credits—1925-27 .....	\$ 10,220.20	.....	.....	.....	.....
State Appropriation—Credits—1927-29 .....	.....	\$ 18,848.17	.....	.....	.....

TOTAL AVAILABLE FUNDS .....	\$ 1,412,751.93	\$ 1,339,014.26	\$ 1,225,250.00	\$ 474,260.00	\$ 750,990.00
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## LESS EXPENDITURES—

Expended from State Appropriation—1925-27..	\$ 1,195,626.62	.....	.....	.....	.....
Expended from State Appropriation—1927-29..	22,025.62	\$ 1,263,253.13	.....	.....	.....
Expended from State Appropriation—1929-31..	.....	32,583.86	\$ 1,225,250.00	\$ 474,260.00	\$ 750,990.00

TOTAL EXPENDITURES .....	\$ 1,217,652.44	\$ 1,295,836.99	\$ 1,225,250.00	\$ 474,260.00	\$ 750,990.00
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## BALANCE—

State Appropriation Lapsed Under Act 25-A,					
1927 or Act 402, 1929 .....	\$ 181,410.71	.....	.....	.....	.....
State Appropriation to Continue .....	13,688.78	\$ 43,177.27	.....	.....	.....



## APPENDIX TO THE

## TREASURY DEPARTMENT

## STATEMENT OF ACTUAL AND ESTIMATE EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salary of the State Treasurer .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
	Salaries and General Expenses .....	418,624.84	443,117.93			
	Salaries and General Expenses—Deficiency ....	5,174.63	14,913.07	550,000.00	258,131.00	291,890.00
	Contingent Expenses .....	33,736.08	32,276.99			
	Patent Indices and Law Books .....	700.00	700.00			
	Portrait of State Treasurer .....	750.00		750.00		750.00
	Total Administration .....	\$ 482,985.55	\$ 515,007.99	\$ 574,750.00	\$ 207,131.00	\$ 304,619.00
BOARD OF FINANCE AND REVENUE—ADMINISTRATION						
	Salaries and General Expenses .....			\$ 50,000.00	\$ 13,925.00	\$ 36,075.00
	Interest Obligations on Agricultural College					
	Land Scrip and State College Experimental					
	Farm Funds .....	\$ 9,638.00	\$ 13,313.00	9,440.00	1,020.00	8,420.00
	Publishing Monthly Money Statements .....			45,000.00	24,797.00	20,203.00
	Total Board of Finance and Revenue—Administration .....	\$ 9,638.00	\$ 13,313.00	\$ 104,440.00	\$ 39,742.00	\$ 64,698.00
BOARD OF FINANCE AND REVENUE—REFUNDS						
	Refunds of Overpayments by Retired County Officers .....			\$ 2,000.00	\$ 146.00	\$ 1,854.00
	Refunding Stock Transfer Stamps .....			2,000.00	188.00	1,812.00
	Refunding Inheritance Taxes .....			75,000.00	12,286.00	62,714.00
	Refunding Inheritance Taxes—War Risk Insurance .....			1,200.00	1,066.00	134.00
	Refunding Fees of Examining Boards .....			2,000.00	399.00	1,601.00
	Refunding Notary Public Fees .....			1,500.00	500.00	1,000.00
	Refunding Moneys Subject to Escheat .....			15,000.00	5,639.00	9,361.00
	Refunding Moneys Erroneously Paid to Department of Internal Affairs .....			275.00	264.00	11.00
	Refunding Bonus .....			50.00	40.00	10.00
	Refund—Braun Salvage Company .....			167.75		167.75
	Total Board of Finance and Revenue—Refunds .....			\$ 99,192.75	\$ 20,528.00	\$ 78,664.75
	TOTAL EXPENDITURES .....	\$ 492,623.55	\$ 528,320.99	\$ 778,383.75	\$ 330,401.00	\$ 447,981.75
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
	D-1 Office Supplies .....	\$ 32,141.25	\$ 10,349.48			
	D-2 Printing and Binding .....	17,146.43	20,140.42		\$ 1,708.00	
	F Telephone, Telegraph and Leased Office Devices .....	996.44	872.12			
	H Miscellaneous Supplies .....	(1)	(1)			
	I Repairs .....	(1)	(1)	\$ 14,524.00		\$ 9,770.00
	O Insurance, Surety and Fidelity Bonds ...	8,273.27	9,008.76		3,046.00	
	P-1 Equipment—Office .....	(2)	16,079.78			
	P-2 Equipment—Motor, Passenger Cars .....	(2)	(2)			
	P-3 Equipment—Motor, All Other .....					
	P-4 Equipment—Miscellaneous .....	(1)	(3)			
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 58,557.39	\$ 56,448.56	\$ 14,524.00	\$ 4,754.00	\$ 9,770.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees ....	\$ 20.00		\$ (4) 3,029.00	\$ (4) 1,641.00	\$ (4) 1,388.00
	GRAND TOTAL EXPENDITURES .....	\$ 551,000.94	\$ 584,769.55	\$ 795,935.75	\$ 336,796.00	\$ 459,139.75

Notes: (1) Included with Office Supplies these periods.

(2) No Allocation these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O. These amounts represent payments on old liabilities.

## TREASURY DEPARTMENT (Continued)

## STATEMENT OF ACTUAL AND ESTIMATE EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES (Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						
AVAILABLE FUNDS—						
State Appropriations:						
Administration:						
	Salary of the State Treasurer .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
	Salaries and General Expenses .....	418,700.00	443,700.00			
	Salaries and General Expenses—Deficiency ..	25,000.00	15,000.00	550,000.00	258,131.00	291,869.00
	Contingent Expenses .....	35,000.00	35,000.00			
	Patent Indices and Law Books .....	700.00	700.00			
	Portrait of State Treasurer .....	750.00		750.00		750.00
	Total Administration .....	\$ 504,150.00	\$ 518,400.00	\$ 574,750.00	\$ 270,131.00	\$ 304,619.00
Board of Finance and Revenue—Administration						
	Salaries and General Expenses .....	\$ 3,000.00	\$ 3,000.00	\$ 50,000.00	\$ 13,925.00	\$ 36,075.00
	Interest Obligations on Agricultural College					
	Land Scrip and State College Experimental					
	Farm Funds .....	9,638.00	13,313.00	9,440.00	1,020.00	8,420.00
	Publishing Monthly Money Statements ....			45,000.00	24,797.00	20,203.00
	Total Board of Finance and Revenue—Ad- ministration .....	\$ 12,638.00	\$ 16,313.00	\$ 104,440.00	\$ 39,742.00	\$ 64,698.00
Board of Finance and Revenue—Refunds:						
	Refunds of Overpayments by Retired County Officers .....			\$ 2,000.00	\$ 146.00	\$ 1,854.00
	Refunding Stock Transfer Stamps .....			2,000.00	188.00	1,812.00
	Refunding Inheritance Taxes .....			75,000.00	12,286.00	62,714.00
	Refunding Inheritance Taxes—War Risk Insurance .....			1,200.00	1,066.00	134.00
	Refunding Fees of Examining Board .....			2,000.00	399.00	1,601.00
	Refunding Notary Public Fees .....			1,500.00	500.00	1,000.00
	Refunding Moneys Subject to Escheat .....			15,000.00	5,639.00	9,361.00
	Refunding Moneys Erroneously Paid to De- partment of Internal Affairs .....			275.00	264.00	11.00
	Refunding Bonus .....			50.00	40.00	10.00
	Refund—Braun Salvage Company .....			167.75		167.75
	Total Board of Finance and Revenue— Refunds .....			\$ 99,192.75	\$ 20,528.00	\$ 78,664.75
	Total State Appropriations .....	\$ 516,788.00	\$ 534,713.00	\$ 778,382.75	\$ 330,401.00	\$ 447,981.75
	TOTAL AVAILABLE FUNDS .....	\$ 516,788.00	\$ 534,713.00	\$ 778,382.75	\$ 330,401.00	\$ 447,981.75
LESS EXPENDITURES—						
	Expended from State Appropriation—1925-27..	\$ 488,387.51				
	Expended from State Appropriation—1927-29..	4,236.04	\$ 519,945.29			
	Expended from State Appropriation—1929-31..		8,375.70	\$ 778,382.75	\$ 330,401.00	\$ 447,981.75
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 492,623.55	\$ 528,320.99	\$ 778,382.75	\$ 330,401.00	\$ 447,481.75
BALANCE—						
	State Appropriation Lapsed under Act 25-A, 1927, or Act 402, 1929 .....	\$ 24,164.45				
	State Appropriation to Lapse .....		\$ 3,582.07			
	State Appropriation to Continue .....		2,809.94			



## APPENDIX TO THE

## DEPARTMENT OF AGRICULTURE

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salary of the Secretary .....	\$ 15,999.84	\$ 16,000.00	\$ 20,000.00	\$ 9,566.00	\$ 10,434.00
	Salaries and General Expenses .....	648,331.30	753,780.71			
	Japanese Beetle .....	99,997.22	98,174.29			
	European Corn Borer .....	13,644.63	80,068.38	2,450,000.00	1,040,851.00	1,409,149.00
	Animal Industry .....	Dog Fund	1,119,410.80			
	Dog Law Enforcement .....	Dog Fund	485,086.22			
	Emergency Appropriation .....	57,266.73				
	Encouraging Agriculture Exhibits .....	120,237.04	127,621.83	130,900.00	64,544.00	65,456.00
	Total Indemnities .....	\$ 955,476.76	\$ 2,680,142.23	\$ 2,600,000.00	\$ 1,114,961.00	\$ 1,485,039.00
INDEMNITIES						
	Animal Indemnities .....	\$ 1,798,999.98	\$ 2,159,839.98	\$ 2,160,000.00	\$ 786,025.00	\$ 1,373,975.00
	Plant Indemnities .....			3,000.00	103.00	2,897.00
	Total Indemnities .....	\$ 1,798,999.98	\$ 2,159,839.98	\$ 2,163,000.00	\$ 786,128.00	\$ 1,376,872.00
STATE FARM PRODUCTS SHOW COMMISSION						
	Salaries and General Expenses .....		\$ 11,736.07	\$ 54,500.00	\$ 5,982.00	\$ 48,518.00
	TOTAL EXPENDITURES .....	\$ 2,754,476.74	\$ 4,851,718.28	\$ 4,817,500.00	\$ 1,907,071.00	\$ 2,910,429.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
	D-1 Office Supplies .....	\$ 17,051.45	\$ 8,011.07		\$ 6,566.00	
	D-2 Printing and Binding .....	32,957.85	31,478.12		12,768.00	
	F Telephone, Telegraph and Leased Office Devices .....	1,990.87	1,681.46		4,108.00	
	H Miscellaneous Supplies .....	(1)	(1)		23,178.00	
	I Repairs .....	(1)	(1)		726.00	
	K Light, Heat, Power and Water .....	3,364.19	3,399.60	\$ 242,984.00	4,574.00	\$ 122,532.00
	M Rents .....	12,375.00	12,116.88		16,854.00	
	N Food and Forage .....	(2)	(2)		7,199.00	
	O Insurance, Surety and Fidelity Bonds ..	369.25	622.44		6,466.00	
	P-1 Equipment—Office .....	(1)	6,499.17		6,745.00	
	P-2 Equipment—Motor, Passenger Cars .....	(2)	(2)		20,287.00	
	P-4 Equipment—Miscellaneous .....	(1)	(3)		3,981.00	
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS ....	\$ 68,108.61	\$ 63,808.74	\$ 242,984.00	\$ 113,452.00	\$ 129,532.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employes ..	\$ 9.00	\$ 234.13	(4)	(4)	(4)
	GRAND TOTAL EXPENDITURES .....	\$ 2,822,594.35	\$ 4,915,761.15	\$ 5,060,484.00	\$ 2,020,523.00	\$ 3,039,961.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES (Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						
AVAILABLE FUNDS—						
	State Appropriation .....	\$ 2,680,000.00	\$ 5,008,000.00	\$ 4,817,500.00	\$ 1,907,071.00	\$ 2,910,429.00
	State Appropriation—Deficiency .....	123,590.47				
	State Appropriation—Additional .....		2,700.00			
	TOTAL AVAILABLE FUNDS .....	\$ 2,803,590.47	\$ 5,010,700.00	\$ 4,817,500.00	\$ 1,907,071.00	\$ 2,910,429.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 2,615,718.37				
	Expended from State Appropriation during 1927-29 .....	138,758.37	\$ 4,748,617.43			
	Expended from State Appropriation during 1929-31 .....		103,100.85	\$ 4,817,500.00	\$ 1,907,071.00	\$ 2,910,429.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 2,754,476.74	\$ 4,851,718.28	\$ 4,817,500.00	\$ 1,907,071.00	\$ 2,910,429.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 45,760.30				
	State Appropriation to Lapse .....		158,721.72			
	State Appropriation to Continue .....	3,353.43	260.00			

Notes: (1) Included with Office Supplies these periods.

(2) No Allocation these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance Carried with State Workmen's Insurance Fund these periods. Cost included in Item O.

## DEPARTMENT OF AGRICULTURE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SECRETARY .....		\$ 15,999.84	\$ 16,000.00	\$ 20,000.00	\$ 9,566.00	\$ 10,434.00
SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....		310,561.30	354,846.00	161,339.00	193,507.00
A-2	Salaries—Less than \$3,000 .....	460,264.70	813,931.58	1,025,761.00	432,340.00	593,421.00
B	Wages .....	92,980.22	304,233.97	237,091.00	131,881.00	105,210.00
C	Fees .....	42,493.49	165,330.35	119,280.00	57,780.00	61,500.00
D	Office Supplies, Printing, Postage and Stationery .....	13,417.38	44,798.88	16,998.00	8,507.00	8,491.00
E	Traveling Expenses .....	108,394.63	311,894.79	303,502.00	143,447.00	160,055.00
F	Telephone and Telegraph .....	6,086.26	15,575.35	8,634.00	4,169.00	4,465.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		69,299.95	69,044.00	28,804.00	40,240.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	26,555.74	2,895.36	8,022.00	4,507.00	3,515.00
H	Miscellaneous Supplies .....	9,268.00	72,231.73	325.00		325.00
I	Repairs .....	246.22	2,212.99			
J	Newspaper Advertising and Notices .....	403.42	1,601.67	4,334.00	1,834.00	2,500.00
K	Light, Heat, Power and Water .....	261.45	5,354.03			
L	Freight, Express, Cartage, Etc. ....	1,946.13	5,137.46	3,612.00	1,182.00	2,430.00
M	Rents .....	15,135.59	27,649.75	309.00	309.00	
N	Food and Forage .....		13,502.60			
P-1	Equipment—Office .....	841.57	8,397.91			
P-2	Equipment—Motor, Passenger Cars .....	21,099.01	76,767.06			
P-3	Equipment—Motor, Other than Passenger Cars .....	10,421.45	12,446.24			
P-4	Equipment—Miscellaneous .....	6,832.52	25,538.14	1,825.00		1,825.00
S	Buildings and Construction .....	1,026.63	83,753.45	8,028.00	2,103.00	5,925.00
U	Subsidies and Indemnities .....		163,405.84	132,649.00	62,649.00	70,000.00
	Other Items .....	4,265.47				
	Reserve .....			155,740.00		155,740.00
TOTAL EXPENDITURES .....		\$ 835,239.72	\$ 2,552,520.40	\$ 2,470,000.00	\$ 1,050,417.00	\$ 1,419,583.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—											
State Appropriation—Salary of the Secretary ..	\$	16,000.00	\$	16,000.00	\$	20,000.00	\$	9,566.00	\$	10,434.00	
State Appropriation—Salaries and General Expenses .....		650,000.00		788,000.00							
State Appropriation—Japanese Beetle .....		100,000.00		100,000.00							
State Appropriation—European Corn Borer ...		15,000.00		100,000.00		2,450,000.*		1,040,851.00		1,409,149.00	
State Appropriation—Animal Industry .....		Dog Fund		1,190,000.00							
State Appropriation—Dog Law Enforcement ..		Dog Fund		517,000.00							
State Appropriation—Emergency .....		100,000.00		.....							
TOTAL AVAILABLE FUNDS .....		\$	881,000.00	\$	2,711,000.00	\$	2,470,000.00	\$	1,050,417.00	\$	1,419,583.00
LESS EXPENDITURES—											
Expended from State Appropriation during 1925-27 .....	\$	816,718.39		.....		.....		.....		.....	
Expended from State Appropriation during 1927-29 .....		18,521.33	\$	2,452,158.26		.....		.....		.....	
Expended from State Appropriation during 1929-31 .....		.....		100,362.14	\$	2,470,000.00	\$	1,050,417.00	\$	1,419,583.00	
TOTAL EXPENDITURES (As Detailed Above)		\$	835,239.72	\$	2,552,520.40	\$	2,470,000.00	\$	1,050,417.00	\$	1,419,583.00
BALANCE—											
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$	45,760.28		.....		.....		.....		.....	
State Appropriation to Lapse .....		.....	\$	158,479.60		.....		.....		.....	

\* Does not include \$9,100 appropriated to Department of Property and Supplies for Purchase of Land.



## APPENDIX TO THE

## DEPARTMENT OF AGRICULTURE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ENCOURAGING AGRICULTURAL EXHIBITS						
U	Subsidies and Indemnities .....	\$ 120,237.04	\$ 127,621.83	\$ 129,544.00	\$ 64,544.00	\$ 65,000.00
	Reserve .....			456.00		456.00
	Total Encouraging Agricultural Exhibits	\$ 120,237.04	\$ 127,621.83	\$ 130,000.00	\$ 64,544.00	\$ 65,456.00
ANIMAL INDEMNITIES						
U	Subsidies and Indemnities .....	\$ 1,798,999.98	\$ 2,159,839.98	\$ 2,160,000.00	\$ 786,025.00	\$ 1,373,975.00
PLANT INDEMNITIES						
U	Subsidies and Indemnities .....	No Appropriation during these periods		\$ 1,603.00	\$ 103.00	\$ 1,500.00
	Reserve .....			1,397.00		1,397.00
	Total Plant Indemnities .....			\$ 3,000.00	\$ 103.00	\$ 2,897.00
	TOTAL EXPENDITURES .....	\$ 1,919,237.02	\$ 2,287,461.81	\$ 2,293,000.00	\$ 850,672.00	\$ 1,442,328.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Encouraging Agricultural Exhibits .....	\$ 125,000.00	\$ 130,000.00	\$ 64,544.00	\$ 65,456.00	
	State Appropriation—Encouraging Agricultural Exhibits—Additional .....	2,700.00				
	State Appropriation—Encouraging Agricultural Exhibits—Deficiency .....	\$ 123,590.47				
	State Appropriation—Animal Indemnities .....	1,799,000.00	2,160,000.00	2,160,000.00	786,025.00	1,373,975.00
	State Appropriation—Plant Indemnities .....			3,000.00	103.00	2,897.00
	TOTAL AVAILABLE FUNDS .....	\$ 1,922,590.47	\$ 2,287,700.00	\$ 2,293,000.00	\$ 850,672.00	\$ 1,442,328.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 1,919,237.02				
	Expended from State Appropriation during 1927-29 .....		\$ 2,284,623.10			
	Expended from State Appropriation during 1929-31 .....		2,838.71	\$ 2,293,000.00	\$ 850,672.00	\$ 1,442,328.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 1,919,237.02	\$ 2,287,461.81	\$ 2,293,000.00	\$ 850,672.00	\$ 1,442,328.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ .02				
	State Appropriation to Lapse .....		78.19			
	State Appropriation to Continue .....	3,353.43	160.00			

## DEPARTMENT OF AGRICULTURE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
STATE FARM PRODUCTS SHOW COMMISSION—						
(a)						
A-1	Salaries—\$3,000 and Over .....		\$ 2,010.00	\$ 5,035.00	\$ 1,035.00	\$ 4,000.00
A-2	Salaries—Less than \$3,000 .....		225.00	3,150.00		3,150.00
B	Wages .....		164.30	6,850.00		6,850.00
D	Office Supplies, Printing, Postage and Stationery .....		100.00			
E	Traveling Expense .....	No	14.45	1,967.00	97.00	1,870.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	appropriation during this period		350.00		350.00
H	Miscellaneous Supplies .....		104.50			
K	Light, Heat, Power and Water .....			6,300.00		6,300.00
M	Rents .....		150.00			
U	Subsidies and Indemnities .....		8,967.82	30,830.00	4 850.00	25,980.00
	Reserve .....			18.00		18.00
TOTAL EXPENDITURES .....			\$ 11,736.07	\$ 54,500.00	\$ 5,982.00	\$ 48,518.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—State Farm Products Show Commission .....	No appropriation during this period	\$ 12,000.00	\$ 54,500.00	\$ 5,982.00	\$ 48,518.00	
TOTAL AVAILABLE FUNDS .....		\$ 12,000.00	\$ 54,500.00	\$ 5,982.00	\$ 48,518.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....		\$ 11,836.07				
Expended from State Appropriation during 1929-31 .....		100.00*	\$ 54,500.00	\$ 5,982.00	\$ 48,518.00	
TOTAL EXPENDITURES (As Detailed Above) .....	No appropriation during this period	\$ 11,736.07	\$ 54,500.00	\$ 5,982.00	\$ 48,518.00	
BALANCE—						
State Appropriation to Lapse .....		\$ 163.93				
State Appropriation to Continue .....		100.00				

\* Indicates Deduction.

(a) See also State Farm Products Show Fund.



## APPENDIX TO THE

## DEPARTMENT OF BANKING

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
EXAMINATION OF BUILDING AND LOAN ASSOCIATIONS						
A-1	Salaries—\$3,000 and Over .....	\$ 40,562.00	\$ 40,970.44	\$ 56,152.00	\$ 27,352.00	\$ 28,800.00
A-2	Salaries—Less than \$3,000 .....		40,627.87	49,489.00	23,089.00	26,400.00
B	Wages .....	9,438.00	622.75	32.00	32.00	
C	Fees .....		6,880.97	331.00	211.00	120.00
D	Office Supplies, Printing, Postage and Stationery .....		15,709.09	3,307.00	1,787.00	1,520.00
E	Traveling Expense .....		3,336.62	4,553.00	2,093.00	2,460.00
F	Telephone and Telegraph .....		3,111.65	1,346.00	746.00	600.00
I	Repairs .....		44.00			
L	Freight, Express, Cartage, Etc. ....		608.90	942.00	342.00	600.00
M	Rents .....		11,314.00			
P-1	Equipment—Office .....		761.98			
	Reserve .....			4,848.00		4,848.00
TOTAL EXPENDITURES .....		\$ 50,000.00	\$ 123,988.27	\$ 121,000.00	\$ 55,652.00	\$ 65,348.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
D-1	Office Supplies .....	\$ 10,765.49	\$ 998.62		\$ 519.00	
D-2	Printing and Binding .....	10,415.76			8,995.00	
F	Telephone, Telegraph and Leased Office Devices .....				900.00	
H	Miscellaneous Supplies .....	(1)	(1)		26.00	
I	Repairs .....	(1)	(1)			
K	Light, Heat, Power and Water .....			\$ 51,082.00	89.00	\$ 28,968.00
M	Rents .....	679.19	527.50		330.00	
O	Insurance, Surety and Fidelity Bonds ...				10,842.00	
P-1	Equipment—Office .....	(1)	4,138.95		613.00	
P-4	Equipment—Miscellaneous .....	(1)	(3)			
TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....		\$ 21,860.44	\$ 5,665.07	\$ 51,082.00	\$ 22,114.00	\$ 28,968.00
GRAND TOTAL EXPENDITURES .....		\$ 71,860.44	\$ 129,653.34	\$ 172,082.00	\$ 77,766.00	\$ 94,316.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Examination of Building and Loan Associations .....						
	\$ 50,000.00	\$ 125,000.00	\$ 121,000.00	\$ 55,652.00	\$ 65,348.00	
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 50,000.00	\$ 125,000.00	\$ 121,000.00	\$ 55,652.00	\$ 65,348.00
<b>LESS EXPENDITURES</b>						
Expended from State Appropriation during 1925-27 .....						
	\$ 50,000.00					
Expended from State Appropriation during 1927-29 .....						
		\$ 120,964.85				
Expended from State Appropriation during 1929-31 .....						
		3,023.42	\$ 121,000.00	\$ 55,652.00	\$ 65,348.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....		\$ 50,000.00	\$ 123,988.27	\$ 121,000.00	\$ 55,652.00	\$ 65,348.00
<b>BALANCE—</b>						
State Appropriation to Lapse .....			\$ 1,011.73			

Notes: (1) Included with Office Supplies these periods.  
(3) Included with Office Equipment this period.

## DEPARTMENT OF FORESTS AND WATERS

## SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SECRETARY		\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
FORESTS						
	Salaries and General Expenses .....	\$ 1,291,549.41	\$ 1,574,989.09	\$ 1,794,000.00	\$ 781,035.00	\$ 1,012,965.00
	Annual Fixed Charges—State Forest Land .....		115,969.90			
	Cook Forest Park—Maintenance and Develop- ment .....		24,956.67			
	Purchase of Land—Cook Forest Park .....		640,000.00			
	Purchase of State Forest Land .....		500,000.00	1,000,000.00	277,774.00	722,226.00
	Control of Forest Fires .....	202,460.17	128,571.50	200,000.00	80,160.00	119,840.00
	Control of Forest Fires—Injury to Fire Fighters Annual Fixed Charges—Federal and State Forest Land .....	4,165.00				
				25,000.00	14,890.00	10,110.00
	Total Forests .....	\$ 1,498,174.58	\$ 2,984,487.16	\$ 3,019,000.00	\$ 1,153,859.00	\$ 1,865,141.00
WATERS						
	Water and Power Resources Board—					
	Salary of Engineer Member .....	\$ 4,850.00	\$ 4,675.00	\$ 6,000.00	\$ 2,500.00	\$ 3,500.00
	Salaries and General Expenses .....	124,821.37	164,389.59	208,320.00	101,359.00	106,961.00
	Annual Fixed Charges—Flood Land .....	4,347.10	4,957.17			
	Repairs to Matamoras Dyke .....	2,660.92		5,000.00		5,000.00
	Repairs to Laurel Dam .....	9,904.21				
	Lock Haven Floods .....	3,475.53				
	Pymatuning Project—Maintenance and Im- provements .....			198,300.00	8,514.00	189,786.00
	Pymatuning Project—Purchase of Land .....		344,750.00	300,000.00	62,556.00	237,444.00
	Delaware River Tri-State Treaty Commission ..	7,240.17		10,000.00		10,000.00
	Total Waters .....	\$ 157,299.30	\$ 518,771.76	\$ 727,620.00	\$ 174,929.00	\$ 552,691.00
PARKS, CANAL BOARDS, ETC.						
	Lake Erie and Ohio River Canal Board .....	\$ 4,865.84	\$ 2,244.36	\$ 5,000.00	\$ 937.00	\$ 4,063.00
	Washington Crossing Park Commission .....	120,000.00	99,998.80	120,500.00	52,454.00	68,046.00
	Washington Crossing Park Commission—Defi- ciency .....	9,956.88				
	Washington Crossing Park Commission—Con- demned Land .....		24,990.00			
	Washington Crossing Park Commission—Claims ..			200.00	200.00	
	Valley Forge Park Commission .....	147,379.12	89,995.98	194,900.00	53,724.00	141,176.00
	Valley Forge Park Commission—Roads .....	100,000.00				
	Pennsylvania State Park & Harbor Commission ..	79,999.91	49,999.24	245,500.00	205,064.00	40,436.00
	Pennsylvania State Park & Harbor Commission —Retaining Walls and Jetties .....		79,978.27			
	Pennsylvania State Park & Harbor Commission —Repairs .....			25,000.00	11,898.00	13,102.00
	Bushey Run Battlefield Commission .....		12,466.01	15,000.00	15,000.00	
	Conrad Weiser Memorial Park .....		19,996.01			
	Total Parks, Canal Boards, etc. ....	\$ 462,201.75	\$ 379,668.67	\$ 606,100.00	\$ 339,277.00	\$ 266,823.00
MISCELLANEOUS						
	Topographic and Geologic Survey .....	\$ 135,253.21	Appropriation made to Department of Internal Affairs this period.			
	Fort Washington Park—Interest and Mortgage ..	5,010.00		47,000.00	36,809.00	191.00
	Fort Washington Park—Land .....		24,860.00			
	Total Miscellaneous .....	\$ 140,263.21	\$ 24,860.00	\$ 47,000.00	\$ 46,809.00	\$ 191.00
RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES						
	General Forest Purposes paid from Contribu- tions Federal Aid and Telephone Rentals ..	\$ 72,653.23	\$ 88,624.86	\$ 26,785.00	\$ 21,527.00	\$ 5,258.00
	Pymatuning Project—Maintenance paid from Receipts of Sale of land, etc. ....	18,010.89				
	Total Receipts Appropriated for Special Purposes .....	\$ 90,664.12	\$ 88,624.86	\$ 26,785.00	\$ 21,527.00	\$ 5,258.00
TOTAL EXPENDITURES .....		\$ 2,364,602.96	\$ 4,012,412.45	\$ 4,446,505.00	\$ 1,746,401.00	\$ 2,700,104.00



## APPENDIX TO THE

## DEPARTMENT OF FORESTS AND WATERS (Continued)

## SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
D-1	Office Supplies .....	\$	15,814.66	\$	7,664.87	\$ 4,332.00
D-2	Printing and Binding .....		32,841.84		19,145.87	
F	Telephone, Telegraph and Leased Office Devices .....		3,411.15		3,176.36	1,996.00
H	Miscellaneous Supplies .....		(1)		(1)	10,326.00
I	Repairs .....		(1)		(1)	594.00
K	Light, Heat, Power and Water .....		148.68		2.25	854.00
M	Rents .....		15,562.16	13,610.71	\$ 235,790.00	9,473.00
N	Food and Forage .....		(2)	(2)		3,283.00
O	Insurance, Surety and Fidelity Bonds ..		346.37	336.63		5,357.00
P-1	Equipment—Office .....		(1)	10,355.53		4,990.00
P-2	Equipment—Motor, Passenger Cars .....	}	(2)	(2)	{	6,614.00
P-3	Equipment—Motor, All Other .....					20,238.00
P-4	Equipment—Miscellaneous .....		(1)	(3)		20,174.00
TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....		\$	68,124.86	\$	54,292.22	\$ 235,790.00
						\$ 103,681.00
						\$ 132,109.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees ...	\$	4,333.73	\$	4,094.18	\$ 2,712.00(4)
						\$ 2,149.00(4)
						\$ 563.00(4)
GRAND TOTAL EXPENDITURES .....		\$	2,437,061.55	\$	4,070,798.85	\$ 4,685,007.00
						\$ 1,852,231.00
						\$ 2,832,776.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

<b>AVAILABLE FUNDS—</b>						
	State Appropriation .....	\$ 2,295,747.77	\$ 4,149,840.00	\$ 4,419,720.00	\$ 1,724,874.00	\$ 2,694,846.00
	State Appropriation—Deficiency .....	110,000.00				
	State Appropriation—Credits—1925-27 .....	88,083.73				
	State Appropriation—Credits—1927-29 .....		308,037.73	2,014.00	1,014.00	1,000.00
	Balance Transferred from Prior Bienniums ..	21,893.78	6,416.58	24,771.00	24,771.00	4,258.00
<b>TOTAL AVAILABLE FUNDS .....</b>		<b>\$ 2,515,725.28</b>	<b>\$ 4,464,294.31</b>	<b>\$ 4,446,505.00</b>	<b>\$ 1,750,659.00</b>	<b>\$ 2,700,104.00</b>
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1923-25 .....	\$ 1,674.38				
	Expended from State Appropriation during 1925-27 .....	2,297,014.77				
	Expended from State Appropriation during 1927-29 .....	65,884.55	\$ 3,863,843.08			
	Expended from State Appropriation during 1929-31 .....	29.26	148,569.37	\$ 4,446,505.00	\$ 1,746,401.00	\$ 2,700,104.00
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>		<b>\$ 2,364,602.96</b>	<b>\$ 4,012,412.45</b>	<b>\$ 4,446,505.00</b>	<b>\$ 1,746,401.00</b>	<b>\$ 2,700,104.00</b>
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 144,705.74				
	State Appropriation to Lapse .....		124,187.09			
	State Appropriation to Continue .....		302,923.99			
	State Appropriation to Continue (Balances transferred) .....	6,416.58	24,770.78		\$ 4,258.00	

Notes: (1) Included with Office Supplies these periods.  
 (2) No Allocation these periods.  
 (3) Included with Office Equipment this period.  
 (4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O. These amounts represent payments on old liabilities.

## DEPARTMENT OF FORESTS AND WATERS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SECRETARY .....						
	\$	16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	145,564.71	215,000.02	222,784.00	100,934.00	121,850.00
A-2	Salaries—Less than \$3,000 .....	459,023.32	483,598.68	547,492.00	263,792.00	283,700.00
B	Wages .....	168,749.98	422,501.91	432,258.00	213,658.00	218,600.00
C	Fees .....	3,786.22	12,588.73	6,350.00	1,350.00	5,000.00
D	Office Supplies, Printing, Postage and Stationery .....	11,526.26	12,868.81	13,020.00	6,020.00	7,000.00
E	Traveling Expenses .....	51,994.25	73,390.15	71,263.00	29,263.00	42,000.00
F	Telephone and Telegraph .....	15,172.80	18,716.39	19,645.00	9,645.00	10,000.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		29,728.15	30,024.00	14,024.00	16,000.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	33,485.29	25,028.30	37,126.00	17,126.00	20,000.00
H	Miscellaneous Supplies .....	39,332.36	33,618.14	104,717.00	44,717.00	60,000.00
I	Repairs .....	24,038.81	62,554.60	18,888.00	6,888.00	12,000.00
J	Newspaper Advertising and Notices .....	156.50	60.77	206.00	6.00	200.00
K	Light, Heat, Power and Water .....	1,473.16	2,484.67	67.00	67.00	.....
L	Freight, Express, Cartage, Etc. ....	3,527.11	3,380.15	3,755.00	1,755.00	2,000.00
M	Rents .....	4,392.55	5,369.18	200.00	.....	200.00
N	Food and Forage .....	19,869.12	8,119.78	.....	.....	.....
O	Insurance, Surety and Fidelity Bonds ..	.....	233.03	.....	.....	.....
P-1	Equipment—Office .....	1,564.20	1,896.59	183.00	183.00	.....
P-2	Equipment—Motor, Passenger Cars .....	16,342.76	23,763.33	.....	.....	.....
P-3	Equipment—Motor, Other than Passenger Cars .....	2,700.13	71,685.09	.....	.....	.....
P-4	Equipment—Miscellaneous .....	32,777.15	47,434.97	686.00	686.00	.....
S	Buildings and Construction .....	126,234.75	36,854.70	18,219.00	2,719.00	15,500.00
U	Subsidies and Indemnities .....	129,837.98	125,039.52	6,404.00	2,904.00	3,500.00
V	Fixed Charges, Debt Interest, and Sink- ing Fund .....	.....	.....	135,298.00	65,298.00	70,000.00
	Reserve .....	.....	.....	125,415.00	.....	125,415.00
TOTAL EXPENDITURES .....		\$ 1,307,549.41	\$ 1,731,915.66	\$ 1,814,000.00	\$ 791,035.00	\$ 1,022,965.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	\$	16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
State Appropriation—Salary of the Secretary						
State Appropriation—Salaries and General Ex- penses .....	1,175,030.00	1,575,000.00	.....	.....	.....	.....
State Appropriation—Annual Fixed Charges— State Forest Land .....	115,970.00	115,970.00	1,974,000.00	781,035.00	1,012,965.00	
State Appropriation—Cook Forest Park—Main- tenance .....		25,000.00	.....	.....	.....	.....
State Appropriation—Credits—1925-27 .....	1,941.31	.....	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....		\$ 1,308,941.31	\$ 1,731,970.00	\$ 1,814,000.00	\$ 791,035.00	\$ 1,022,965.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$ 1,267,430.04	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Expended from State Appropriation during 1927-29 .....	40,119.37	1,668,522.22	.....	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	63,393.44	1,814,000.00	791,035.00	1,022,965.00	
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 1,307,549.41	\$ 1,731,915.66	\$ 1,814,000.00	\$ 791,035.00	\$ 1,022,965.00
BALANCE—						
State Appropriation, Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 1,391.90	.....	.....	.....	.....	.....
State Appropriation to Lapse .....	.....	54.34	.....	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF FORESTS AND WATERS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PURCHASE OF STATE FOREST LAND						
A-1	Salaries—\$3,000 and Over .....		\$ 7,500.05	\$ 23,363.00	\$ 7,783.00	\$ 15,580.00
A-2	Salaries—Less than \$3,000 .....		3,201.70	40,575.00	19,735.00	20,840.00
B	Wages .....		21,729.27	53,524.00	29,890.00	23,634.00
C	Fees .....	No	27,193.85	44,750.00	19,750.00	25,000.00
D	Office Supplies, Printing, Postage and Stationery .....	appropriations				
E	Traveling Expenses .....	during	804.05	1,501.00	801.00	700.00
F	Telephone and Telegraph .....	this	7,102.48	18,768.00	9,588.00	9,200.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	period	99.65	320.00	120.00	200.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		33.41	78.00	3.00	75.00
H	Miscellaneous Supplies .....		104.06	134.00	9.00	125.00
I	Repairs .....		35.50	6.00	6.00	
L	Freight, Express, Cartage, Etc. ....		1.09	1.00	1.00	
M	Rents .....		22.00			
N	Food and Forage .....		296.25			
P-1	Equipment—Office .....		100.23			
P-4	Equipment—Miscellaneous .....		306.78			
T	Land .....		1,071,469.63	815,500.00	190,108.00	625,392.00
	Reserve .....			1,480.00		1,480.00
TOTAL EXPENDITURES .....			\$ 1,140,000.00	\$ 1,000,000.00	\$ 277,774.00	\$ 722,226.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation—Purchase of State Forest Land .....			\$ 500,000.00	\$ 1,000,000.00	\$ 277,774.00	\$ 722,226.00
State Appropriation—Purchase of Land—Cook Forest Park .....		No	450,000.00			
State Appropriation—Credit—1927-29 .....		appropriations	200,000.00			
TOTAL AVAILABLE FUNDS .....		during				
		this				
		period	\$ 1,150,000.00	\$ 1,000,000.00	\$ 277,774.00	\$ 722,226.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....		No	\$ 1,107,035.12			
Expended from State Appropriation during 1929-31 .....		appropriations	32,964.88	\$ 1,000,000.00	\$ 277,774.00	\$ 722,226.00
TOTAL EXPENDITURES (As Detailed Above) .....		during				
		this				
		period	\$ 1,140,000.00	\$ 1,000,000.00	\$ 277,774.00	\$ 722,226.00
BALANCE—						
State Appropriation to Continue .....			\$ 10,000.00			

## DEPARTMENT OF FORESTS AND WATERS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
CONTROL OF FOREST FIRES						
B	Wages .....	\$ 202,460.17	\$ 128,556.50	\$ 200,000.00	\$ 80,160.00	\$ 119,840.00
P-4	Equipment—Miscellaneous .....		15.00			
CONTROL OF FOREST FIRES—INJURY TO FIRE FIGHTERS						
U	Subsidies .....	4,165.00				
TOTAL EXPENDITURES .....		\$ 206,625.17	\$ 128,571.50	\$ 200,000.00	\$ 80,160.00	\$ 119,840.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Control of Forest Fires	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 80,160.00	\$ 119,840.00
State Appropriation—Control of Forest Fires— Deficiency	100,000.00				
State Appropriation—Control of Forest Fires— Injury to Fire Fighters	6,000.00				
State Appropriation—Credits—1925-27	795.43				
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 306,795.43	\$ 200,000.00	\$ 200,000.00	\$ 80,160.00	\$ 119,840.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1923-25					
Expended from State Appropriation during 1925-27	\$ 204,835.42				
Expended from State Appropriation during 1927-29	1,789.75	\$ 125,642.62			
Expended from State Appropriation during 1929-31		2,928.88	\$ 200,000.00	\$ 80,160.00	\$ 119,840.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 206,625.17	\$ 128,571.50	\$ 200,000.00	\$ 80,160.00	\$ 119,840.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929	\$ 100,170.26				
State Appropriation to Lapse		\$ 71,428.50			

ANNUAL FIXED CHARGES—FEDERAL AND  
STATE FOREST LAND

V Fixed Charges, Debt Interest, and Sink- ing Fund .....			\$ 25,000.00	\$ 14,890.00	\$ 10,110.00
<b>TOTAL EXPENDITURES</b> .....			\$ 25,000.00	\$ 14,890.00	\$ 10,110.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Annual Fixed Charges— Federal and State Forest Land .....	No appropriation during this period	\$ 25,000.00	\$ 14,890.00	\$ 10,110.00
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 25,000.00	\$ 14,890.00	\$ 10,110.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1929-31 .....	No appropriation during this period	\$ 25,000.00	\$ 14,890.00	\$ 10,110.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....		\$ 25,000.00	\$ 14,890.00	\$ 10,110.00



## APPENDIX TO THE

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
WATER AND POWER RESOURCES BOARD—						
	SALARY OF ENGINEER MEMBER .....	\$ 4,850.00	\$ 4,675.00	\$ 6,000.00	\$ 2,500.00	\$ 3,500.00
WATER AND POWER RESOURCES BOARD—SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	59,231.75	73,587.32	87,467.00	43,472.00	43,995.00
A-2	Salaries—Less than \$3,000 .....	39,364.69	45,154.28	51,043.00	23,758.00	27,285.00
B	Wages .....	9,432.60	11,937.15	15,372.00	6,122.00	9,250.00
C	Fees .....		1,187.40	25,533.00	6,732.00	18,801.00
D	Office Supplies, Printing, Postage and Stationery .....	1,204.45	2,232.74	1,816.00	1,216.00	600.00
E	Traveling Expense .....	7,337.49	8,313.45	9,313.00	4,493.00	4,820.00
F	Telephone and Telegraph .....	329.88	473.84	374.00	159.00	215.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	1,326.10	5,338.17	4,321.00	2,421.00	1,900.00
H	Miscellaneous Supplies .....	209.45	38.69			
I	Repairs .....	337.05	186.32			
J	Newspaper Advertising and Notices ....	84.90	51.60	134.00	69.00	65.00
L	Freight, Express, Cartage, Etc. ....	37.20	76.83	50.00	20.00	30.00
M	Rents .....	292.00	860.00			
P-1	Equipment—Office .....	293.44	220.26			
P-2	Equipment—Motor, Passenger Cars .....	2,890.58	2,310.60			
P-3	Equipment—Motor, Other than Passen- Cars .....	1,361.79				
P-4	Equipment—Miscellaneous .....		2,764.08			
S	Buildings and Construction .....	1,100.00	9,656.47	6,819.00	6,819.00	
U	Subsidies and Indemnities .....	4,347.10	4,957.17			
V	Fixed Charges, Debt Interest, and Sink- ing Fund .....			6,078.00	6,078.00	
TOTAL EXPENDITURES .....		\$ 134,018.47	\$ 174,021.76	\$ 214,320.00	\$ 103,859.00	\$ 110,461.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—Salary of Engineer Member .....	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 2,500.00	\$ 3,500.00
	State Appropriation—Salaries and General Expenses .....	125,000.00	165,000.00	208,320.00	101,359.00	106,961.00
	State Appropriation—Annual Fixed Charges—Flood Land .....	5,274.00	5,120.00			
	State Appropriation—Credits 1925-27 .....	2.98				
	TOTAL AVAILABLE FUNDS.....	\$ 136,276.98	\$ 176,120.00	\$ 214,320.00	\$ 103,859.00	\$ 110,461.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 129,740.19				
	Expended from State Appropriation during 1927-29 .....	4,278.28	\$ 168,498.84			
	Expended from State Appropriation during 1929-31 .....		5,522.92	\$ 214,320.00	\$ 103,859.00	\$ 110,461.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 134,018.47	\$ 174,021.76	\$ 214,320.00	\$ 103,859.00	\$ 110,461.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 2,258.51				
	State Appropriation to Lapse .....		\$ 2,098.24			

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures		
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931	
REPAIRS TO MATAMORAS DYKE							
J	Newspaper Advertising and Notices.....	\$	20.83	.....	.....	.....	
S	Buildings and Construction .....		2,640.09	.....	.....	.....	
	Total Repairs to Matamoras Dyke .....	\$	2,660.92	\$	5,000.00	\$	5,000.00
REPAIRS TO LAUREL DAM							
B	Wages .....	\$	634.16	.....	.....	.....	
H	Miscellaneous Supplies .....		18.25	.....	.....	.....	
E	Traveling Expenses .....		15.60	.....	.....	.....	
J	Newspaper Advertising and Notices ...		119.10	.....	.....	.....	
S	Buildings and Construction .....		9,117.10	.....	.....	.....	
	Total Repairs to Laurel Dam .....	\$	9,904.21	.....	.....	.....	
LOCK HAVEN FLOODS							
A-1	Salaries—\$3,000 and Over .....	\$	1,650.00	.....	.....	.....	
A-2	Salaries—Less than \$3,000 .....		1,010.00	.....	.....	.....	
E	Wages .....		286.30	.....	.....	.....	
E	Traveling Expenses .....		516.43	.....	.....	.....	
H	Miscellaneous Supplies .....		6.83	.....	.....	.....	
L	Freight, Express and Cartage .....		3.22	.....	.....	.....	
P-1	Equipment—Miscellaneous .....		2.25	.....	.....	.....	
	Total Lock Haven Floods .....	\$	3,475.53	.....	.....	.....	
	TOTAL EXPENDITURES .....	\$	16,040.66	\$	5,000.00	\$	5,000.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Repairs to Matamoras Dyke .....	\$ 1,000.00	.....	\$ 5,000.00	.....	\$ 5,000.00
State Appropriation—Repairs to Matamoras Dyke—Reappropriation .....	1,963.77	.....	.....	.....	.....
State Appropriation—Repairs to Laurel Dam..	10,000.00	.....	.....	.....	.....
State Appropriation—Lock Haven Floods .....	2,500.00	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$ 16,463.77	.....	\$ 5,000.00	.....	\$ 5,000.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 15,444.40	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	567.00	.....	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	29.26	.....	\$ 5,000.00	.....	\$ 5,000.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 16,040.66	.....	\$ 5,000.00	.....	\$ 5,000.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 423.11	.....	.....	.....	.....
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## APPENDIX TO THE

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PYMATUNING PROJECT—MAINTENANCE AND IMPROVEMENTS						
A-1	Salaries—\$3,000 and Over .....			\$ 14,995.00	\$ 7,075.00	\$ 7,920.00
A-2	Salaries—Less than \$3,000 .....			2,132.00	932.00	1,200.00
B	Wages .....			226.00	91.00	135.00
C	Fees .....			27.00	2.00	25.00
D	Office Supplies, Printing, Postage and Stationery .....			12.00	2.00	10.00
E	Traveling Expenses .....			906.00	166.00	740.00
F	Telephone and Telegraph .....	No appropriation during these periods		86.00	16.00	70.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			555.00	230.00	325.00
J	Newspaper Advertising and Notices .....			65.00		65.00
L	Freight, Express and Cartage .....			30.00		30.00
S	Buildings and Construction .....			177,616.00		177,616.00
	Reserve .....			1,650.00		1,650.00
Total .....				\$ 198,300.00	\$ 8,514.00	\$ 189,786.00
PYMATUNING PROJECT—PURCHASE OF LAND						
A-1	Salaries—\$3,000 and Over .....	No appropriation	\$ 12,283.34	\$ 5,750.00	\$ 5,250.00	\$ 500.00
C	Fees .....	during this	3,897.29	8,006.00	2,006.00	6,000.00
E	Traveling Expenses .....	period	205.45			
F	Telephone and Telegraph .....		19.00			
T	Land .....		328,344.92	286,244.00	55,300.00	230,944.00
Total .....			\$ 344,750.00	\$ 300,000.00	\$ 62,556.00	\$ 237,444.00
TOTAL EXPENDITURES .....			\$ 344,750.00	\$ 498,300.00	\$ 71,070.00	\$ 427,230.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation—Pymatuning Project — Maintenance and Improvements .....				\$ 198,300.00	\$ 8,514.00	\$ 189,786.00
State Appropriation—Pymatuning Project — Purchase of Land .....			\$ 350,000.00	300,000.00	62,556.00	237,444.00
TOTAL AVAILABLE FUNDS .....			\$ 350,000.00	\$ 498,300.00	\$ 71,070.00	\$ 427,230.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....			\$ 315,606.08			
Expended from State Appropriation during 1929-31 .....			29,143.92	\$ 498,300.00	\$ 71,070.00	\$ 427,230.00
TOTAL EXPENDITURES (As Detailed Above) .....			\$ 344,750.00	\$ 498,300.00	\$ 71,070.00	\$ 427,230.00
BALANCE—						
State Appropriation to Continue .....			\$ 5,250.00			

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures		
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931	
DELAWARE RIVER TRI-STATE TREATY COM- MISSION							
A-1	Salaries—\$3,000 and Over .....	\$	6,338.80				
D	Office Supplies, Printing, Postage and Stationery .....		114.30	No expendi- ture during this period			
E	Traveling Expenses .....		782.07				
F	Telephone and Telegraph .....		5.00				
	Reserve .....			\$	10,000.00	\$	10,000.00
TOTAL EXPENDITURES .....		\$	7,240.17	\$	10,000.00	\$	10,000.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Delaware River Tri-State Treaty Commission .....	\$ 15,000.00	\$ 5,000.00	\$ 10,000.00	.....	\$ 10,000.00
State Appropriation—Credits—1925-27 .....	10.75	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$ 15,010.75	\$ 5,000.00	\$ 10,000.00	.....	\$ 10,000.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 7,240.17	.....	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	.....	\$ 10,000.00	.....	\$ 10,000.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 7,240.17	.....	\$ 10,000.00	.....	\$ 10,000.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 7,770.58	.....	.....	.....	.....
State Appropriation to Lapse .....	.....	\$ 5,000.00	.....	.....	.....

## LAKE ERIE AND OHIO RIVER CANAL BOARD

A1	Salaries—\$3,000 and Over .....	\$ 1,442.26	.....	.....	.....	.....
A-2	Salaries—Less than \$3,000 .....					
B	Wages .....	178.80	\$ 25.90	\$ 426.00	\$ 26.00	\$ 400.00
C	Fees .....	1,905.00	1,982.40	2,090.00	740.00	1,350.00
D	Office Supplies, Printing, Postage and Stationery .....	21.39	5.00	78.00	3.00	75.00
E	Traveling Expense .....	1,035.78	124.17	691.00	116.00	575.00
F	Telephone and Telegraph .....	127.18	101.29	152.00	52.00	100.00
H	Miscellaneous Supplies .....	119.43	5.60	.....	.....	.....
M	Rents .....	36.00	.....	.....	.....	.....
	Reserve .....	.....	.....	1,563.00	.....	1,563.00
	TOTAL EXPENDITURES .....	\$ 4,865.84	\$ 2,244.36	\$ 5,000.00	\$ 937.00	\$ 4,063.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Lake Erie and Ohio River Canal Board .....	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 937.00	\$ 4,063.00
State Appropriation—Credits—1925-1927 .....	3.65	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$ 5,003.65	\$ 5,000.00	\$ 5,000.00	\$ 937.00	\$ 4,063.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 4,865.84	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	.....	\$ 2,244.36	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	.....	\$ 5,000.00	\$ 937.00	\$ 4,063.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 4,865.84	\$ 2,244.36	\$ 5,000.00	\$ 937.00	\$ 4,063.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 137.81	.....	.....	.....	.....
State Appropriation to Lapse .....	.....	\$ 2,755.64	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
WASHINGTON CROSSING PARK COMMISSION						
A-2	Salaries—Less than \$3,000 .....	\$ 4,848.99	\$ 5,200.21	\$ 6,817.00	\$ 3,217.00	\$ 3,600.00
B	Wages .....	29,725.78	35,906.34	65,275.00	29,775.00	35,500.00
C	Fees .....	1,396.07	477.51	9,127.00	2,127.00	7,000.00
D	Office Supplies, Printing Postage and Stationery .....	56.72	97.69	213.00	63.00	150.00
E	Traveling Expense .....	157.69	177.88	343.00	98.00	245.00
F	Telephone and Telegraph .....		2.92	10.00		10.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	816.36	1,452.14	1,834.00	634.00	1,200.00
H	Miscellaneous Supplies .....		2,279.21	22,059.00	9,653.00	12,406.00
I	Repairs .....	12,056.71	37,686.88	3,075.00	1,875.00	1,200.00
J	Newspaper Advertising and Notices .....		66.69	40.00		40.00
K	Light, Heat, Power and Water .....	183.12	735.74	2,260.00	760.00	1,500.00
L	Freight, Express, Cartage, Etc. ....	21.31	8.48	23.00	3.00	20.00
M	Rents .....		96.00			
O	Insurance, Surety and Fidelity Bonds...		50.00	100.00	25.00	75.00
P-1	Equipment—Office .....	218.38	35.90	235.00	135.00	100.00
P-3	Equipment—Motor, Other than Passenger Cars .....	2,731.89	1,940.00			
P-4	Equipment—Miscellaneous .....	5,703.77	3,826.19	3,709.00	1,209.00	2,500.00
S	Buildings and Construction .....		9,959.02	5,380.00	2,830.00	2,500.00
T	Land .....	72,040.09				
Total .....		\$ 129,956.88	\$ 99,998.80	\$ 120,500.00	\$ 52,454.00	\$ 68,046.00
WASHINGTON CROSSING PARK COMMISSION— CLAIMS						
				\$ 200.00	\$ 200.00	
WASHINGTON CROSSING PARK COMMISSION —CONDEMNED LANDS						
C	Fees .....		\$ 1,038.95			
T	Land .....		23,951.05			
Total .....			\$ 24,990.00			
TOTAL EXPENDITURES .....		\$ 129,956.88	\$ 124,988.80	\$ 120,700.00	\$ 52,654.00	\$ 68,046.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation—Washington Crossing Park Commission—Maintenance .....		\$ 120,000.00	\$ 100,000.00	\$ 120,500.00	\$ 52,454.00	\$ 68,046.00
State Appropriation—Washington Crossing Park Commission—Deficiency .....		10,000.00				
State Appropriation—Washington Crossing Park Commission—Condemned Land .....			25,000.00			
State Appropriation—Washington Crossing Park Commission—Claims .....				200.00	200.00	
TOTAL AVAILABLE FUNDS .....		\$ 130,000.00	\$ 125,000.00	\$ 120,700.00	\$ 52,654.00	\$ 68,046.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1923-25 .....		\$ 1,674.38				
Expended from State Appropriation during 1925-27 .....		124,446.26				
Expended from State Appropriation during 1927-29 .....		3,836.24	\$ 117,869.74			
Expended from State Appropriation during 1929-31 .....			7,119.06	\$ 120,700.00	\$ 52,654.00	\$ 68,046.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 129,956.88	\$ 124,988.80	\$ 120,700.00	\$ 52,654.00	\$ 68,046.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A, 1927, or Act 402, 1929 .....		\$ 43.12				
State Appropriation to Lapse .....			\$ 11.20			

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
VALLEY FORGE PARK COMMISSION						
A-2	Salaries—Less than \$3,000 .....	\$ 19,125.22	\$ 23,610.53	\$32,420.00	\$ 14,420.00	\$ 18,000.00
B	Wages .....	108,216.10	43,670.44	75,280.00	27,280.00	48,000.00
C	Fees .....	560.00	1,307.70	3,465.00	465.00	3,000.00
D	Office Supplies, Printing, Postage and Stationery .....	446.50	642.50	1,375.00	375.00	1,000.00
E	Traveling Expense .....	875.58	990.68	1,120.00	270.00	850.00
F	Telephone and Telegraph .....	343.15	841.09	1,008.00	408.00	600.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		915.50	834.00	334.00	500.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	2,742.37	3,358.84	3,758.00	1,558.00	2,200.00
H	Miscellaneous Supplies .....	3,206.92	2,013.79	21,779.00	3,253.00	18,526.00
I	Repairs .....	74,957.07	6,180.18	3,207.00	207.00	3,000.00
J	Newspaper Advertising and Notices .....	83.85	6.00	150.00		150.00
K	Light, Heat, Power and Water .....	705.79	2,322.88	3,618.00	1,518.00	2,100.00
L	Freight, Express, Cartage, Etc. ....	329.85	57.82	348.00	48.00	300.00
M	Rents .....	2.25	50.00	50.00		50.00
N	Food and Forage .....	1,279.18	1,101.28	676.00	276.00	400.00
P-1	Equipment—Office .....	596.82	83.82	554.00	54.00	500.00
P-2	Equipment—Motor, Passenger Cars .....	300.00				
P-3	Equipment—Motor, Other than Passen- ger Cars .....	3,856.40	931.44			
P-4	Equipment—Miscellaneous .....	10,773.95	1,911.49	10,258.00	3,258.00	7,000.00
S	Buildings and Construction .....	7,628.47		35,000.00		35,000.00
T	Land .....	11,349.65				
TOTAL EXPENDITURES .....		\$ 247,379.12	\$ 89,995.98	\$ 194,900.00	\$ 53,724.00	\$ 141,176.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Valley Forge Park Com- mission .....	\$ 150,000.00	\$ 90,000.00	\$ 194,900.00	\$ 53,724.00	\$ 141,176.00
State Appropriation—Valley Forge Park Com- mission—Roads .....	100,000.00				
State Appropriation—Credits—1925-27 .....	222.62				
TOTAL AVAILABLE FUNDS .....	\$ 250,222.62	\$ 90,000.00	\$ 194,900.00	\$ 53,724.00	\$ 141,176.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 236,239.57				
Expended from State Appropriation during 1927-29 .....	9,139.55	\$ 87,216.28			
Expended from State Appropriation during 1929-31 .....		2,779.70	\$ 194,900.00	\$ 53,724.00	\$ 141,176.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 247,379.12	\$ 89,995.98	\$ 194,900.00	\$ 53,724.00	\$ 141,176.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 2,843.50				
State Appropriation to Lapse .....		\$ 4.02			



## APPENDIX TO THE

## DEPARTMENT OF FORESTS AND WATERS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PENNSYLVANIA STATE PARK AND HARBOR COMMISSION						
A-1	Salaries—\$3,000 and Over .....		6,832.25	7,200.00	3,600.00	3,600.00
A-2	Salaries—Less than \$3,000 .....	\$ 7,336.00	18,322.43	17,834.00	9,110.00	8,724.00
B	Wages .....	245.90	19,279.68	47,354.00	27,099.00	20,255.00
C	Fees .....		11.00	20.00		20.00
D	Office Supplies, Printing, Postage and Stationery .....	25.75	98.44	198.00	98.00	100.00
E	Traveling Expense .....		193.64	2,039.00	489.00	1,550.00
F	Telephone and Telegraph .....		6.86	170.00	43.00	127.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	274.80	2,049.77	3,084.00	1,544.00	1,540.00
H	Miscellaneous Supplies .....	86.51	649.36	3,378.00	2,128.00	1,250.00
I	Repairs .....	1,170.76	1,142.55	520.00	120.00	400.00
K	Light, Heat, Power and Water .....		260.75	396.00	96.00	300.00
L	Freight, Express, Cartage, Etc. ....	4.00	68.43	156.00	6.00	150.00
M	Rents .....	225.50	940.00	32.00	22.00	10.00
N	Food and Forage .....	377.50	667.75	984.00	504.00	480.00
O	Insurance, Surety and Fidelity Bonds ...		17.63			
P-1	Equipment—Office .....	48.03		230.00		230.00
P-3	Equipment—Motor, Other than Passen- ger Cars .....		690.00			
P-4	Equipment—Miscellaneous .....		1,346.51	1,531.00	831.00	700.00
S	Buildings and Construction .....	70,205.16	75,900.46	160,374.00	159,374.00	1,000.00
U	Subsidies and Indemnities .....		1,500.00			
TOTAL .....		\$ 79,999.91	\$ 129,977.51	\$ 245,500.00	\$ 205,064.00	\$ 40,436.00
PENNSYLVANIA STATE PARK AND HARBOR COMMISSION—REPAIRS						
B	Wages .....	No appropriation during these periods		8,139.00	8,139.00	
H	Miscellaneous Supplies .....			3,759.00	3,759.00	
I	Repairs .....			12,500.00		12,500.00
	Reserve .....			602.00		602.00
TOTAL .....				\$ 25,000.00	\$ 11,898.00	\$ 13,102.00
TOTAL EXPENDITURES .....		\$ 79,999.91	\$ 129,977.51	\$ 270,500.00	\$ 216,962.00	\$ 53,538.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation—Pennsylvania State Park and Harbor Commission .....						
		\$ 75,000.00	\$ 50,000.00	\$ 245,500.00	\$ 205,064.00	\$ 40,436.00
State Appropriation—Pennsylvania State Park and Harbor Commission—Retaining Walls and Jetties .....						
		25,000.00	80,000.00			
State Appropriation—Pennsylvania State Park and Harbor Commission—Repairs .....						
				25,000.00	11,898.00	13,102.00
State Appropriation—Credits—1925-1927 .....						
		5,000.00				
TOTAL AVAILABLE FUNDS .....		\$ 105,000.00	\$ 130,000.00	\$ 270,500.00	\$ 216,962.00	\$ 53,538.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....						
		\$ 79,999.91				
Expended from State Appropriation during 1927-29 .....						
			\$ 129,165.00			
Expended from State Appropriation during 1929-31 .....						
			812.51	\$ 270,500.00	\$ 216,962.00	\$ 53,538.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 79,999.91	\$ 129,977.51	\$ 270,500.00	\$ 216,962.00	\$ 53,538.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....						
		\$ 25,000.00				
State Appropriation to Lapse .....						
			22.49			

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
BUSHY RUN BATTLEFIELD COMMISSION						
C	Fees .....		\$ 603.70			
E	Traveling Expense .....		40.23			
T	Land .....		11,822.08	\$ 15,000.00	\$ 15,000.00	
TOTAL EXPENDITURES .....			\$ 12,466.01	\$ 15,000.00	\$ 15,000.00	

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Bushy Run Battlefield Commission .....						
			\$ 25,000.00	\$ 15,000.00	\$ 15,000.00	
	TOTAL AVAILABLE FUNDS .....		\$ 25,000.00	\$ 15,000.00	\$ 15,000.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....						
Expended from State Appropriation during 1929-31 .....						
		No Appropriation during this period	\$ 8,561.05			
			3,904.06	\$ 15,000.00	\$ 15,000.00	
	TOTAL EXPENDITURES (As Detailed Above) .....		\$ 12,466.01	\$ 15,000.00	\$ 15,000.00	
BALANCE—						
State Appropriation to Continue .....						
			\$ 12,533.99			

## CONRAD WEISER MEMORIAL PARK

B	Wages .....		\$ 3,763.08			
H	Miscellaneous Supplies .....	No Appropriation during this period	2,537.15	No Appropriation during this period		
I	Repairs .....		1,437.05			
L	Freight, Express, Cartage, Etc. ....		18.60			
P-4	Equipment—Miscellaneous .....		24.37			
S	Building and Construction .....		12,215.76			
	TOTAL EXPENDITURES .....		\$ 19,996.01			

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Conrad Weiser Memorial Park .....						
			\$ 20,000.00			
	TOTAL AVAILABLE FUNDS .....		\$ 20,000.00			
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....						
			\$ 19,996.01			
	TOTAL EXPENDITURES (As Detailed Above) .....		\$ 19,996.01			
BALANCE—						
State Appropriation to Lapse .....						
			\$ 3.99			



## APPENDIX TO THE

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures .. 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
FORT WASHINGTON PARK						
T	Land .....		\$ 24,860.00	\$ 41,750.00	\$ 41,750.00	.....
V	Fixed Charges, Debt Interest, and Sink- inf Fund .....	\$ 5,010.00		5,059.00	5,059.00	.....
	Reserve .....			191.00		\$ 191.00
TOTAL EXPENDITURES .....		\$ 5,010.00	\$ 24,860.00	\$ 47,000.00	\$ 46,809.00	\$ 191.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—Fort Washington Park— Interest .....	\$ 5,010.00				
	State Appropriation—Fort Washington Park— Mortgage .....		\$ 41,750.00	\$ 47,000.00	\$ 46,809.00	\$ 191.00
	State Appropriation—Fort Washington Park— Land Purchase .....		300,000.00			
TOTAL AVAILABLE FUNDS .....		\$ 5,010.00	\$ 341,750.00	\$ 47,000.00	\$ 46,809.00	\$ 191.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 3,757.50				
	Expended from State Appropriation during 1927-29 .....	1,252.50	\$ 24,860.00			
	Expended from State Appropriation during 1929-31 .....			\$ 47,000.00	\$ 46,809.00	\$ 191.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 5,010.00	\$ 24,860.00	\$ 47,000.00	\$ 46,809.00	\$ 191.00
BALANCE—						
	State Appropriation to Lapse .....		\$ 41,750.00			
	State Appropriation to Continue .....		275,140.00			

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures						
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931					
GENERAL FOREST PURPOSES PAID FROM CONTRIBUTIONS, FEDERAL AID AND TELEPHONE RENTALS											
A-2	Salaries—Less than \$3,000 .....	\$	1,380.00								
B	Wages .....		45,990.41	\$	61,206.28						
C	Fees .....				16.50						
D	Office Supplies, Printing, Postage and Stationery .....		11.40		3.90						
E	Traveling Expense .....		12,565.06		2,338.94						
F	Telephone and Telegraph .....		881.19		631.83						
G-1	Motor Supplies and Repairs—Passenger Cars .....		87.39		96.82						
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....				71.30						
H	Miscellaneous Supplies .....		696.66		1,878.00						
I	Repairs .....		48.25		1,718.56						
K	Light, Heat, Power and Water .....				10.60						
L	Freight, Express, Cartage, Etc. ....		755.79		16.97						
M	Rents .....		4.00		229.00						
N	Food and Forage .....				61.21						
P-4	Equipment—Miscellaneous .....		9,959.64		1,550.64						
S	Buildings and Construction .....				11,601.45						
T	Land .....				29.77						
U	Subsidies and Indemnities .....				163.09						
	Other Items .....		273.44								
TOTAL EXPENDITURES .....		\$	72,653.23	\$	88,624.86	\$	26,785.00	\$	21,527.00*	\$	5,258.00

The Fiscal Code of 1929 set up Special Funds for the Federal Aids for Protection of Forests and Forest Nurseries. \$21,-526.81 credit to these functions on June 1, 1929, was transferred to the Special Funds. The untransferred balance represents various contributions to Forestry Purposes remaining on credit in the General Fund.

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balance from Prior Period .....	\$ 13,608.45	\$ 6,416.58	\$ 24,771.00	\$ 24,771.00	\$ 4,258.00	
State Appropriation—Credits 1925-1927 .....	66,696.78					
State Appropriation—Credits 1927-1929 .....		108,037.73				
State Appropriation—Credits 1929-1930 .....			\$ 2,014.00	\$ 1,014.00	\$ 1,000.00	
TOTAL AVAILABLE FUNDS .....	\$ 80,305.23	\$ 114,454.31	\$ 26,785.00	\$ 25,785.00	\$ 5,258.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$ 72,653.23					
Expended from State Appropriation during 1927-29 .....		\$ 88,624.86				
Expended from State Appropriation during 1929-31 .....			\$ 26,785.00	\$ 21,527.00*	\$ 5,258.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 72,653.23	\$ 88,624.86	\$ 26,785.00	\$ 21,527.00*	\$ 5,258.00	
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 1,235.42					
State Appropriation to Lapse .....		\$ 1,058.67				
State Appropriation to Continue (Balances Transferred) .....	6,416.58	24,770.78		\$ 4,258.00		

\* Includes \$21,526.81 transferred to Special Funds.



## APPENDIX TO THE

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
GENERAL FOREST PURPOSES PAID FROM CONTRIBUTIONS, FEDERAL AID AND TELEPHONE RENTALS						
	Voluntary Contributions .....	\$ 70,881.37				
	Federal Contributions—Protection .....		\$ 77,280.52	\$ 21,526.00	\$ 21,526.00	
	Telephone Rentals .....	1,177.86				
	Voluntary Contributions—Protection .....		116.21	136.00		\$ 136.00
	Voluntary Contributions—General .....			1.00		1.00
	Federal Aid—Nurseries .....		11,198.56	1.00	1.00	
	Miss Keen—Purchase of Land .....		29.77	175.00		175.00
	Federal Aid to National Forests .....			4,946.00		4,946.00
	TOTAL EXPENDITURES .....	\$ 72,653.23	\$ 88,614.86	\$ 26,785.00	\$ 21,527.00	\$ 5,258.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUND—

## Balances from Prior Period:

Voluntary Contributions .....	\$ 12,576.84					
Federal Contributions—Protection .....		\$ 5,211.35	\$ 21,526.00	\$ 21,526.00		
Telephone Rentals .....	1,031.61					
Voluntary Contributions—Protection .....		1,204.23	134.00	134.00	\$ 136.00	
Voluntary Contributions—General .....		1.00	1.00	1.00	1.00	
Federal Aid—Nurseries .....			1.00	1.00		
Miss Keen—Purchase of Land .....			175.00	175.00		175.00
Federal Aid to National Forests .....			2,934.00	2,934.00		3,946.00
Total Balances from Prior Periods .....	\$ 13,608.45	\$ 6,416.58	\$ 24,771.00	\$ 24,771.00	\$ 4,258.00	

## Receipts:

Voluntary Contributions .....	\$ 64,721.11					
Federal Contributions—Protection .....		\$ 93,594.71				
Telephone Rentals .....	1,975.67					
Voluntary Contributions—Protection .....		104.50	\$ 2.00	\$ 2.00		
Federal Aid—Nurseries .....		(a) 11,199.83				
Miss Keen—Purchase of Land .....		(b) 204.80				
Federal Aid to National Forests .....		2,933.89	2,012.00	1,012.00	1,000.00	
Total Receipts .....	\$ 66,696.78	\$ 108,037.73	\$ 2,014.00	\$ 1,014.00	\$ 1,000.00	

TOTAL AVAILABLE FUNDS .....

\$ 80,305.23 \$ 114,454.31 \$ 26,785.00 \$ 25,785.00 \$ 5,258.00

LESS EXPENDITURES—(As Detailed Above) ....

\$ 72,653.23 \$ 88,624.86 \$ 26,785.00 \$ 21,527.00 \$ 5,258.00

## BALANCES—

Voluntary Contributions .....	\$ (c) 6,416.58					
Federal Contributions—Protection .....		\$ 21,525.54				
Telephone Rentals .....	1,235.42					
Voluntary Contributions—Protection .....		** 1,192.72		136.00		
Voluntary Contributions—General .....		1.00		1.00		
Federal Aid—Nurseries .....		1.27				
Miss Keen—Purchase of Land .....		175.03		175.00		
Federal Aid to National Forests .....		2,933.89		3,946.00		
TOTAL .....	\$ 7,652.00	\$ 25,829.45*		\$ 4,258.00		

\* \$24,770.78 of this amount transferred to 1929-1931.

\*\* Includes \$1,058.67 lapsed.

(a) Includes \$3,655.42 transferred from Operations Fund.

(b) Transferred from Operations Fund.

(c) Transferred to 1927-29.

## DEPARTMENT OF FORESTS AND WATERS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PYMATUNING PROJECT—MAINTENANCE PAID FROM RECEIPTS OF SALE OF LAND, ETC.						
A-1	Salaries—\$3,000 and Over .....	\$	8,040.00	.....	.....	.....
B	Wages .....		53.80	.....	.....	.....
E	Traveling Expense .....		1,484.45	.....	.....	.....
F	Telephone and Telegraph .....		111.65	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....		91.91	.....	.....	.....
H	Miscellaneous Supplies .....		5.65	.....	.....	.....
I	Repairs .....		6.75	.....	.....	.....
J	Newspaper Advertising and Notices .....		9.90	.....	.....	.....
M	Rents .....		65.08	.....	.....	.....
P-1	Equipment—Office .....		2.15	.....	.....	.....
P-2	Equipment—Motor, Passenger Cars .....		944.00	.....	.....	.....
P-4	Equipment—Miscellaneous .....		1.25	.....	.....	.....
T	Land .....		7,179.62	.....	.....	.....
	Other Items .....		14.68	.....	.....	.....
TOTAL EXPENDITURES .....		\$	18,010.89	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	Balance from Prior Period .....	\$ 8,285.33	.....	.....	.....	.....
	State Appropriation—Credits 1925-27 .....	13,157.00	.....	.....	.....	.....
	TOTAL AVAILABLE FUNDS .....	21,442.33	.....	.....	.....	.....
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	18,010.89	.....	.....	.....	.....
	TOTAL EXPENDITURES (As Detailed Above) .....	18,010.89	.....	.....	.....	.....
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 3,431.44	.....	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF HEALTH

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
	Salary of the Secretary .....	\$ 19,999.68	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	Salaries and General Expenses .....	4,775,631.03	4,902,128.39	3,677,374.00	1,738,445.00	1,938,929.00
	State Hospital for Crippled Children—Construction .....	249,469.72	341,046.96	.....	.....	.....
	Sanitary Water Board .....	99,620.41	147,899.54	186,000.00	87,642.00	98,358.00
	<b>TOTAL EXPENDITURES .....</b>	<b>\$ 5,144,720.84</b>	<b>\$ 5,411,074.89</b>	<b>\$ 3,883,374.00</b>	<b>\$ 1,836,387.00</b>	<b>\$ 2,047,287.00</b>
<b>EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—</b>						
D-1	Office Supplies .....	\$ 25,952.71	\$ 16,331.14		\$ 10,153.00	
D-2	Printing and Binding .....	49,044.41	43,982.59		17,190.00	
F	Telephone, Telegraph and Leased Office Devices .....	7,000.29	8,414.22		7,230.00	
H	Miscellaneous Supplies .....	(1)	(1)		218,482.00	
I	Repairs .....	(1)	(1)		4,782.00	
K	Light, Heat, Power and Water .....	64.82	37.61	\$ 1,799,390.00	70,175.00	\$ 910,538.00
M	Rents .....	3,582.00	9,291.94		17,125.00	
N	Food and Forage .....	(2)	(2)		403,672.00	
O	Insurance, Surety and Fidelity Bonds ..	268.35	372.30		6,790.00	
P-1	Equipment—Office .....	(1)	16,198.60		11,130.00	
P-2	Equipment—Motor, Passenger Cars ....	(2)	(2)		26,465.00	
P-3	Equipment—Motor, All Other .....				14,153.00	
P-4	Equipment—Miscellaneous .....	(1)	(3)		81,505.00	
	<b>TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....</b>	<b>\$ 85,912.58</b>	<b>\$ 94,628.40</b>	<b>\$ 1,799,390.00</b>	<b>\$ 888,852.00</b>	<b>\$ 910,538.00</b>
<b>EXPENDED BY LABOR AND INDUSTRY—</b>						
	Compensation for Injured State Employees ...	\$ 914.04	\$ 1,028.39	\$ (4)1,669.00	\$ (4)755.00	\$ (4)914.00
	<b>GRAND TOTAL EXPENDITURES .....</b>	<b>\$ 5,231,547.46</b>	<b>\$ 5,506,731.68</b>	<b>\$ 5,684,433.00</b>	<b>\$ 2,725,694.00</b>	<b>\$ 2,958,739.00</b>

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocation and Expenditures by Labor and Industry)

<b>AVAILABLE FUNDS—</b>						
	State Appropriation—Salary of the Secretary .....	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	State Appropriation—Salaries and General Ex- penses .....	4,500,000.00	4,750,000.00	3,665,000.00	1,726,071.00	1,938,929.00
	State Appropriation—State Hospital for Crip- pled Children—Construction .....	250,000.00	350,000.00	.....	.....	.....
	State Appropriation—Sanitary Water Board ..	100,000.00	150,000.00	186,000.00	87,642.00	98,358.00
	State Appropriation—Credits 1925-27 .....	279,073.34	.....	.....	.....	.....
	State Appropriation—Credits 1927-29 .....	.....	161,294.89	.....	.....	.....
	Balance Transferred from Prior Biennium ....	.....	3,207.43	12,374.00	12,374.00	.....
	<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$ 5,149,073.34</b>	<b>\$ 5,434,502.32</b>	<b>\$ 3,883,374.00</b>	<b>\$ 1,836,087.00</b>	<b>\$ 2,047,287.00</b>
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1925-27 .....	\$ 4,870,614.60	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	263,412.60	\$ 5,183,270.23	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	10,693.55	222,804.66	\$ 3,883,374.00	\$ 1,836,087.00	\$ 2,047,287.00
	<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$ 5,144,720.84</b>	<b>\$ 5,411,074.89</b>	<b>\$ 3,883,374.00</b>	<b>\$ 1,836,087.00</b>	<b>\$ 2,047,287.00</b>
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 614.79	.....	.....	.....	.....
	State Appropriation to Continue .....	530.28	\$ 8,953.04	.....	.....	.....
	State Appropriation Transferred—Sheppard— Townner .....	3,207.43	12,373.93	.....	.....	.....
	State Appropriation to Lapse .....	.....	2,100.46	.....	.....	.....

Notes: (1) Included with Office Supplies these periods.  
 (2) No Allocation these periods.  
 (3) Included with Office Equipment this period.  
 (4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O. These amounts represent payments on old liabilities.

## DEPARTMENT OF HEALTH (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SECRETARY .....		\$ 19,999.68	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
SALARIES AND GENERAL EXPENSES						
A-1 Salaries—\$3,000 and Over .....		351,899.70	391,274.75	434,962.00	216,917.00	218,045.00
A-1 Salaries—Less than \$3,000 .....		2,072,045.25	2,158,452.87	2,324,393.00	1,102,762.00	1,221,631.00
B Wages .....		246,242.63	235,657.94	244,820.00	117,610.00	127,210.00
C Fees .....		280,546.57	320,626.19	275,638.00	132,618.00	143,020.00
D Office Supplies, Printing, Postage and Stationery .....		52,566.30	62,235.58	55,423.00	30,273.00	25,150.00
E Traveling Expense .....		192,521.69	166,809.05	155,590.00	75,590.00	80,000.00
F Telephone and Telegraph .....		12,206.34	11,181.99	7,857.00	3,857.00	4,000.00
G-1 Motor Supplies and Repairs—Passenger Cars .....		101,861.75	77,761.65	59,092.00	32,148.00	26,944.00
G-2 Motor Supplies and Repairs—All other than Passenger Cars .....			14,829.22	8,475.00	4,475.00	4,000.00
H Miscellaneous Supplies .....		414,350.13	392,360.04	31.00	31.00	
I Repairs .....		24,563.04	14,490.67			
J Newspaper Advertising and Notices .....		433.39	891.45	746.00	246.00	500.00
K Light, Heat, Power and Water .....		154,633.34	97,057.21			
L Freight, Express, Cartage, Etc. ....		7,299.81	58,156.92	3,798.00	1,798.00	2,000.00
M Rents .....		15,466.41	20,536.76	85.00	85.00	
N Food and Forage .....		763,001.12	803,447.50			
O Insurance, Surety and Fidelity Bonds ..				35.00	35.00	
P-1 Equipment—Office .....		4,824.08	492.93			
P-2 Equipment—Motor, Passenger Cars ..		48,795.79	33,037.92			
P-3 Equipment—Motor, other than Passenger Cars .....		8,856.46	12,699.00			
P-4 Equipment—Miscellaneous .....		21,667.50	30,128.67			
S Buildings and Construction .....		849.73				
T Land .....		1,000.00				
Advance Requisitions .....					20,000.00	**20,000.00
Reserve .....				106,429.00		106,429.00
TOTAL EXPENDITURES .....		\$ 4,795,630.71	\$ 4,922,128.39	\$ 3,697,374.00	\$ 1,748,445.00	\$ 1,948,929.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Salary of the Secretary ..	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
State Appropriation—Salaries and General Expenses .....	4,500,000.00	4,750,000.00	3,665,000.00	1,726,071.00	1,938,929.00
State Appropriation—Credits—Sheppard— Towner .....	187,834.43	156,432.97			
State Appropriation—Credits—1925-1927 .....	91,004.88				
State Appropriation—Credits—1927-1929 .....		4,861.92			
Balance Transferred from Prior Bienniums ..		3,207.43	12,374.00	12,374.00	
TOTAL AVAILABLE FUNDS .....	\$ 4,798,839.31	\$ 4,934,502.32	\$ 3,697,374.00	\$ 1,748,445.00	\$ 1,948,929.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 4,652,308.61				
Expended from State Appropriation during 1927-29 .....	143,322.10	\$ 4,809,343.18			
Expended from State Appropriation during 1929-31 .....		112,785.21	\$ 3,697,374.00	\$ 1,748,445.00	\$ 1,948,929.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 4,795,630.71	\$ 4,922,128.39	\$ 3,697,374.00	\$ 1,748,445.00	\$ 1,948,929.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 1.17				
State Appropriation—Transferred—Sheppard— Towner .....	3,207.43	\$ 12,373.93			

\*\* Indicates Deduction.



## APPENDIX TO THE

## DEPARTMENT OF HEALTH (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
STATE HOSPITAL FOR CRIPPLED CHILDREN— CONSTRUCTION						
B	Wages .....	\$ 22,467.77	\$ 23,290.75	.....	.....	.....
C	Fees .....	54.73	11,678.85	.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....	.....	13.28	.....	.....	.....
E	Traveling Expense .....	1,283.39	813.80	.....	.....	.....
F	Telephone and Telegraph .....	87.45	305.30	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....	185.12	110.50	.....	.....	.....
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	.....	431.53	.....	.....	.....
H	Miscellaneous Supplies .....	5,939.19	3,001.39	.....	.....	.....
I	Repairs .....	538.07	425.53	.....	.....	.....
J	Newspaper Advertising and Notices .....	378.88	1,073.63	.....	.....	.....
K	Light, Heat, Power and Water .....	.....	1,237.21	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....	83.60	318.47	.....	.....	.....
M	Rents .....	267.50	367.00	.....	.....	.....
P-1	Equipment—Office .....	217.34	332.57	.....	.....	.....
P-3	Equipment—Motor, Other than Passenger Cars .....	611.27	.....	.....	.....	.....
P-4	Equipment—Miscellaneous .....	788.03	.....	.....	.....	.....
S	Buildings and Construction .....	146,067.38	297,647.15	.....	.....	.....
T	Land .....	70,500.00	.....	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 249,469.72	\$ 341,046.96	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—State Hospital for Crip- pled Children—Construction .....	\$	250,000.00	\$	350,000.00	Appropriation for construction amount- ing to \$110,000.00 made to Department of Property and Supplies this period.	
<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$</b>	<b>250,000.00</b>	<b>\$</b>	<b>350,000.00</b>	.....	.....
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$	131,318.67	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	.....	107,457.50	\$	241,437.42	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	10,693.55	.....	99,609.54	.....	.....
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$</b>	<b>249,469.72</b>	<b>\$</b>	<b>341,046.96</b>	.....	.....
<b>BALANCE—</b>						
State Appropriation to Continue .....	\$	530.28	\$	8,953.04	.....	.....

## DEPARTMENT OF HEALTH (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SANITARY WATER BOARD						
A-1	Salaries—\$3,000 and Over .....	\$ 74,338.23	\$ 27,839.68	\$ 35,040.00	\$ 16,040.00	\$ 19,000.00
A-2	Salaries—Less than \$3,000 .....		50,629.78	85,495.00	41,995.00	43,500.00
B	Wages .....	354.01	11,283.29	1,514.00	714.00	800.00
C	Fees .....		833.75	123.00	23.00	100.00
D	Office Supplies, Printing, Postage and Stationery .....	1,011.23	4,400.78	.....	.....	.....
E	Traveling Expenses .....	4,307.77	22,487.89	51,260.00	24,729.00	26,531.00
F	Telephone and Telegraph .....		3.40	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....	195.22	3,617.70	5,350.00	3,280.00	2,070.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		2,560.03	1,861.00	861.00	1,000.00
H	Miscellaneous Supplies .....	4,088.77	6,853.41			
I	Repairs .....	491.82	57.60			
J	Newspaper Advertising and Notices .....	14.22				
K	Light, Heat, Power and Water .....		62.92			
L	Freight, Express, Cartage, Etc. ....	11.35	32.57			
M	Rents .....		722.36			
P-1	Equipment—Office .....	338.86	2,001.92			
P-2	Equipment—Motor, Passenger Cars .....		6,686.99			
P-3	Equipment—Motor, Other than Passen- ger Cars .....	10,450.96	7,458.90			
P-4	Equipment—Miscellaneous .....	3,808.62	366.57			
	Other Items .....	209.35				
	Reserve .....			5,357.00		5,357.00
TOTAL EXPENDITURES .....		\$ 99,620.41	\$ 147,899.54	\$ 186,000.00	\$ 87,642.00	\$ 98,358.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Sanitary Water Board ..	\$ 100,000.00	\$ 150,000.00	\$ 186,000.00	\$ 87,642.00	\$ 98,358.00	
State Appropriation—Credits—1925-1927 .....	234.03					
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 100,234.03	\$ 150,000.00	\$ 186,000.00	\$ 87,642.00	\$ 98,358.00	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$ 86,987.41					
Expended from State Appropriation during 1927-29 .....	12,633.00	\$ 137,489.63				
Expended from State Appropriation during 1929-31 .....		10,409.91	\$ 186,000.00	\$ 87,642.00	\$ 98,358.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 99,620.41	\$ 147,899.54	\$ 186,000.00	\$ 87,642.00	\$ 98,358.00	
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 613.62					
State Appropriation to Lapse .....		\$ 2,100.46				



## APPENDIX TO THE

## DEPARTMENT OF HIGHWAYS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
Salary of the Secretary .....		\$ 8,225.81	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
Interstate Bridges .....		19,323.00	15,652.00	.....	.....	.....
County Bridges Destroyed .....		60,000.00	.....	.....	.....	.....
Reimbursement of Motor Fund for Construction of North Office Building .....		.....	.....	3,000,000.00	2,882,212.00	117,788.00
<b>TOTAL EXPENDITURES</b> .....		<b>\$ 87,548.81</b>	<b>\$ 39,652.00</b>	<b>\$ 3,024,000.00</b>	<b>\$ 2,894,212.00</b>	<b>\$ 129,788.00</b>
<b>EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—</b>						
K Light, Heat, Power and Water .....		\$ 10,325.35	\$ 68.78	.....	.....	.....
O Insurance, Surety and Fidelity Bonds ...		646.33	1,513.63	.....	.....	.....
P-3 Equipment—Motors, All Others .....		.....	.....	\$ 82.00	\$ 82.00	.....
<b>TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS</b> .....		<b>\$ 10,971.68</b>	<b>\$ 1,582.41</b>	<b>\$ 82.00</b>	<b>\$ 82.00</b>	<b>.....</b>
<b>EXPENDED BY LABOR AND INDUSTRY—</b>						
Compensation for Injured State Employees ....		\$ 101,211.52	\$ 122,144.74	\$ (4) 80,396.00	\$ (4) 41,998.00	\$ (4) 38,398.00
<b>GRAND TOTAL EXPENDITURES</b> .....		<b>\$ 199,732.01</b>	<b>\$ 163,379.15</b>	<b>\$ 3,104,478.00</b>	<b>\$ 2,936,292.00</b>	<b>\$ 168,186.00</b>
<b>SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES</b> (Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						
<b>AVAILABLE FUNDS—</b>						
State Appropriation .....		\$ 103,323.00	\$ 39,652.00	\$ 3,024,000.00	\$ 2,894,212.00	\$ 129,788.00
<b>TOTAL AVAILABLE FUNDS</b> .....		<b>\$ 103,323.00</b>	<b>\$ 39,652.00</b>	<b>\$ 3,024,000.00</b>	<b>\$ 2,894,212.00</b>	<b>\$ 129,788.00</b>
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....		\$ 77,609.27	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....		\$ 9,939.54	\$ 39,652.00	.....	.....	.....
Expended from State Appropriation during 1929-31 .....		.....	.....	\$ 3,024,000.00	\$ 2,894,212.00	\$ 129,788.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....		<b>\$ 87,548.81</b>	<b>\$ 39,652.00</b>	<b>\$ 3,024,000.00</b>	<b>\$ 2,894,212.00</b>	<b>\$ 129,788.00</b>
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....		\$ 15,774.19	.....	.....	.....	.....

Note: (4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. These amounts represent payments on old liabilities.

## INSURANCE DEPARTMENT

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE COMMISSIONER .....	\$	15,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
SALARIES AND GENERAL EXPENSES						
EXPENDED FROM DEPARTMENTAL APPROPRIATIONS FOR—						
A-1 Salaries—\$3,000 and Over .....		202,143.33	183,097.38	194,046.00	93,846.00	100,200.00
A-2 Salaries—Less than \$3,000 .....			197,059.16	243,749.00	118,749.00	125,000.00
B Wages .....		10,885.35	3,991.24	1,882.00	682.00	1,200.00
C Fees .....			11,276.91	2,648.00	248.00	2,400.00
D Office Supplies, Printing, Postage and Stationery .....		17,181.64	20,181.84	13,243.00	6,043.00	7,200.00
E Traveling Expenses .....		18,965.02	47,192.97	76,367.00	34,367.00	42,000.00
F Telephone and Telegraph .....		518.45	2,137.39	1,968.00	568.00	1,400.00
G-1 Motor Supplies and Repairs—Passenger Cars .....		51.57	2,744.46	4,859.00	2,059.00	2,800.00
H Miscellaneous Supplies .....		665.71	681.89			
I Repairs .....		248.92	995.87			
J Newspaper Advertising and Notices .....			510.50	2,792.00	292.00	2,500.00
L Freight, Express and Cartage .....		166.92	243.57	518.00	18.00	500.00
M Rents .....			29,314.69			
N Food and Forage .....		1,918.84				
P-1 Equipment—Office .....		12,963.02	10,093.94			
P-2 Equipment—Motor, Passenger Cars .....		3,016.40	2,752.50			
Other Items .....		281.44				
Reserve .....				57,928.00		57,928.00
TOTAL EXPENDITURES .....	\$	284,006.61*	\$ 532,274.31	\$ 620,000.00	\$ 266,872.00	\$ 353,128.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
D-1 Office Supplies .....	\$	526.12	\$ 5,605.04		\$ 1,800.00	
D-2 Printing and Binding .....		3,666.71	31,121.01		20,252.00	
F Telephone, Telegraph and Leased Office Devices .....		1,843.34	1,862.46		3,180.00	
H Miscellaneous Supplies .....		(1)	(1)		118.00	
I Repairs .....		(1)	(1)	\$ 99,619.00	130.00	\$ 53,098.00
M Rents .....		10,530.00	375.00		15,808.00	
O Insurance, Surety and Fidelity Bonds .....		108.50	250.00		267.00	
P-1 Equipment—Office .....		(1)	1,197.10		4,966.00	
P-4 Equipment—Miscellaneous .....		(1)	(3)			
TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$	16,674.67	\$ 40,410.61	\$ 99,619.00	\$ 46,521.00	\$ 53,098.00
EXPENDED BY LABOR AND INDUSTRY—						
Compensation for Injured State Employees ....				(4)	(4)	(4)
GRAND TOTAL EXPENDITURES .....	\$	300,681.28	\$ 572,684.92	\$ 719,619.00	\$ 313,393.00	\$ 406,226.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						
AVAILABLE FUNDS—						
State Appropriation—						
Salary of the Commissioner .....	\$		20,000.00	20,000.00	10,000.00	10,000.00
Salaries and General Expenses .....			680,000.00	600,000.00	256,872.00	343,128.00
TOTAL AVAILABLE FUNDS .....	\$		700,000.00	620,000.00	266,872.00	353,128.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....	\$		530,067.65			
Expended from State Appropriation during 1929-31 .....			2,206.66	620,000.00	266,872.00	353,128.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$		532,274.31	620,000.00	266,872.00	353,128.00
BALANCE—						
State Appropriation to Lapse .....	\$		167,725.69			

\* Shown here for comparison only. Expenditures this period were made from the Insurance Department Fund.

Notes: (1) Included with Office Supplies these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.



## APPENDIX TO THE

DEPARTMENT OF INTERNAL AFFAIRS  
SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS  
OF DATE OF EXPENDITURES  
GENERAL FUNDS

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salary of the Secretary .....	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 8,000.00	\$ 12,000.00
	Salary of the Deputy Secretary .....	10,000.00				
	Chief—Bureau of Standards .....	8,000.00				
	Chief—Draftsman and Surveyor .....	4,932.80				
	Clerks and Employees, Land Office, Executive and Bureau of Standards .....	84,228.82				
	Officials, Clerks and Employees—Bureau of Statistics and Information .....	49,957.50				
	Officials, Clerks and Employees—Bureau of Municipalities .....	37,309.96				
	Warrantee Maps .....	16,943.08	483,665.06	500,000.00	240,157.00	259,842.00
	Collection and Compilation of Tax Statistics .....	12,000.00				
	Draftsmen—Copying Surveys .....	21,308.06				
	Investment of Vacant and Unappropriated Land .....	187.11				
	Contingent Expenses—Bureau of Standards..	497.35				
	Departmental Contingent Expenses .....	20,000.00				
	Boundary Monuments and Surveys .....	9,504.05				
				No Appropriation these periods		
	TOTAL ADMINISTRATION .....	\$ 290,868.73	\$ 499,665.06	\$ 520,000.00	\$ 248,158.00	\$ 271,842.00
STATE AERONAUTICS COMMISSION						
	Salaries and General Expenses .....			\$ 162,400.00	\$ 41,224.00	\$ 121,176.00
TOPOGRAPHIC AND GEOLOGIC SURVEY						
	Salaries and General Expenses .....	*	\$ 134,209.34	\$ 146,800.00	\$ 60,754.00	\$ 86,046.00
	TOTAL EXPENDITURES .....	\$ 290,868.73	\$ 633,874.40	\$ 829,200.00	\$ 350,136.00	\$ 479,064.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
	D-1 Office Supplies .....	5,014.68	\$ 5,620.38		\$ 3,714.00	
	D-2 Printing and Binding .....	26,252.20	58,520.60		10,468.00	
	F Telephone, Telegraph and Leased Office Devices .....	5,434.97	5,561.62		3,003.00	
	H Miscellaneous Supplies .....	(1)	(1)		207.00	
	I Repairs .....	(1)	(1)		563.00	
	K Light, Heat, Power and Water .....			75,302.00	58.00	\$ 46,326.00
	M Rents .....				39.00	
	O Insurance, Surety and Fidelity Bonds ..	140.00	140.00		874.00	
	P-1 Equipment—Office .....	(1)	3,313.64		3,216.00	
	P-2 Equipment—Motor, Passenger cars .....	(2)	(2)		6,834.00	
	P-3 Equipment—Motor, All Other .....					
	P-4 Equipment—Miscellaneous .....	(1)	(3)			
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 36,841.85	\$ 73,156.24	\$ 75,302.00	\$ 28,976.00	\$ 46,325.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees....			(4)	(4)	(4)
	GRAND TOTAL EXPENDITURES .....	\$ 327,710.58	\$ 707,303.64	\$ 904,502.00	\$ 379,112.00	\$ 525,390.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES (Exclusive of Property and Supplies Allocation and Expenditures by Labor and Industry)						
AVAILABLE FUNDS—						
	State Appropriation .....	\$ 302,300.00	\$ 619,000.00	\$ 829,200.00	\$ 350,136.00	\$ 479,064.00
	State Appropriation—Deficiency .....		25,500.00			
	State Appropriation—Credits—1925-27 .....	104.16				
	TOTAL AVAILABLE FUNDS .....	\$ 302,300.00	\$ 619,000.00	\$ 829,200.00	\$ 350,136.00	\$ 479,064.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 289,558.52				
	Expended from State Appropriation during 1927-29 .....	1,310.21	\$ 609,250.61			
	Expended from State Appropriation during 1929-31 .....		24,623.79	\$ 829,200.00	\$ 350,136.00	\$ 479,064.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 290,868.73	\$ 633,874.40	\$ 829,200.00	\$ 350,136.00	\$ 479,064.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 11,535.43				
	State Appropriation to Lapse .....		9,834.94			
	State Appropriation to Continue .....		790.66			

\* Appropriation for this period made to the Department of Forests and Waters.

NOTES: (1) Included with Office Supplies these periods.

(2) No Allocation these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.

## DEPARTMENT OF INTERNAL AFFAIRS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
	SALARY OF THE SECRETARY .....	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 8,000.00	\$ 12,000.00
	SALARIES AND GENERAL EXPENSES					
A-1	Salaries—\$3,000 and Over .....	63,200.00	143,530.74	142,662.00	69,645.00	73,017.00
A-2	Salaries—Less than \$3,000 .....	178,692.97	270,229.18	293,398.00	141,804.00	151,594.00
B	Wages .....	14.00	175.25	253.00	177.00	76.00
C	Fees .....	11,175.20	14,773.46	11,223.00	5,223.00	6,000.00
D	Office Supplies, Printing, Postage and Stationery .....	2,384.20	7,336.84	9,656.00	4,656.00	5,000.00
E	Traveling Expense .....	9,281.14	35,707.74	35,972.00	15,972.00	20,000.00
F	Telephone and Telegraph .....	420.34	952.59	1,323.00	498.00	825.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	4,160.36	5,055.51	4,455.00	2,155.00	2,300.00
H	Miscellaneous Supplies .....	192.57	27.00			
I	Repairs .....		37.75			
J	Newspaper Advertising and Notices .....	40.30				
L	Freight, Express, Cartage, Etc. ....	26.52	59.91			
M	Rents .....	230.00	430.90	58.00	28.00	30.00
P-1	Equipment—Office .....		5,348.19			
P-2	Equipment—Motor, Passenger Cars ....	3,600.00				
P-4	Equipment—Miscellaneous .....	497.35				
	Other Items .....	953.78				
	Reserve .....			1,000.00		1,000.00
	TOTAL EXPENDITURES .....	\$ 290,868.73	\$ 499,665.06	\$ 520,000.00	\$ 248,158.00	\$ 271,842.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Salary of the Secretary..	\$	16,000.00	\$	16,000.00	\$	20,000.00
State Appropriation—Salaries and General Ex- penses .....		276,300.00		468,000.00		500,000.00
State Appropriation—Salaries and General Ex- penses—Deficiency .....				25,500.00		
State Appropriation — Boundary Monuments and Surveys .....		10,000.00				
State Appropriation—Credits—1925-27 .....		104.16				
TOTAL AVAILABLE FUNDS .....	\$	302,404.16	\$	509,500.00	\$	520,000.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	289,558.52				
Expended from State Appropriation during 1927-29 .....		1,310.21	\$	495,909.63		
Expended from State Appropriation during 1929-31 .....				3,755.43	\$	520,000.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$	290,868.73	\$	499,665.06	\$	520,000.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$	11,535.43				
State Appropriation to Lapse .....			\$	9,834.94		



## APPENDIX TO THE

## DEPARTMENT OF INTERNAL AFFAIRS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
STATE AERONAUTICS COMMISSION						
A-1	Salaries—\$3,000 and Over .....			\$ 54,075.00	\$ 25,313.00	\$ 28,762.00
A-2	Salaries—Less than \$3,000 .....			14,439.00	6,141.00	8,298.00
B	Wages .....			9,549.00	823.00	8,726.00
C	Fees .....			20.00	.....	20.00
E	Traveling Expense .....			18,289.00	8,139.00	10,150.00
F	Telephone and Telegraph .....			1,618.00	568.00	1,050.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		This Commission was Created in 1929	1,050.00	130.00	920.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			5,000.00	.....	5,000.00
H	Miscellaneous Supplies .....			7,410.00	110.00	7,300.00
I	Repairs .....			500.00	.....	500.00
J	Newspaper Advertising and Notices ....			100.00	.....	100.00
K	Light, Heat, Power and Water .....			11,000.00	.....	11,000.00
L	Freight, Express, Cartage, Etc. ....			400.00	.....	400.00
P-4	Equipment—Miscellaneous .....			24,900.00	.....	24,950.00
S	Buildings and Construction .....			14,000.00	.....	14,000.00
TOTAL EXPENDITURES .....				\$ 162,400.00	\$ 41,224.00	\$ 121,176.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—State Aeronautics Com- mission .....				\$ 162,400.00	\$ 41,224.00	\$ 121,176.00
TOTAL AVAILABLE FUNDS—				\$ 162,400.00	\$ 41,224.00	\$ 121,176.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1929-31 .....				\$ 162,400.00	\$ 41,224.00	\$ 121,176.00
TOTAL EXPENDITURES (As Detailed Above) .....				\$ 162,400.00	\$ 41,224.00	\$ 121,176.00

## DEPARTMENT OF INTERNAL AFFAIRS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
TOPOGRAPHIC AND GEOLOGIC SURVEY						
A-1	Salaries—\$3,000 and Over .....	\$ 74,269.50	\$ 31,966.44	\$ 40,300.00	\$ 16,000.00	\$ 24,300.00
A-2	Salaries—Less than \$3,000 .....		23,174.74	25,630.00	11,333.00	14,297.00
B	Wages .....	42,280.53	53,721.54	17,150.00	8,488.00	8,662.00
C	Fees .....		3,496.75	44,550.00	19,943.00	24,607.00
D	Office Supplies, Printing, Postage and Stationery .....	657.34	1,286.40	450.00	168.00	282.00
E	Traveling Expense .....	13,734.52	15,192.70	12,550.00	4,363.00	8,187.00
F	Telephone and Telegraph .....	13.73	8.97	50.00	17.00	33.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	579.62	2,057.98	1,070.00	421.00	649.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		264.05			
H	Miscellaneous Supplies .....	258.17	6.00			
I	Repairs .....	492.78	30.46			
L	Freight, Express, Cartage, Etc. ....	76.17	48.52	50.00	21.00	29.00
M	Rents .....	367.57	756.99			
P-1	Equipment—Office .....	252.36	88.00			
P-2	Equipment—Motor Passenger Cars ....	1,133.66	2,109.80			
P-4	Equipment—Miscellaneous .....	480.67				
	Other Items .....	656.59				
	Reserve .....			5,000.00		5,000.00
TOTAL EXPENDITURES .....		\$ 135,253.21*	\$ 134,209.34	\$ 146,800.00	\$ 60,754.00	\$ 86,046.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Topographic and Geo- logic Survey .....	\$ 135,000.00	\$ 146,800.00	\$ 60,754.00	\$ 86,046.00
TOTAL AVAILABLE FUNDS .....	\$ 135,000.00	\$ 146,800.00	\$ 60,754.00	\$ 86,046.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1927-1929 .....	\$ 113,340.98			
Expended from State Appropriation during 1929-31 .....	20,868.36	\$ 146,800.00	\$ 60,754.00	\$ 86,046.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 134,209.34	\$ 146,800.00	\$ 60,754.00	\$ 86,046.00

## BALANCE—

State Appropriation to Continue .....	\$ 790.66			
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\* Expenditures not applicable to Department of Internal Affairs. Shown here for comparison only. Appropriation this period made to Department of Forests and Waters.



## APPENDIX TO THE

## DEPARTMENT OF JUSTICE

SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE  
OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salary of the Attorney General .....	\$ 23,983.85	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
	Salaries and General Expenses .....	264,494.06	322,252.01	342,000.00	133,622.00	208,378.00
	Costs in Suits against Delinquent Dealers.....	.....	.....	8,000.00	812.00	7,188.00
	Total Administration .....	\$ 288,477.91	\$ 346,252.01	\$ 374,000.00	\$ 146,434.00	\$ 227,566.00
BOARD OF PARDONS						
	Salaries and General Expenses .....	\$ 2,456.27	\$ 781.51	\$ 1,000.00	\$ 241.00	\$ 759.00
	Parole Expenses .....	.....	.....	70,000.00	.....	70,000.00
	Total Board of Pardons .....	\$ 2,456.27	\$ 781.51	\$ 71,000.00	\$ 241.00	\$ 70,759.00
BOARD OF COMMISSIONERS ON UNIFORM STATE LAWS						
	Expenses .....	\$ 1,811.30	\$ 2,303.18	\$ 3,000.00	\$ 727.00	\$ 2,273.00
MISCELLANEOUS						
	Purchase of Emerson-Brantingham Building..	.....	.....	\$ 199,186.00	\$ 199,186.00	.....
	Refund—M. E. Weiss Dahl .....	.....	\$ 237.11	.....	.....	.....
	Total Miscellaneous .....	.....	\$ 237.11	\$ 199,186.00	\$ 199,186.00	.....
	TOTAL EXPENDITURES .....	\$ 292,745.48	\$ 349,573.81	\$ 647,186.00	\$ 346,588.00	\$ 300,598.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
	D-1 Office Supplies .....	\$ 3,880.19	\$ 3,052.77		\$ 1,354.00	
	D-2 Printing and Binding .....	14,007.07	8,939.98		3,097.00	
	F Telephone, Telegraph and Leased Office Devices .....	526.67	510.52		310.00	
	H Miscellaneous Supplies .....	(1)	(1)		47.00	
	I Repairs .....	(1)	(1)			
	M Rents .....	.....	.....	\$ 18,712.00	30.00	\$ 12,450.00
	O Insurance, Surety and Fidelity Bonds...	145.00	196.73		91.00	
	P-1 Equipment—Office .....	(1)	1,903.57		1,333.00	
	P-4 Equipment—Miscellaneous .....	(1)	(3)			
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 18,558.93	\$ 14,603.57	\$ 18,712.00	\$ 6,262.00	\$ 12,450.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees ....	.....	.....	(4)	(4)	(4)
	GRAND TOTAL EXPENDITURES .....	\$ 311,304.41	\$ 364,177.38	\$ 665,989.00	\$ 352,850.00	\$ 313,048.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

<b>AVAILABLE FUNDS—</b>						
	State Appropriation .....	\$ 292,300.00	\$ 427,737.11	\$ 648,000.00	\$ 346,588.00	\$ 301,412.00
	State Appropriation—Credits—1925-1927 .....	1,055.64	.....	.....	.....	.....
	<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 293,355.64	\$ 427,737.11	\$ 648,000.00	\$ 346,588.00	\$ 301,412.00
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1925-27 .....	\$ 289,379.04	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	3,366.44	\$ 340,693.88	\$ 199,161.00	\$ 199,161.00	.....
	Expended from State Appropriation during 1929-31 .....	.....	8,879.93	448,839.00	147,427.00	\$ 301,412.00
	<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 292,745.48	\$ 349,573.81	\$ 648,000.00	\$ 346,588.00	\$ 301,412.00
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 610.16	.....	.....	.....	.....
	State Appropriation to Lapse .....	.....	\$ 78,163.30	.....	.....	.....

NOTES: (1) Included with Office Supplies these periods.  
(3) Included with Office Equipment this period.  
(4) Compensation Insurance carried with State Work men's Insurance Fund these periods. Cost included in Item O.

## DEPARTMENT OF JUSTICE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE ATTORNEY GENERAL .....		\$ 23,983.85	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
SALARIES AND GENERAL EXPENSES—						
A-1	Salaries—\$3000 and Over .....	188,775.82	177,299.28	188,047.00	86,907.00	101,140.00
A-2	Salaries—Less than \$3,000 .....		80,450.93	45,854.00	21,854.00	24,000.00
B	Wages .....	51,057.58	1,467.50	1,441.00	441.00	1,000.00
C	Fees .....		27,157.14	58,905.00	14,905.00	42,000.00
D	Office Supplies, Printing, Postage and Stationery .....	2,275.89	3,110.28	2,718.00	708.00	2,010.00
E	Traveling Expense .....	16,023.07	23,787.96	27,700.00	6,700.00	21,000.00
F	Telephone and Telegraph .....	1,435.10	1,861.27	2,453.00	953.00	1,500.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	32.95	1,780.89	1,417.00	417.00	1,000.00
J	Newspaper Advertising and Notices .....		102.70	682.00	242.00	420.00
L	Freight, Express, Cartage, Etc. ....	8.36	1.57	30.00		30.00
M	Rents .....	10.00	240.00			
P-1	Equipment—Office .....	1,858.89	2,252.49	2,395.00	495.00	1,900.00
P-2	Equipment—Motor, Passenger Cars .....	3,016.40	2,740.00			
	Reserve .....			12,378.00		12,378.00
TOTAL EXPENDITURES .....		\$ 288,477.91	\$ 346,252.01	\$ 366,000.00	\$ 145,622.00	\$ 220,378.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation—Salary of the Attorney General .....		\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
State Appropriation—Salaries and General Ex- penses .....		263,500.00	400,000.00	342,000.00	133,622.00	208,378.00
State Appropriation—Credits—1925-27 .....		1,055.64				
TOTAL AVAILABLE FUNDS .....		\$ 288,555.64	\$ 424,000.00	\$ 366,000.00	\$ 145,622.00	\$ 220,378.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....		\$ 285,111.47				
Expended from State Appropriation during 1927-29 .....		3,366.44	\$ 337,776.81			
Expended from State Appropriation during 1929-31 .....			8,475.20	\$ 366,000.00	\$ 145,622.00	\$ 220,378.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 288,477.91	\$ 346,252.01	\$ 366,000.00	\$ 145,622.00	\$ 220,378.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....		\$ 77.73				
State Appropriation to Lapse .....			\$ 77,747.99			



## APPENDIX TO THE

## DEPARTMENT OF JUSTICE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures						
		1925-27	1927-29		Actual	Estimated					
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931					
BOARD OF PARDONS—SALARIES AND GENERAL EXPENSES											
A-1	Salaries—\$3,000 and Over .....	\$	1,770.81	.....	.....	.....					
A-2	Salaries—Less than \$3,000 .....			.....	.....	.....					
C	Fees .....		\$	160.00	.....	.....					
D	Office Supplies, Printing, Postage and Stationery .....				.....	.....					
E	Traveling Expense .....	200.00	250.00	\$	350.00	\$	150.00	\$	200.00		
F	Telephone and Telegraph .....	435.46	258.40		249.00		49.00		200.00		
L	Freight, Express, Cartage, Etc. ....		31.63		142.00		42.00		100.00		
P-1	Equipment—Office .....		3.80								
	Reserve .....	50.00	137.68								
					259.00				259.00		
TOTAL EXPENDITURES .....		\$	2,456.27	\$	781.51	\$	1,000.00	\$	241.00	\$	759.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation — Board of Pardons — Salaries and General Expenses .....						
		\$ 2,800.00	\$ 1,000.00	\$ 1,000.00	\$ 241.00	\$ 759.00
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 2,800.00	\$ 1,000.00	\$ 1,000.00	\$ 241.00	\$ 759.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....						
		\$ 2,456.27				
Expended from State Appropriation during 1927-29 .....						
		\$ 376.78				
Expended from State Appropriation during 1929-31 .....						
		404.73	\$ 1,000.00	\$ 241.00	\$ 759.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....		\$ 2,456.27	\$ 781.51	\$ 1,000.00	\$ 241.00	\$ 759.00
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act of 25-A 1927 or Act 402 1929 .....						
		\$ 343.73				
State Appropriation to Lapse .....						
		\$ 218.49				

## BOARD OF PARDONS—PAROLE EXPENSES

A-1	Salaries—\$3,000 and Over .....			\$ 8,640.00		\$ 8,640.00
A-2	Salaries—Less than \$3,000 .....			28,800.00		28,800.00
D	Office Supplies, Printing, Postage and Stationery .....			1,200.00		1,200.00
E	Traveling Expense .....			17,400.00		17,400.00
F	Telephone and Telegraph .....			1,200.00		1,200.00
J	Newspaper Advertising and Notices .....			100.00		100.00
	Reserve .....			12,660.00		12,660.00
<b>TOTAL EXPENDITURES</b> .....				\$ 70,000.00		\$ 70,000.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Board of Pardons—Parole Expenses .....						
				\$ 70,000.00		\$ 70,000.00
<b>TOTAL AVAILABLE FUNDS</b> .....				\$ 70,000.00		\$ 70,000.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1929-31 .....						
				\$ 70,000.00		\$ 70,000.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....				\$ 70,000.00		\$ 70,000.00

## DEPARTMENT OF JUSTICE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
BOARD OF COMMISSIONERS ON UNIFORM STATE LAWS						
E	Traveling Expense .....	\$ 1,111.30	\$ 1,603.18	\$ 1,522.00	\$ 377.00	\$ 1,145.00
U	Subsidies and Indemnities .....	700.00	700.00	700.00	350.00	350.00
	Reserve .....			778.00		778.00
TOTAL EXPENDITURES .....		\$ 1,811.30	\$ 2,303.18	\$ 3,000.00	\$ 727.00	\$ 2,273.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Board of Commissioners  
on Uniform State Laws .....

\$ 2,000.00 \$ 2,500.00 \$ 3,000.00 \$ 727.00 \$ 2,273.00

## TOTAL AVAILABLE FUNDS .....

\$ 2,000.00 \$ 2,500.00 \$ 3,000.00 \$ 727.00 \$ 2,273.00

## LESS EXPENDITURES—

Expended from State Appropriation during

1925-27 .....

\$ 1,811.30 .....

Expended from State Appropriation during

1927-29 .....

\$ 2,303.18 .....

Expended from State Appropriation during

1929-31 .....

\$ 3,000.00 \$ 727.00 \$ 2,273.00

## TOTAL EXPENDITURES (As Detailed

Above) .....

\$ 1,811.30 \$ 2,303.18 \$ 3,000.00 \$ 727.00 \$ 2,273.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A

1927 or Act 402 1929 .....

\$ 188.70 .....

State Appropriation to Lapse .....

\$ 196.82 .....

COSTS IN SUITS AGAINST DELINQUENT  
DEALERS—

C Fees .....

\$ 8,000.00 \$ 812.00 \$ 7,188.00

## REFUND—M. E. WEISS DAHL—

Z Refunds and Repayments of Receipts ..

\$ 237.11 .....

PURCHASE OF EMERSON-BRANTINGHAM  
BUILDING—

S Buildings and Construction .....

199,186.00 199,186.00 .....

## TOTAL EXPENDITURES .....

\$ 237.11 \$ 207,186.00 \$ 199,998.00 \$ 7,188.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Costs in Suits Against

Delinquent Dealers .....

\$ 8,000.00 \$ 812.00 \$ 7,188.00

State Appropriation—Refund—M. E. Weiss

Dahl .....

\$ 237.11 .....

State Appropriation—Purchase of Emerson-

Brantingham Building .....

200,000.00 199,186.00 814.00

## TOTAL AVAILABLE FUNDS .....

\$ 237.11 \$ 208,000.00 \$ 199,998.00 \$ 8,002.00

## LESS EXPENDITURES—

Expended from State Appropriation during

1927-29 .....

\$ 237.11 \$ 199,161.00 \$ 199,161.00

Expended from State Appropriation during

1929-31 .....

8,839.00 837.00 \$ 8,002.00

## TOTAL EXPENDITURES (As Detailed

Above) .....

\$ 237.11 \$ 208,000.00 \$ 199,998.00 \$ 8,002.00



## APPENDIX TO THE

## DEPARTMENT OF LABOR AND INDUSTRY

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
	SALARY OF THE SECRETARY .....	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	SALARIES AND GENERAL EXPENSES					
	EXPENDED FROM DEPARTMENTAL APPROPRIATION FOR—					
A-1	Salaries—\$3,000 and Over .....	396,953.71	524,450.92	591,327.00	295,027.00	293,500.00
A-2	Salaries—Less than \$3,000 .....	917,525.52	1,182,262.15	1,319,653.00	653,153.00	666,500.00
B	Wages .....	4,098.33	7,929.70	4,031.00	2,831.00	1,200.00
C	Fees .....	5,188.65	14,972.74	14,692.00	6,292.00	8,400.00
D	Office Supplies, Printing, Postage, and Stationery .....	32,132.83	45,115.15	46,498.00	21,498.00	25,000.00
E	Traveling Expenses .....	178,663.00	222,689.78	258,356.00	127,956.00	130,400.00
F	Telephone and Telegraph .....	3,602.19	5,296.96	8,046.00	3,446.00	4,600.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	13,706.96	27,548.17	47,297.00	20,797.00	26,500.00
H	Miscellaneous Supplies .....	6,613.49	1,946.98			
I	Repairs .....	1,219.50				
J	Newspaper Advertising and Notices .....	336.75	312.53	488.00	188.00	300.00
K	Light, Heat, Power and Water .....	3,863.51	3,936.83			
L	Freight, Express and Cartage .....	792.60	768.73	1,006.00	406.00	800.00
M	Rents .....	2,761.53	6,238.80			
P-1	Equipment—Office .....	904.61	108.19			
P-2	Equipment—Motor, Passenger Cars .....	13,028.90	19,131.47			
U	Subsidies and Indemnities .....		75,999.92	77,737.00	37,737.00	40,000.00
	Other Items .....	57,799.10				
	Reserve .....			30,649.00		30,649.00
	TOTAL EXPENDITURES .....	\$ 1,659,191.18	\$ 2,158,709.02	\$ 2,420,000.00	\$ 1,179,351.00	\$ 1,240,649.00
	EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—					
D-1	Office Supplies .....	\$ 38,977.56	\$ 31,514.33		\$ 17,586.00	
D-2	Printing and Binding .....	62,904.38	66,776.95		29,523.00	
F	Telephone, Telegraph and Leased Office Devices .....	16,786.43	18,215.26		12,318.00	
H	Miscellaneous Supplies .....	(1)	(1)		1,324.00	
I	Repairs .....	(1)	(1)		1,566.00	
K	Light, Heat, Power and Water .....	2,632.98	2,566.89	\$ 314,133.00	2,780.00	\$ 152,208.00
M	Rents .....	88,625.80	89,300.97		58,090.00	
N	Food and Forage .....	(2)	(2)		1.00	
O	Insurance, Surety and Fidelity Bonds ..	178.65	184.50		2,819.00	
P-1	Equipment—Office .....	(1)	20,552.83		12,906.00	
P-2	Equipment—Motor, Passenger Cars .....	(2)	(2)		22,990.00	
P-3	Equipment—Motor, All Other .....					
P-4	Equipment—Miscellaneous .....	(1)	(3)		22.00	
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 210,105.80	\$ 229,111.73	\$ 314,133.00	\$ 161,925.00	\$ 152,208.00
	EXPENDED BY LABOR AND INDUSTRY—					
	Compensation for Injured State Employees ....	\$ 1,036.54	\$ 1,336.59	\$ (4)2,978.00	\$ (4)949.00	\$ (4)2,029.00
	GRAND TOTAL EXPENDITURES .....	\$ 1,870,333.52	\$ 2,389,157.34	\$ 2,737,111.00	\$ 1,342,225.00	\$ 1,394,886.00

Notes: (1) Included with Office Supplies these periods.  
 (2) No Allocation these periods.  
 (3) Included with Office Equipment this period.  
 (4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O. These amounts represent payments on old liabilities.

## DEPARTMENT OF LABOR AND INDUSTRY (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies, Allocations and Expenditures by Labor and Industry)

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Salary of the Secretary ..	\$	20,000.00	\$	20,000.00	\$	20,000.00
State Appropriation—Salaries and General Expenses .....		1,525,000.00		2,080,000.00		2,293,000.00
State Appropriation—Salaries and General Expenses—Deficiency .....		30,000.00				
State Appropriation—Credits—Federal Aid—1925-27 .....		84,191.30				
State Appropriation—Credits—Federal Aid—1927-29 .....			58,714.52			
State Appropriation—Credits—Federal Aid—1929-31 .....				107,000.00		
<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$</b>	<b>1,659,191.30</b>	<b>\$</b>	<b>2,158,714.52</b>	<b>\$</b>	<b>2,420,000.00</b>
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$	1,650,632.06				
Expended from State Appropriation during 1927-29 .....		8,559.12	\$	2,158,707.94		
Expended from State Appropriation during 1929-31 .....				1.08	\$	2,420,000.00
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$</b>	<b>1,659,194.18</b>	<b>\$</b>	<b>2,158,709.02</b>	<b>\$</b>	<b>2,420,000.00</b>
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$	.12				
State Appropriation to Continue .....			\$	5.50		



## APPENDIX TO THE

## DEPARTMENT OF LABOR AND INDUSTRY (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
WORKMEN'S COMPENSATION TO INJURED STATE EMPLOYEES—						
	Department of the Auditor General	\$ 1,451.36		\$ 3,029.00	\$ 1,641.00	\$ 1,388.00
	Treasury Department	20.00				
	Department of Agriculture	9.00	\$ 234.13			
	Department of Forests and Waters	4,333.73	4,094.18	2,712.00	2,149.00	563.00
	Department of Health	914.04	1,028.39	1,669.00	755.00	914.00
	Department of Highways	101,211.52	122,144.74	80,396.00	41,998.00	38,398.00
	Department of Labor and Industry	1,036.54	1,336.59	2,978.00	949.00	2,029.00
	Department of Military Affairs	12,384.20	19,446.11	8,025.00	4,192.00	3,833.00
	Department of Property and Supplies	2,452.79	1,783.09	1,364.00	696.00	688.00
	Department of Public Instruction	25.00	13.00			
	Pennsylvania State Police	5,999.48	8,921.54	5,215.00	2,560.00	2,655.00
	Legislative	317.86				
	Commissions	1,485.81				
	State Workmen's Insurance Fund	44.00	1,129.58	1,168.00	500.00	668.00
	Board of Fish Commissioners		17.93			
	Board of Game Commissioners		1,630.43	3,444.00	930.00	2,514.00
	Total Charges ("U"—Subsidies)	\$ 131,685.33	\$ 161,779.71	\$ 110,000.00	\$ 56,370.00	\$ 53,630.00
A-1	Salaries—\$3,000 and Over	\$ 3,540.00	\$ 1,860.00			
A-2	Salaries—Less than \$3,000	3,370.00	1,360.00			
D	Office Supplies, Printing, Postage and Stationery		.50			
E	Traveling Expense	3,708.99				
F	Telephone and Telegraph		.98			
G-1	Motor Supplies and Repairs—Passenger Cars		15.40			
P-1	Equipment—Office		734.27			
P-2	Equipment—Motor, Passenger Cars		1,261.66			
	Total—Other Expenses	\$ 12,631.80	\$ 3,220.00			
	TOTAL EXPENDITURES	\$ 144,317.13	\$ 164,999.71	\$ 110,000.00	\$ 56,370.00	\$ 53,630.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
	State Appropriation—Workmen's Compensation to Injured State Employees .....	\$ 150,000.00	\$ 150,000.00	\$ 110,000.00	\$ 56,370.00	\$ 53,630.00
	State Appropriation—Workmen's Compensation to Injured State Employees—Deficiency .....	.....	15,000.00	.....	.....	.....
	State Appropriation—Credits—1925-27 .....	3,103.69	.....	.....	.....	.....
	<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$ 153,103.69</b>	<b>\$ 165,000.00</b>	<b>\$ 110,000.00</b>	<b>\$ 56,370.00</b>	<b>\$ 53,630.00</b>
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1925-27 .....	\$ 142,116.29	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	2,200.84	\$ 164,999.71	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	.....	.....	\$ 110,000.00	\$ 56,370.00	\$ 53,630.00
	<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$ 144,317.13</b>	<b>\$ 164,999.71</b>	<b>\$ 110,000.00</b>	<b>\$ 56,370.00</b>	<b>\$ 53,630.00</b>
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 8,786.56	.....	.....	.....	.....
	State Appropriation to Lapse .....	.....	29	.....	.....	.....

## DEPARTMENT OF MILITARY AFFAIRS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salary of the Adjutant General .....	\$ 16,000.00	\$ 16,000.00	\$ 19,983.00	\$ 9,983.00	\$ 10,000.00
	Salaries and General Expenses .....	265,971.22	207,698.36	421,017.00	193,849.00	227,168.00
	General Expenses .....	10,000.00	10,000.00			
	Riot, Insurrection, Repairs to Armories and Buildings Destroyed, etc. ....	19,292.75	31,298.02	200,000.00	.....	200,000.00
	Total Administration .....	\$ 311,263.97	\$ 364,996.38	\$ 641,000.00	\$ 203,832.00	\$ 437,168.00
NATIONAL GUARD						
	Salary of the Division Commander .....	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 8,000.00	\$ 8,000.00
	Support of the National Guard .....	800,000.00	832,624.51	675,000.00	311,370.00	363,630.00
	Support of the National Guard—Additional...	100,025.60	.....	.....	.....	.....
	Purchase of Military Stores .....	2,149.44	418.48	No Appropriation		
	Total National Guard .....	\$ 918,175.04	\$ 849,042.99	\$ 691,000.00	\$ 319,370.00	\$ 371,630.00
MILITARY RESERVATION AND ARSENAL						
	Land—Mt. Gretna .....	\$ 21,400.00	\$ 9,503.00			
	Improvements—Mt. Gretna .....	13,600.00	24,999.95	102,600.00	47,908.00	54,694.00
	Additional Repairs and Improvements—Mt. Gretna .....		43,358.28			
	Materials furnished for Rifle Ranges .....		.....	1,660.00	1,658.00	2.00
	Total Military Reservation and Arsenal...	\$ 35,000.00	\$ 77,861.23	\$ 104,260.00	\$ 49,564.00	\$ 54,696.00
MISCELLANEOUS						
	Marking Graves of Revolutionary Soldiers....	\$ 2,806.51	.....	\$ 10,000.00	.....	\$ 10,000.00
	Compilation of World War Records .....	16,749.24	28,373.67			
	Compilation of World War Records for Memorial Bridge .....		15,000.00	47,500.00	22,633.00	24,867.00
	Battle of Monmouth Memorial .....		2,079.68		No appropriation	
	Inauguration Expenses .....	3,826.57	12,304.09		No appropriation	
	Escort of Honor—France .....		.....	70,000.00	60,831.00	9,169.00
	Expenses of Dedicating Memorial Bridge .....		.....	15,000.00	.....	15,000.00
	Total Miscellaneous .....	\$ 23,382.32	\$ 57,757.44	\$ 142,500.00	\$ 83,464.00	\$ 59,036.00
STATE ARMORY BOARD						
	Salaries of Members .....	\$ 9,600.00	\$ 9,600.00	\$ 12,000.00	\$ 4,800.00	\$ 7,200.00
	Maintenance of Armories .....	324,225.00	424,791.28	520,000.00	223,026.00	296,974.00
	Maintenance of Armories—Additional .....		110,000.00			
	Erection and Construction of Armories .....		999,100.34	Appropriation of \$975,000 made to Supplies this period		Property and
	Total State Armory Board .....	\$ 333,825.00	\$ 1,543,491.62	\$ 532,000.00	\$ 227,826.00	\$ 304,174.00
STATE ATHLETIC COMMISSION						
	Salaries of Commissioners .....	This activity	\$ 30,000.00	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00
	Salary of the Secretary .....	supported by	6,000.00	105,000.00	43,800.00	61,200.00
	Salaries and General Expenses .....	Special Fund during this period	84,725.00			
	Total State Athletic Commission .....		\$ 120,725.52	\$ 135,000.00	\$ 58,800.00	\$ 76,200.00
STATE VETERANS COMMISSION						
	Expenses .....			\$ 20,000.00	\$ 237.00	\$ 19,763.00
SOLDIERS' AND SAILORS' HOME AT ERIE						
	Salaries, Maintenance and General Expenses..			\$ 315,000.00	\$ 129,381.00	\$ 185,619.00
RECEIPTS APPROPRIATED FOR SPECIAL PURPOSES						
	Purchase and Erection of Armories .....			\$ 39,500.00	.....	\$ 39,500.00
	TOTAL EXPENDITURES .....	\$ 1,621,646.33	\$ 3,013,875.18	\$ 2,620,260.00	\$ 1,072,474.00	\$ 1,547,786.00



## APPENDIX TO THE

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
EXPENDED FROM PROPERTY AND SUPPLIES						
ALLOCATIONS—						
D-1	Office Supplies .....	\$ 13,577.88	\$ 13,247.79		\$ 2,106.00	
D-2	Printing and Binding .....	11,266.09	12,558.37		6,643.00	
F	Telephone, Telegraph and Leased Office Devices .....	1,866.77	1 803.50		1,614.00	
H	Miscellaneous Supplies .....	(1)	(1)		2,722.00	
I	Repairs .....	(1)	(1)		112.00	
K	Light, Heat, Power and Water .....	3,821.17	4,371.76	\$ 147,586.00	3,942.00	\$ 85,553.00
M	Rents .....	100.00			20,318.00	
N	Food and Forage .....	(2)	(2)		9,422.00	
O	Insurance, Surety and Fidelity Bonds..	2,668.26	5,684.59		6,404.00	
P-1	Equipment—Office .....	(1)	4,469.03		3,167.00	
P-2	Equipment—Motor, Passenger Cars....				3,717.00	
P-3	Equipment—Motor, All Other .....	(2)	(2)		726.00	
P-4	Equipment—Miscellaneous .....	(1)	(3)		1,140.00	
TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS—.....		\$ 33,300.17	\$ 42,135.04	\$ 147,586.00	\$ 62,033.00	\$ 85,553.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees..	\$ 12,384.20	\$ 19,446.11	\$ (4) 8,025.00	\$ (4) 4,192.00	\$ (4) 3,833.00
GRAND TOTAL EXPENDITURES .....		\$ 1,667,330.70	\$ 3,075,456.33	\$ 2,775,871.00	\$ 1,138,699.00	\$ 1,637,172.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

## AVAILABLE FUNDS--

State Appropriation .....	\$ 1,825,725.00	\$ 3,155,862.97	\$ 2,580,760.00	\$ 1,072,474.00	\$ 1,508,286.00
State Appropriation—Additional 1927-29 .....		15,000.00			
State Appropriation—Deficiency .....		42,820.48			
State Appropriation—Credits—1925-27 .....	125.60				
State Appropriation—Credits—1929-31 .....			39,500.00	39,500.00	
Balance from prior Period .....					39,500.00
<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$ 1,825,850.00</b>	<b>\$ 3,213,683.45</b>	<b>\$ 2,620,260.00</b>	<b>\$ 1,111,974.00</b>	<b>\$ 1,547,786.00</b>

## LESS EXPENDITURES--

Expended from State Appropriation during 1925-27 .....	\$ 1,506,744.73				
Expended from State Appropriation during 1927-29 .....	114,130.09	\$ 2,794,971.59			
Expended from State Appropriation during 1929-31 .....	771.51	218,903.59	\$ 2,620,260.00	\$ 1,072,474.00	\$ 1,547,786.00
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$ 1,621,646.33</b>	<b>\$ 3,013,875.18</b>	<b>\$ 2,620,260.00</b>	<b>\$ 1,072,474.00</b>	<b>\$ 1,547,786.00</b>

## BALANCE--

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 204,204.27				
State Appropriation to Lapse .....		\$ 192,427.40			
State Appropriation to Continue .....		7,380.87			
State Appropriation to Continue (Balance Transferred) .....				\$ 39,500.00	

Notes: (1) Included with Office Supplies these periods.  
 (2) No allocation these periods.  
 (3) Included with Office Equipment this period.  
 (4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O. These amounts represent payments on old liabilities.

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
<b>SALARY OF THE ADJUTANT GENERAL .....</b>						
		\$ 16,000.00	\$ 16,000.00	\$ 19,983.00	\$ 9,983.00	\$ 10,000.00
<b>SALARIES AND GENERAL EXPENSES</b>						
A-1	Salaries—\$3,000 and Over .....	53,910.00	61,278.90	65,746.00	31,337.00	34,409.00
A-2	Salaries—Less than \$3,000 .....	212,061.22	207,084.75	247,544.00	120,644.00	126,900.00
B	Wages .....	895.00	275.00	4,517.00	399.00	4,118.00
C	Fees .....		39,334.71	17,148.00	16,748.00	400.00
D	Office Supplies, Printing, Postage and Stationery .....	3,255.63	3,191.22	3,183.00	1,383.00	1,800.00
E	Traveling Expenses .....	1,777.60	1,273.17	38,756.00	15,556.00	23,200.00
F	Telephone and Telegraph .....	800.47	1,092.99	3,392.00	1,392.00	2,000.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		2,491.92	6,648.00	2,148.00	4,500.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	1,985.16	605.26	6,751.00	1,426.00	5,325.00
H	Miscellaneous Supplies .....	751.21	866.74	68.00		68.00
I	Repairs .....	100.80		11,287.00	2,606.00	8,681.00
J	Newspaper Advertising and Notices .....		48.25			
L	Freight, Express, Cartage, Etc. ....	63.78	22.76	1,640.00	210.00	1,430.00
M	Rents .....	2.00	43.34			
P-1	Equipment—Office .....	8.50				
P-3	Equipment—Motor, Other than Passenger Cars .....	75.44				
P-4	Equipment—Miscellaneous .....	60.98	89.34	1,789.00		1,789.00
	Other Items .....	223.43				
	Reserve .....			12,548.00		12,548.00
<b>TOTAL EXPENDITURES .....</b>		<b>\$ 291,971.22</b>	<b>\$ 333,698.36</b>	<b>\$ 441,000.00</b>	<b>\$ 203,832.00</b>	<b>\$ 237,168.00</b>
<b>SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES</b>						
<b>AVAILABLE FUNDS—</b>						
	State Appropriation—Adjutant General's Salary .....	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 9,983.00	\$ 10,017.00
	State Appropriation—Salaries and General Expenses .....	268,600.00	273,200.00			
	State Appropriation—Salaries and General Expenses—Deficiency .....		34,398.36	421,000.00	193,849.00	227,151.00
	State Appropriation—General Expenses .....	10,000.00	10,000.00			
<b>TOTAL AVAILABLE FUNDS .....</b>		<b>\$ 294,600.00</b>	<b>\$ 333,698.36</b>	<b>\$ 441,000.00</b>	<b>\$ 203,832.00</b>	<b>\$ 237,168.00</b>
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1925-27 .....	\$ 291,636.66				
	Expended from State Appropriation during 1927-29 .....	334.56	\$ 328,475.49			
	Expended from State Appropriation during 1929-31 .....		5,222.87	\$ 441,000.00	\$ 203,832.00	\$ 237,168.00
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>		<b>\$ 291,971.22</b>	<b>\$ 333,698.36</b>	<b>\$ 441,000.00</b>	<b>\$ 203,832.00</b>	<b>\$ 237,168.00</b>
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 2,628.78				



## APPENDIX TO THE

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
RIOT AND INSURRECTION, REPAIRS TO ARMORIES AND BUILDINGS DESTROYED, ETC.—						
B	Wages .....	\$ 3,878.98	.....	.....	.....	.....
C	Fees .....	1,600.00	\$ 2,785.00	\$ 409.00	.....	\$ 409.00
E	Traveling Expense .....	4,102.94	.....	.....	.....	.....
F	Telephone and Telegraph .....	14.85	.....	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....	51.88	.....	.....	.....	.....
H	Miscellaneous Supplies .....	49.05	.....	.....	.....	.....
I	Repairs .....	4,903.16	27,779.35	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....	1,333.69	.....	.....	.....	.....
M	Rents .....	350.00	.....	.....	.....	.....
N	Food and Forage .....	2,525.20	.....	.....	.....	.....
P-4	Equipment—Miscellaneous .....	.....	733.67	100.00	.....	100.00
U	Subsidies and Indemnities .....	483.00	.....	.....	.....	.....
	Reserve .....	.....	.....	199,491.00	.....	199,491.00
TOTAL EXPENDITURES .....		\$ 19,292.75	\$ 31,298.02	\$ 200,000.00	.....	\$ 200,000.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation—Riot and Insurrection, Repairs to Armories and Buildings Destroyed, etc. ....						
		\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	.....	\$ 200,000.00
TOTAL AVAILABLE FUNDS .....		\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	.....	\$ 200,000.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....						
		\$ 17,494.00	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....						
		1,798.75	\$ 30,461.07	.....	.....	.....
Expended from State Appropriation during 1929-31 .....						
		.....	836.95	\$ 200,000.00	.....	\$ 200,000.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 19,292.75	\$ 31,298.02	\$ 200,000.00	.....	\$ 200,000.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....						
		\$ 180,707.25	.....	.....	.....	.....
State Appropriation to Lapse .....						
		.....	\$ 168,701.98	.....	.....	.....

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
<b>SALARY OF THE DIVISION COMMANDER .....</b>						
		\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 8,000.00	\$ 8,000.00
<b>SUPPORT OF THE NATIONAL GUARD— SALARIES AND GENERAL EXPENSES</b>						
A-1	Salaries—\$3,000 and Over .....		762.10	5,500.00		5,500.00
A-2	Salaries—Less than \$3,000 .....		35,628.14	191,871.00	94,816.00	97,055.00
B	Wages .....	238,950.21	208,265.30	225.00	75.00	150.00
C	Fees .....	329.03	777.40			
D	Office Supplies, Printing, Postage and Stationery .....	689.21	532.64			
E	Traveling Expense .....	39,488.00	39,807.05			
F	Telephone and Telegraph .....	2,299.58	3,270.63			
G-1	Motor Supplies and Repairs—Passenger Cars .....	12.00	6,482.37			
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	14,978.90	10,435.85			
H	Miscellaneous Supplies .....	3,682.16	1,214.60			
I	Repairs .....	29,887.14	35,404.60			
K	Light, Heat, Power and Water .....	10,849.63	8,268.13			
L	Freight, Express, Cartage, Etc. ....	4,502.23	3,009.18			
M	Rents .....	1,835.62	14,002.93			
N	Food and Forage .....	8,211.31	15,270.85			
P-1	Equipment—Office .....	147.25	2.75			
P-2	Equipment—Motor, Passenger Cars ....	11,857.24	1,133.40			
P-3	Equipment—Motor, Other than Passen- ger Cars .....	165.11	1,175.00			
P-4	Equipment—Miscellaneous .....	2,189.02	33,478.73			
S	Buildings and Construction .....	15,590.38				
T	Land .....	4,063.54				
U	Subsidies and Indemnities .....	491,335.20	414,120.34	451,274.00	216,479.00	234,795.00
	Other Items .....	21,111.70				
	Reserve .....			26,130.00		26,130.00
<b>TOTAL EXPENDITURES .....</b>		<b>\$ 918,175.04</b>	<b>\$ 849,042.99</b>	<b>\$ 691,000.00</b>	<b>\$ 319,370.00</b>	<b>\$ 371,630.00</b>
<b>SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES</b>						
<b>AVAILABLE FUNDS—</b>						
	Salary of the Division Commander .....	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 8,000.00	\$ 8,000.00
	State Appropriation—Support of the National Guard .....	800,000.00	835,000.00	675,000.00	311,370.00	363,630.00
	State Appropriation—Support of the National Guard—Additional .....	100,000.00				
	State Appropriation—Purchase of Military Stores .....	10,000.00	10,000.00			
	State Appropriation—Credits—1925-27 .....	25.00				
<b>TOTAL AVAILABLE FUNDS .....</b>		<b>\$ 926,025.00</b>	<b>\$ 861,000.00</b>	<b>\$ 691,000.00</b>	<b>\$ 319,370.00</b>	<b>\$ 371,630.00</b>
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1925-27 .....	\$ 850,362.35				
	Expended from State Appropriation during 1927-29 .....	67,812.69	\$ 814,703.03			
	Expended from State Appropriation during 1929-31 .....		34,339.91	\$ 691,000.00	\$ 319,370.00	\$ 371,630.00
<b>TOTAL EXPENDITURE (As Detailed Above) .....</b>		<b>\$ 918,175.04</b>	<b>\$ 849,042.99</b>	<b>\$ 691,000.00</b>	<b>\$ 319,370.00</b>	<b>\$ 371,630.00</b>
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 7,850.56				
	State Appropriation to Lapse .....		\$ 9,581.52			
	State Appropriation to Continue .....		2,375.49			



## APPENDIX TO THE

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MT. GRETNÄ—REPAIRS, IMPROVEMENTS AND LAND						
A-2	Salaries—Less than \$3,000 .....			\$ 9,225.00	\$ 1,845.00	\$ 7,380.00
B	Wages .....	\$ 9,643.40	\$ 54,227.47	81,150.00	40,090.00	41,060.00
C	Fees .....		380.00	9,663.00	4,563.00	5,100.00
D	Office Supplies, Printing, Postage and Stationery .....		69.60	2,562.00	1,408.00	1,154.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	27.72				
H	Miscellaneous Supplies .....	553.98	2,043.30			
I	Repairs .....	2.70	3,847.33			
M	Rents .....		1,560.00			
N	Food and Forage .....		4,972.64			
P-4	Equipment—Miscellaneous .....	3,372.20	1,304.89			
T	Land .....	20,000.00	9,456.00			
U	Subsidies and Indemnities .....	1,400.00				
TOTAL EXPENDITURES .....		\$ 35,000.00	\$ 77,861.23	\$ 102,600.00	\$ 47,906.00	\$ 54,694.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriations — Improvements — Mt. Gretna .....	\$ 13,600.00	\$ 25,000.00				
State Appropriation—Additional Repairs and Improvements—Mt. Gretna .....		43,359.00	\$ 102,600.00	\$ 47,906.00	\$ 54,694.00	
State Appropriation—Land—Mt. Gretna .....	21,400.00	13,400.00				
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 35,000.00	\$ 81,759.00	\$ 102,600.00	\$ 47,906.00	\$ 54,694.00	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$ 35,000.00					
Expended from State Appropriation during 1927-29 .....		\$ 65,467.55				
Expended from State Appropriation during 1929-31 .....		12,393.68	\$ 102,600.00	\$ 47,906.00	\$ 54,694.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 35,000.00	\$ 77,861.23	\$ 102,600.00	\$ 47,906.00	\$ 54,694.00	
<b>BALANCE—</b>						
State Appropriation to Lapse .....		\$ .77				
State Appropriation to Continue .....		3,897.00				

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MARKING GRAVES OF REVOLUTIONARY SOLDIERS						
C	Fees .....	\$ 2,806.51	.....	\$ 5,000.00	.....	\$ 5,000.00
	Reserve .....	.....	.....	5,000.00	.....	5,000.00
	Total Marking Graves of Revolutionary Soldiers .....	\$ 2,806.51	.....	\$ 10,000.00	.....	\$ 10,000.00
COMPILATION OF WORLD WAR RECORDS						
A-1	Salaries—\$3,000 and Over .....	.....	\$ 12,625.00	\$ 14,000.00	\$ 7,000.00	\$ 7,000.00
A-2	Salaries—Less than \$3,000 .....	\$ 15,802.50	29,272.26	30,764.00	14,990.00	15,774.00
D	Office Supplies, Printing, Postage and Stationery .....	500.00	450.00	99.00	24.00	75.00
E	Traveling Expense .....	431.74	1,026.41	1,734.00	619.00	1,115.00
L	Freight, Express, Cartage, etc. ....	5.00	.....	.....	.....	.....
M	Rents .....	10.00	.....	.....	.....	.....
	Reserve .....	.....	.....	903.00	.....	903.00
	Total Compilation of World War Records..	\$ 16,749.24	\$ 43,373.67	\$ 47,500.00	\$ 22,633.00	\$ 24,867.00
BATTLE OF MONMOUTH MEMORIAL						
E	Traveling Expense .....	.....	\$ 1,193.03	.....	.....	.....
L	Freight, Express, Cartage, etc. ....	.....	886.65	.....	.....	.....
	Total Battle of Monmouth Memorial ....	.....	\$ 2,079.68	.....	.....	.....
INAUGURATION EXPENSES						
E	Traveling Expenses .....	\$ 3,053.27	.....	.....	.....	.....
L	Freight, Express, Cartage, etc. ....	424.30	.....	.....	.....	.....
M	Rents .....	349.00	.....	.....	.....	.....
U	Subsidies and Indemnities .....	.....	\$ 12,304.09	.....	.....	.....
	Total Inauguration Expense .....	\$ 3,826.57	\$ 12,304.09	.....	.....	.....
ESCORT OF HONOR—FRANCE						
U	Subsidies .....	.....	.....	\$ 70,000.00	\$ 60,831.00	\$ 9,169.00
EXPENSES—DEDICATION OF MEMORIAL BRIDGE						
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	\$ 2,000.00	.....	\$ 2,000.00
E	Traveling Expense .....	.....	.....	3,400.00	.....	3,400.00
H	Miscellaneous Supplies .....	.....	.....	3,300.00	.....	3,300.00
M	Rents .....	.....	.....	4,000.00	.....	4,000.00
U	Subsidies and Indemnities .....	.....	.....	2,300.00	.....	2,300.00
	Total Expenses—Dedication of Memorial Bridge .....	.....	.....	\$ 15,000.00	.....	\$ 15,000.00
	TOTAL EXPENDITURES .....	\$ 23,382.32	\$ 57,757.44	\$ 142,500.00	\$ 83,464.00	\$ 59,036.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation — Marking Graves of Revolutionary Soldiers .....	\$ 5,000.00	.....	\$ 10,000.00	.....	\$ 10,000.00
	State Appropriation—Compilation of World War Records .....	25,000.00	\$ 47,500.00	47,500.00	\$ 22,633.00	24,867.00
	State Appropriation—Battle of Monmouth Memorial .....	.....	5,000.00	.....	.....	.....
	State Appropriation—Inauguration Expense..	4,000.00	.....	.....	.....	.....
	State Appropriation—Escort of Honor—France .....	.....	.....	70,000.00	60,831.00	9,169.00
	State Appropriation—Dedication of Memorial Bridge .....	.....	.....	15,000.00	.....	15,000.00
	State Appropriation—Inauguration Expense—Additional 1927-29 .....	.....	15,000.00	.....	.....	.....
	TOTAL AVAILABLE FUNDS .....	\$ 34,000.00	\$ 67,500.00	\$ 142,500.00	\$ 83,464.00	\$ 59,036.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 20,575.81	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	2,035.00	\$ 60,289.79	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	771.51	2,532.35*	\$ 142,500.00	\$ 83,464.00	\$ 59,036.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 23,382.32	\$ 57,757.44	\$ 142,500.00	\$ 83,464.00	\$ 59,036.00
BALANCE—						
	State Appropriation Lapsed Under Act. 25-A 1927 or Act 402 1929 .....	\$ 10,617.68	.....	.....	.....	.....
	State Appropriation to Lapse .....	.....	\$ 9,742.56	.....	.....	.....

\*Indicates Deduction.



## APPENDIX TO THE

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
STATE ARMORY BOARD—SALARIES OF MEMBERS		\$ 9,800.00	\$ 9,600.00	\$ 10,800.00	\$ 4,800.00	\$ 6,000.00
STATE ARMORY BOARD—MAINTENANCE OF ARMORIES						
A-1	Salaries—\$3,000 and Over			4,250.00	1,250.00	3,000.00
A-2	Salaries—Less than \$3,000	3,491.25	5,075.00	5,054.00	2,404.00	2,650.00
B	Wages	1,156.30	905.00	396.00	146.00	250.00
C	Fees	1,280.50	1,863.50	1,790.00	790.00	1,000.00
D	Office Supplies, Printing, Postage and Stationery	21.76	336.58	600.00	300.00	300.00
E	Traveling Expense	3,553.50	4,461.26	6,932.00	1,417.00	5,515.00
F	Telephone and Telegraph	46.26				
G-1	Motor Supplies and Repairs—Passenger Cars		36.85	212.00	62.00	150.00
H	Miscellaneous Supplies			13.00		13.00
I	Repairs	99,369.84	197,425.48	150,729.00	63,542.00	87,187.00
J	Newspaper Advertising and Notices		928.78	24.00	24.00	
L	Freight, Express, Cartage, Etc.	50.00	130.00	125.00	50.00	75.00
M	Rents	42,458.82	49,545.49			
P-4	Equipment—Miscellaneous	9,996.77				
U	Subsidies and Indemnities	162,800.00	274,083.34	313,041.00	153,041.00	160,000.00
	Reserve			38,034.00		38,034.00
TOTAL EXPENDITURES		\$ 333,825.00	\$ 544,391.28	\$ 532,000.00	\$ 227,826.00	\$ 304,174.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Maintenance of Armories	\$ 324,125.00	\$ 425,000.00	\$ 520,000.00	\$ 223,026.00	\$ 296,974.00	
State Appropriation—Maintenance of Armories—Additional		110,000.00				
State Appropriation—Salaries of Members	12,000.00	12,000.00	12,000.00	4,800.00	7,200.00	
State Appropriation—Credits—1925-27	100.00					
TOTAL AVAILABLE FUNDS	\$ 336,225.00	\$ 547,000.00	\$ 532,000.00	\$ 227,826.00	\$ 304,174.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27	\$ 291,675.91					
Expended from State Appropriation during 1927-29	42,149.09	\$ 522,403.07				
Expended from State Appropriation during 1929-31		21,988.21	\$ 532,000.00	\$ 227,826.00	\$ 304,174.00	
TOTAL EXPENDITURES (As Detailed Above)	\$ 333,825.00	\$ 544,391.28	\$ 532,000.00	\$ 227,826.00	\$ 304,174.00	
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929	\$ 2,400.00					
State Appropriation to Lapse		2,400.00				
State Appropriation to Continue		208.72				

## STATE ARMORY BOARD—CONSTRUCTION OF ARMORIES

C	Fees	\$ 58,116.46				
P-4	Equipment—Miscellaneous	14,518.51				
S	Buildings and Construction	924,006.98				
T	Land	2,458.39				
TOTAL EXPENDITURES		\$ 999,100.34				

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Construction of Armories	\$ 1,000,000.00					
TOTAL AVAILABLE FUNDS	\$ 1,000,000.00					
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29	\$ 854,399.68					
Expended from State Appropriation during 1929-31	144,700.66					
TOTAL EXPENDITURES (As Detailed Above)	\$ 999,100.34					
BALANCE—						
State Appropriation to Continue	\$ 899.66					

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
STATE ATHLETIC COMMISSION—SALARIES OF COMMISSIONERS			\$ 30,000.00	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00
STATE ATHLETIC COMMISSION—SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over	\$ 35,999.52	6,000.00	6,400.00	3,100.00	3,300.00
A-2	Salaries—Less than \$3,000	17,804.67	22,128.39	24,590.00	12,170.00	12,420.00
B	Wages	29,820.00	30,530.00	37,840.00	13,840.00	24,000.00
C	Fees	150.00	8,383.66	7,862.00	7,562.00	300.00
D	Office Supplies, Printing, Postage and Stationery	3,211.88	3,577.14	3,038.00	1,238.00	1,800.00
E	Traveling Expense	10,073.27	8,766.32	11,147.00	4,207.00	6,940.00
F	Telephone and Telegraph	1,489.04	4,185.55	4,376.00	1,376.00	3,000.00
H	Miscellaneous Supplies	129.55	118.80	849.00	209.00	640.00
I	Repairs		33.40	2.00	2.00	
L	Freight, Express, Cartage, Etc.	43.53	15.55	132.00	32.00	100.00
M	Rents	4,797.96	6,532.91	50.00	50.00	
P-1	Equipment—Office	3,473.24	453.80	14.00	14.00	
	Other Items	708.50		8,700.00		8,700.00
	Reserve					
TOTAL EXPENDITURES		\$ 107,701.16*	\$ 120,725.52	\$ 135,000.00	\$ 58,800.00	\$ 76,200.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—Salary of the Commissioners	\$	30,000.00	\$	30,000.00	\$ 15,000.00 \$ 15,000.00
	State Appropriation—Salary of the Secretary		8,000.00			
	State Appropriation—Salary and General Expenses		76,403.97		105,000.00	43,800.00 61,200.00
	State Appropriation—Salaries and General Expenses—Deficiency		8,322.12			
TOTAL AVAILABLE FUNDS		\$	122,726.09	\$	135,000.00	\$ 58,800.00 \$ 76,200.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1927-29	\$	118,771.56			
	Expended from State Appropriation during 1929-31		1,953.66	\$	135,000.00	\$ 58,800.00 \$ 76,200.00
TOTAL EXPENDITURES (As Detailed Above)		\$	120,725.52	\$	135,000.00	\$ 58,800.00 \$ 76,200.00
BALANCE—						
	State Appropriation to Lapse	\$	2,000.57			

## STATE VETERANS COMMISSION

A-2	Salaries—Less than \$3,000			\$ 1,000.00		\$ 1,000.00
E	Traveling Expenses			1,062.00	\$ 62.00	1,000.00
U	Subsidies			8,175.00	175.00	8,000.00
	Reserve			9,763.00		9,763.00
Total				\$ 20,000.00	\$ 237.00	\$ 19,763.00

## MATERIALS FURNISHED FOR RIFLE RANGES

B	Wages				\$ 1,484.00	
H	Miscellaneous				174.00	
Total				\$ 1,660.00	\$ 1,658.00	\$ 2.00
TOTAL EXPENDITURES				\$ 21,660.00	\$ 1,895.00	\$ 19,765.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—State Veterans Commission			\$ 20,000.00	\$ 237.00	\$ 19,763.00
	State Appropriation—Materials Furnished for Rifle Ranges			1,660.00	1,658.00	2.00
TOTAL AVAILABLE FUNDS				\$ 21,660.00	\$ 1,895.00	\$ 19,765.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1929-31			\$ 21,660.00	\$ 1,895.00	\$ 19,765.00
TOTAL EXPENDITURES (As Detailed Above)				\$ 21,660.00	\$ 1,895.00	\$ 19,765.00

\* Shown here for comparison only. These expenditures were made from the State Athletic Commission Fund.



## APPENDIX TO THE

## DEPARTMENT OF MILITARY AFFAIRS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SOLDIERS AND SAILORS HOME AT ERIE						
A-1	Salaries—\$3,000 and Over .....			\$ 10,000.00	\$ 5,000.00	\$ 5,000.00
A-2	Salaries—Less than \$3,000 .....			75,447.00	36,789.00	38,658.00
B	Wages .....			20,143.00	8,591.00	11,552.00
C	Fees .....			2,124.00	28.00	2,096.00
D	Office Supplies, Printing, Postage and Stationery .....			2,136.00	590.00	1,546.00
E	Traveling Expense .....			4,892.00	793.00	4,099.00
F	Telephone and Telegraph .....			1,253.00	583.00	670.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			850.00	434.00	416.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			424.00	199.00	225.00
H	Miscellaneous Supplies .....			34,805.00	14,305.00	20,500.00
I	Repairs .....	\$ 80,000.00	\$ 63,600.00	41,862.00	12,499.00	29,363.00
J	Newspaper Advertising and Notices .....			25.00	6.00	19.00
K	Light, Heat, Power and Water .....			20,039.00	8,632.00	11,407.00
L	Freight, Express, Cartage, Etc. ....			240.00	110.00	130.00
N	Food and Forage .....			79,337.00	36,337.00	43,000.00
O	Insurance, Surety and Fidelity Bonds ..			641.00	216.00	425.00
P-1	Equipment—Office .....			310.00		310.00
P-4	Equipment—Miscellaneous .....			5,472.00	2,269.00	3,203.00
U	Subsidies and Indemnities .....	\$ 200,000.00	\$ 236,392.68			
	Advance Requisitions .....				2,000.00	2,000.00
	Reserve .....			15,000.00		15,000.00
TOTAL EXPENDITURES .....		\$ **280,000.00	\$ **299,992.68	\$ 315,000.00	\$ 129,381.00	\$ 185,619.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Maintenance .....	\$ 200,000.00	\$ 236,400.00			
	State Appropriation — Maintenance — Defi- ciency, Acts of 1927 .....			\$ 315,000.00	\$ 129,381.00	\$ 185,619.00
	State Appropriation—Repairs .....	80,000.00	63,600.00			
TOTAL AVAILABLE FUNDS .....		\$ 280,000.00	\$ 300,000.00	\$ 315,000.00	\$ 129,381.00	\$ 185,619.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 279,948.94				
	Expended from State Appropriation during 1927-29 .....	51.06	\$ 292,797.05			
	Expended from State Appropriation during 1929-31 .....		7,195.63	\$ 315,000.00	\$ 129,381.00	\$ 185,619.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 280,000.00	\$ 299,992.68	\$ 315,000.00	\$ 129,381.00	\$ 185,619.00
BALANCE—						
	State Appropriation to Lapse .....		\$ 7.32			

\* Indicates Deduction.

\*\* Appropriated to Department of Welfare this period. Shown here for comparison only.

\* During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF MINES

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
	Salary of the Secretary .....	\$ 9,790.32	\$ 19,166.67	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	Salaries and General Expenses .....	53,036.54	108,266.51	116,500.00	51,672.00	64,828.00
	Salaries and Expenses of Inspectors .....	529,330.96	573,205.09	584,500.00	280,140.00	304,360.00
	Expenses of Examining Boards .....	9,052.64	13,705.25	13,475.00	84.00	13,391.00
	<b>TOTAL EXPENDITURES</b> .....	<b>\$ 601,210.46</b>	<b>\$ 714,343.52</b>	<b>\$ 734,475.00</b>	<b>\$ 341,896.00</b>	<b>\$ 392,579.00</b>
<b>EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—</b>						
D-1	Office Supplies .....	\$ 2,335.40	\$ 1,443.99		\$ 787.00	
D-2	Printing and Binding .....	10,105.62	10,323.10		4,679.00	
F	Telephone, Telegraph and Leased Office Devices .....	2,546.19	3,205.13		2,168.00	
H	Miscellaneous Supplies .....	(1)	(1)		25.00	
I	Repairs .....	(1)	(1)		55.00	
K	Light, Heat, Power and Water .....		7.25	\$ 51,792.00	18.00	\$ 32,125.00
M	Rents .....				5,787.00	
O	Insurance, Surety and Fidelity Bonds....	100.00	200.00		438.00	
P-1	Equipment—Office .....	(1)	1,262.86		844.00	
P-2	Equipment—Motor Passenger Cars .....	(2)	(2)			
P-3	Equipment—Motor, All Other .....				3,837.00	
P-4	Equipment—Miscellaneous .....	(1)	(3)		29.00	
	<b>TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS</b> .....	<b>\$ 15,087.21</b>	<b>\$ 16,442.33</b>	<b>\$ 51,792.00</b>	<b>\$ 19,667.00</b>	<b>\$ 52,125.00</b>
<b>EXPENDED BY LABOR AND INDUSTRY—</b>						
	Compensation for Injured State Employees ....			(4)	(4)	(4)
	<b>GRAND TOTAL EXPENDITURES</b> .....	<b>\$ 616,297.67</b>	<b>\$ 730,785.85</b>	<b>\$ 786,267.00</b>	<b>\$ 361,563.00</b>	<b>\$ 424,704.00</b>

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
	State Appropriation .....	\$ 617,800.00	\$ 758,000.00	\$ 734,475.00	\$ 341,896.00	\$ 392,579.00
	State Appropriation—Deficiency .....		5,000.00			
	State Appropriation—Reappropriation .....	13,000.00				
	State Appropriation—Credits—1925-27 .....	14,790.07				
	State Appropriation—Credits—1927-29 .....	52.06				
	<b>TOTAL AVAILABLE FUNDS</b> .....	<b>\$ 645,642.13</b>	<b>\$ 763,000.00</b>	<b>\$ 734,475.00</b>	<b>\$ 341,896.00</b>	<b>\$ 392,579.00</b>
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1923-25 .....	\$ 11,881.29				
	Expended from State Appropriation during 1925-27 .....	582,105.33				
	Expended from State Appropriation during 1927-29 .....	7,223.84	\$ 704,052.14			
	Expended from State Appropriation during 1929-31 .....		10,291.38	\$ 734,475.00	\$ 341,896.00	\$ 392,579.00
	<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	<b>\$ 601,210.46</b>	<b>\$ 714,343.52</b>	<b>\$ 734,475.00</b>	<b>\$ 341,896.00</b>	<b>\$ 392,579.00</b>
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 44,431.67				
	State Appropriation to Lapse .....		48,656.48			

NOTE: (1) Included with Office Supplies these periods.  
 (2) No Allocation these periods.  
 (3) Included with Office Equipment this period.  
 (4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.



## APPENDIX TO THE

## DEPARTMENT OF MINES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SECRETARY .....		\$ 9,790.32	\$ 19,166.67	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	49,135.53	39,480.08	40,520.00	20,240.00	20,280.00
A-2	Salaries—Less than \$3,000 .....		41,088.29	45,730.00	22,385.00	23,345.00
B	Wages .....		117.95	100.00		100.00
C	Fees .....		93.50	155.00	55.00	100.00
D	Office Supplies, Printing, Postage and Stationery .....	879.26	1,925.54	2,156.00	856.00	1,300.00
E	Traveling Expense .....	2,219.81	12,317.09	14,565.00	5,564.00	9,001.00
F	Telephone and Telegraph .....	488.35	887.11	1,510.00	510.00	1,600.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		4,894.58	4,976.00	1,976.00	3,000.00
H	Miscellaneous Supplies .....	46.40				
I	Repairs .....		3.00			
L	Freight, Express, Cartage, Etc. ....	265.69	327.19	191.00	66.00	125.00
M	Rents .....		504.87	20.00	20.00	
P-1	Equipment—Office .....		595.85			
P-2	Equipment—Motor, Passenger Cars .....		6,026.10			
P-4	Equipment—Miscellaneous .....	1.50	5.35			
	Reserve .....			6,577.00		6,577.00
TOTAL EXPENDITURES .....		\$ 62,826.86	\$ 127,433.18	\$ 136,500.00	\$ 61,672.00	\$ 74,828.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Salary of the Secretary..	\$ 12,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	State Appropriation—Salaries and General Expenses .....	54,800.00	124,000.00	116,500.00	51,672.00	64,828.00
TOTAL AVAILABLE FUNDS .....		\$ 66,800.00	\$ 144,000.00	\$ 136,500.00	\$ 61,672.00	\$ 74,828.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 62,784.23				
	Expended from State Appropriation during 1927-29 .....	42.63	\$ 125,823.01			
	Expended from State Appropriation during 1929-31 .....		1,600.17	\$ 136,500.00	\$ 61,672.00	\$ 74,828.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 62,826.86	\$ 127,433.18	\$ 136,500.00	\$ 61,672.00	\$ 74,828.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 3,973.14				
	State Appropriation to Lapse .....		\$ 16,566.82			

## DEPARTMENT OF MINES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARIES AND EXPENSES OF INSPECTORS						
A-1	Salaries—\$3,000 and Over .....	\$ 480,464.50	\$ 512,429.47	\$ 523,033.00	\$ 259,033.00	\$ 264,000.00
B	Wages .....	1,482.75	2,106.80	1,813.00	763.00	1,050.00
C	Fees .....		1.00	300.00	150.00	150.00
D	Office Supplies, Printing, Postage and Stationery .....	2,317.73	2,307.69	2,694.00	1,044.00	1,650.00
F	Traveling Expense .....	31,894.88	35,690.02	47,120.00	18,419.00	28,701.00
F	Telephone and Telegraph .....	1,163.02	983.68	1,523.00	573.00	950.00
H	Miscellaneous Supplies .....	39.80				
I	Repairs .....	174.95	120.01			
J	Newspaper Advertising and Notices .....	17.00				
K	Light, Heat, Power and Water .....	124.70	96.11			
L	Freight, Express, Cartage, Etc. ....	99.94	263.73	408.00	158.00	250.00
M	Rents .....	11,074.50	14,789.00			
P-1	Equipment—Office .....	212.80	4,230.76			
P-2	Equipment—Miscellaneous .....	263.89	186.82			
	Other Items .....	.50				
	Reserve .....			7,609.00		7,609.00
TOTAL EXPENDITURES .....		\$ 529,330.96	\$ 573,205.09	\$ 584,500.00	\$ 280,140.00	\$ 304,360.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Salaries and Expenses of Inspectors .....	\$ 541,000.00	\$ 604,000.00	\$ 584,500.00	\$ 280,140.00	\$ 304,360.00
State Appropriation—Salaries and Expenses— Reappropriation .....	13,000.00				
State Appropriation—Credits—1925-27 .....	14,790.07				
State Appropriation—Credits—1927-29 .....	52.06				
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 568,842.13	\$ 604,000.00	\$ 584,500.00	\$ 280,140.00	\$ 304,360.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1923-25 .....	\$ 11,881.29				
Expended from State Appropriation during 1925-27 .....	510,268.46				
Expended from State Appropriation during 1927-29 .....	7,181.21	\$ 568,906.15			
Expended from State Appropriation during 1929-31 .....		4,298.94	\$ 584,500.00	\$ 280,140.00	\$ 304,360.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 529,330.96	\$ 573,205.00	\$ 584,500.00	\$ 280,140.00	\$ 304,360.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 38,511.17				
State Appropriation to Lapse .....		\$ 30,794.91			



## APPENDIX TO THE

## DEPARTMENT OF MINES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
EXPENSES OF EXAMINING BOARDS						
B	Wages .....	\$ 6,790.85	\$ 492.14	\$ 600.00	\$ .....	\$ 600.00
C	Fees .....		9,944.40	7,900.00	\$ 57.00	7,843.00
D	Office Supplies, Printing, Postage and Stationery .....	292.23	316.90	275.00	.....	275.00
E	Traveling Expense .....	1,202.41	1,633.56	4,690.00	27.00	4,663.00
F	Telephone and Telegraph .....	.....	1.00	10.00	.....	10.00
J	Newspaper Advertising and Notices .....	25.20	.....	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....	5.20	6.25	.....	.....	.....
M	Rents .....	736.75	1,311.00	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 9,052.64	\$ 13,705.25	\$ 13,475.00	\$ 84.00	\$ 13,391.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Expenses of Examining Boards .....	\$ 10,000.00	\$ 10,000.00	\$ 13,475.00	\$ 84.00	\$ 13,391.00	
State Appropriation—Expenses of Examining Boards—Deficiency .....		5,000.00	.....	.....	.....	
<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$ 10,000.00</b>	<b>\$ 15,000.00</b>	<b>\$ 13,475.00</b>	<b>\$ 84.00</b>	<b>\$ 13,391.00</b>	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$ 9,052.64	.....	.....	.....	.....	
Expended from State Appropriation during 1927-29 .....		\$ 9,312.98	.....	.....	.....	
Expended from State Appropriation during 1929-31 .....		4,392.27	\$ 13,475.00	\$ 84.00	\$ 13,391.00	
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$ 9,052.64</b>	<b>\$ 13,705.25</b>	<b>\$ 13,475.00</b>	<b>\$ 84.00</b>	<b>\$ 13,391.00</b>	
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 947.36	.....	.....	.....	.....	
State Appropriation to Lapse .....		\$ 1,294.75	.....	.....	.....	

## DEPARTMENT OF PROPERTY AND SUPPLIES

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salary of the Secretary .....	\$ 15,999.84	\$ 16,000.00	\$ 20,000.00	\$ 9,983.00	\$ 10,017.00
	Salaries and General Expenses .....	768,436.13	997,964.99	1,750,000.00	840,663.00	909,337.00
	TOTAL ADMINISTRATION .....	\$ 784,435.97	\$ 1,013,964.99	\$ 1,770,000.00	\$ 850,646.00	\$ 919,354.00
GENERAL APPROPRIATIONS ALLOCATED TO SPENDING AGENCIES						
	Supplies Equipment, Printing, Telephone, Telegraph and Leased Office Devices .....	\$ 1,567,627.44	\$ 1,630,000.00	\$ 3,765,000.00	\$ 1,772,226.00	\$ 1,992,774.00
	Heat, Light, Power and Water and Rent of Offices .....	323,300.92	317,812.68	1,750,000.00	773,613.00	976,387.00
	Insurance, Surety and Fidelity Bonds .....	21,207.57	28,065.03	100,000.00	56,575.00	43,425.00
	Automobile Supplies and Equipment .....	.....	.....	1,010,000.00	272,065.00	737,935.00
	Classified Edits—Department of Public In- struction .....	.....	.....	90,000.00	.....	90,000.00
	TOTAL GENERAL APPROPRIATIONS ALLOCATED TO SPENDING AGENCIES	\$ 1,912,135.93	\$ 1,975,877.71	\$ 6,715,000.00	\$ 2,874,479.00	\$ 3,840,521.00
	MISCELLANEOUS (See Detail Following) .....	\$ 5,315.00	\$ 5,040.32	\$ 6,000.00	\$ 3,000.00	\$ 3,000.00
BUILDINGS, CONSTRUCTION AND LAND PUR- CHASES						
	Capitol Grounds, Buildings and Memorial Bridge—(See Detail Following) .....	\$ 785,329.11	\$ 2,520,421.56	\$ 6,777,523.00	\$ 3,204,317.00	\$ 3,573,206.00
	Public Buildings and Land Outside of Harris- burg—(See Detail Following) .....	.....	.....	14,470,201.00	3,312,472.00	11,157,729.00
	Monuments and Memorials (See Detail Follow- ing) .....	211,647.93	27,250.00	.....	.....	.....
	Bridges (See Detail Following) .....	283,798.95	.....	.....	.....	.....
	TOTAL BUILDINGS, CONSTRUCTION AND LAND PURCHASES .....	\$ 1,280,775.99	\$ 2,547,671.56	\$ 21,247,724.00	\$ 6,516,789.00	\$ 14,730,935.00
	TOTAL EXPENDITURES .....	\$ 3,982,662.89	\$ 5,542,554.58	\$ 29,738,724.00	\$ 10,244,914.00	\$ 19,493,810.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
	D-1 Office Supplies .....	\$ 266,392.23	\$ 209,444.51		\$ 18,859.00	
	D-2 Printing and Binding .....	69,983.86	58,864.95		22,498.00	
	F Telephone, Telegraph and Leased Office Devices .....	34,808.50	38,599.04		29,451.00	
	H Miscellaneous Supplies .....	(1)	(1)		38,188.00	
	I Repairs .....	(1)	(1)		3,371.00	
	K Light, Heat, Power and Water .....	15,722.98	18,270.70		71,858.00	
	M Rents .....	9,800.00	10,225.42	\$ 635,267.00	28,374.00	\$ 355,966.00
	N Food and Forage .....	(2)	(2)		758.00	
	O Insurance, Surety and Fidelity Bonds ..	258.28	264.20		3,446.00	
	P-1 Equipment—Office .....	(1)	67,194.14		31,388.00	
	P-2 Equipment—Motor, Passenger Cars .....	(2)	(2)		24,854.00	
	P-3 Equipment—Motor, All Other .....	.....	.....		1,119.00	
	P-4 Equipment—Miscellaneous .....	(1)	(3)		5,137.00	
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 396,965.85	\$ 402,862.96	\$ 635,267.00	\$ 279,301.00	\$ 355,966.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees ..	\$ 2,452.79	\$ 1,783.09	\$ (4) 1,364.00	\$ (4) 696.00	\$ (4) 668.00
	GRAND TOTAL EXPENDITURES .....	\$ 4,382,081.53	\$ 5,947,200.63	\$ 30,375,355.00	\$ 10,524,911.00	\$ 19,850,444.00

Notes: (1) Included with Office Supplies these periods.

(2) No Allocation these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O. These amounts represent payments on old liabilities.



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						

AVAILABLE FUNDS—										
State Appropriation .....	\$	4,022,152.00	\$	6,040,820.32	\$	29,738,724.00	\$	10,244,914.00	\$	19,493,810.00
State Appropriation—Additional 1927-1929 .....				460,000.00						
State Appropriation—Deficiency Acts of 1927 .....		117,646.58								
State Appropriation—Deficiency Acts of 1929 ..				179,000.00						
State Appropriation—Credits—1925-1927 .....		3,777.22								
State Appropriation—Credits—1927-1929 .....				45,105.00						
TOTAL AVAILABLE FUNDS .....	\$	4,143,575.80	\$	6,724,925.32	\$	29,738,724.00	\$	10,244,914.00	\$	19,493,810.00

LESS EXPENDITURES—										
Expended from State Appropriation during 1925-27 .....	\$	3,490,432.99								
Expended from State Appropriation during 1927-29 .....		474,743.45	\$	5,085,766.25						
Expended from State Appropriation during 1929-31 .....		17,486.45		456,786.33	\$	29,738,724.00	\$	10,244,914.00	\$	19,493,810.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$	3,982,662.89	\$	5,542,554.58	\$	29,738,724.00	\$	10,244,914.00	\$	19,493,810.00

BALANCE—										
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$	141,211.85								
State Appropriation to Lapse .....			\$	1,060,018.63						
State Appropriation to Continue .....		19,701.05		122,352.11						

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SECRETARY .....		\$ 15,999.84	\$ 16,000.00	\$ 20,000.00	\$ 9,983.00	\$ 10,017.00
SALARIES AND GENERAL EXPENSES						
A-1 Salaries—\$3,000 and Over .....		688,408.72	128,211.26	252,469.00	126,153.00	126,316.00
A-2 Salaries—Less than \$3,000 .....			769,902.64	1,364,170.00	655,386.00	708,784.00
B Wages .....		19,732.70	16,981.83	8,038.00	7,113.00	925.00
C Fees .....			45,826.19	75.00		75.00
D Office Supplies, Printing, Postage and Stationery .....		26,906.31	3,840.70	32,888.00	19,038.00	13,850.00
E Traveling Expense .....		3,996.15	6,493.12	17,121.00	9,546.00	7,575.00
F Telephone and Telegraph .....				8,425.00	4,025.00	4,400.00
G-1 Motor Supplies and Repairs—Passenger Cars .....			2,794.63			
G-2 Motor Supplies and Repairs—All Other than Passenger Cars .....		761.77	532.28			
H Miscellaneous Supplies .....		463.42	1,529.03			
I Repairs .....		2,548.94	55.52			
J Newspaper Advertising and Notices .....		6,879.33	7,456.15	25,490.00	13,628.00	11,862.00
K Light Heat, Power and Water .....		11.00	50.06			
L Freight, Express, Cartage, Etc. ....		16,532.47	11,587.47	6,987.00	4,974.00	2,013.00
M Rents .....		139.80	2,697.86			
N Food and Forage .....			6.25			
P-1 Equipment—Office .....		1,350.00				
P-2 Equipment—Motor, Passenger Cars .....		4.77				
P-4 Equipment—Miscellaneous .....		278.75				
Advance Requisitions .....					800.00	*800.00
Other Items .....		422.00				
Reserve .....				34,337.00		34,337.00
TOTAL EXPENDITURES .....		\$ 784,435.97	\$ 1,013,964.99	\$ 1,770,000.00	\$ 850,646.00	\$ 919,354.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Salary of the Secretary..	\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 9,983.00	\$ 10,017.00
State Appropriation—Salaries and General Ex- penses .....	725,000.00	848,000.00			
State Appropriation—Salaries and General Ex- penses—Deficiency .....		100,000.00			
State Appropriation—Contingent Expenses ...	17,000.00	17,000.00	1,750,000.00	840,663.00	909,337.00
State Appropriation—Express and Cartage ....	45,000.00	45,000.00			
State Appropriation—Express and Cartage— Deficiency .....		8,000.00			
State Appropriation—Advertising .....	16,000.00	8,500.00			
State Appropriation—Credits—1925-1927 .....	2,886.62				
TOTAL AVAILABLE FUNDS .....	\$ 821,886.62	\$ 1,042,500.00	\$ 1,770,000.00	\$ 850,646.00	\$ 919,354.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 782,957.94				
Expended from State Appropriation during 1927-29 .....	1,478.03	\$ 1,000,748.78			
Expended from State Appropriation during 1929-31 .....		13,216.23	\$ 1,770,000.00	\$ 850,646.00	\$ 919,354.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 784,435.97	\$ 1,013,964.99	\$ 1,770,000.00	\$ 850,646.00	\$ 919,354.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 37,450.65				
State Appropriation to Lapse .....		1,047.45			
State Appropriation to Continue .....		27,487.56			

\* Indicates Deduction.



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SUPPLIES, EQUIPMENT, PRINTING, TELEPHONE, TELEGRAPH AND LEASED OFFICE DEVICES						
C	Fees .....			\$ 80,000.00		\$ 80,000.00
D	Office Supplies, Printing, Postage and Stationery .....	\$ 943,832.62	\$ 1,040,982.35	1,029,100.00	\$ 540,529.00	488,571.00
F	Telephone and Telegraph .....	102,972.04	110,000.00	182,358.00	83,158.00	99,200.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	97.00	21.00			
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....					
H	Miscellaneous Supplies .....	180,478.65	115,179.02	692,100.00	338,427.00	353,673.00
I	Repairs .....	155,164.89	39,683.49	26,900.00	14,294.00	12,606.00
K	Light, Heat, Power and Water .....		104,978.66			
L	Freight, Express, Cartage, Etc. ....	7,254.35	3,727.42			
N	Food and Forage .....	206.75	150.00	916,700.00	436,643.00	480,057.00
P-1	Equipment—Office .....	138,766.10	170,693.32	435,500.00	231,676.00	203,824.00
P-2	Equipment—Motor, Passenger Cars ....		8,252.80			
P-3	Equipment—Motor, Other than Passenger Cars .....	5,721.19	2,872.90			
P-4	Equipment—Miscellaneous .....	33,133.85	6,555.09	382,342.00	127,499.00	254,843.00
S	Buildings and Construction .....		26,903.95	1,008.00		1,008.00
	Reserve .....			18,992.00		18,992.00
TOTAL EXPENDITURES .....		\$ 1,567,627.44	\$ 1,630,000.00	\$ 3,765,000.00	\$ 1,772,226.00	\$ 1,992,774.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—General Supplies .....	\$ 625,000.00	\$ 625,000.00			
State Appropriation—General Supplies—De- ficiency .....		45,000.00			
State Appropriation—Printing and Binding ..	789,000.00	850,000.00			
State Appropriation—Printing and Binding— Deficiency .....	50,000.00		\$ 3,765,000.00	\$ 1,772,226.00	\$ 1,992,774.00
State Appropriation—Printing Laws Relating to Banks—Deficiency .....	371.58				
State Appropriation—Telephone and Telegraph ..	150,000.00	110,000.00			
State Appropriation—Credits—1925-1927 .....	304.11				
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 1,614,675.69	\$ 1,630,000.00	\$ 3,765,000.00	\$ 1,772,226.00	\$ 1,992,774.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 1,343,370.49				
Expended from State Appropriation during 1927-29 .....	224,256.95	\$ 1,582,599.63			
Expended from State Appropriation during 1929-31 .....		47,400.37	\$ 3,765,000.00	\$ 1,772,226.00	\$ 1,992,774.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 1,567,627.44	\$ 1,630,000.00	\$ 3,765,000.00	\$ 1,772,226.00	\$ 1,992,774.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 47,048.25				
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## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SUPPLIES, EQUIPMENT, PRINTING, TELEPHONE, TELEGRAPH, AND LEASED OFFICE DEVICES:						
ALLOCATIONS TO AGENCIES—						
Governor's and Lieutenant Governor's Offices	\$	12,350.28	\$ 49,759.74	\$ 46,634.00	\$ 13,340.00	\$ 33,294.00
Department of the Auditor General		88,822.15	83,584.44	7,134.00	7,134.00	
Treasury Department		50,284.12	47,441.80	2,098.00	1,708.00	390.00
Department of Agriculture		52,000.17	47,669.82	128,234.00	65,271.00	62,963.00
Department of Banking		21,181.25	5,137.57	28,464.00	11,053.00	17,411.00
Department of Forests and Waters		52,067.65	40,342.63	116,240.00	61,145.00	55,095.00
Department of Health		81,997.41	84,926.55	1,489,781.00	754,144.00	735,637.00
Insurance Department		6,036.17	39,785.61	62,432.00	30,446.00	31,986.00
Department of Internal Affairs		36,701.85	73,016.24	55,967.00	21,171.00	34,796.00
Department of Justice		18,413.93	14,406.84	12,693.00	6,141.00	6,552.00
Department of Labor and Industry		118,668.37	137,059.37	152,721.00	75,246.00	77,475.00
Department of Military Affairs		26,710.74	32,078.69	52,409.00	26,926.00	25,483.00
Department of Mines		14,987.21	16,235.08	29,475.00	8,587.00	20,888.00
Department of Property and Supplies		371,184.59	374,102.64	267,654.00	149,650.00	118,004.00
Department of Public Instruction		154,905.08	128,125.31	231,550.00	92,651.00	138,899.00
Public Service Commission		70,284.22	71,038.15	76,093.00	33,690.00	42,403.00
Department of Revenue			406.47	261,984.00	167,463.00	94,521.00
Department of State		30,588.58	17,149.21	21,422.00	7,844.00	13,578.00
Pennsylvania State Police		18,202.33	17,705.54	141,783.00	66,618.00	75,167.00
Department of Welfare		26,077.11	28,500.19	29,919.00	18,032.00	11,887.00
Legislative		307,867.75	312,289.68	319,665.00	151,348.00	168,317.00
Legislative Reference Bureau		4,989.52	3,867.22	5,059.00	716.00	4,343.00
Judiciary		3,286.67	5,371.21	4,589.00	1,904.00	2,685.00
Moneys Refunded		20.29				
TOTAL EXPENDITURES FROM ALLO-						
CATIONS		\$ 1,567,627.44	\$ 1,630,000.00	(1) \$3,544,000.00	\$ 1,772,226.00	\$ 1,771,774.00
ALLOCATIONS TO PROPERTY AND SUPPLIES FOR—						
Furnishing Educational Building				\$ 86,000.00		\$ 86,000.00
Furnishing Farm Show Building				35,000.00		35,000.00
Preparation of Building Plans for Appropria-						
tion Requests				100,000.00		100,000.00
TOTAL				\$ 221,000.00		\$ 221,000.00
GRAND TOTAL EXPENDITURES		\$ 1,567,627.44	\$ 1,630,000.00	\$ 3,765,000.00	\$ 1,772,226.00	\$ 1,992,774.00

(1) The total amount appropriated to the Department of Property and Supplies and allocated to other Departments was much larger this period than before because the appropriation was made to cover all Supplies, Printing, Equipment and Leased Office Device Rentals needed by departments supported from General Fund instead of allowing part to be bought out of their appropriations.



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
HEAT, LIGHT, POWER AND WATER AND RENT OF OFFICES						
B	Wages .....			\$ 1,200.00		\$ 1,200.00
H	Miscellaneous .....			77,436.00	\$ 33,999.00	43,437.00
I	Repairs .....			356,625.00	184,486.00	172,139.00
K	Light, Heat, Power and Water .....	\$ 58,009.35	\$ 52,796.76	507,075.00	176,253.00	330,822.00
M	Rents .....	265,291.57	265,015.92	570,800.00	250,136.00	320,664.00
P-4	Equipment—Miscellaneous .....			36,064.00	26,712.00	9,352.00
S	Buildings and Construction .....			191,800.00	102,027.00	89,773.00
	Reserve .....			9,000.00		9,000.00
TOTAL EXPENDITURES .....		\$ 323,300.92	\$ 317,812.68	\$ 1,750,000.00	\$ 773,613.00	\$ 976,387.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Rent of Offices .....	\$ 290,000.00	\$ 270,000.00			
State Appropriation—Rent of Offices—Deficiency .....		20,000.00			
State Appropriation—Rent of Offices—Commission on Public Safety .....		1,280.00	\$ 1,750,000.00	\$ 773,613.00	\$ 976,387.00
State Appropriation—Heat, Light, Power and Water .....	58,000.00	60,000.00			
State Appropriation—Credits—1925-27 .....	36.69				
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 348,036.69	\$ 351,280.00	\$ 1,750,000.00	\$ 773,613.00	\$ 976,387.00

## LESS EXPENDITURES

Expended from State Appropriation during 1925-27 .....	\$ 321,339.42				
Expended from State Appropriation during 1927-29 .....	1,961.50	\$ 314,715.64			
Expended from State Appropriation during 1929-31 .....		3,097.04	\$ 1,750,000.00	\$ 773,613.00	\$ 976,387.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 323,300.92	\$ 317,812.68	\$ 1,750,000.00	\$ 773,613.00	\$ 976,387.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 24,735.77				
State Appropriation to Lapse .....		\$ 13,467.32			
State Appropriation to Continue .....		20,000.00			

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
LIGHT, HEAT, POWER, AND WATER SERVICE AND RENTS FOR STATE-OWNED BUILDINGS AND BUILDINGS RENTED BY THE STATE						
ALLOCATIONS TO AGENCIES:						
Governor's and Lieutenant Governor's Offices		\$ 6,645.99	\$ 5,880.00	\$ 7,377.00	\$ 1,715.00	\$ 5,662.00
Department of the Auditor General						
Treasury Department						
Department of Agriculture		15,739.19	15,516.48	54,523.00	21,428.00	33,095.00
Department of Banking				21,541.00	10,731.00	10,810.00
Department of Forest and Waters		15,710.84	13,612.96	23,279.00	10,327.00	12,952.00
Department of Health		3,646.82	9,329.55	205,602.00	87,300.00	118,302.00
Department of Highways		10,325.35	68.78			
Insurance Department		10,530.00	375.00	33,075.00	15,808.00	17,267.00
Department of Internal Affairs				1,098.00	97.00	1,001.00
Department of Justice				3,235.00	30.00	3,205.00
Department of Labor and Industry		91,258.78	91,867.86	128,842.00	60,870.00	67,972.00
Department of Military Affairs		3,921.17	4,371.76	67,868.00	24,260.00	43,608.00
Department of Mines			7.25	14,873.00	6,805.00	8,068.00
Department of Property and Supplies		25,522.98	28,496.12	325,038.00	100,232.00	224,806.00
Department of Public Instruction		14,411.04	16,259.85	36,383.00	11,175.00	25,208.00
Public Service Commission		97,274.57	96,769.80	18,669.00	15,177.00	3,492.00
Department of Revenue				8,678.00	3,575.00	5,103.00
Department of State				45.00	45.00	
Pennsylvania State Police		1,016.96	5,101.13	57,087.00	29,938.00	27,149.00
Department of Welfare		27,260.54	30,156.14	68,202.00	26,876.00	41,326.00
Board of Fish Commissioners						
Board of Game Commissioners						
Legislative						
Legislative Reference Bureau						
Judiciary						
Moneys refunded		36.69				
Reserve				2,460.00		2,460.00
TOTAL EXPENDITURES FROM ALLOCATIONS		\$ 323,300.92	\$ 317,812.68	\$ 1,077,875.00(1)	\$ 426,389.00	\$ 651,468.00
ALLOCATIONS TO PROPERTY AND SUPPLIES FOR:						
Supplies for Power Plant				\$ 48,886.60	\$ 29,206.00	\$ 19,680.00
Grading and Changing Pipe Lines				51,669.00	51,669.00	
Capitol Park Improvements				50,000.00	12,029.00	37,971.00
Alterations to receive outside Electric and Heat Service				227,125.00	143,070.00	84,055.00
South Office Building repairs to terrace				118,331.00	211.00	118,120.00
South Office Building corrections of elevators				68,266.00	60,651.00	7,615.00
Equipping Publications Building				40,000.00	26,967.00	13,033.00
Painting and Repairing Capitol Dome				17,000.00		17,000.00
Maintenance and Repairs—Historical Parks and Monuments				18,000.00	75.00	17,925.00
Repairs and Alterations to Capitol Building				30,734.00	21,232.00	9,502.00
Window Shades, North Office Building				2,114.00	2,114.00	
TOTAL EXPENDITURES FROM ALLOCATIONS TO PROPERTY AND SUPPLIES				\$ 672,125.00	\$ 347,224.00	\$ 324,901.00
GRAND TOTAL EXPENDITURES		\$ 323,300.92	\$ 317,812.68	\$ 1,750,000.00	\$ 773,613.00	\$ 976,387.00

- (1) Prior to this biennium, the appropriation was for rental and service only for buildings rented by the State. In 1929-1931, Property and Supplies was given the appropriation which included in addition to rental and service for rented buildings, fuel, water, power and electric current for the Capitol, the State Arsenal, the Military Reservation at Mt. Gretna, the Agricultural Experimental Farm at Mt. Gretna and the Sanatoria of the Department of Health.



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
INSURANCE, SURETY AND FIDELITY BONDS						
C	Fees .....	\$ 21,207.57	\$ 28,065.03	.....	.....	.....
O	Insurance, Surety and Fidelity Bonds ...	.....	.....	\$ 178,294.00	\$ 56,575.00	\$ 121,719.00
TOTAL EXPENDITURES .....		\$ 21,207.57	\$ 28,065.03	\$ 178,294.00	\$ 56,575.00	\$ 121,719.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Insurance, Surety and Fidelity Bonds* .....	\$	23,000.00	\$ 23,000.00	\$ 100,000.00	\$ 56,575.00	\$ 43,425.00
State Appropriation—Insurance, Surety and Fidelity Bonds—Deficiency .....			6,000.00	# 78,294.00		# 78,294.00
State Appropriation—Credits—1925-27 .....		549.80				
TOTAL AVAILABLE FUNDS .....	\$	23,549.80	\$ 29,000.00	\$ 178,294.00	\$ 56,575.00	\$ 121,719.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	19,064.35				
Expended from State Appropriation during 1927-29 .....		2,143.22	\$ 27,228.91			
Expended from State Appropriation during 1929-31 .....			836.12	\$ 178,294.00	\$ 56,575.00	\$ 121,719.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$	21,207.57	\$ 28,065.03	\$ 178,294.00	\$ 56,575.00	\$ 121,719.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$	2,342.23				
State Appropriation to Continue .....			934.97			

## INSURANCE, SURETY AND FIDELITY BONDS

Governor's and Lieutenant Governor's Offices .....	\$	25.00	\$ 62.50	\$ 773.00	\$ 311.00	\$ 462.00
Department of the Auditor General .....		992.48	1,219.22	3,109.00	688.00	2,421.00
Treasury Department .....		8,273.27	9,006.76	12,426.00	3,046.00	9,380.00
Department of Agriculture .....		369.45	622.44	14,961.00	6,466.00	8,495.00
Department of Banking .....		679.19	527.50	1,077.00	330.00	747.00
Department of Forests and Waters .....		346.37	336.63	21,987.00	5,357.00	16,630.00
Department of Health .....		268.35	372.30	21,322.00	6,790.00	14,532.00
Department of Highway .....		646.33	1,513.63			
Insurance Department .....		108.50	250.00	1,112.00	267.00	845.00
Department of Internal Affairs .....		140.00	140.00	3,632.00	874.00	2,758.00
Department of Justice .....		145.00	196.73	284.00	91.99	193.00
Department of Labor and Industry .....		178.65	184.50	7,644.00	2,819.00	4,825.00
Department of Military Affairs .....		2,668.26	5,684.59	19,377.00	6,404.00	12,973.00
Department of Mines .....		100.00	200.00	1,607.00	438.00	1,169.00
Department of Property and Supplies .....		258.28	264.20	13,368.00	3,446.00	9,922.00
Department of Public Instruction .....		703.43	839.23	7,067.00	2,225.00	4,842.00
Public Service Commission .....		550.99	721.50	1,804.00	421.00	1,383.00
Department of Revenue .....				9,823.00	5,849.00	3,974.00
Department of State .....		298.85	460.52	696.00	310.00	386.00
Pennsylvania State Police .....		907.87	1,190.00	24,494.00	6,366.00	18,128.00
Department of Welfare .....		2,156.06	3,123.47	10,581.00	3,911.00	6,670.00
Board of Fish Commissioners .....		349.17	285.76			
Board of Game Commissioners .....		159.58	615.44		(2) 83.00	83.00
Legislative .....		230.81	185.61	869.00	181.00	688.00
Legislative Reference Bureau .....		50.00	50.00	106.00	33.00	73.00
Judiciary .....				175.00	35.00	140.00
State Reporter .....			12.50			
Money's Refunded .....		601.58				
TOTAL EXPENDITURES .....	\$	21,207.57	\$ 28,065.03	\$ (1) 178,294.00	\$ 56,575.00	\$ 121,719.99

- # Requested Deficiency. Not included in Summary.  
 Purchase of Insurance provided in 1929-1931 only.
- (1) Beginning June 1, 1929 the State provides Automobile personal injury and property damage insurance and workmen's compensation insurance protecting State employees, whereas the appropriation in prior years covered only surety bonds on State employees. This appropriation covers surety bonds on all State employees and automobile and workmen's compensation insurance protecting employees of departments supported by the General Fund.
- (2) Refund credited in error to this fund. Should have been credited to Game Fund. Must be deducted from this column and added in the next column.

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
AUTOMOTIVE SUPPLIES AND EQUIPMENT						
G-1	Motor Supplies and Repairs—Passenger Cars	.....	.....	\$ 262,396.00	\$ 8,154.00	\$ 254,242.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars	.....	.....	60,854.00	.....	60,854.00
P-2	Equipment—Motor, Passenger Cars	.....	.....	377,682.00	194,650.00	183,032.00
P-3	Equipment—Motor, Other than Passenger Cars	.....	.....	130,868.00	69,261.00	61,607.00
P-4	Equipment—Miscellaneous Reserve	.....	.....	3,200.00	.....	3,200.00
		.....	.....	175,000.00	.....	175,000.00
TOTAL EXPENDITURES		.....	.....	\$ 1,010,000.00	\$ 272,065.00	\$ 737,935.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Automobile Supplies and Equipment

TOTAL AVAILABLE FUNDS

## LESS EXPENDITURES—

Expended from State Appropriation during 1929-31

TOTAL EXPENDITURES (As Detailed Above)

## AUTOMOTIVE SUPPLIES AND EQUIPMENT

## EQUIPMENT TO BE ASSIGNED PERMANENTLY—

Governor's and Lieutenant Governor's Offices		\$ 3,881.00	\$ 1,189.00	\$ 2,692.00
Department of the Auditor General				
Treasury Department		45,266.00	20,287.00	24,979.00
Department of Agriculture				
Department of Banking		74,284.00	26,852.00	47,432.00
Department of Forests and Waters		82,685.00	40,618.00	42,067.00
Department of Health		82.00	82.00	
Department of Highways		3,000.00		3,000.00
Insurance Department		14,605.00	6,834.00	7,771.00
Department of Internal Affairs		2,500.00		2,500.00
Department of Justice	No appropriation these periods	24,926.00	22,990.00	1,936.00
Department of Labor and Industry		7,932.00	4,443.00	3,489.00
Department of Military Affairs		5,837.00	3,837.00	2,000.00
Department of Mines		29,207.00	25,973.00	3,234.00
Department of Property and Supplies		29,372.00	7,958.00	21,414.00
Department of Public Instruction		1,955.00		1,955.00
Public Service Commission		2,625.00		2,625.00
Department of Revenue		3,000.00	3,000.00	
Department of State		84,850.00	52,760.00	32,090.00
Pennsylvania State Police		69,635.00	47,088.00	22,547.00
Department of Welfare				
<b>TOTAL EXPENDITURES—Automotive Equipment</b>		\$ 485,642.00	\$ 263,911.00	\$ 221,731.00

## SUPPLIES FOR OPERATING EQUIPMENT TEMPORARILY ASSIGNED—

Allocation to Department of Property and Supplies for operating automotive equipment permanently assigned for its use or temporarily assigned for the use of other agencies

GRAND TOTAL EXPENDITURES

Beginning June 1, 1929, under the provision of Section 2407 of the Administrative Code, the Department of Property and Supplies took over the control of all State automobiles. This appropriation was made to the Department to enable it to augment or replace automotive equipment for Departments supported from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURE

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1929 To May 31, 1930
CLASSIFIED EDITS—DEPARTMENTS OF PUBLIC INSTRUCTION						
	Classified Edit of Statutes-at-Large .....	.....	.....	\$ 15,000.00	.....	\$ 15,000.00
	Classified Edit of 8th and 9th Series-Pennsylvania Archives .....	.....	.....	75,000.00	.....	75,000.00
	TOTAL EXPENDITURES .....	.....	.....	\$ 90,000.00	.....	\$ 90,000.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation — Classified Edit of Statutes-at-Large .....			\$ 15,000.00		\$ 15,000.00
	State Appropriation—Classified Edit of 8th and 9th Series—Pennsylvania Archives .....			75,000.00		75,000.00
	TOTAL AVAILABLE FUNDS .....			\$ 90,000.00		\$ 90,000.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1929-31 .....			\$ 90,000.00		\$ 90,000.00
	TOTAL EXPENDITURES (As Detailed Above) .....			\$ 90,000.00		\$ 90,000.00

## MISCELLANEOUS

	Harrisburg Fire Companies .....	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 2,500.00	\$ 2,500.00
	Cresson Volunteer Fire Company .....			1,000.00	500.00	500.00
	Total .....	\$ 5,000.00	\$ 5,000.00	\$ 6,000.00	\$ 3,000.00	\$ 3,000.00
Refunds:						
	Philip Alpert .....	\$ 75.00				
	David Cramer .....	200.00				
	L. B. Smith .....	40.00				
	Telegraph Printing Company .....		40.32			
	Total Refunds .....	315.00	40.32			
	TOTAL EXPENDITURES .....	\$ 5,315.00	\$ 5,040.32	\$ 6,000.00	\$ 3,000.00	\$ 3,000.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation:					
	Harrisburg Fire Companies .....	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 2,500.00	\$ 2,500.00
	Cresson Volunteer Fire Company .....			1,000.00	500.00	500.00
	Refund—Philip Alpert—Deficiency .....	\$ 75.00				
	Refund—David Cramer—Deficiency .....	200.00				
	Refund—L. B. Smith .....	40.00				
	Refund—Telegraph Printing Company .....		40.32			
	TOTAL AVAILABLE FUNDS .....	\$ 5,315.00	\$ 5,040.32	\$ 6,000.00	\$ 3,000.00	\$ 3,000.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 5,315.00				
	Expended from State Appropriation during 1927-29 .....		\$ 5,040.32			
	Expended from State Appropriation during 1929-31 .....			\$ 6,000.00	\$ 3,000.00	\$ 3,000.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 5,315.00	\$ 5,040.32	\$ 6,000.00	\$ 3,000.00	\$ 3,000.00

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
CAPITOL GROUNDS, BUILDINGS AND MEMO- RIAL BRIDGE						
SOUTH OFFICE BUILDING—						
B	Wages .....	\$ 421.20				
C	Fees .....					
F	Traveling Expenses .....	760.05				
I	Repairs .....	7,933.61				
S	Buildings and Construction .....	338,911.82				
Total .....		\$ 348,026.69				
A. W. BRUNNER, ARCHITECT—						
C	Fees .....	\$ 4,245.22				
Total .....		\$ 4,245.22				
ADDITIONS AND EXTENSIONS TO POWER PLANT—						
C	Fees .....		\$ 6,252.75			
E	Traveling Expenses .....	\$ 213.83	288.73			
H	Miscellaneous Expenses .....		13.95			
S	Building and Construction .....	79,786.17	107,586.59			
Total .....		\$ 80,000.00	\$ 114,142.02			
VAULT—TREASURY DEPARTMENT—						
S	Building and Construction .....	\$ 81,629.48				
ALTERATIONS TO ELEVATORS—						
I	Repairs .....	\$ 86,000.00	\$ 80,000.00			
REPAIRS TO LIBRARY AND MUSEUM—						
I	Repairs .....		\$ 10,555.78			
RECARPETING HALLS OF ASSEMBLY—						
I	Repairs .....		\$ 16,298.34			
VIOLET OAKLEY MURAL PAINTINGS .....						
		\$ 35,427.72				
RETOUCHING PORTRAITS OF LIEUTENANT GOVERNORS .....						
			\$ 500.00			
ALTERATIONS TO STATE ARSENAL—						
H	Miscellaneous Supplies .....		\$ 14.57			
I	Repairs .....		8,062.22			
S	Buildings and Construction .....		16,923.21			
Total .....			\$ 25,000.00			
CAPITOL PARK IMPROVEMENTS—						
C	Fees .....		\$ 5,496.96			
F	Traveling Expenses .....		92.10			
I	Repairs .....		279,703.49			
L	Freight, Express and Cartage .....	\$ 134.95				
S	Building and Construction .....	149,865.05	9,976.95			
Total .....		\$ 150,000.00	\$ 295,274.50			
SOLDIERS' AND SAILORS' MEMORIAL BRIDGE						
A-1	Salaries \$3,000 and Over .....		\$ 6,275.00	\$ 3,500.00	\$ 1,750.00	\$ 1,750.00
A-2	Salaries Less than \$3,000 .....		5,152.50	4,600.00	2,450.00	2,150.00
C	Fees .....		29,613.89	58,000.00	15,300.00	42,700.00
E	Traveling Expenses .....		1,093.27	5,000.00		5,000.00
S	Buildings and Construction .....		1,457,865.34	828,900.00	563,354.00	265,546.00
T	Land .....		45,105.00			
Total .....			\$ 1,545,105.00	\$ 900,000.00	\$ 582,854.00	\$ 317,146.00
SOLDIERS' AND SAILORS' MEMORIAL BRIDGE—Additional 1927-1929						
A-1	Salaries \$3,000 and Over .....		\$ 2,975.00			
A-2	Salaries Less than \$3,000 .....		4,843.67			
C	Fees .....		51,076.46			
E	Traveling Expenses .....		1,446.73			
S	Buildings and Construction .....		376,204.04			
Total .....			\$ 436,545.92			



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
CAPITOL GROUNDS, BUILDINGS AND MEMORIAL BRIDGE (Continued)						
FARM SHOW AND EDUCATIONAL BUILDINGS						
A-1	Salaries \$3,000 and Over .....	.....	.....	\$ 19,148.00	\$ 6,373.00	\$ 12,775.00
A-2	Salaries Less than \$3,000 .....	.....	.....	44,772.00	19,273.00	25,499.00
B	Wages .....	.....	.....	750.00	.....	750.00
C	Fees .....	.....	.....	251,139.00	189,706.00	61,433.00
E	Traveling Expenses .....	.....	.....	6,000.00	.....	6,000.00
S	Buildings and Construction .....	.....	.....	5,504,866.00	2,368,588.00	3,136,278.00
	Reserve .....	.....	.....	13,325.00	.....	13,325.00
	Total .....	.....	.....	\$ 5,840,000.00	\$ 2,583,940.00	\$ 3,256,060.00
ALTERATIONS' FURNISHINGS, CONSTRUCTION OF SEWERS, ETC.						
S	Buildings and Construction .....	.....	.....	\$ 37,523.00	\$ 37,523.00	.....
	TOTAL EXPENDITURES .....	\$ 785,329.11	\$ 2,520,421.56	\$ 6,777,523.00	\$ 3,204,317.00	\$ 3,573,206.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

## State Appropriation:

South Office Building .....	\$ 350,000.00					
A. W. Brunner, Architect .....	5,000.00					
North Office Building .....		\$ 1,000,000.00				
Additions and Extensions to Power Plant .....	80,000.00	150,000.00				
Vault—Treasury Department .....	55,000.00					
Vault—Treasury Department—Deficiency .....	27,000.00					
Alterations to Elevators .....	86,000.00					
Repairs to Library and Museum .....		11,500.00				
Recarpeting Halls of Assembly .....		20,000.00				
Violet Oakley Mural Paintings .....	35,612.00					
Retouching Portraits of Lieutenant Governors .....		500.00				
Alterations to State Arsenal .....		25,000.00				
Executive Mansion Commission .....		5,000.00				
Capitol Park Improvements .....	150,000.00	325,000.00				
Soldiers' and Sailors' Memorial Bridge .....		1,500,000.00	\$ 900,000.00	\$ 582,854.00	\$ 317,146.00	
Soldiers' and Sailors' Memorial Bridge—Addi- tional 1927-1929 .....		460,000.00				
Farm Show and Educational Buildings .....			5,840,000.00	2,583,940.00		3,256,060.00
Alterations, Furnishings, Construction of Sewers, Etc. ....			37,523.00	37,523.00		
State Appropriation — Credits — 1927-1929 (Soldiers' and Sailors' Memorial Bridge) ...		45,105.00				
TOTAL AVAILABLE FUNDS .....	\$ 788,612.00	\$ 3,622,105.00	\$ 6,777,523.00	\$ 3,204,317.00	\$ 3,573,206.00	

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-1927 .....	\$ 721,908.16					
Expended from State Appropriation during 1927-1929 .....	59,920.95	\$ 2,150,557.99				
Expended from State Appropriation during 1929-1931 .....	3,500.00	369,863.57	\$ 6,777,523.00	\$ 3,204,317.00	\$ 3,573,206.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 785,329.11	\$ 2,520,421.56	\$ 6,777,523.00	\$ 3,204,317.00	\$ 3,573,206.00	

## BALANCES—

State Appropriation Lapsed Under Act 25-A,  
1927, or Act 402—1929:

South Office Building .....	\$ 1,973.31					
A. W. Brunner, Architect .....	754.78					
Violet Oakley Mural Paintings .....	184.28					
Vault—Treasury Department—Deficiency ....	370.52					

## State Appropriation to Lapse:

North Office Building .....	\$ 1,000,000.00					
Additions and Extensions to Power Plant ..	35,857.98					
Repairs to Library and Museum .....	844.22					
Recarpeting Halls of Assembly .....	3,701.66					
Executive Mansion Commission .....	5,000.00					

## State Appropriation to Continue:

Capitol Park Improvements .....	29,725.50					
Soldiers' and Sailors' Memorial Bridge .....	26,454.08					

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PUBLIC BUILDINGS AND LAND OUTSIDE OF HARRISBURG						
FOR DEPARTMENT OF AGRICULTURE--						
Purchase of Additional Land--						
C	Fees .....			\$ 90.00	\$ 2.00	\$ 88.00
E	Traveling Expenses .....			10.00		10.00
T	Land .....			9,000.00	9,000.00	
Total Department of Agriculture .....				\$ 9,100.00	\$ 9,002.00	\$ 98.00
FOR DEPARTMENT OF FORESTS AND WATERS--						
Additional Land for State Parks						
C	Fees .....			\$ 69.00		\$ 69.00
T	Land .....			129,001.00		129,001.00
V	Fixed Charges, Debt Interest and Sinking Fund .....			152.00		152.00
	Reserve .....			20,778.00		20,778.00
Total Department of Forests and Waters ..				\$ 150,000.00		\$ 150,000.00
FOR DEPARTMENT OF HEALTH--						
Sanatoria--Construction						
A-2	Salaries--Less than \$3,000 .....			\$ 7,200.00		\$ 7,200.00
C	Fees .....			52,734.00	\$ 15,539.00	37,195.00
S	Buildings and Construction .....			915,066.00	5,570.00	909,496.00
Total .....				\$ 975,000.00	\$ 21,109.00	\$ 953,891.00
Hospital for Crippled Children						
B	Wages .....			\$ 6,250.00	\$ 5,414.00	\$ 836.00
C	Fees .....			2,000.00	2,000.00	
S	Buildings and Construction .....			101,750.00	83,327.00	18,423.00
Total .....				\$ 110,000.00	\$ 90,741.00	\$ 19,259.00
Total Department of Health .....				\$ 1,085,000.00	\$ 111,850.00	\$ 973,150.00
FOR DEPARTMENT OF MILITARY AFFAIRS--						
Mt. Gretna--Construction						
B	Wages .....			\$ 7,000.00		\$ 7,000.00
H	Miscellaneous Supplies .....			10,000.00		10,000.00
P-4	Miscellaneous Equipment .....			1,500.00		1,500.00
Total .....				\$ 18,500.00		\$ 18,500.00
Mt. Gretna--Additional Land .....				\$ 300,000.00		\$ 300,000.00
Construction of Armories						
A-2	Salaries--Less than \$3,000 .....			\$ 7,600.00		\$ 7,600.00
C	Fees .....			46,950.00	\$ 11,148.00	35,802.00
S	Buildings and Construction .....			920,100.00	10,028.00	910,072.00
	Reserve .....			350.00		350.00
Total .....				\$ 975,000.00	\$ 21,176.00	\$ 953,824.00
Total Department of Military Affairs .....				\$ 1,293,500.00	\$ 21,176.00	\$ 1,272,324.00
FOR DEPARTMENT OF PUBLIC INSTRUCTION--						
State Teachers Colleges--Construction						
A-1	Salaries--\$3,000 and Over .....			\$ 2,400.00		\$ 2,400.00
A-2	Salaries--Less than \$3,000 .....			26,100.00		26,100.00
C	Fees .....			100,000.00	\$ 18,252.00	81,748.00
S	Buildings and Construction .....			1,553,954.00	24,783.00	1,529,171.00
T	Land .....			208,511.00	116,492.00	92,019.00
	Reserve .....			11,025.00		11,035.00
Total .....				\$ 1,902,000.00	\$ 159,527.00	\$ 1,742,473.00
Pennsylvania State Oral School--Construction						
A-2	Salaries--Less than \$3,000 .....			\$ 1,350.00		\$ 1,350.00
C	Fees .....			6,180.00	\$ 1,164.00	5,016.00
S	Buildings and Construction .....			95,470.00		95,470.00
Total .....				\$ 103,000.00	\$ 1,164.00	\$ 101,835.00



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PUBLIC BUILDINGS AND LAND OUTSIDE OF HARRISBURG (Continued)						
FOR DEPARTMENT OF PUBLIC INSTRUCTION (Continued)						
Pennsylvania Soldiers' Orphan School—Con- struction						
A-2	Salaries—Less than \$3,000 .....			\$ 1,620.00		\$ 1,620.00
C	Fees .....			3,255.00	\$ 1,953.00	1,302.00
S	Buildings and Construction .....			52,625.00		52,625.00
Total .....				\$ 57,500.00	\$ 1,953.00	\$ 55,547.00
Thaddeus Stevens Industrial School—Construc- tion						
C	Fees .....			\$ 1,375.00		\$ 1,375.00
S	Buildings and Construction .....			26,125.00		26,125.00
Total .....				\$ 27,500.00		\$ 27,500.00
Total Department of Public Instruction ..				\$ 2,090,000.00	\$ 162,644.00	\$ 1,927,356.00
FOR DEPARTMENT OF WELFARE—						
Emergency Construction .....						
				\$ 250,000.00		\$ 250,000.00
Nanticoke State Hospital—Land .....						
				\$ 2,500.00		\$ 2,500.00
Pennsylvania Industrial Reformatory—Construc- tion						
A-1	Salaries—\$3,000 and Over .....			\$ 2,400.00		\$ 2,400.00
B	Wages .....			12,000.00		12,000.00
C	Fees .....			11,607.00	\$ 2,785.00	8,822.00
E	Traveling Expense .....			2,250.00		2,250.00
S	Buildings and Construction .....			229,743.00	2,145.00	227,598.00
Total .....				\$ 258,000.00	\$ 4,930.00	\$ 253,070.00
Pennsylvania Training School—Construction						
A-2	Salaries—Less than \$3,000 .....			\$ 3,500.00		\$ 3,500.00
B	Wages .....			10,818.00		10,818.00
C	Fees .....			16,676.00	\$ 2,557.00	14,119.00
S	Buildings and Construction .....			226,006.00		226,006.00
Total .....				\$ 257,000.00	\$ 2,557.00	\$ 254,443.00
State Industrial Home for Women—Construction						
A-2	Salaries—Less than \$3,000 .....			\$ 2,340.00		\$ 2,340.00
C	Fees .....			15,226.00	\$ 9,136.00	6,090.00
S	Buildings and Construction .....			251,434.00		251,434.00
Total .....				\$ 269,000.00	\$ 9,136.00	\$ 259,864.00
New Eastern Penitentiary—Construction						
A-1	Salaries—\$3,000 and Over .....			\$ 24,650.00	\$ 10,400.00	\$ 14,250.00
A-2	Salaries—Less than \$3,000 .....			199,031.00	94,519.00	104,512.00
S	Buildings and Construction .....			3,276,319.00	2,346,946.00	929,373.00
	Advance Requisitions .....				40,000.00	*40,000.00
Total .....				\$ 3,500,000.00	\$ 2,491,865.00	\$ 1,008,135.00
New Eastern Penitentiary—Land						
C	Fees .....			\$ 100.00	\$ 45.00	\$ 55.00
E	Traveling Expense .....			50.00		50.00
T	Land .....			5,350.00	5,300.00	50.00
Total .....				\$ 5,500.00	\$ 5,345.00	\$ 155.00
Western Penitentiary, Pittsburgh—Construction						
B	Wages .....			\$ 13,475.00		\$ 13,475.00
C	Fees .....			4,975.00	\$ 520.00	4,455.00
S	Buildings and Construction .....			69,550.00		69,550.00
Total .....				\$ 88,000.00	\$ 520.00	\$ 87,480.00
Western Penitentiary, Rockview—Construction and Land						
A-1	Salaries—\$3,000 and Over .....			\$ 2,250.00		\$ 2,250.00
B	Wages .....			31,000.00		31,000.00
C	Fees .....			14,650.00	\$ 5,306.00	9,344.00
S	Buildings and Construction .....			225,100.00		225,100.00
T	Land .....			65,000.00	63,852.00	1,148.00
Total .....				\$ 338,000.00	\$ 69,158.00	\$ 268,342.00

\* Indicates Deduction.

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PUBLIC BUILDINGS AND LAND OUTSIDE OF HARRISBURG (Continued)						
FOR DEPARTMENT OF WELFARE (Continued)—						
Allentown—Construction:						
A-2	Salaries—Less than \$3,000 .....			\$ 2,250.00		\$ 2,250.00
C	Fees .....			15,275.00	\$ 2,713.00	12,562.00
S	Buildings and Construction .....			287,725.00		287,725.00
	Reserve .....			17,750.00		17,750.00
Total .....				\$ 323,000.00	\$ 2,713.00	\$ 320,287.00
Danville—Construction:						
A-2	Salaries—Less than \$3,000 .....			\$ 2,400.00		\$ 2,400.00
C	Fees .....			13,139.00	\$ 8,008.00	5,131.00
S	Buildings and Construction .....			294,461.00	7,848.00	286,613.00
Total .....				\$ 310,000.00	\$ 15,856.00	\$ 294,144.00
Farview—Construction:						
A-2	Salaries—Less than \$3,000 .....			\$ 3,600.00		\$ 3,600.00
C	Fees .....			23,945.00	\$ 13,491.00	10,454.00
S	Buildings and Construction .....			475,455.00	38,021.00	437,434.00
Total .....				\$ 503,000.00	\$ 51,512.00	\$ 451,488.00
Harrisburg—Construction and Land:						
A-1	Salaries—\$3,000 and Over .....			\$ 1,400.00		\$ 1,400.00
A-2	Salaries—Less than \$3,000 .....			975.00		975.00
C	Fees .....			22,997.00	\$ 11,438.00	11,559.00
S	Buildings and Construction .....			471,549.00	20,356.00	451,193.00
T	Land .....			111,000.00	27,816.00	83,184.00
V	Fixed Charges—Debt, Interest and Sink- ing Fund .....			79.00		79.00
Total .....				\$ 608,000.00	\$ 59,610.00	\$ 548,390.00
Norristown—Construction:						
A-1	Salaries—\$3,000 and Over .....			\$ 2,375.00		\$ 2,375.00
C	Fees .....			7,350.00	\$ 3,789.00	3,561.00
S	Buildings and Construction .....			132,526.00		132,526.00
Total .....				\$ 142,251.00	\$ 3,789.00	\$ 138,462.00
Torrance—Construction:						
A-1	Salaries—\$3,000 and Over .....			\$ 4,800.00		\$ 4,800.00
B	Wages .....			55,000.00		55,000.00
C	Fees .....			23,250.00	\$ 12,378.00	10,872.00
S	Buildings and Construction .....			394,950.00		394,950.00
Total .....				\$ 478,000.00	\$ 12,378.00	\$ 465,622.00
Warren—Construction:						
A-2	Salaries—Less than \$3,000 .....			\$ 15,135.00		\$ 15,135.00
B	Wages .....			75.00		75.00
C	Fees .....			14,069.00	\$ 8,417.00	5,652.00
E	Traveling Expenses .....			500.00	44.00	456.00
S	Buildings and Construction .....			257,221.00	108,772.00	148,449.00
Total .....				\$ 287,000.00	\$ 117,233.00	\$ 169,767.00
Wernersville—Construction:						
A-2	Salaries—Less than \$3,000 .....			\$ 2,375.00		\$ 2,375.00
C	Fees .....			13,250.00	\$ 2,913.00	10,337.00
S	Buildings and Construction .....			297,725.00	368.00	297,357.00
Total .....				\$ 313,350.00	\$ 3,281.00	\$ 310,069.00
Laurelton—Construction:						
C	Fees .....			\$ 8,490.00	\$ 4,752.00	\$ 3,738.00
S	Buildings and Construction .....			141,510.00		141,510.00
Total .....				\$ 150,000.00	\$ 4,752.00	\$ 145,248.00
Pennhurst—Construction:						
A-2	Salaries—Less than \$3,000 .....			\$ 4,700.00		\$ 4,700.00
C	Fees .....			35,000.00	\$ 20,884.00	17,116.00
S	Buildings and Construction .....			635,300.00	17,220.00	618,080.00
Total .....				\$ 678,000.00	\$ 38,104.00	\$ 639,896.00



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PUBLIC BUILDINGS AND LAND OUTSIDE OF HARRISBURG (Continued)						
FOR DEPARTMENT OF WELFARE (Continued)						
Polk—Construction and Land:						
A-2	Salaries—Less than \$3.000 .....	.....	.....	\$ 2,400.00	.....	\$ 2,400.00
C	Fees .....	.....	.....	10,401.00	\$ 4,228.00	6,173.00
S	Buildings and Construction .....	.....	.....	180,199.00	2,782.00	177,417.00
T	Land .....	.....	.....	3,000.00	.....	3,000.00
Total .....		.....	.....	\$ 196,000.00	\$ 7,010.00	\$ 183,990.00
Selinsgrove—Construction and Land:						
A-2	Salaries—Less than \$3.000 .....	.....	.....	\$ 3,600.00	.....	\$ 3,600.00
C	Fees .....	.....	.....	44,000.00	17,895.00	26,305.00
S	Buildings and Construction .....	.....	.....	495,400.00	.....	495,400.00
T	Land .....	.....	.....	100,000.00	90,356.00	9,644.00
Total .....		.....	.....	\$ 643,000.00	\$ 108,051.00	\$ 534,949.00
Cumberland Valley—Construction:						
A-2	Salaries—Less than \$3.000 .....	.....	.....	\$ 2,890.00	.....	\$ 2,890.00
C	Fees .....	.....	.....	14,000.00	.....	14,000.00
S	Buildings and Construction .....	.....	.....	224,584.00	.....	224,584.00
	Reserve .....	.....	.....	1,526.00	.....	1,526.00
Total .....		.....	.....	\$ 243,000.00	.....	\$ 243,000.00
Total Department of Welfare .....		.....	.....	\$ 9,842,601.00	\$ 3,007,800.00	\$ 6,834,801.00
TOTAL EXPENDITURES .....		.....	.....	\$ 14,470,201.00	\$ 3,312,472.00	\$ 11,157,729.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation—Public Buildings and Land Outside of Harrisburg						
	Department of Agriculture .....	.....	.....	\$ 9,100.00	\$ 9,002.00	\$ 98.00
	Department of Forests and Waters .....	.....	.....	150,000.00	.....	150,000.00
	Department of Health .....	.....	.....	1,085,000.00	111,850.00	973,150.00
	Department of Military Affairs .....	.....	.....	1,293,500.00	21,176.00	1,272,324.00
	Department of Public Instruction .....	.....	.....	2,090,000.00	162,644.00	1,927,356.00
	Department of Welfare .....	.....	.....	9,842,601.00	3,007,800.00	6,834,801.00
TOTAL AVAILABLE FUNDS .....		.....	.....	\$ 14,470,201.00	\$ 3,312,472.00	\$ 11,157,729.00
LESS EXPENDITURES						
Expended from State Appropriation during 1929-31 .....		.....	.....	\$ 14,470,201.00	\$ 3,312,472.00	\$ 11,157,729.00
TOTAL EXPENDITURES (As Detailed Above) .....		.....	.....	\$ 14,470,201.00	\$ 3,312,472.00	\$ 11,157,729.00

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MONUMENTS AND MEMORIALS						
General George Gordon Meade Statue						
B	Wages .....	\$	1,004.21	.....	.....	.....
C	Fees .....		.....	.....	.....	
D	Office Supplies, Postage .....		3,110.00	.....	.....	
E	Travelling Expenses .....		2,099.63	.....	.....	
H	Miscellaneous Supplies .....		389.05	.....	.....	
L	Freight, Express, Cartage, Etc. ....	19.92	.....	No appropriation during this period		
S	Buildings and Construction .....	196,985.35	.....	.....	.....	.....
U	Subsidies .....	7,031.77	.....	.....	.....	.....
Total .....		\$	210,639.93	.....	.....	.....
Robert Morris Statue .....			1,008.00	.....	.....	.....
Curtin Parke Monument Commission						
S	Buildings and Construction .....	.....	\$ 13,250.00	.....	.....	.....
Boise Penrose Monument						
S	Buildings and Construction .....	.....	\$ 14,000.00	.....	.....	.....
TOTAL EXPENDITURES .....		\$	211,647.93	\$	27,250.00	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Monuments and Memorials						
	General George Gordon Meade Statue .....	\$ 232,000.00				
	Robert Morris Statue .....	6,000.00				
	General Galusha Pennypacker Monument Commission .....	5,000.00			No appropriation during this period	
	Curtin Parke Monument Commission .....		\$ 15,000.00			
	Boise Penrose Monument .....		20,000.00			
	Monument of John Morton .....		10,000.00			
	<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 243,000.00	\$ 45,000.00			

## LESS EXPENDITURES—

	Expended from State Appropriation during 1925-27 .....	\$ 131,827.39			No appropriation during this period	
	Expended from State Appropriation during 1927-29 .....	79,455.54	\$ 4,875.00			
	Expended from State Appropriation during 1929-31 .....	365.00	22,375.00			
	<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 211,647.93	\$ 27,250.00			

## BALANCE—

	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 26,352.07				
	State Appropriation to Continue .....	5,000.00	\$ 17,750.00			



## APPENDIX TO THE

## DEPARTMENT OF PROPERTY AND SUPPLIES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
BRIDGES—						
	Pennsylvania and New Jersey Joint Bridge Com- mission—					
	Acquiring and Maintaining Toll Bridges ...	\$	100,000.00			
	Pennsylvania and New Jersey Joint Bridge Com- mission—					
	Acquiring Site and Constructing Center Bridge .....		100,000.00			
	Pennsylvania and New Jersey Joint Bridge Com- mission—					
	Acquiring Site and Constructing Center Bridge—Deficiency .....		34,861.87			
	Pennsylvania and New York Joint Bridge Com- mission—					
	Acquiring Toll Bridges .....		48,937.03			
	Total Expenditures .....	\$	283,798.95			
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation					
	Pennsylvania and New Jersey Joint Bridge Com- mission—					
	Acquiring Toll Bridges .....		100,000.00			
	Pennsylvania and New Jersey Joint Bridge Com- mission—					
	Acquiring Site and Constructing Center Bridge .....		100,000.00			
	Pennsylvania and New Jersey Joint Bridge Com- mission—					
	Acquiring Site and Construction Center Bridge—Deficiency .....		40,000.00			
	Pennsylvania and New York Joint Bridge Com- mission—					
	Acquiring Toll Bridges .....		58,500.00			
	Total Available Funds .....	\$	293,500.00			
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$	164,650.24			
	Expended from State Appropriation during 1927-29 .....		105,527.26			
	Expended from State Appropriation during 1929-31 .....		13,621.45			
	TOTAL EXPENDITURES (As Detailed Above) .....	\$	283,798.95			
BALANCE—						
	State Appropriation to Continue .....	\$	14,701.05			

For Appropriations these periods see  
Special Administrative CommissionFor Appropriations these periods see  
Special Administrative Commission

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salaries of the Superintendent .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
	Salaries and General Expenses .....	897,102.51	856,636.14	901,490.00	404,295.00	497,195.00
	Total Administration .....	\$ 921,102.51	\$ 880,636.14	\$ 925,490.00	\$ 416,295.00	\$ 509,195.00
LIBRARY AND MUSEUM						
	Salaries and General Expenses .....	\$ 180,000.00	\$ 220,000.00	\$ 250,000.00	\$ 116,557.00	\$ 133,443.00
	Special Equipment .....	3,500.00	.....	.....	.....	.....
	Indian Relics .....	.....	5,000.00	.....	.....	.....
	Total Library and Museum .....	\$ 183,500.00	\$ 225,000.00	\$ 250,000.00	\$ 116,557.00	\$ 133,443.00
PUBLIC SCHOOL SUBSIDIES						
	Salaries of County Superintendents .....			\$ 441,000.00	\$ 220,500.00	\$ 220,500.00
	Expenses of County Superintendents .....			66,000.00	29,674.00	36,326.00
	Salaries of Assistant County Superintendents .....			525,000.00	255,671.00	269,329.00
	Expenses of Assistant County Superintendents .....	\$ 4,416,457.05	\$ 4,441,688.56	105,000.00	45,413.00	59,587.00
	Transportation and Closed Schools .....			2,300,000.00	410,436.00	1,889,564.00
	Training Vocational Teachers .....			224,000.00	90,559.00	133,441.00
	Vocational Education .....			1,044,446.00	94,352.00	950,094.00
	Miscellaneous Subsidies .....			125,000.00	63,573.00	61,427.00
	Corn Planter Indian Reservation—Repairs .....	650.00	.....	.....	.....	.....
	Corn Planter Indian Reservation—Roads .....	600.00	600.00	600.00	.....	600.00
	Total Public School Subsidies .....	\$ 4,417,707.05	\$ 4,442,288.56	\$ 4,831,046.00	\$ 1,210,178.00	\$ 3,620,868.00
PUBLIC SCHOOLS						
	Support of the Public Schools .....	\$ 43,562,762.75	\$ 47,500,000.00	\$ 52,000,000.00	\$ 26,826,300.00	\$ 25,173,700.00
	Aid to School Districts of Third and Fourth Class .....	.....	69,700.00	100,000.00	43,075.00	56,925.00
	Total Public Schools .....	\$ 43,562,762.75	\$ 47,569,700.00	\$ 52,100,000.00	\$ 26,869,375.00	\$ 25,230,625.00
NORMAL SCHOOLS AND STATE TEACHERS COLLEGES						
	Maintenance and Repairs .....	\$ 4,502,453.86	\$ 4,544,403.65	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,983,389.00
	New Buildings and Construction .....	749,536.17	1,745,047.43	.....	.....	.....
	Liquidation of Indebtedness .....	47,303.65	.....	.....	.....	.....
	Total Normal Schools and State Teachers Colleges .....	\$ 5,299,293.68	\$ 6,289,451.08	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,983,389.00
EXAMINING BOARDS						
	Salaries and General Expenses .....	\$ 268,214.40	\$ 295,600.32	\$ 310,000.00	\$ 116,220.00	\$ 193,780.00
SPECIAL EDUCATION						
	Education of Blind and Deaf .....	\$ 979,053.23	\$ 1,134,268.45	\$ 1,161,000.00	\$ 382,427.00	\$ 778,573.00
BOARD OF CENSORS						
	Salaries and General Expenses .....	\$ 130,892.78	\$ 173,806.88	\$ 175,500.00	\$ 83,004.00	\$ 92,496.00
HISTORICAL						
	Pennsylvania Historical Commission—Salaries and General Expenses .....	\$ 17,057.08	\$ 34,750.85	\$ 51,000.00	\$ 15,674.00	\$ 35,326.00
	John Brady Monument .....	.....	500.00	.....	.....	.....
	Conrad Weiser Park Association .....	.....	.....	4,500.00	4,392.00	108.00
	Historical Society of Western Pennsylvania .....	.....	.....	40,000.00	.....	40,000.00
	Total Historical .....	\$ 17,057.08	\$ 35,250.85	\$ 95,500.00	\$ 20,066.00	\$ 75,434.00
PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD						
	Salaries and General Expenses .....	\$ 95,094.60	\$ 102,131.59	\$ 111,400.00	\$ 52,409.00	\$ 58,991.00
	Contingent Reserve Account .....	1,293,000.00	1,495,000.00	1,825,000.00	834,905.00	990,095.00
	Annuity Reserve Account .....	3,130,454.78	4,010,000.00	4,075,000.00	1,915,095.00	2,159,905.00
	Former Teachers Account .....	75,000.00	.....	150,000.00	68,903.00	81,097.00
	Total Public School Employees' Retirement Board .....	\$ 4,593,549.38	\$ 5,607,131.59	\$ 6,161,400.00	\$ 2,871,312.00	\$ 3,290,088.00
SCHOOLS FOR DEAF AND VOCATIONAL EDUCA- TION—STATE-OWNED						
	Pennsylvania State Oral School for Deaf .....	\$ 117,220.00	\$ 110,000.00	\$ 129,000.00	\$ 57,376.00	\$ 71,624.00
	Home for Training in Speech .....	105,200.46	97,172.63	90,500.00	39,797.00	50,703.00
	Pennsylvania Soldiers' Orphans School .....	300,255.85	324,896.25	309,500.00	133,506.00	175,994.00
	Thaddeus Stevens Industrial School .....	85,000.00	85,000.00	109,000.00	51,580.00	57,420.00
	Total Schools for Deaf and Vocational Educational—State-Owned .....	\$ 607,676.31	\$ 617,068.88	\$ 638,000.00	\$ 282,259.00	\$ 355,741.00



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION

SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
UNIVERSITIES AND COLLEGES—STATE-AIDED						
	Pennsylvania State College .....	\$ 2,358,030.00	\$ 3,996,159.14	\$ 6,311,000.00	\$ 3,743,183.00	\$ 2,567,817.00
	University of Pennsylvania .....	1,291,500.00	1,500,000.00	1,500,000.00	562,500.00	937,500.00
	University of Pittsburgh .....	900,000.00	1,000,000.00	1,200,000.00	362,621.00	837,379.00
	Women's Medical College .....	50,000.00	64,000.00	70,000.00	23,831.00	46,169.00
	Jefferson Medical College .....	.....	135,000.00	150,000.00	18,750.00	131,250.00
	Temple University .....	270,000.00	400,000.00	600,000.00	150,000.00	450,000.00
	Hahnemann Medical College .....	.....	50,000.00	100,000.00	22,042.00	77,958.00
	Total Universities and Colleges—State-Aided .....	\$ 4,869,530.00	\$ 7,145,159.14	\$ 9,931,000.00	\$ 4,882,927.00	\$ 5,048,073.00
OTHER EDUCATIONAL INSTITUTIONS—STATE-AIDED						
	Philadelphia Museums .....	\$ 25,000.00	\$ 30,000.00	\$ 35,000.00	\$ 21,372.00	\$ 13,628.00
	Pennsylvania Museum and School of Industrial Art .....	85,000.00	100,000.00	100,000.00	37,500.00	62,500.00
	Philadelphia School of Design for Women ...	20,000.00	29,703.80	40,000.00	15,000.00	25,000.00
	Downingtown Industrial and Agricultural School .....	55,999.57	60,000.00	60,000.00	22,478.00	37,522.00
	Commissioners of Navigation—Nautical School ..	125,102.97	104,879.94	150,000.00	62,188.00	87,812.00
	National Farm School .....	25,000.00	30,000.00	35,000.00	13,125.00	21,875.00
	Johnson Industrial School, Scranton .....	.....	.....	50,000.00	.....	50,000.00
	Total Other Educational Institutions—State-Aided .....	\$ 336,102.54	\$ 390,583.74	\$ 470,000.00	\$ 171,663.00	\$ 298,337.00
	TOTAL EXPENDITURES .....	\$ 66,186,441.71	\$ 74,805,945.63	\$ 87,776,936.00	\$ 42,166,894.00	\$ 45,610,042.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
	D-1 Office Supplies .....	\$ 51,279.47	\$ 20,259.40	\$ 304,299.00	\$ 13,342.00	\$ 190,290.00
	D-2 Printing and Binding .....	93,546.10	81,510.64		48,933.00	
	F Telephone, Telegraph and Leased Office Devices .....	10,079.51	10,242.82		5,931.00	
	H Miscellaneous Supplies .....	(1)	(1)		3,343.00	
	I Repairs .....	(1)	(1)		748.00	
	K Light, Heat, Power and Water .....	1,111.04	1,112.35		1,040.00	
	M Rents .....	13,300.00	15,147.50		10,135.00	
	N Food and Forage .....	(2)	(2)		14.00	
	O Insurance, Surety and Fidelity Bonds....	703.43	839.23		2,225.00	
	P-1 Equipment—Office .....	(1)	16,112.45		12,472.00	
	P-2 Equipment—Motor, Passenger Cars .....	(2)	(2)	2,739.00		
	P-3 Equipment—Motor, All Other .....	.....	.....	5,219.00		
	P-4 Equipment—Miscellaneous .....	(1)	(3)	7,868.00		
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 170,019.55	\$ 145,224.39	\$ 304,299.00	\$ 114,009.00	\$ 190,290.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees ....	\$ 25.00	\$ 13.00	(4)	(4)	(4)
	GRAND TOTAL EXPENDITURES .....	\$ 66,356,486.26	\$ 74,951,183.02	\$ 88,081,235.00	\$ 42,280,903.00	\$ 45,800,332.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

## AVAILABLE FUNDS—

State Appropriation .....	\$ 63,786,764.06	\$ 74,329,205.00	\$ 87,048,000.00	\$ 42,033,697.00	\$ 45,014,303.00
State Appropriation—Deficiency .....	.....	14,000.00	.....	.....	.....
State Appropriation—Deficiency Acts of 1927 ..	2,062,181.53	.....	.....	.....	.....
State Appropriation—Additional—1927-1929 ..	.....	95,000.00	.....	.....	.....
State Appropriation—Credits—1925-27 .....	761,543.74	.....	.....	.....	.....
State Appropriation—Credits—1927-1929 .....	411,670.48	652,913.57	.....	.....	.....
State Appropriation—Credits—1929-1931 .....	.....	426,945.02	728,936.00	133,197.00	595,739.00
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 67,022,159.81	\$ 75,518,063.59	\$ 87,776,936.00	\$ 42,166,894.00	\$ 45,610,042.00

NOTES: (1) Included with Office Supplies these periods.  
 (2) No Allocation these periods.  
 (3) Included with Office Equipment this period  
 (4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
LESS EXPENDITURES—						
	Expended from State Appropriation during 1923-25 .....	\$ 47,383.65	.....	.....	.....	.....
	Expended from State Appropriation during 1925-27 .....	63,312,054.09	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	2,820,232.99	\$ 70,440,039.64	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	6,770.98	4,365,905.99	87,776,936.00	42,166,894.00	45,610,042.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 66,186,441.71	\$ 74,805,945.63	\$ 87,776,936.00	\$ 42,166,894.00	\$ 45,610,042.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 835,154.22	.....	.....	.....	.....
	State Appropriation to Lapse .....	563.88	\$ 304,122.20	.....	.....	.....
	State Appropriation to Continue .....		407,995.76	.....	.....	.....

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

<b>SALARY OF THE SUPERINTENDENT</b>	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
<b>SALARIES AND GENERAL EXPENSES</b>					
A-1 Salaries—\$3,000 and Over .....	455,423.48	442,843.91	434,957.00	211,274.00	223,683.00
A-2 Salaries—Less than \$3,000 .....	315,816.94	270,259.18	278,679.00	139,683.00	138,996.00
B Wages .....	.....	8,752.86	11,585.00	3,835.00	7,750.00
C Fees .....	6,342.37	22,063.34	4,745.00	1,745.00	3,000.00
D Office Supplies, Printing, Postage and Stationery .....	14,243.07	16,367.88	21,398.00	7,798.00	13,600.00
E Traveling Expenses .....	82,385.53	71,223.30	76,649.00	34,049.00	42,600.00
F Telephone and Telegraph .....	.....	1,349.64	1,972.00	747.00	1,225.00
G-1 Motor Supplies and Repairs—Passenger Cars .....	.....	5,245.29	6,199.00	2,199.00	4,000.00
G-2 Motor Supplies and Repairs—All Other than Passenger Cars .....	1,872.63	250.25	442.00	32.00	410.00
H Miscellaneous Supplies .....	.....	1,333.05	.....	.....	.....
J Newspaper Advertising and Notices .....	1,155.10	10,400.00	10,400.00	2,600.00	7,800.00
L Freight, Express, Cartage, Etc. ....	427.09	632.70	1,933.00	333.00	1,600.00
M Rents .....	.....	1,256.96	.....	.....	.....
P-1 Equipment—Office .....	.....	97.32	.....	.....	.....
P-2 Equipment—Motor Passenger Cars .....	.....	1,680.00	.....	.....	.....
P-3 Equipment—Motor, Other than Passenger Cars .....	4,742.24	.....	.....	.....	.....
P-4 Equipment—Miscellaneous .....	3,833.74	2,880.46	.....	.....	.....
Other Items .....	.....	.....	52,531.00	.....	52,531.00
Reserve .....	10,860.32	.....	.....	.....	.....
<b>TOTAL EXPENDITURES .....</b>	<b>\$ 921,102.51</b>	<b>\$ 880,636.14</b>	<b>\$ 925,490.00</b>	<b>\$ 416,295.00</b>	<b>\$ 509,195.00</b>

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>					
State Appropriation—Salary of the Superintendent .....	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00
State Appropriation—Salaries and General Expenses .....	849,584.00	881,000.00	868,000.00	387,805.00	480,195.00
State Appropriation—Credits 1925-27 .....	77,133.86	.....	.....	.....	.....
State Appropriation—Credits 1927-29 .....	3,735.90	38,446.72	.....	.....	.....
State Appropriation—Credits 1929-31 .....	.....	197.70	33,490.00	16,490.00	17,000.00
<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$ 954,453.76</b>	<b>\$ 943,644.42</b>	<b>\$ 925,490.00</b>	<b>\$ 416,295.00</b>	<b>\$ 509,195.00</b>
<b>LESS EXPENDITURES—</b>					
Expended from State Appropriation during 1925-27 .....	\$ 917,371.11	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	3,731.40	\$ 875,632.97	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	5,003.17	\$ 925,490.00	\$ 416,295.00	\$ 509,195.00
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$ 921,102.51</b>	<b>\$ 880,636.14</b>	<b>\$ 925,490.00</b>	<b>\$ 416,295.00</b>	<b>\$ 509,195.00</b>
<b>BALANCE—</b>					
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 33,351.25	.....	.....	.....	.....
State Appropriation to Lapse .....	.....	\$ 63,008.28	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
LIBRARY AND MUSEUM						
A-1	Salaries—\$3,000 and Over .....	\$ 32,410.54	\$ 37,008.22	\$ 36,000.00	\$ 18,000.00	\$ 18,000.00
A-2	Salaries—Less than \$3,000 .....	109,643.67	122,141.63	171,755.00	82,220.00	89,535.00
B	Wages .....	2,859.67	2,989.52	2,097.00	1,097.00	1,000.00
D	Office Supplies, Printing, Postage and Stationery .....	1,450.73	1,961.31	2,400.00	1,200.00	1,200.00
E	Traveling Expenses .....	3,196.78	3,569.60	5,490.00	2,040.00	3,450.00
F	Telephone and Telegraph .....	103.10	370.55	576.00	226.00	350.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		1,262.72	1,295.00	745.00	550.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		172.07	776.00	276.00	500.00
L	Freight, Express, Cartage, Etc. ....	850.60	842.02	598.00	248.00	350.00
M	Rents .....		410.50			
N	Food and Forage .....	72.80	58.50			
P-2	Equipment—Motor, Passenger Cars .....		1,520.00			
P-3	Equipment—Motor, Other than Passenger Cars .....		1,420.48			
P-4	Equipment—Miscellaneous .....	32,912.11	51,274.88	27,570.00	10,505.00	17,065.00
	Reserve .....			1,443.00		1,443.00
TOTAL EXPENDITURES .....		\$ 183,500.00	\$ 225,000.00	\$ 250,000.00	\$ 116,557.00	\$ 133,443.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation — State Library and Museum—Special Equipment .....						
	\$	3,500.00				
State Appropriation — State Library and Museum—General Salaries .....						
		180,000.00	\$ 220,000.00	\$ 250,000.00	\$ 116,557.00	\$ 133,443.00
State Appropriation—Indian Relics .....						
			5,000.00			
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 183,500.00	\$ 225,000.00	\$ 250,000.00	\$ 116,557.00	\$ 133,443.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....						
	\$	179,469.63				
Expended from State Appropriation during 1927-29 .....						
		4,30.37	\$ 224,562.68			
Expended from State Appropriation during 1929-31 .....						
			437.32	\$ 250,000.00	\$ 116,557.00	\$ 133,443.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....		\$ 183,500.00	\$ 225,000.00	\$ 250,000.00	\$ 116,557.00	\$ 133,443.00

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PUBLIC SCHOOLS SUBSIDIES						
A-1	Salaries—\$3,000 and Over .....	\$ 914,894.47	\$ 390,614.26	\$ 731,577.00	\$ 227,272.00	\$ 504,305.00
A-2	Salaries—Less than \$3,000 .....			414,060.00	323,373.00	90,687.00
E	Traveling Expense .....	228,841.98		226,117.00	94,204.00	131,913.00
J	Newspaper Advertising and Notices .....			811.00	761.00	50.00
U	Subsidies .....	3,272,720.60	3,491,618.70	3,457,659.00	564,538.00	2,893,091.00
	Reserve .....			222.00		222.00
	Total Public School Subsidies .....	\$ 4,416,457.05	\$ 4,441,038.56	\$ 4,830,446.00	\$ 1,210,178.00	\$ 3,620,268.00
CORNPLANTER INDIAN RESERVATION—ROADS						
I	Repairs .....	\$ 650.00				
U	Subsidies .....	600.00	600.00	600.00		600.00
	Total Cornplanter Indian Roads.....	\$ 1,250.00	\$ 600.00	\$ 600.00		\$ 600.00
	TOTAL EXPENDITURES .....	\$ 4,417,707.05	\$ 4,442,288.56	\$ 4,831,046.00	\$ 1,210,178.00	\$ 3,620,868.00

## SUMMARY OF AVAILABLE FUNDS EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

## State Appropriation:

Salaries of County Superintendents .....		\$ 441,000.00	\$ 441,000.00	\$ 220,500.00	\$ 220,500.00
Expenses of County Superintendents .....		66,000.00	66,000.00	29,674.00	36,326.00
Salaries of Assistant County Superintendents .....		525,000.00	525,000.00	255,671.00	269,329.00
Expenses of Assistant County Superintendents .....	\$ 4,020,000.00	105,000.00	105,000.00	45,413.00	59,587.00
Transportation and Closed Schools .....		1,500,000.00	2,300,000.00	410,436.00	1,889,564.00
Training Vocational Teachers .....		112,000.00	112,000.00	42,028.00	69,972.00
Vocational Education .....		650,000.00	511,000.00	51,178.00	459,824.00
Miscellaneous Subsidies .....		105,000.00	125,000.00	63,573.00	61,427.00
Cornplanter Indian Reservation—Repairs .....	650.00				
Cornplanter Indian Reservation—Roads .....	600.00	600.00	600.00		600.00
State Appropriation—Credits—1925-27 .....	630,511.09				
State Appropriation—Credits—1927-29 .....	407,739.58	564,466.85			
State Appropriation—Credits—1929-31 .....		426,747.32	645,446.00	91,707.00	553,739.00
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 5,069,500.67	\$ 4,495,814.17	\$ 4,831,046.00	\$ 1,210,178.00	\$ 3,620,868.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 3,005,226.15				
Expended from State Appropriation during 1927-29 .....	1,407,580.92	\$ 3,037,232.81			
Expended from State Appropriation during 1929-31 .....	4,899.98	1,405,055.75	\$ 4,831,046.00	\$ 1,210,178.00	\$ 3,620,868.00
<b>TOTAL EXPENDITURES</b> .....	\$ 4,417,707.05	\$ 4,442,288.56	\$ 4,831,046.00	\$ 1,210,178.00	\$ 3,620,868.00

## BALANCE—

State Appropriation Lapsed under Act 25-A, 1927 or Act 402 1929 .....	\$ 651,793.62				
State Appropriation to Lapse .....		31,177.17			
State Appropriation to Continue .....		22,348.44			



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SUPPORT OF PUBLIC SCHOOLS						
U	Subsidies .....	\$ 43,562,762.75	\$ 47,500,000.00	\$ 52,000,000.00	\$ 26,826,300.00	\$ 25,173,700.00
AID TO SCHOOL DISTRICTS—THIRD AND FOURTH CLASS		No Appropria- tion during this period	69,700.00	100,000.00	43,075.00	56,925.00
TOTAL EXPENDITURES .....		\$ 43,562,762.75	\$ 47,569,700.00	\$ 52,100,000.00	\$ 26,869,375.00	\$ 25,230,625.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Support of Public Schools	\$ 41,910 000.00	\$ 47,500,000.00	\$ 52,000,000.00	\$ 26,826,300.00	\$ 25,173,700.00
	State Appropriation—Support of Public Schools —Deficiency. ....	1,652,712.75				
	State Appropriation—Aid to School Districts— Third and Fourth Class .....		100,000.00	100,000.00	43,075.00	56,925.00
	State Appropriation—Credits—1925-1927 .....	50.00				
TOTAL AVAILABLE FUNDS .....		\$ 43,562,762.75	\$ 47,600,000.00	\$ 52,100,000.00	\$ 26,869,375.00	\$ 25,230,625.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 43,532,257.94				
	Expended from State Appropriation during 1927-29 .....	30,504.81	\$ 47,435,431.82			
	Expended from State Appropriation during 1929-31 .....		134,268.18	\$ 52,100,000.00	\$ 26,869,375.00	\$ 25,230,625.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 43,562,762.75	\$ 47,569,700.00	\$ 52,100,000.00	\$ 26,869,375.00	\$ 25,230,625.00
BALANCE—						
	State Appropriation to Continue .....		\$ 30,300.00			

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
NORMAL SCHOOLS AND STATE TEACHERS COLLEGES—MAINTENANCE						
A-1	Salaries—\$3,000 and Over .....		2,207,693.56	\$ 3,095,190.00	\$ 1,320,618.00	\$ 1,774,572.00
A-2	Salaries—Less than \$3,000 .....		1,897,390.38	1,814,343.00	1,018,506.00	795,837.00
B	Wages .....		44,741.84	1,496,913.00	703,860.00	793,053.00
C	Fees .....		65,810.40	94,612.00	36,766.00	57,846.00
D	Office Supplies, Printing, Postage and Stationery .....		6,526.93	103,037.00	32,981.00	70,056.00
E	Traveling Expense .....		7,582.80	86,482.00	31,677.00	54,805.00
F	Telephone and Telegraph .....			23,187.00	8,355.00	14,832.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			200.00		200.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	Distribution not available	60.25	8,469.00	2,268.00	6,201.00
H	Miscellaneous Supplies .....		3,074.20	651,424.00	292,533.00	358,891.00
I	Repairs .....		241,230.28	315,342.00	61,703.00	253,639.00
J	Newspaper Advertising and Notices .....		294.15	3,196.00	475.00	2,721.00
K	Light, Heat, Power and Water .....		21,054.09	441,422.00	191,169.00	250,253.00
L	Freight, Express, Cartage, Etc .....		1,312.73	3,476.00	1,329.00	2,147.00
M	Rents .....		700.00	130,044.00	57,229.00	72,815.00
N	Food and Forage .....			1,472,891.00	662,552.00	810,339.00
O	Insurance, Surety and Fidelity Bonds ..			9,813.00	4,006.00	5,807.00
P-1	Equipment—Office .....		1,615.27	24,771.00	4,555.00	20,216.00
P-3	Equipment—Motor, Other than Passenger Cars .....		1,617.39	118.00		118.00
P-4	Equipment—Miscellaneous .....		12,191.34	464,544.00	111,510.00	353,034.00
S	Buildings and Construction .....			92,295.00	73,486.00	18,809.00
U	Subsidies and Indemnities .....		31,508.04	142,284.00	67,616.00	74,668.00
V	Fixed Charges, Debt Interest, and Sinking Fund .....			42.00	21.00	21.00
	Advance Requisitions .....				49,090.00	49,090.00*
Z	Refunds and Repayments of Receipts ..			26,866.00	12,306.00	14,560.00
	Reserve .....			227,039.00		227,039.00
Total Maintenance .....		\$ 4,502,453.86	\$ 4,544,403.65	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,983,389.00
NORMAL SCHOOLS AND STATE TEACHERS COLLEGES—BUILDINGS AND CONSTRUCTION						
S	Buildings and Construction .....	\$ 749,536.17	\$ 1,745,047.43			
NORMAL SCHOOLS AND STATE TEACHERS COLLEGES—LIQUIDATING INDEBTEDNESS						
U	Subsidies .....	\$ 47,303.65				
TOTAL EXPENDITURES .....		\$ 5,299,293.68	\$ 6,289,451.08	\$ 10,728,000.00	\$ 4,744,610.00	\$ 5,983,389.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Normal Schools and State Teachers Colleges—Maintenance .....	\$ 4,500,000.00	\$ 4,600,000.00	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,983,389.00	
State Appropriation—Normal Schools and State Teachers Colleges—New Buildings and Construction .....	750,000.00	2,000,000.00	Appropriated to Property and Supplies, this period in the amount of \$1,902,000.00			
State Appropriation—Normal Schools and State Teachers Colleges—Liquidating Indebtedness .....	47,303.65					
State Appropriation—Credits—1925-27 .....	2,603.91					
TOTAL AVAILABLE FUNDS .....	\$ 5,299,907.56	\$ 6,600,000.00	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,983,389.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1923-25 .....	\$ 47,303.65					
Expended from State Appropriation during 1925-27 .....	4,729,842.47					
Expended from State Appropriation during 1927-29 .....	520,276.56	\$ 5,316,678.96				
Expended from State Appropriation during 1929-31 .....	1,871.00	972,772.12	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,983,389.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 5,299,293.68	\$ 6,289,451.08	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,983,389.00	
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 50.00					
State Appropriation to Continue .....	563.88	\$ 310,548.92				

\* Indicates Deduction.



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
NORMAL SCHOOLS AND STATE TEACHERS COLLEGES						
MAINTENANCE—						
Bloomsburg		\$ 375,176.20	\$ 358,399.72	\$ 798,000.00	\$ 350,184.00	\$ 447,816.00
California		275,344.02	325,560.30	652,900.00	252,816.00	400,084.00
Cheyney		150,002.00	110,749.68	233,268.00	101,400.00	131,868.00
Clarion		233,644.84	182,111.42	365,700.00	169,580.00	196,120.00
East Stroudsburg		377,324.65	369,026.19	856,475.00	379,300.00	477,175.00
Edinboro		298,305.17	262,642.77	605,220.00	257,809.00	347,411.00
Indiana		529,291.00	546,222.09	1,520,600.00	702,149.00	818,451.00
Kutztown		273,218.33	245,843.49	652,660.00	275,096.00	377,564.00
Lock Haven		242,000.00	271,671.04	617,978.00	316,832.00	301,146.00
Mansfield		350,000.00	360,082.95	821,291.00	352,737.00	468,554.00
Millersville		266,393.52	265,254.18	558,850.00	252,865.00	305,985.00
Shippensburg		329,948.60	335,233.62	728,500.00	319,318.00	409,182.00
Slippery Rock		333,434.51	352,464.78	889,200.00	400,213.00	488,987.00
West Chester		468,371.02	459,141.44	1,412,550.00	614,312.00	798,238.00
Unallocated Balance				14,803.00		14,803.00
Total Maintenance		\$ 4,502,453.86	\$ 4,544,403.65	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,933,389.00
NEW BUILDINGS AND CONSTRUCTION—						
Bloomsburg			\$ 205,067.72	\$ 204,503.00	\$ 76,326.00	\$ 128,177.00
California		\$ 10,000.00	130,136.65	173,225.00		173,225.00
Cheyney		50,000.00	25,162.10	123,200.00		123,200.00
Clarion			130,855.26	105,987.00		105,987.00
East Stroudsburg		125,000.00	109,626.91	129,871.00	13,293.00	116,578.00
Edinboro			14,949.73	139,400.00		139,400.00
Indiana		195,000.00	270,000.99	247,318.00	6,792.00	240,526.00
Kutztown		25,000.00	185,378.59	63,312.00	20,162.00	43,150.00
Lock Haven		20,000.00	102,580.73	32,700.00	17,227.00	15,473.00
Mansfield		130,000.00	113,817.86	82,200.00		82,200.00
Millersville		4,000.00	135,572.67	95,175.00	15,534.00	79,641.00
Shippensburg		34,536.17	39,078.50	156,128.00	4,225.00	151,903.00
Slippery Rock		6,000.00	126,304.79	166,046.00	1,130.00	164,916.00
West Chester		150,000.00	156,514.93	171,900.00	4,838.00	167,062.00
Unallocated Balance				11,035.00		11,035.00
Total New Buildings and Construction		\$ 749,536.17	\$ 1,745,047.43	\$ 1,902,000.00*	\$ 159,527.00*	\$ 1,742,473.00*
LIQUIDATING INDEBTEDNESS—						
East Stroudsburg		\$ 47,303.65				
TOTAL EXPENDITURES		\$ 5,299,293.68	\$ 6,289,451.08	\$ 10,728,000.00	\$ 4,744,611.00	\$ 5,983,389.00

# During this period the receipts from the operation of these institutions were retained and spent without passing through the State Treasury.

The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

\* Appropriation for construction made to Property and Supplies this period. Not included in totals.

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
EXAMINING BOARDS						
A-1	Salaries—\$3,000 and Over .....		\$ 15,700.00	\$ 27,198.00	\$ 12,110.00	\$ 15,088.00
A-2	Salaries—Less than \$3,000 .....		74,791.51	93,243.00	38,170.00	55,073.00
B	Wages .....		128,305.15	103,690.00	46,701.00	56,989.00
C	Fees .....		5,000.30	3,726.00	309.00	3,417.00
D	Office Supplies, Printing, Postage and Stationery .....		25,686.42	10,054.00	4,172.00	5,832.00
E	Traveling Expense .....		40,240.29	43,133.00	14,307.00	28,825.00
F	Telephone and Telegraph .....		547.82	636.00	102.00	534.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	Distribution not available		878.00	268.00	610.00
H	Miscellaneous Supplies .....		596.57			
I	Repairs .....		303.94			
L	Freight, Express, Cartage, Etc. ....		175.27	336.00	81.00	255.00
M	Rents .....		285.00			
F-1	Equipment—Office .....		3,818.54			
F-4	Equipment—Miscellaneous .....		149.51			
	Reserve .....			27,106.00		27,105.00
TOTAL EXPENDITURES .....		\$ 268,214.40	\$ 295,600.32	\$ 310,000.00	\$ 116,220.00	\$ 193,780.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Examining Boards .....	\$ 302,820.00	\$ 302,605.00	\$ 310,000.00	\$ 116,220.00	\$ 193,780.00	
State Appropriation—Examining Boards—Re- appropriation .....	666.41					
State Appropriation—Credits—1925-27 .....	8.00					
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 303,491.41	\$ 302,605.00	\$ 310,000.00	\$ 116,220.00	\$ 193,780.00	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1923-25 .....	\$ 80.00					
Expended from State Appropriation during 1925-27 .....	259,451.66					
Expended from State Appropriation during 1927-29 .....	8,632.74	\$ 277,819.72				
Expended from State Appropriation during 1929-31 .....		17,780.60	\$ 310,000.00	\$ 116,220.00	\$ 193,780.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 268,214.40	\$ 295,600.32	\$ 310,000.00	\$ 116,220.00	\$ 193,780.00	
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 35,280.01					
State Appropriation to Continue .....		\$ 7,004.68				

## EXAMINING BOARDS (BY BOARDS)

Anthracite Mine Inspectors' Examining Board .....	\$ 3,236.43	\$ 1,995.30	\$ 2,470.00		\$ 2,470.00	
State Board of Examiners of Architects .....	8,249.55	9,081.62	8,714.00	\$ 4,147.00	4,567.00	
Bituminous Mine Inspectors' Examining Board .....	4,444.78	4,198.37	4,450.00		4,450.00	
State Dental Council and Examining Board .....	30,744.36	32,038.51	25,000.00	7,691.00	17,309.00	
State Registration Board for Professional Engineers .....	15,280.44	27,194.01	32,040.00	11,649.00	20,391.00	
State Board of Medical Education and Licensure .....	67,540.84	68,568.19	64,500.00	29,225.00	35,275.00	
State Board of Examination for Registration of Nurses .....	37,805.07	46,239.84	45,540.00	21,646.00	23,804.00	
State Board of Optometrical Examiners .....	18,589.75	18,217.29	17,110.00	6,406.00	10,704.00	
State Board of Osteopathic Examiners .....	6,426.98	6,807.93	7,950.00	2,275.00	5,675.00	
Osteopathic Surgeons' Examining Board .....	1,048.78	1,062.94	1,000.00	331.00	669.00	
State Board of Pharmacy .....	47,006.20	49,175.86	48,000.00	20,090.00	27,910.00	
State Board for the Examination of Public Accountants .....	6,242.06	7,242.60	7,250.00	3,042.00	4,208.00	
State Board of Undertakers .....	17,093.86	19,216.68	17,421.00	7,078.00	10,343.00	
State Board of Veterinary Medical Examiners .....	4,455.25	4,559.98	5,050.00	2,149.00	2,901.00	
Real Estate Licensing Section and Advisory Committee .....			23,505.00	491.00	23,014.00	
<b>TOTAL EXPENDITURES</b> .....	\$ 268,214.40	\$ 295,600.32	\$ 310,000.00	\$ 116,220.00	\$ 193,780.00	



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1928 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
EDUCATION OF THE BLIND AND DEAF						
	Western Pennsylvania School for the Deaf, Edgewood .....	\$ 243,494.64	\$ 253,685.42	\$ 279,380.00	\$ 92,708.00	\$ 186,672.00
	Western Pennsylvania School for the Deaf— Additional .....		20,000.00			
	Pennsylvania Institution for the Deaf, Mt. Alry .....	422,087.82	440,568.75	477,020.00	158,518.00	318,502.00
	Pennsylvania Institution for the Deaf— Additional .....		75,000.00			
	Western Pennsylvania School for the Blind, Pittsburgh .....	136,299.80	145,995.34	164,150.00	54,552.00	109,598.00
	Pennsylvania Institution for the Blind, Over- brook .....	177,092.73	194,321.80	221,200.00	73,966.00	147,234.00
	Royer—Greaves School for the Blind .....	78.24	4,697.14	8,750.00	2,437.00	6,313.00
	Reserve .....			9,500.00		9,500.00
	Total .....	\$ 979,053.23	\$ 1,134,268.45	\$ 1,160,000.00	\$ 382,181.00	\$ 777,819.00
COMMISSION TO INVESTIGATE BLIND AND DEAF SCHOOLS						
	U Subsidies .....			\$ 1,000.00	\$ 246.00	\$ 754.00
	TOTAL EXPENDITURES .....	\$ 979,053.23	\$ 1,134,268.45	\$ 1,161,000.00	\$ 382,427.00	\$ 778,573.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Education of Blind and Deaf .....	\$ 986,000.00	\$ 1,060,000.00	\$ 1,160,000.00	\$ 382,181.00	\$ 777,819.00
	State Appropriation—Pennsylvania Institution for the Deaf, Mt. Alry—Additional .....		75,000.00			
	State Appropriation—Western Pennsylvania School for the Deaf—Additional .....		20,000.00			
	State Appropriation—Commission to Investi- gate Blind and Deaf Schools .....			1,000.00	246.00	754.00
	TOTAL AVAILABLE FUNDS .....	\$ 986,000.00	\$ 1,155,000.00	\$ 1,161,000.00	\$ 382,427.00	\$ 778,573.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 809,171.68				
	Expended from State Appropriation during 1927-29 .....	169,881.55	\$ 854,694.86			
	Expended from State Appropriation during 1929-31 .....		279,573.59	\$ 1,161,000.00	\$ 382,427.00	\$ 778,573.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 979,053.23	\$ 1,134,268.45	\$ 1,161,000.00	\$ 382,427.00	\$ 778,573.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 6,946.77				
	State Appropriation to Continue .....		\$ 20,731.55			

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expende <sup>r</sup>	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
BOARD OF CENSORS						
A-1	Salaries—\$3,000 and Over .....	\$ 111,417.40	\$ 26,880.00	\$ 35,538.00	\$ 17,738.00	\$ 17,800.00
A-2	Salaries—Less than \$3,000 .....		97,208.08	112,089.00	55,118.00	56,971.00
B	Wages .....			1,350.00		1,350.00
C	Fees .....		836.32	1,900.00	50.00	1,850.00
D	Office Supplies, Printing, Postage, and Stationery .....	1,684.59	15,917.44	2,451.00	1,101.00	1,350.00
E	Traveling Expense .....	13,911.72	15,522.01	16,320.00	7,452.00	8,868.00
F	Telephone and Telegraph .....	502.25	722.54	723.00	276.00	447.00
H	Miscellaneous Supplies .....	3,293.14	1,512.28			
I	Repairs .....			1,680.00	357.00	1,123.00
L	Freight, Express, Cartage, Etc. ....	83.68	72.85	150.00	42.00	108.00
O	Insurance, Surety and Fidelity Bonds..			1,483.00	670.00	813.00
P-1	Equipment--Office .....		15,135.36			
	Reserve .....			1,816.00		1,816.00
TOTAL EXPENDITURES .....		\$ 130,892.78	\$ 173,806.88	\$ 175,500.00	\$ 83,004.00	\$ 92,496.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Board of Censors .....	\$ 130,000.00	\$ 160,000.00	\$ 175,500.00	\$ 83,004.00	\$ 92,496.00	
State Appropriation—Board of Censors— Deficiency .....	1,014.00	14,000.00				
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 131,014.00	\$ 174,000.00	\$ 175,500.00	\$ 83,004.00	\$ 92,496.00	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$ 129,309.36					
Expended from State Appropriation during 1927-29 .....	1,583.42	\$ 158,518.53				
Expended from State Appropriation during 1929-31 .....		15,288.35	\$ 175,500.00	\$ 83,004.00	\$ 92,496.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 130,892.78	\$ 173,806.88	\$ 175,500.00	\$ 83,004.00	\$ 92,496.00	
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 121.22					
State Appropriation to Lapse .....		193.12				



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PENNSYLVANIA HISTORICAL COMMISSION— SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	\$ 6,600.00	\$ 700.00	\$ 2,800.00	\$ 800.00	\$ 2,000.00
A-2	Salaries—Less than \$3,000 .....		5,158.55	13,858.00	4,515.00	9,353.00
B	Wages .....			300.00		300.00
C	Fees .....	3,146.64	1,611.61	4,639.00	2,939.00	1,700.00
D	Office Supplies, Printing, Postage and Stationery .....	272.60	1,826.43	450.00	330.00	120.00
E	Traveling Expense .....	4,733.27	4,816.29	9,111.00	4,411.00	4,700.00
F	Telephone and Telegraph .....	434.64	70.69	199.00	64.00	135.00
H	Miscellaneous Supplies .....	477.47				
L	Freight, Express, Cartage, Etc. ....			268.00	68.00	200.00
P-1	Equipment—Office .....		891.52			
P-2	Equipment—Motor, Passenger Cars ....	59.29				
P-3	Equipment—Motor Other than Passenger Cars .....		8,763.61			
S	Buildings and Construction .....		10,912.15	7,787.00	2,390.00	5,397.00
U	Subsidies and Indemnities .....			1,752.00	157.00	1,595.00
	Other Items .....	1,333.17				
	Reserve .....			9,826.00		9,826.00
	Total .....	\$ 17,057.08	\$ 34,750.85	\$ 51,000.00	\$ 15,674.00	\$ 35,326.00
JOHN BRADY MONUMENT						
S	Buildings and Construction .....	No Appropria- tion this period	\$ 500.00			
CONRAD WEISER PARK ASSOCIATION						
				\$ 4,500.00	\$ 4,392.00	\$ 108.00
HISTORICAL SOCIETY OF WESTERN PENN- SYLVANIA						
				\$ 40,000.00		\$ 40,000.00
	TOTAL EXPENDITURES .....	\$ 17,057.08	\$ 35,250.85	\$ 95,500.00	\$ 20,066.00	\$ 75,434.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Pennsylvania Historical Commission .....	\$ 20,000.00	\$ 40,000.00	\$ 51,000.00	\$ 15,674.00	\$ 35,326.00
	State Appropriation—John Brady Monument ..		500.00			
	State Appropriation—Conrad Weiser Park Association .....			4,500.00	4,392.00	108.00
	State Appropriation—Historical Society of Western Pennsylvania .....			40,000.00		40,000.00
	State Appropriation—Credits 1925-27 .....	1.63				
	TOTAL AVAILABLE FUNDS .....	\$ 20,001.63	\$ 40,500.00	\$ 95,500.00	\$ 20,066.00	\$ 75,434.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 16,148.56				
	Expended from State Appropriation during 1927-29 .....	909.52	\$ 20,219.67			
	Expended from State Appropriation during 1929-31 .....		15,030.98	\$ 95,500.00	\$ 20,066.00	\$ 75,434.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 17,057.08	\$ 35,250.85	\$ 95,500.00	\$ 20,066.00	\$ 75,434.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 2,944.55				
	State Appropriation to Continue .....		5,249.15			

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD—SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 6,000.00	\$ 6,000.00
A-2	Salaries—Less than \$3,000 .....	67,532.29	74,468.26	82,741.00	38,891.00	43,850.00
C	Fees .....			3,855.00	3,680.00	175.00
D	Office Supplies, Printing, Postage and Stationery .....	13,201.17	8,686.06	6,498.00	2,888.00	3,600.00
E	Traveling Expense .....	1,388.53	1,495.71	2,226.00	926.00	1,300.00
F	Telephone and Telegraph .....	27.27	23.60	38.00	13.00	25.00
H	Miscellaneous Supplies .....	35.00				
I	Repairs .....		557.45			
L	Freight, Express, Cartage, Etc. ....	.57	6.25	1.00	1.00	
P-1	Equipment—Office .....		4,641.71			
U	Subsidies and Indemnities .....	770.80	252.55			
	Other Items .....	138.97				
	Reserve .....			4,041.00		4,041.00
TOTAL EXPENDITURES .....		\$ 95,094.60	\$ 102,131.59	\$ 111,400.00	\$ 52,409.00	\$ 58,991.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Salaries and General Expenses .....						
		\$ 97,610.00	\$ 110,000.00	\$ 111,400.00	\$ 52,409.00	\$ 58,991.00
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 97,610.00	\$ 110,000.00	\$ 111,400.00	\$ 52,409.00	\$ 58,991.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....						
		\$ 94,342.59				
Expended from State Appropriation during 1927-29 .....						
		752.01	\$ 101,854.58			
Expended from State Appropriation during 1929-31 .....						
			277.01	\$ 111,400.00	\$ 52,409.00	\$ 58,991.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....		\$ 95,094.60	\$ 102,131.59	\$ 111,400.00	\$ 52,409.00	\$ 58,991.00
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....						
		\$ 2,515.40				
State Appropriation to Continue .....						
			7,869.41			

<b>PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD</b>						
	State Annuity Reserve Account No. 2 .....	\$ 3,130,454.78	\$ 4,010,000.00	\$ 4,075,000.00	\$ 1,915,095.00	\$ 2,159,905.00
	Contingent Reserve Account .....	1,293,000.00	1,495,000.00	1,825,000.00	834,905.00	990,095.00
	Former Teachers Account .....	75,000.00		150,000.00	68,903.00	81,097.00
<b>TOTAL EXPENDITURES</b> .....		\$ 4,498,454.78	\$ 5,505,000.00	\$ 6,050,000.00	\$ 2,818,903.00	\$ 3,231,097.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—State Annuity Reserve Account No. 2 .....						
		\$ 2,975,000.00	\$ 4,010,000.00	\$ 4,075,000.00	\$ 1,915,095.00	\$ 2,159,905.00
State Appropriation—State Annuity Reserve Account No. 2—Deficiency .....						
		155,454.78				
State Appropriation—Contingent Reserve Account .....						
		1,125,000.00	1,495,000.00	1,825,000.00	834,905.00	990,095.00
State Appropriation—Contingent Reserve Account—Deficiency .....						
		168,000.00				
State Appropriation—Former Teachers Account .....						
		75,000.00	192,500.00	150,000.00	68,903.00	81,097.00
State Appropriation—Former Teachers Account—Deficiency .....						
		85,000.00				
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 4,583,454.78	\$ 5,697,500.00	\$ 6,050,000.00	\$ 2,818,903.00	\$ 3,231,097.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....						
		\$ 4,498,454.78				
Expended from State Appropriation during 1927-29 .....						
			\$ 5,505,000.00			
Expended from State Appropriation during 1929-31 .....						
				\$ 6,050,000.00	\$ 2,818,903.00	\$ 3,231,097.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....		\$ 4,498,454.78	\$ 5,505,000.00	\$ 6,050,000.00	\$ 2,818,903.00	\$ 3,231,097.00
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....						
		\$ 85,000.00				
State Appropriation to Lapse .....						
			192,500.00			



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PENNSYLVANIA STATE ORAL SCHOOL FOR THE DEAF						
A-1	Salaries—\$3,000 and Over .....		\$ 6,900.00	\$ 7,200.00	\$ 3,600.00	\$ 3,600.00
A-2	Salaries—Less than \$3,000 .....		63,599.92	69,949.00	33,342.00	35,607.00
B	Wages .....		1,200.32	4,866.00	730.00	4,136.00
C	Fees .....			1,055.00	386.00	669.00
D	Office Supplies, Printing, Postage and Stationery .....		168.72	380.00	54.00	324.00
E	Traveling Expense .....		534.78	1,362.00	420.00	942.00
F	Telephone and Telegraph .....		355.59	418.00	186.00	232.00
H	Miscellaneous Supplies .....		6,264.76	4,905.00	2,652.00	2,253.00
I	Repairs .....	Distribution Not Available	17,818.42	6,129.00	1,108.00	5,021.00
J	Newspaper Advertising and Notices ...			10.00		10.00
K	Light, Heat, Power and Water .....		3,221.79	7,598.00	2,899.00	4,699.00
L	Freight, Express, Cartage, Etc. ....		80.09	491.00	187.00	304.00
M	Rents .....			326.00	48.00	278.00
N	Food and Forage .....		9,480.08	19,102.00	7,575.00	11,527.00
O	Insurance Surety and Fidelity Bonds ...			123.00	41.00	82.00
P-1	Equipment—Office .....			219.00	119.00	100.00
P-4	Equipment—Miscellaneous .....		325.80	4,867.00	2,527.00	2,340.00
U	Subsidies and Indemnities .....		49.73			
	Advance Requisitions .....				1,500.00	*1,500.00
TOTAL EXPENDITURES .....		\$ 117,220.00	\$ 110,000.00	\$ 129,000.00	\$ 57,376.00	\$ 71,624.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Pennsylvania State Oral School for Deaf .....	\$ 117,000.00	\$ 110,000.00	\$ 129,000.00	\$ 57,376.00	\$ 71,624.00
State Appropriation—Credits—1925-27 .....	220.00				
TOTAL AVAILABLE FUNDS .....	\$ 117,220.00	\$ 110,000.00	\$ 129,000.00	\$ 57,376.00	\$ 71,624.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 117,220.00				
Expended from State Appropriation during 1927-29 .....		\$ 109,426.37			
Expended from State Appropriation during 1929-31 .....		573.63	\$ 129,000.00	\$ 57,376.00	\$ 71,624.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 117,220.00	\$ 110,000.00	\$ 129,000.00	\$ 47,376.00	\$ 71,624.00

\* Indicates Deduction.

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PENNSYLVANIA SOLDIERS' ORPHAN SCHOOL						
A-1	Salaries—\$3,000 and Over .....		\$ 16,582.58	\$ 17,995.00	\$ 8,975.00	\$ 9,020.00
A-2	Salaries—Less than \$3,000 .....		96,373.77	104,526.00	49,897.00	54,629.00
B	Wages .....		6,517.58	12,545.00	6,379.00	6,166.00
C	Fees .....		268.34	2,569.00	1,338.00	1,231.00
D	Office Supplies, Printing, Postage and Stationery .....		536.98	1,383.00	326.00	1,057.00
E	Traveling Expense .....		1,167.68	1,605.00	477.00	1,128.00
F	Telephone and Telegraph .....		1,182.76	1,240.00	566.00	654.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		406.73	326.00	114.00	212.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		450.71	498.00	242.00	256.00
H	Miscellaneous Supplies .....	Distribution not available	39,760.33	50,910.00	24,046.00	26,864.00
I	Repairs .....		24,247.27	24,266.00	2,027.00	22,239.00
J	Newspaper Advertising and Notices .....		115.65	25.00	.....	25.00
K	Light, Heat, Power and Water .....		17,896.71	9,771.00	4,531.00	5,240.00
L	Freight, Express, Cartage, Etc. ....		13,490.99	11,415.00	5,140.00	6,275.00
M	Rents .....		12.00	512.00	6.00	508.00
N	Food and Forage .....		46,106.17	46,607.00	21,457.00	25,150.00
O	Insurance, Surety and Fidelity Bonds ...		.....	408.00	204.00	204.00
P-1	Equipment—Office .....		177.70	698.00	598.00	100.00
P-2	Equipment—Motor, Passenger Cars .....		1,450.00	.....	.....	.....
P-3	Equipment—Motor, Other than Passenger Cars .....		23.05	.....	.....	.....
P-4	Equipment—Miscellaneous .....		7,744.65	16,684.00	6,801.00	9,883.00
S	Buildings and Construction .....		50,384.60	.....	.....	.....
	Advance Requisitions .....		.....	517.00	362.00	155.00
	Reserve .....		.....	5,000.00	.....	5,000.00
TOTAL EXPENDITURES .....		\$ 300,255.85	\$ 324,896.25	\$ 309,500.00	\$ 133,506.00	\$ 175,994.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation — Pennsylvania Soldiers' Orphan School .....	\$ 300,000.00	\$ 325,000.00	\$ 309,500.00	\$ 133,506.00	\$ 175,994.00
State Appropriation—Credits—1925-27 .....	272.75	.....	.....	.....	.....

TOTAL AVAILABLE FUNDS .....	\$ 300,272.75	\$ 325,000.00	\$ 309,500.00	\$ 133,506.00	\$ 175,994.00
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 299,931.13	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	324.72	\$ 316,308.83	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	8,587.42	\$ 309,500.00	\$ 133,506.00	\$ 175,994.00

TOTAL EXPENDITURES (As Detailed Above) .....	\$ 300,255.85	\$ 324,896.25	\$ 309,500.00	\$ 133,506.00	\$ 175,994.00
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## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 16.90	.....	.....	.....	.....
State Appropriation to Continue .....	.....	\$ 103.75	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
HOME FOR TRAINING IN SPEECH—MAINTENANCE						
A-2	Salaries—Less than \$3,000 .....		\$ 40,358.66	\$ 51,457.00	\$ 24,610.00	\$ 26,847.00
B	Wages .....		3,667.89	1,575.00	476.00	1,099.00
C	Fees .....		1,010.00	1,297.00	319.00	978.00
D	Office, Supplies, Printing, Postage and Stationery .....		41.68	458.00	101.00	357.00
E	Traveling Expense .....		45.01	226.00	34.00	192.00
F	Telephone and Telegraph .....		198.65	262.00	86.00	176.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		190.67	258.00	75.00	183.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		3.85			
H	Miscellaneous Supplies .....		1,852.13	2,617.00	999.00	1,618.00
I	Repairs .....		5,625.16	3,269.00	614.00	2,655.00
J	Newspaper Advertising and Notices .....		136.90	143.00	58.00	85.00
K	Light, Heat, Power and Water .....		5,213.16	4,995.00	2,095.00	2,900.00
L	Freight, Express, Cartage, Etc. ....	Distribution		25.00	5.00	20.00
N	Food and Forage .....	Not Available	17,479.26	20,001.00	8,464.00	11,537.00
O	Insurance, Surety and Fidelity Bonds ..			109.00	4.00	105.00
P-1	Equipment—Office .....		55.48	516.00	66.00	450.00
P-2	Equipment—Motor Passenger Cars .....		610.59	75.00		75.00
P-4	Equipment—Miscellaneous .....		1,789.05	1,041.00	291.00	750.00
	Advance Requisitions .....				1,500.00	*1,500.00
	Reserve .....			2,176.00		2,176.00
Total	.....	\$ 81,214.26	\$ 73,278.14	\$ 90,500.00	\$ 39,797.00	\$ 50,703.00
HOME FOR TRAINING IN SPEECH—REPAIRS						
I	Repairs .....	\$ 23,986.20	\$ 18,894.49			
TOTAL EXPENDITURES	.....	\$ 105,200.46	\$ 97,172.63	\$ 90,500.00	\$ 39,797.00	\$ 50,703.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriations—Home for Training in Speech—Maintenance .....	\$ 97,000.00	\$ 85,000.00	\$ 90,500.00	\$ 39,797.00	\$ 50,703.00
	State Appropriation—Home for Training in Speech—Repairs .....	24,500.00	20,000.00			
	State Appropriation—Credits—1925-27 .....	632.50				
	State Appropriation—Credits—1927-29 .....	195.00				
TOTAL AVAILABLE FUNDS	.....	\$ 122,327.50	\$ 105,000.00	\$ 90,500.00	\$ 39,797.00	\$ 50,703.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 88,873.00				
	Expended from State Appropriation during 1927-29 .....	6,327.46	\$ 90,891.55			
	Expended from State Appropriation during 1929-31 .....		6,281.08	\$ 90,500.00	\$ 39,797.00	\$ 50,703.00
TOTAL EXPENDITURES (As Detailed Above)	.....	\$ 105,200.46	\$ 97,172.63	\$ 90,500.00	\$ 39,797.00	\$ 50,703.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 17,127.04				
	State Appropriation to Lapse .....		7,827.37			

\* Indicates Deduction.

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
THADDEUS STEVENS INDUSTRIAL SCHOOL						
A-1	Salaries—\$3,000 and Over .....			\$ 5,750.00	\$ 2,750.00	\$ 3,000.00
A-2	Salaries—Less than \$3,000 .....		\$ 48,784.71	47,784.00	23,551.00	24,233.00
B	Wages .....		984.71	3,633.00	2,440.00	1,193.00
C	Fees .....		38.32	475.00	.....	475.00
D	Office Supplies, Printing, Postage and Stationery .....		112.65	296.00	72.00	224.00
E	Traveling Expense .....		39.76	139.00	38.00	101.00
F	Telephone and Telegraph .....		139.41	193.00	53.00	140.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		126.79	42.00	22.00	20.00
H	Miscellaneous Supplies .....		7,312.95	16,942.00	9,469.00	7,473.00
I	Repairs .....		4,655.34	10,256.00	1,111.00	9,145.00
J	Newspaper Advertising and Notices ....	Distribution	17.02	25.00	.....	25.00
K	Light, Heat, Power and Water .....	not	8,486.59	8,394.00	3,604.00	4,790.00
L	Freight, Express, Cartage, Etc .....	available	15.38	74.00	25.00	49.00
N	Food and Forage .....		12,205.01	12,854.00	6,503.00	7,351.00
O	Insurance, Surety and Fidelity Bonds ..		.....	24.00	24.00	.....
P-1	Equipment—Office .....		118.75	.....	.....	.....
P-4	Equipment—Miscellaneous .....		480.60	1,119.00	418.00	701.00
S	Buildings and Construction .....		1,502.01	.....	.....	.....
	Advance Requisitions .....		.....	.....	1,500.00	*1,500.00
TOTAL EXPENDITURES .....		\$ 85,000.00	\$ 85,000.00	\$ 109,000.00	\$ 51,580.00	\$ 57,420.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Thaddeus Stevens Industrial School .....	\$ 85,000.00	\$ 85,000.00	\$ 109,000.00	\$ 51,580.00	\$ 57,420.00
TOTAL AVAILABLE FUNDS .....	\$ 85,000.00	\$ 85,000.00	\$ 109,000.00	\$ 51,580.00	\$ 57,420.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 82,172.67				
Expended from State Appropriation during 1927-29 .....	2,827.33	\$ 79,918.28			
Expended from State Appropriation during 1929-31 .....		5,081.72	\$ 109,000.00	\$ 51,580.00	\$ 57,420.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 85,000.00	\$ 85,000.00	\$ 109,000.00	\$ 51,580.00	\$ 57,420.00

\* Indicates Deduction.



## APPENDIX TO THE

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
UNIVERSITIES AND COLLEGES						
Pennsylvania State College—						
	Maintenance .....	\$ 1,752,030.00	\$ 2,100,000.00	\$ 2,350,000.00	\$ 1,146,710.00	\$ 1,203,290.00
	Economics and Extension .....	600,000.00	630,000.00	650,000.00	262,129.00	387,871.00
	Agricultural Research and Experiments .....	.....	270,000.00	300,000.00	124,130.00	175,870.00
	Agricultural Tobacco Experiments .....	6,000.00	.....	.....	.....	.....
	Liquidation of Accumulated Debt .....	.....	.....	711,000.00	711,000.00	.....
	Petroleum Industry .....	.....	.....	50,000.00	12,707.00	37,293.00
	New Buildings .....	.....	996,159.14	2,250,000.00	1,486,507.00	763,493.00
	Total Pennsylvania State College .....	\$ 2,358,030.00	\$ 3,996,159.14	\$ 6,311,000.00	\$ 3,743,183.00	\$ 2,567,817.00
University of Pennsylvania—						
	School of Liberal Arts .....	\$ 355,950.00	\$ 400,000.00	.....	.....	.....
	Technical Schools .....	222,600.00	250,000.00	.....	.....	.....
	Professional Schools .....	534,450.00	625,000.00	\$ 1,500,000.00	\$ 562,500.00	\$ 937,500.00
	Education and Extension .....	105,000.00	125,000.00	.....	.....	.....
	Other Extension .....	73,500.00	100,000.00	.....	.....	.....
	Total University of Pennsylvania .....	\$ 1,291,500.00	\$ 1,500,000.00	\$ 1,500,000.00	\$ 562,500.00	\$ 937,500.00
	University of Pittsburgh .....	\$ 900,000.00	\$ 1,000,000.00	\$ 1,200,000.00	\$ 362,621.00	\$ 837,379.00
	Women's Medical College .....	\$ 50,000.00	\$ 64,000.00	\$ 70,000.00	\$ 23,831.00	\$ 46,169.00
	Jefferson Medical College .....	.....	\$ 135,000.00	\$ 150,000.00	\$ 18,750.00	\$ 131,250.00
	Temple University .....	\$ 270,000.00	\$ 400,000.00	\$ 600,000.00	\$ 150,000.00	\$ 450,000.00
	Hahnemann Medical College .....	.....	\$ 50,000.00	\$ 100,000.00	\$ 22,042.00	\$ 77,958.00
	TOTAL EXPENDITURES .....	\$ 4,869,530.00	\$ 7,145,159.14	\$ 9,931,000.00	\$ 4,882,927.00	\$ 5,048,073.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation — Pennsylvania State College—						
	Maintenance .....	\$ 1,752,030.00	\$ 2,100,000.00	\$ 2,350,000.00	\$ 1,146,710.00	\$ 1,203,290.00
	Economics and Extension .....	600,000.00	630,000.00	650,000.00	262,129.00	387,871.00
	Agricultural Research and Experiments .....	.....	270,000.00	300,000.00	124,130.00	175,870.00
	Agricultural Tobacco Experiments .....	600,000.00	.....	.....	.....	.....
	New Buildings .....	.....	1,000,000.00	2,250,000.00	1,486,507.00	763,493.00
	Liquidating of College's Accumulated Debt .....	.....	.....	711,000.00	711,000.00	.....
	Petroleum Industry .....	.....	.....	50,000.00	12,707.00	37,293.00
	Total Pennsylvania State College .....	\$ 2,358,030.00	\$ 4,000,000.00	\$ 6,311,000.00	\$ 3,743,183.00	\$ 2,567,817.00
State Appropriation — University of Pennsylvania—						
	School of Liberal Arts .....	\$ 355,950.00	\$ 400,000.00	.....	.....	.....
	Technical Schools .....	222,600.00	250,000.00	.....	.....	.....
	Professional Schools .....	534,450.00	625,000.00	\$ 1,500,000.00	\$ 562,500.00	\$ 937,500.00
	Education and Extension .....	105,000.00	125,000.00	.....	.....	.....
	Other Extension .....	73,500.00	100,000.00	.....	.....	.....
	Total University of Pennsylvania .....	\$ 1,291,500.00	\$ 1,500,000.00	\$ 1,500,000.00	\$ 562,500.00	\$ 937,500.00
	State Appropriation—University of Pittsburgh ..	\$ 900,000.00	\$ 1,000,000.00	\$ 1,200,000.00	\$ 362,621.00	\$ 837,379.00
	State Appropriation—Women's Medical College ..	50,000.00	64,000.00	70,000.00	23,831.00	46,169.00
	State Appropriation—Jefferson Medical College ..	.....	135,000.00	150,000.00	18,750.00	131,250.00
	State Appropriation—Temple University .....	270,000.00	400,000.00	600,000.00	150,000.00	450,000.00
	State Appropriation—Hahnemann Medical College ..	.....	50,000.00	100,000.00	22,042.00	77,958.00
	TOTAL AVAILABLE FUNDS .....	\$ 4,869,530.00	\$ 7,143,000.00	\$ 9,931,000.00	\$ 4,882,927.00	\$ 5,048,073.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 4,241,846.26	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	627,683.74	\$ 5,681,536.01	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	.....	1,463,623.13	\$ 9,931,000.00	\$ 4,882,927.00	\$ 5,048,073.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 4,869,530.00	\$ 7,145,159.14	\$ 9,931,000.00	\$ 4,882,927.00	\$ 5,048,073.00
BALANCE—						
	State Appropriation to Continue .....	.....	\$ 3,840.86	.....	.....	.....

## DEPARTMENT OF PUBLIC INSTRUCTION (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
OTHER EDUCATIONAL INSTITUTIONS—STATE-AIDED						
	Philadelphia Museums .....	\$ 25,000.00	\$ 30,000.00	\$ 35,000.00	\$ 21,372.00	\$ 13,628.00
	Pennsylvania Museum and School of Industrial Art .....	85,000.00	100,000.00	100,000.00	37,500.00	62,500.00
	Philadelphia School of Design .....	20,000.00	29,703.80	40,000.00	15,000.00	25,000.00
	Downingtown Industrial and Agricultural School .....	55,999.57	60,000.00	60,000.00	22,478.00	37,522.00
	Commissioners of Navigation—Nautical School .....	125,102.97	140,879.94	150,000.00	62,188.00	87,812.00
	National Farm School .....	25,000.00	30,000.00	35,000.00	13,125.00	21,875.00
	Johnson Industrial School .....			50,000.00		50,000.00
	TOTAL EXPENDITURES .....	\$ 336,102.54	\$ 390,583.74	\$ 470,000.00	\$ 171,663.00	\$ 298,337.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

## State Appropriations:

	Philadelphia Museums .....	\$ 25,000.00	\$ 30,000.00	\$ 35,000.00	\$ 21,372.00	\$ 13,628.00
	Pennsylvania Museum and School of Industrial Art .....	85,000.00	100,000.00	100,000.00	37,500.00	62,500.00
	Philadelphia School of Design .....	20,000.00	30,000.00	40,000.00	15,000.00	25,000.00
	Downingtown Industrial and Agricultural School:					
	Maintenance .....	56,000.00	56,000.00	56,000.00	21,000.00	35,000.00
	Stock and Improvements .....		4,000.00	4,000.00	1,478.00	2,522.00
	Commissioners of Navigation—Nautical School .....	75,000.00	100,000.00	100,000.00	37,188.00	62,812.00
	Credits—1925-27 .....	50,110.00				
	Credits—1927-29 .....		50,000.00			
	Credits—1929-31 .....			50,000.00	25,000.00	25,000.00
	National Farm School .....	25,000.00	30,000.00	35,000.00	13,125.00	21,875.00
	Johnson Industrial School .....			50,000.00		50,000.00
	<b>TOTAL AVAILABLE FUNDS</b> .....	<b>\$ 336,110.00</b>	<b>\$ 400,000.00</b>	<b>\$ 470,000.00</b>	<b>\$ 171,663.00</b>	<b>\$ 298,337.00</b>

## LESS EXPENDITURES—

	Expended from State Appropriation during 1925-27 .....	\$ 300,965.10				
	Expended from State Appropriation during 1927-29 .....	35,137.44	\$ 354,311.80			
	Expended from State Appropriation during 1929-31 .....		36,271.94	\$ 470,000.00	\$ 171,663.00	\$ 298,337.00
	<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	<b>\$ 336,102.54</b>	<b>\$ 390,583.74</b>	<b>\$ 470,000.00</b>	<b>\$ 171,663.00</b>	<b>\$ 298,337.00</b>

## BALANCE—

	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 7.46	\$ 9,416.26			
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## APPENDIX TO THE

## PUBLIC SERVICE COMMISSION

## SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures - 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
Salary of the Chairman .....		\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 10,500.00	\$ 10,500.00
Salaries of the Commissioners .....		750,259.45	120,000.00	120,000.00	60,000.00	60,000.00
Salaries and General Expenses .....			787,267.37	845,000.00	401,544.00	443,456.00
Grade Crossing Protection .....				25,000.00		25,000.00
<b>TOTAL EXPENDITURES</b> .....		<b>\$ 771,259.45</b>	<b>\$ 928,267.37</b>	<b>\$ 1,011,000.00</b>	<b>\$ 472,044.00</b>	<b>\$ 538,956.00</b>
<b>EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—</b>						
D-1 Office Supplies .....		\$ 22,663.86	\$ 12,063.88		\$ 7,415.00	
D-2 Printing and Binding .....		43,633.27	44,099.86		16,323.00	
F Telephone, Telegraph and Leased Office Devices .....		3,987.09	4,094.91		2,255.00	
H Miscellaneous Supplies .....		(1)	(1)		1,291.00	
I Repairs .....		(1)	(1)	\$ 98,521.00	478.00	\$ 49,233.00
K Light, Heat, Power and Water .....		15,974.57	17,382.30		2,600.00	
M Rents .....		81,300.00	79,387.50		12,577.00	
O Insurance, Surety and Fidelity Bonds ..		550.99	721.50		421.00	
P-1 Equipment—Office .....		(1)	10,779.50		5,472.00	
P-4 Equipment—Miscellaneous .....		(1)	(3)		456.00	
<b>TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS</b> .....		<b>\$ 168,109.78</b>	<b>\$ 168,520.45</b>	<b>\$ 98,521.00</b>	<b>\$ 49,288.00</b>	<b>\$ 49,233.00</b>
<b>EXPENDED BY LABOR AND INDUSTRY—</b>						
Compensation for Injured State Employees....				(4)	(4)	(4)
<b>GRAND TOTAL EXPENDITURES</b> .....		<b>\$ 939,369.23</b>	<b>\$ 1,096,796.82</b>	<b>\$ 1,109,521.00</b>	<b>\$ 521,332.00</b>	<b>\$ 588,189.00</b>

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

<b>AVAILABLE FUNDS—</b>						
State Appropriation .....	\$	771,000.00	\$ 974,000.00	\$ 1,011,000.00	\$ 472,044.00	\$ 538,956.00
State Appropriation—Credits—1925-27 .....		260.00				
<b>TOTAL AVAILABLE FUNDS</b> .....	<b>\$</b>	<b>771,260.00</b>	<b>\$ 974,000.00</b>	<b>\$ 1,011,000.00</b>	<b>\$ 472,044.00</b>	<b>\$ 538,956.00</b>
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$	764,916.73				
Expended from State Appropriation during 1927-29 .....		6,342.72	\$ 877,374.40			
Expended from State Appropriation during 1929-31 .....			50,892.97	\$ 1,011,000.00	\$ 472,044.00	\$ 538,956.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	<b>\$</b>	<b>771,259.45</b>	<b>\$ 928,267.37</b>	<b>\$ 1,011,000.00</b>	<b>\$ 472,044.00</b>	<b>\$ 538,956.00</b>
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$	.55				
State Appropriation to Lapse .....			45,732.63			

Notes: (1) Included with Office Supplies these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.

## PUBLIC SERVICE COMMISSION

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
Salary of the Chairman .....		\$ 21,000.00	\$ 21,000.00	\$ 21,000.00	\$ 10,500.00	\$ 10,500.00
Salaries of the Commissioners .....		(1)	120,000.00	120,000.00	60,000.00	60,000.00
Salaries and General Expenses .....						
Grade Crossing Protection .....				25,000.00		25,000.00
A-1 Salaries—\$3,000 and Over .....		599,294.06	291,195.56	346,108.00	166,403.00	179,700.00
A-2 Salaries—Less than \$3,000 .....			307,742.58	375,122.00	179,366.00	195,756.00
B Wages .....		79,094.03	13,575.34	3,305.00	2,865.00	440.00
C Fees .....			40,691.19	41,092.00	16,767.00	24,325.00
D Office Supplies, Printing, Postage and Stationery .....		10,825.33	15,930.84	5,550.00	2,750.00	2,800.00
E Traveling Expense .....		43,794.78	54,597.74	63,886.00	29,481.00	34,405.00
F Telephone and Telegraph .....		3,973.97	5,007.09	4,972.00	2,022.00	2,950.00
G-1 Motor Supplies and Repairs—Passenger Cars .....		7.99	1,894.84	4,623.00	1,723.00	2,900.00
H Miscellaneous Supplies .....		151.53	298.60			
I Repairs .....		171.29	129.62			
J Newspaper Advertising and Notices .....		177.96	89.82	132.00	62.00	70.00
L Freight, Express, Cartage, Etc. ....		172.24	223.36	210.00	100.00	110.00
M Rents .....		2,942.98	526.00			
P-1 Equipment—Office .....		2,813.46	47,899.45			
P-2 Equipment—Motor, Passenger Cars .....			3,254.32			
P-4 Equipment—Miscellaneous .....		2,282.92	2,211.02			
Other Items .....		4,556.91				
<b>TOTAL EXPENDITURES</b> .....		<b>\$ 771,259.45</b>	<b>\$ 928,267.37</b>	<b>\$ 986,000.00</b>	<b>\$ 472,044.00</b>	<b>\$ 513,956.00</b>

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Salary of the Chairman .....	\$	21,000.00	\$	21,000.00	\$	21,000.00
State Appropriation—Salaries of the Commis- sioners .....		750,000.00		120,000.00		120,000.00
State Appropriation—Salaries and General Expenses .....				808,000.00		845,000.00
State Appropriation—Credits—1925-27 .....		260.00				401,544.00
<b>TOTAL AVAILABLE FUNDS</b> .....	<b>\$</b>	<b>771,260.00</b>	<b>\$</b>	<b>949,000.00</b>	<b>\$</b>	<b>936,000.00</b>
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$	764,916.73				
Expended from State Appropriation during 1927-29 .....		6,342.72	\$	877,374.40		
Expended from State Appropriation during 1929-31 .....				50,892.97	\$	933,000.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	<b>\$</b>	<b>771,259.45</b>	<b>\$</b>	<b>928,267.37</b>	<b>\$</b>	<b>986,000.00</b>
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A, 1927 or Act 402, 1929 .....	\$	.55				
State Appropriation to Lapse .....			\$	20,732.63		

<b>GRADE CROSSING PROTECTION</b>						
S Buildings and Construction .....				\$ 25,000.00		\$ 25,000.00
<b>TOTAL EXPENDITURES</b> .....				<b>\$ 25,000.00</b>		<b>\$ 25,000.00</b>

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Grade Crossing Pro- tection .....			\$ 25,000.00	\$ 25,000.00		\$ 25,000.00
		No appropria- tion during this period				
<b>TOTAL AVAILABLE FUNDS</b> .....	<b>\$</b>	<b>25,000.00</b>	<b>\$</b>	<b>25,000.00</b>		<b>\$ 25,000.00</b>
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1929-31 .....				\$ 25,000.00		\$ 25,000.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....				<b>\$ 25,000.00</b>		<b>\$ 25,000.00</b>
<b>BALANCE—</b>						
State Appropriation to Lapse .....			\$ 25,000.00			

(1) Included in Salaries and General Expenses.



## APPENDIX TO THE

## DEPARTMENT OF REVENUE

## SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
Salary of the Secretary .....	Created in 1927.	\$ 838.71	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Salaries and General Expenses .....	Began operating	8,983.15	1,170,000.00	282,943.00	887,057.00	887,057.00
Compensation of Informants in Escheats .....	in May, 1929.	.....	10,000.00	865.00	9,135.00	9,135.00
Mileage of Mercantile Appraisers .....	.....	.....	25,000.00	8,844.00	16,156.00	16,156.00
<b>TOTAL EXPENDITURES</b> .....	.....	\$ 9,821.86	\$ 1,229,000.00	\$ 304,652.00	\$ 924,348.00	\$ 924,348.00
<b>EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—</b>						
D-1 Office Supplies .....	.....	.....	.....	\$ 18,859.00	.....	.....
D-2 Printing and Binding .....	.....	\$ 406.47	.....	30,135.00	.....	.....
F Telephone, Telegraph and Leased Office Devices .....	.....	.....	.....	653.00	.....	.....
H Miscellaneous Supplies .....	.....	(1)	.....	1,119.00	.....	.....
I Repairs .....	.....	(1)	\$ 283,110.00	144.00	\$ 106,223.00	.....
M Rents .....	.....	.....	.....	3,575.00	.....	.....
O Insurance, Surety and Fidelity Bonds ...	.....	.....	.....	5,849.00	.....	.....
P-1 Equipment—Office .....	.....	.....	.....	115,785.00	.....	.....
P-4 Equipment—Miscellaneous .....	.....	(3)	.....	768.00	.....	.....
<b>TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS</b> .....	.....	\$ 406.47	\$ 283,110.00	\$ 176,887.00	\$ 106,223.00	\$ 106,223.00
<b>EXPENDED BY LABOR AND INDUSTRY—Com-</b>	.....	.....	(4)	(4)	(4)	(4)
<b>Compensation for Injured State Employees....</b>	.....	.....	.....	.....	.....	.....
<b>GRAND TOTAL EXPENDITURES</b> .....	.....	\$ 10,228.33	\$ 1,512,110.00	\$ 481,539.00	\$ 1,030,571.00	\$ 1,030,571.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Salary of the Secretary..	.....	\$ 7,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00	.....
State Appropriation—Salaries and General Expenses .....	.....	10,000.00	1,170,000.00	282,943.00	887,057.00	.....
State Appropriation—Compensation of Informants in Escheats .....	.....	.....	10,000.00	865.00	9,135.00	.....
State Appropriation — Mileage of Mercantile Appraisers .....	.....	.....	25,000.00	8,844.00	16,156.00	.....
<b>TOTAL AVAILABLE FUNDS</b> .....	.....	\$ 17,000.00	\$ 1,229,000.00	\$ 304,652.00	\$ 924,348.00	.....
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1927-29 .....	.....	\$ 5,105.08	.....	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	4,716.78	\$ 1,229,000.00	\$ 304,652.00	\$ 924,348.00	.....
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	.....	\$ 9,821.86	\$ 1,229,000.00	\$ 304,652.00	\$ 924,348.00	.....
<b>BALANCE—</b>						
State Appropriation to Lapse .....	.....	\$ 7,178.14	.....	.....	.....	.....

NOTES: (1) Included with Office Supplies these periods.  
(3) Included with Office Equipment this period.  
(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.

## DEPARTMENT OF REVENUE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures				
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931			
SALARY OF THE SECRETARY .....		\$	838.71	\$	24,000.00	\$	12,000.00	\$	12,000.00
SALARIES AND GENERAL EXPENSES									
A-1	Salaries—\$3,000 and Over .....		494.63	169,278.00	64,962.00	104,318.00			
A-2	Salaries—Less than \$3,000 .....		353.30	528,057.00	187,677.00	340,380.00			
C	Fees .....			4,799.00	1,599.00	3,200.00			
D	Office Supplies, Printing, Postage and Stationery .....		4,312.45	30,411.00	12,211.00	18,200.00			
E	Traveling Expense .....			39,195.00	13,095.00	26,100.00			
F	Telephone and Telegraph .....	Created in	1.90	1,592.00	692.00	900.00			
G-1	Motor Supplies and Repairs—Passenger Cars .....	1927. Began oper- ating in May,	53.47	2,254.00	854.00	1,400.00			
H	Miscellaneous Supplies .....			3.00	3.00				
J	Newspaper Advertising and Notices .....	1929.		5,408.00	1,808.00	3,600.00			
L	Freight, Express, Cartage, Etc. ....			282.00	42.00	240.00			
O	Insurance, Surety and Fidelity Bonds....			1,297.00		1,297.00			
P-1	Equipment—Office .....		551.40						
P-2	Equipment—Motor, Passenger Cars .....		3,216.00						
	Reserve .....			387,424.00		387,424.00			
TOTAL EXPENDITURES .....		\$	9,821.86	\$	1,194,000.00	\$	294,943.00	\$	899,057.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Salary of the Secretary..		\$ 7,000.00	\$ 24,000.00	\$ 12,000.00	\$ 12,000.00	
State Appropriation—Salaries and General Expenses .....		10,000.00	1,170,000.00	282,943.00	887,057.00	
TOTAL AVAILABLE FUNDS .....		\$ 17,000.00	\$ 1,194,000.00	\$ 294,943.00	\$ 899,057.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....		\$ 5,105.08				
Expended from State Appropriation during 1929-31 .....		4,716.78	\$ 1,194,000.00	\$ 294,943.00	\$ 899,057.00	
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 9,821.86	\$ 1,194,000.00	\$ 294,943.00	\$ 899,057.00	
BALANCE—						
State Appropriation to Lapse .....		\$ 7,178.14				

COMPENSATION OF INFORMANTS IN ESCHEATS						
C	Fees .....	See Department of the Auditor	\$ 5,865.00	\$ 865.00	\$ 5,000.00	
	Reserve .....	General	4,135.00		4,135.00	
TOTAL COMPENSATION OF INFORMANTS AND ESCHEATS .....			\$ 10,000.00	\$ 865.00	\$ 9,135.00	
MILEAGE OF MERCANTILE APPRAISERS						
E	Traveling Expense .....	See Department of the Auditor	\$ 21,344.00	\$ 8,844.00	\$ 12,500.00	
	Reserve .....	General	3,656.00		3,656.00	
TOTAL MILEAGE OF MERCANTILE APPRAISERS .....			\$ 25,000.00	\$ 8,844.00	\$ 16,156.00	
TOTAL EXPENDITURES .....			\$ 35,000.00	\$ 9,709.00	\$ 25,291.00	

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Compensation of Informants in Escheats .....			\$ 10,000.00	\$ 865.00	\$ 9,135.00	
State Appropriation — Mileage of Mercantile Appraisers .....			25,000.00	8,844.00	16,156.00	
TOTAL AVAILABLE FUNDS .....			\$ 35,000.00	\$ 9,709.00	\$ 25,291.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1929-31 .....			\$ 35,000.00	\$ 9,709.00	\$ 25,291.00	
TOTAL EXPENDITURES (As Detailed Above) .....			\$ 35,000.00	\$ 9,709.00	\$ 25,291.00	



## APPENDIX TO THE

## DEPARTMENT OF STATE

## SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUN

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ADMINISTRATION						
	Salary of the Secretary .....	\$ 15,999.84	\$ 16,000.00	\$ 20,000.00	\$ 9,983.00	\$ 10,017.00
	Salaries and General Expenses .....	189,975.20	127,127.49	160,000.00	72,514.00	87,486.00
	Portrait of the Secretary of the Common- wealth .....		750.00			
	Total Administration .....	\$ 205,975.04	\$ 143,877.49	\$ 180,000.00	\$ 82,497.00	\$ 97,503.00
CONSTITUTIONAL AMENDMENTS						
	Publishing Constitutional Amendments .....	\$ 97,500.66	\$ 149,869.36	\$ 50,000.00		\$ 50,000.00
RETIREMENTS, PENSIONS AND GRATUITIES						
	Salaries of Retired State Employees .....	133,455.39	107,887.42	105,000.00	\$ 42,610.00	62,390.00
	Payment of Pensions and Gratuities .....	4,664.00	4,175.00	5,216.00	2,382.00	2,834.00
	Total Retirements, Pensions and Gratuities	\$ 138,119.39	\$ 112,062.42	\$ 110,216.00	\$ 44,992.00	\$ 65,224.00
REFUNDS						
	Refunding Notary Public Fees .....	\$ 1,000.00	\$ 1,000.00	See Treasury Department		
STATE EMPLOYEES' RETIREMENT BOARD						
	Salaries and General Expenses .....	\$ 35,912.59	\$ 42,757.02	\$ 44,500.00	\$ 18,860.00	\$ 25,640.00
	Annuity Reserve Account No. 2 .....	1,668,868.00	1,126,124.00	1,126,124.00	563,062.00	563,062.00
	Annuity Reserve Account No. 2—Interest— Deficiency .....	12,260.00		76,376.00	76,376.00	
	Annuity Savings Account—Interest .....	176,580.00	161,460.00	555,000.00	277,500.00	277,500.00
	Contingent Reserve Account .....	265.00				
	Total State Employees' Retirement Board ..	\$ 1,893,885.59	\$ 1,330,341.02	\$ 1,802,000.00	\$ 935,798.00	\$ 866,202.00
	TOTAL EXPENDITURES .....	\$ 2,336,480.68	\$ 1,737,150.29	\$ 2,142,216.00	\$ 1,063,287.00	\$ 1,078,929.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
	D-1 Office Supplies .....	\$ 11,266.37	\$ 5,222.98		\$ 2,913.00	
	D-2 Printing and Binding .....	18,896.01	10,063.68		3,005.00	
	P Telephone, Telegraph and Leased Office Devices .....	425.60	363.12		207.00	
	H Miscellaneous Supplies .....	(1)	(1)		47.00	
	I Repairs .....	(1)	(1)		129.00	
	M Rents .....			\$ 25,163.00	45.00	\$ 13,984.00
	N Food and Forage .....	(2)	(2)		3.00	
	O Insurance, Surety and Fidelity Bonds ..	298.85	460.52		310.00	
	P-1 Equipment—Office .....	(1)	1,499.43		1,540.00	
	P-2 Equipment—Motor, Passenger Cars ....	(2)	(2)		3,000.00	
	P-3 Equipment—Motors, All Other .....					
	P-4 Equipment—Miscellaneous .....	(1)	(3)			
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 30,837.43	\$ 17,609.73	\$ 25,163.00	\$ 11,199.00	\$ 13,984.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees ....			(4)	(4)	(4)
	GRAND TOTAL EXPENDITURES .....	\$ 2,367,368.11	\$ 1,754,760.02	\$ 2,167,379.00	\$ 1,074,486.00	\$ 1,092,893.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES (Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						
AVAILABLE FUNDS—						
	State Appropriation .....	\$ 1,248,092.00	\$ 1,779,474.00	\$ 2,142,216.00	\$ 1,063,287.00	\$ 1,078,929.00
	State Appropriation—Deficiency .....	1,112,192.00				
	State Appropriation—Credits—1925-27 .....	84.34				
	TOTAL AVAILABLE FUNDS .....	\$ 2,360,368.34	\$ 1,779,474.00	\$ 2,142,216.00	\$ 1,063,287.00	\$ 1,078,929.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 1,224,175.95				
	Expended from State Appropriation during 1927-29 .....	1,112,304.73	\$ 1,727,053.49			
	Expended from State Appropriation during 1929-31 .....		10,096.80	\$ 2,142,216.00	\$ 1,063,287.00	\$ 1,978,929.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 2,336,480.68	\$ 1,737,150.29	\$ 2,142,216.00	\$ 1,063,287.00	\$ 1,078,929.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 23,887.66				
	State Appropriation to Lapse .....		\$ 42,323.71			

Notes: (1) Included with Office Supplies these periods.

(2) No Allocation these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.

## DEPARTMENT OF STATE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SECRETARY .....		\$ 15,999.84	\$ 16,000.00	\$ 20,000.00	\$ 9,983.00	\$ 10,017.00
SALARIES AND GENERAL EXPENSES						
A-1 Salaries—\$3,000 and Over .....		51,135.95	30,378.28	59,922.00	28,462.00	31,460.00
A-2 Salaries—Less than \$3,000 .....		123,256.94	81,011.16	73,280.00	36,667.00	36,613.00
B Wages .....		3,465.05	4,112.31	6,657.00	3,257.00	3,400.00
C Fees .....		1,130.00	5,514.62	1,800.00	450.00	1,350.00
D Office Supplies, Printing, Postage and Stationery .....		3,315.00	3,827.96	5,372.00	2,572.00	2,800.00
E Traveling Expense .....		3,925.85		1,062.00	42.00	1,020.00
F Telephone and Telegraph .....		433.96	355.59	401.00	136.00	265.00
G-1 Motor Supplies and Repairs—Passenger Cars .....		143.72	1,437.47	2,120.00	920.00	1,260.00
H Miscellaneous Supplies .....		42.57				
L Freight, Express, Cartage, Etc .....		51.56	17.85	32.00	8.00	24.00
M Rents .....		71.50	454.25			
P-1 Equipment—Office .....			18.00			
P-2 Equipment—Motor, Passenger Cars ....		2,893.25				
Other Items .....		109.85				
Reserve .....				9,354.00		9,354.00
Total .....		\$ 205,975.04	\$ 143,127.49	\$ 180,000.00	\$ 82,497.00	\$ 97,503.00
PORTRAIT OF THE SECRETARY OF THE COM- MONWEALTH .....			\$ 750.00			
TOTAL EXPENDITURES .....		\$ 205,975.04	\$ 143,877.49	\$ 180,000.00	\$ 82,497.00	\$ 97,503.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation—Salary of the Secretary ..		\$ 16,000.00	\$ 16,000.00	\$ 20,000.00	\$ 9,983.00	\$ 10,017.00
State Appropriation—Salaries and General Expenses .....		201,840.00	150,000.00	160,000.00	72,514.00	87,486.00
State Appropriation—Portrait of the Secretary of the Commonwealth .....			750.00			
State Appropriation—Credits—1925-27 .....		34.34				
TOTAL AVAILABLE FUNDS .....		\$ 217,874.34	\$ 166,750.00	\$ 180,000.00	\$ 82,497.00	\$ 97,503.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....		\$ 205,933.54				
Expended from State Appropriation during 1927-29 .....		41.50	\$ 143,720.67			
Expended from State Appropriation during 1929-31 .....			156.82	\$ 180,000.00	\$ 82,497.00	\$ 97,503.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 205,975.04	\$ 143,877.49	\$ 180,000.00	\$ 82,497.00	\$ 97,503.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....		\$ 11,699.30				
State Appropriation to Lapse .....			\$ 22,872.51			



## APPENDIX TO THE

## DEPARTMENT OF STATE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PUBLISHING CONSTITUTIONAL AMENDMENTS						
J	Newspaper Advertising and Notices ....	\$ 97,500.66	\$ 149,869.36	\$ 50,000.00	.....	\$ 50,000.00
SALARIES OF RETIRED STATE EMPLOYEES						
U	Subsidies and Indemnities .....	133,455.39	107,887.42	105,000.00	\$ 42,610.00	\$ 62,390.00
PAYMENTS OF PENSIONS AND GRATUITIES						
U	Subsidies and Indemnities .....	4,664.00	4,175.00	5,216.00	2,382.00	2,834.00
REFUNDING NOTARY PUBLIC FEES						
U	Subsidies and Indemnities .....	1,000.00	1,000.00	See Board of Finance and Revenue		
TOTAL EXPENDITURES .....		\$ 236,620.05	\$ 262,931.78	\$ 160,216.00	\$ 44,992.00	\$ 115,224.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Publishing Constitutional Amendments .....	\$ 100,000.00	\$ 150,000.00	\$ 50,000.00	.....	\$ 50,000.00
State Appropriation—Salaries of Retired State Employees .....	130,000.00	125,000.00	105,000.00	\$ 42,610.00	\$ 62,390.00
State Appropriation—Salaries of Retired State Employees—Deficiency .....	4,219.00	.....	.....	.....	.....
State Appropriation—Payments of Pensions and Gratuities .....	4,752.00	4,640.00	5,216.00	2,382.00	2,834.00
State Appropriation—Refunding Notary Public Fees .....	1,000.00	1,000.00	.....	.....	.....
State Appropriation—Credits—1925-27 .....	50.00	.....	.....	.....	.....
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 240,021.00	\$ 280,640.00	\$ 160,216.00	\$ 44,992.00	\$ 115,224.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 235,268.22	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	1,351.83	\$ 258,756.95	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	4,174.83	\$ 160,216.00	\$ 44,992.00	\$ 115,224.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 236,620.05	\$ 262,931.78	\$ 160,216.00	\$ 44,992.00	\$ 115,224.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 3,400.95	.....	.....	.....	.....
State Appropriation to Lapse .....	.....	\$ 17,708.22	.....	.....	.....

## DEPARTMENT OF STATE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
STATE EMPLOYEES RETIREMENT BOARD— SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	\$ 5,755.72	\$ 6,889.98	\$ 7,840.00	\$ 3,820.00	\$ 4,020.00
A-2	Salaries—Less than \$3,000 .....	17,627.85	24,137.74	29,670.00	14,670.00	15,000.00
B	Wages .....	482.75	42.90	.....	.....	.....
C	Fees .....	2,170.00	6,429.89	175.00	25.00	150.00
D	Office Supplies, Printing, Postage and Stationery .....	3,263.11	2,765.55	825.00	324.00	501.00
E	Traveling Expense .....	1,321.17	42.43	.....	.....	.....
F	Telephone and Telegraph .....	52.64	16.78	71.00	21.00	50.00
H	Miscellaneous Supplies .....	10.50	1.70	.....	.....	.....
I	Repairs .....	.....	327.40	.....	.....	.....
L	Freight, Express, Cartage, Etc .....	.....	9.14	.....	.....	.....
P-1	Equipment—Office .....	5,228.85	2,093.51	.....	.....	.....
	Reserve .....	.....	.....	5,919.00	.....	5,919.00
TOTAL EXPENDITURES .....		\$ 35,912.59	\$ 42,757.02	\$ 44,500.00	\$ 18,860.00	\$ 25,640.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—State Employees Retirement Board—						
	Salaries and General Expenses .....	\$ 44,500.00	\$ 44,500.00	\$ 44,500.00	\$ 18,860.00	\$ 25,640.00
	<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 44,500.00	\$ 44,500.00	\$ 44,500.00	\$ 18,860.00	\$ 25,640.00
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1925-27 .....	\$ 32,974.19				
	Expended from State Appropriation during 1927-29 .....	2,938.40	\$ 36,991.87			
	Expended from State Appropriation during 1929-31 .....		5,765.15	\$ 44,500.00	\$ 18,860.00	\$ 25,640.00
	<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 35,912.59	\$ 42,757.02	\$ 44,500.00	\$ 18,860.00	\$ 25,640.00
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 8,587.41				
	State Appropriation to Lapse .....		\$ 1,742.98			

<b>STATE EMPLOYES RETIREMENT BOARD</b>						
	Annuity Reserve Account No. 2 .....	\$ 1,669,133.00	\$ 1,126,124.00	\$ 1,126,124.00	\$ 563,062.00	\$ 563,062.00
	Annuity Reserve Account No. 2—Interest— Deficiency .....			76,376.00	76,376.00	
	Annuity Savings Account—Interest .....	12,260.00				
	Contingent Reserve Account .....	176,580.00	161,460.00	555,000.00	277,500.00	277,500.00
	<b>TOTAL EXPENDITURES</b> .....	\$ 1,857,973.00	\$ 1,287,584.00	\$ 1,757,500.00	\$ 916,938.00	\$ 840,562.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
	State Appropriation—Annuity Reserve Account No. 2 .....	\$ 740,000.00	\$ 1,126,124.00	\$ 1,126,124.00	\$ 563,062.00	\$ 563,062.00
	State Appropriation—Annuity Reserve Account No. 2—Deficiency .....	928,868.00				
	State Appropriation—Annuity Reserve Account No. 2—Interest—Deficiency .....	265.00				
	State Appropriation—Annuity Savings Account —Interest .....			76,376.00	76,376.00	
	State Appropriation—Annuity Savings Account —Interest—Deficiency .....	12,260.00				
	State Appropriation—Contingent Reserve Ac- count .....	10,000.00	161,460.00	555,000.00	277,500.00	277,500.00
	State Appropriation—Contingent Reserve Ac- count—Deficiency .....	166,580.00				
	<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 1,857,973.00	\$ 1,287,584.00	\$ 1,757,500.00	\$ 916,938.00	\$ 840,562.00
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1925-27 .....	\$ 750,000.00				
	Expended from State Appropriation during 1927-29 .....	1,107,973.00	\$ 1,287,584.00			
	Expended from State Appropriation during 1929-31 .....			\$ 1,757,500.00	\$ 916,938.00	\$ 840,562.00
	<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 1,857,973.00	\$ 1,287,584.00	\$ 1,757,500.00	\$ 916,938.00	\$ 840,562.00



## APPENDIX TO THE

## PENNSYLVANIA STATE POLICE

## SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
	Salary of the Superintendent .....	\$ 12,000.00	\$ 12,000.00	\$ 15,000.00	\$ 7,500.00	\$ 7,500.00
	Salaries and General Expenses .....	1,650,000.00	1,650,000.00	2,075,000.00	902,574.00	1,172,426.00
	Telephone—Typewriter System .....	No appropriation		260,000.00	72,167.00	187,833.00
	Property Damage .....			1,500.00	540.00	960.00
	TOTAL EXPENDITURES .....	\$ 1,662,000.00	\$ 1,662,000.00	\$ 2,351,500.00	\$ 982,781.00	\$ 1,368,719.00
	EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—					
	D-1 Office Supplies .....	\$ 11,472.67	\$ 6,885.67		\$ 3,296.00	
	D-2 Printing and Binding .....	4,292.23	3,411.94		1,768.00	
	F Telephone, Telegraph and Leased Office Devices .....	2,437.43	2,484.59		1,735.00	
	H Miscellaneous Supplies .....	(1)	(1)		36,887.00	
	I Repairs .....	(1)	(1)		604.00	
	K Light, Heat, Power and Water .....	1,016.96	1,101.13		14,916.00	
	M Rents .....		4,000.00	\$ 308,214.00	15,022.00	\$ 152,534.00
	N Food and Forage .....	(2)	(2)		12,292.00	
	O Insurance, Surety and Fidelity Bonds ..	907.87	1,190.00		6,366.00	
	P-1 Equipment—Office .....	(1)	4,923.34		4,464.00	
	P-2 Equipment—Motor Passenger Cars ....	(2)	(2)		48,505.00	
	P-3 Equipment—Motor, All Other .....	(1)	(2)		4,255.00	
	P-4 Equipment—Miscellaneous .....	(1)	(3)		5,570.00	
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....	\$ 20,127.16	\$ 23,996.67	\$ 308,214.00	\$ 155,680.00	\$ 152,534.00
	EXPENDED BY LABOR AND INDUSTRY—					
	Compensation for Injured State Employees ...	\$ 5,999.48	\$ 8,921.54	\$ (4) 5,215.00	\$ (4) 2,560.00	\$ (4) 2,655.00
	GRAND TOTAL EXPENDITURES .....	\$ 1,688,126.64	\$ 1,694,819.21	\$ 2,664,929.00	\$ 1,141,021.00	\$ 1,523,908.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
	AVAILABLE FUNDS—					
	State Appropriation .....	\$ 1,662,000.00	\$ 1,662,000.00	\$ 2,351,500.00	\$ 982,781.00	\$ 1,368,719.00
	TOTAL AVAILABLE FUNDS .....	\$ 1,662,000.00	\$ 1,662,000.00	\$ 2,351,500.00	\$ 982,781.00	\$ 1,368,719.00
	LESS EXPENDITURES—					
	Expended from State Appropriation during 1925-27 .....	\$ 1,600,359.83				
	Expended from State Appropriation during 1927-29 .....	61,640.17	\$ 1,615,610.80			
	Expended from State Appropriation during 1929-31 .....		46,389.20	\$ 2,351,500.00	\$ 982,781.00	\$ 1,368,719.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 1,662,000.00	\$ 1,662,000.00	\$ 2,351,500.00	\$ 982,781.00	\$ 1,368,719.00

Notes: (1) Included with Office Supplies these periods.  
(2) No Allocation these periods.  
(3) Included with Office Equipment this period.  
(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O. These amounts represent payments on old liabilities.

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## PENNSYLVANIA STATE POLICE (Continued)

### STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SUPERINTENDENT .....		\$ 12,000.00	\$ 12,000.00	\$ 15,000.00	\$ 7,500.00	\$ 7,500.00
SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	\$ 1,054,680.30	\$ 64,475.00	\$ 82,279.00	\$ 75,479.00	\$ 45,800.00
A-2	Salaries—Less than \$3,000 .....		1,039,058.36	1,547,213.00	684,213.00	863,000.00
B	Wages .....	26,359.35	353.14	789.00	189.00	600.00
C	Fees .....		20,751.20	21,683.00	8,883.00	12,800.00
D	Office Supplies, Printing, Postage and Stationery .....	5,919.32	5,093.20	8,468.00	3,068.00	5,400.00
E	Traveling Expense .....	248,912.12	233,558.85	309,016.00	119,616.00	189,400.00
F	Telephone and Telegraph .....	8,994.16	8,205.91	15,875.00	5,675.00	10,200.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	51,066.07	37,593.53	74,133.00	28,307.00	45,325.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		4,618.44	6,513.00	2,113.00	4,400.00
H	Miscellaneous Supplies .....	79,557.21	60,437.16			
I	Repairs .....	37,602.32	3,010.26	4,056.00	1,256.00	2,800.00
J	Newspaper Advertising and Notices .....	189.96				
K	Light, Heat, Power and Water .....	8,037.10	10,179.30			
L	Freight, Express, Cartage, Etc ..	6,292.94	4,555.31	4,975.00	1,775.00	3,200.00
M	Rents .....	21,918.72	27,516.98			
N	Food and Forage .....	45,996.75	34,217.35			
P-1	Equipment—Office .....	9.29	67.27			
P-2	Equipment—Motor, Passenger Cars .....	31,441.17	18,517.13			
P-3	Equipment—Motor, Other than Passenger Cars .....		4,877.07			
P-4	Equipment—Miscellaneous .....	14,823.45	2,894.54			
	Advance Requisitions .....				12,000.00	* 12,000.00
	Other Items .....	8,149.77				
TOTAL EXPENDITURES .....		\$ 1,662,000.00	\$ 1,662,000.00	\$ 2,090,000.00	\$ 910,074.00	\$ 1,179,926.00

### SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Salary of the Superin- tendent .....	\$	12,000.00	\$	12,000.00	\$	15,000.00
State Appropriation—Salaries and General Ex- penses .....		1,650,000.00		1,650,000.00		2,075,000.00
TOTAL AVAILABLE FUNDS .....	\$	1,662,000.00	\$	1,662,000.00	\$	2,090,000.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	1,600,359.53				
Expended from State Appropriation during 1927-29 .....		61,640.17	\$	1,615,610.80		
Expended from State Appropriation during 1929-31 .....				46,389.20	\$	2,090,000.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$	1,662,000.00	\$	1,662,000.00	\$	2,090,000.00
					\$	910,074.00
						\$ 1,179,926.00

\* Indicates Deduction.



## APPENDIX TO THE

## PENNSYLVANIA STATE POLICE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
PROPERTY DAMAGE						
U	Subsidies .....	.....	.....	\$ 1,500.00	\$ 540.00	\$ 960.00
	TOTAL EXPENDITURES .....	.....	.....	\$ 1,500.00	\$ 540.00	\$ 960.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—Property Damage .....			\$ 1,500.00	\$ 540.00	\$ 960.00
	TOTAL AVAILABLE FUNDS .....			\$ 1,500.00	\$ 540.00	\$ 960.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1929-31 .....			\$ 1,500.00	\$ 540.00	\$ 960.00
	TOTAL EXPENDITURES (As Detailed Above) .....			\$ 1,500.00	\$ 540.00	\$ 960.00

## TELEPHONE-TYPEWRITER SYSTEM

B	Wages .....			\$ 536.00	\$ 36.00	\$ 500.00
D	Office Supplies, Printing, Postage and Stationery .....			7,137.00	1,137.00	6,000.00
F	Telephone and Telegraph .....			250,350.00	70,617.00	179,733.00
H	Miscellaneous Supplies .....			1,363.00	263.00	1,100.00
L	Freight, Express, Cartage, Etc .....			614.00	114.00	500.00
	TOTAL EXPENDITURES .....			\$ 260,000.00	\$ 72,167.00	\$ 187,833.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation — Telephone-Typewriter System .....			\$ 260,000.00	\$ 72,167.00	\$ 187,833.00
	TOTAL AVAILABLE FUNDS .....			\$ 260,000.00	\$ 72,167.00	\$ 187,833.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1929-31 .....			\$ 260,000.00	\$ 72,167.00	\$ 187,833.00
	TOTAL EXPENDITURES (As Detailed Above) .....			\$ 260,000.00	\$ 72,167.00	\$ 187,833.00

## DEPARTMENT OF WELFARE

SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
	Salary of the Secretary .....	\$ 19,999.68	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	Salaries and General Expenses .....	355,112.50	404,999.82	437,000.00	204,287.00	232,713.00
	Council for the Blind .....	14,999.56	34,998.57	34,400.00	17,200.00	17,200.00
	Alcohol Permit Board .....		18,381.44	28,400.00	13,925.00	15,475.00
	Orthopaedic Unit .....		54,998.80	54,400.00	20,002.00	32,398.00
	Emergency Maintenance .....			250,000.00		250,000.00
	Mothers' Assistance System .....	1,731,649.42	2,687,359.57	2,750,000.00	1,249,502.00	1,500,498.00
	Penal and Correctional Institutions—State-Owned .....	3,231,906.36	4,177,357.13	6,250,200.00	3,031,201.00	3,218,999.00
	Hospitals for the Insane—State-Aided .....	499,730.33	547,353.39	665,000.00	275,776.00	389,224.00
	Maintenance, Care and Treatment of the Indigent Insane .....	5,377,005.83	5,553,510.00	2,260,000.00	618,747.00	1,641,253.00
	Hospitals for the Insane—State-Owned .....	1,402,165.66	2,750,995.78	8,252,700.00	3,709,879.00	4,542,821.00
	Hospitals for the Insane—State-Aided .....		51,973.86	405,000.00	172,199.00	232,801.00
	Institutions for Feeble Minded and Epileptics—State-Owned .....	2,572,438.26	3,754,008.77	2,839,100.00	1,221,056.00	1,618,044.00
	Institutions for Feeble Minded and Epileptics—State-Aided .....	352,530.04	357,881.10	420,000.00	149,607.00	270,393.00
	Medical and Surgical Hospitals—State-Owned .....	1,904,698.07	2,268,171.99	2,678,250.00	1,195,302.00	1,482,948.00
	Medical and Surgical Hospitals—State-Aided .....	4,538,958.66	5,286,505.50	5,922,800.00	2,013,309.00	3,909,491.00
	Maintenance of Sick and Injured .....	73,144.42	3,189.45			
	Homes—State-Owned .....	280,000.00	299,992.68			
	Homes—State-Aided .....	524,652.71	559,571.96	625,700.00	223,071.00	402,629.00
	TOTAL EXPENDITURES .....	\$ 22,878,991.50	\$ 28,831,259.81	\$ 33,893,950.00	\$ 14,127,063.00	\$ 19,766,887.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
D-1	Office Supplies .....	\$ 10,631.25	\$ 7,272.57		\$ 3,664.00	
D-2	Printing and Binding .....	14,468.45	15,086.57		5,408.00	
F	Telephone, Telegraph and Leased Office Devices .....	977.41	928.47		2,984.00	
H	Miscellaneous Supplies .....	(1)	(1)		969.00	
I	Repairs .....	(1)	(1)		127.00	
K	Light, Heat, Power and Water .....	3,817.26	4,476.14	\$ 178,337.00	3,349.00	\$ 32,430.00
M	Rents .....	23,443.28	25,680.00		23,527.00	
O	Insurance, Surety and Fidelity Bonds .....	2,156.06	3,123.47		3,911.00	
P-1	Equipment—Office .....	(1)	5,212.58		4,366.00	
P-2	Equipment—Motor, Passenger Cars .....	(2)	(2)		23,618.00	
P-3	Equipment—Motor, All Other .....	(1)	(3)		23,470.00	
P-4	Equipment—Miscellaneous .....	(1)	(3)		514.00	
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS.....	\$ 55,493.71	\$ 61,779.80	\$ 178,337.00	\$ 95,907.00	\$ 82,430.00
EXPENDED BY LABOR AND INDUSTRY—						
	Compensation for Injured State Employees....			(4)	(4)	(4)
	GRAND TOTAL EXPENDITURES .....	\$ 22,934,485.21	\$ 28,893,039.61	\$ 34,072,287.00	\$ 14,222,970.00	\$ 19,849,317.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES (Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						
AVAILABLE FUNDS—						
	State Appropriation .....	\$ 23,455,700.00	\$ 29,775,300.00	\$ 33,393,950.00	\$ 13,630,258.00	\$ 19,763,892.00
	State Appropriation—Acts of 1929 Available Prior .....			500,000.00	496,805.00	3,195.00
	State Appropriation—Deficiency Acts of 1927..	432,250.30				
	State Appropriation—Deficiency Acts of 1929..	144,096.59	263,428.00			
	State Appropriation—Credits 1925-27 .....	2,185.95				
	State Appropriation—Credits 1927-29 .....	20.00				
	TOTAL AVAILABLE FUNDS .....	\$ 22,034,252.84	\$ 30,038,728.00	\$ 33,893,950.00	\$ 14,127,063.00	\$ 19,766,887.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 19,644,141.87				
	Expended from State Appropriation during 1927-29 .....	3,118,999.20	\$ 24,950,036.99	\$ 313,888.00	\$ 313,888.00	
	Expended from State Appropriation during 1929-31 .....	115,850.43	3,881,222.82	33,580,062.00	13,813,175.00	\$ 19,766,887.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 22,878,991.50	\$ 28,831,259.81	\$ 33,893,950.00	\$ 14,127,063.00	\$ 19,766,887.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 1,089,876.72				
	State Appropriation to Lapse .....	65,384.62	813,914.99			
	State Appropriation to Continue .....		393,553.20			

Notes: (1) Included with Office Supplies these periods.

(2) No Allocation these periods.

(3) Included with Office Equipment this period.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE SECRETARY .....		\$ 19,999.68	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	148,247.94	178,995.96	201,677.00	98,161.00	103,516.00
A-2	Salaries—Less than \$3,000 .....	122,747.43	137,441.73	156,064.00	70,467.00	85,597.00
B	Wages .....	4,228.46	2,613.78	1,159.00	559.00	600.00
C	Fees .....	3,937.50	6,729.99	726.00	366.00	360.00
D	Office Supplies, Printing, Postage and Stationery .....	3,022.48	3,451.54	4,987.00	2,150.00	2,837.00
E	Traveling Expense .....	56,689.95	61,330.54	65,557.00	29,565.00	35,992.00
F	Telephone and Telegraph .....	1,053.70	1,829.64	1,608.00	697.00	911.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	4,696.60	7,554.95	5,181.00	2,305.00	2,876.00
H	Miscellaneous Supplies .....		1,115.72			
I	Repairs .....	1,296.44	62.83			
L	Freight, Express, Cartage, Etc. ....	80.74	30.18	41.00	17.00	24.00
M	Rents .....	1,200.06	3,052.58			
P-1	Equipment—Office .....		783.88			
P-2	Equipment—Motor, Passenger Cars ....	7,775.48				
P-4	Equipment—Miscellaneous .....		6.50			
	Other Items .....	135.72				
TOTAL EXPENDITURES .....		\$ 375,112.18	\$ 424,999.82	\$ 457,000.00	\$ 214,287.00	\$ 242,713.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Salary of the Secretary .	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	State Appropriation—Salaries and General Ex- penses .....	335,000.00	405,000.00	437,000.00	204,287.00	232,713.00
	State Appropriation—Credits—1925-27 .....	112.50				
TOTAL AVAILABLE FUNDS .....		\$ 375,112.50	\$ 425,000.00	\$ 457,000.00	\$ 214,287.00	\$ 242,713.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 368,376.98				
	Expended from State Appropriation during 1927-29 .....	6,535.20	\$ 424,622.41			
	Expended from State Appropriation during 1929-31 .....		377.41	\$ 457,000.00	\$ 214,287.00	\$ 242,713.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 375,112.18	\$ 424,999.82	\$ 457,000.00	\$ 214,287.00	\$ 242,713.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A or Act 402, 1929 .....	\$ .32				
	State Appropriation to Lapse .....		\$ .18			

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
COUNCIL FOR THE BLIND						
A-1	Salaries—\$3,000 and Over .....	\$ 4,986.45	\$ 7,554.68	\$ 12,010.00	\$ 5,470.00	\$ 6,540.00
A-2	Salaries—Less than \$3,000 .....	5,787.50	13,885.27	11,049.00	6,669.00	4,380.00
B	Wages .....	159.25	434.15	76.00	76.00	.....
C	Fees .....	27.00	388.29	.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....	187.00	138.49	255.00	105.00	150.00
E	Traveling Expense .....	3,543.90	10,060.04	10,147.00	4,507.00	5,640.00
F	Telephone and Telegraph .....	12.73	130.84	320.00	130.00	190.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	191.28	1,182.02	543.00	243.00	300.00
H	Miscellaneous Supplies .....	14.85	296.29	.....	.....	.....
M	Rents .....	89.60	303.50	.....	.....	.....
P-2	Equipment—Motor, Passenger Cars .....	.....	625.00	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 14,999.56	\$ 34,998.57	\$ 34,400.00	\$ 17,200.00	\$ 17,200.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Council for the Blind ..	\$	15,000.00	\$ 35,000.00*	\$ 34,400.00#	\$ 17,200.00	\$ 17,200.00
TOTAL AVAILABLE FUNDS .....	\$	15,000.00	\$ 35,600.00	\$ 34,400.00	\$ 17,200.00	\$ 17,200.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$	14,886.14	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	\$	113.42	\$ 34,632.99	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	.....	365.58	\$ 34,400.00	\$ 17,200.00	\$ 17,200.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$	14,999.56	\$ 34,992.57	\$ 34,400.00	\$ 17,200.00	\$ 17,200.00
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$	.44	.....	.....	.....	.....
State Appropriation to Lapse .....	.....	.....	1.43	.....	.....	.....

## ALCOHOL PERMIT BOARD

A-1	Salaries—\$3,000 and Over .....	\$ 15,922.62	\$ 5,500.00	\$ 6,000.00	\$ 3,000.00	\$ 3,000.00
A-2	Salaries—Less than \$3,000 .....	.....	6,292.50	13,808.00	6,953.00	6,855.00
B	Wages .....	.....	37.60	.....	.....	.....
C	Fees .....	.....	179.70	.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....	1,284.71	252.66	130.00	70.00	60.00
E	Traveling Expense .....	3,565.70	5,053.66	8,322.00	3,777.00	4,605.00
F	Telephone and Telegraph .....	94.49	237.85	298.00	118.00	180.00
I	Repairs .....	.....	1.00	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....	.....	1.11	.....	.....	.....
M	Rents .....	2,012.51	145.75	7.00	7.00	.....
P-1	Equipment—Office .....	201.61	689.61	.....	.....	.....
	Other Items .....	1,239.71	.....	.....	.....	.....
	Reserve .....	.....	.....	775.00	.....	775.00
TOTAL EXPENDITURES .....		** \$ 24,321.35	\$ 18,391.44	\$ 29,400.00	\$ 13,925.00	\$ 15,475.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Alcohol Permit Board ..	\$ *	20,000.00	\$ #	29,400.00	\$ 13,925.00	\$ 15,475.00
TOTAL AVAILABLE FUNDS .....	\$	20,000.00	\$	29,400.00	\$ 13,925.00	\$ 15,475.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1927-29 .....	\$	17,723.72	.....	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	667.72	\$ 29,400.00	\$ 13,925.00	\$ 15,475.00	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$	18,391.44	\$ 29,400.00	\$ 13,925.00	\$ 15,475.00	.....
<b>BALANCE—</b>						
State Appropriation to Lapse .....	\$	1,608.56	.....	.....	.....	.....

\* Allocation from appropriation of \$55,000.00 for Departmental Administrative Boards.

# Allocation from appropriation of \$63,800.00 for Departmental Administrative Boards.

\*\* Shown here for comparison only.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ORTHOPAEDIC UNIT						
A-2	Salaries—Less than \$3,000 .....		\$ 14,867.42	\$ 21,737.00	\$ 10,757.00	\$ 10,980.00
B	Wages .....		265.90	91.00	43.00	48.00
C	Fees .....		27,502.64	17,828.00	7,776.00	10,052.00
D	Office Supplies, Printing, Postage and Stationery .....	No appropriation during this period	231.72	.....	.....	.....
E	Traveling Expense .....		6,467.98	7,581.00	2,400.00	5,181.00
F	Telephone and Telegraph .....		55.95	72.00	23.00	49.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		1,193.06	2,043.00	704.00	1,339.00
H	Miscellaneous Supplies .....		16.00	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....		5.42	115.00	35.00	80.00
M	Rents .....		297.25	.....	.....	.....
P-1	Equipment—Office .....		38.62	.....	.....	.....
P-2	Equipment—Motor, Passenger Cars .....		2,257.64	.....	.....	.....
U	Subsidies and Indemnities .....		1,799.20	2,333.00	264.00	2,069.00
	Reserve .....		.....	2,600.00	.....	2,600.00
TOTAL EXPENDITURES .....			\$ 54,998.80	\$ 54,400.00	\$ 22,002.00	\$ 32,398.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Orthopaedic Unit .....	No appropriation during this period	\$ 55,000.00	\$ 54,400.00	\$ 22,002.00	\$ 32,398.00	
TOTAL AVAILABLE FUNDS .....		\$ 55,000.00	\$ 54,400.00	\$ 22,002.00	\$ 32,398.00	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1927-29 .....	No appropriation during this period	\$ 53,892.79	.....	.....	.....	
Expended from State Appropriation during 1929-31 .....		1,106.01	\$ 54,400.00	\$ 22,002.00	\$ 32,398.00	
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 54,998.80	\$ 54,400.00	\$ 22,002.00	\$ 32,398.00	
<b>BALANCE—</b>						
State Appropriation to Lapse .....		\$ 1.20	.....	.....	.....	

<b>EMERGENCY MAINTENANCE</b>						
Reserve .....			\$ 250,000.00	.....	\$ 250,000.00	
TOTAL EXPENDITURES .....			\$ 250,000.00	.....	\$ 250,000.00	

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Emergency Maintenance .....			\$ 250,000.00	.....	\$ 250,000.00	
TOTAL AVAILABLE FUNDS .....			\$ 250,000.00	.....	\$ 250,000.00	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1929-31 .....			\$ 250,000.00	.....	\$ 250,000.00	
TOTAL EXPENDITURES (As Detailed Above) .....			\$ 250,000.00	.....	\$ 250,000.00	

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MOTHERS' ASSISTANCE SYSTEM						
A-1	Salaries—\$3,000 and Over .....	\$ 24,434.66	\$ 5,898.39	\$ 4,820.00	\$ 1,460.00	\$ 3,360.00
A-2	Salaries—Less than \$3,000 .....		20,799.68	20,541.00	9,141.00	11,400.00
B	Wages .....	1,488.90	2,390.08	1,094.00	1,094.00	
C	Fees .....	10.00	1,114.20			
D	Office Supplies, Printing, Postage and Stationery .....	1,967.37	464.83	209.00		200.00
E	Traveling Expense .....	6,141.43	5,336.74	6,127.00	1,487.00	4,640.00
F	Telephone and Telegraph .....	385.83	768.85	566.00	226.00	340.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		2.24			
H	Miscellaneous Supplies .....	93.72	67.53			
L	Freight, Express, Cartage, Etc. ....	9.18				
M	Rents .....	2.50	.25			
P-1	Equipment—Office .....		2,136.24			
U	Subsidies and Indemnities .....	1,697,113.59	2,648,382.78	2,591,102.00	1,236,094.00	1,355,008.00
	Reserve .....			125,550.00		125,550.00
TOTAL EXPENDITURES .....		\$ 1,731,649.42	\$ 2,687,359.57	\$ 2,750,000.00	\$ 1,249,502.00	\$ 1,500,498.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation — Mothers' Assistance System .....	\$ 1,750,000.00	\$ 2,750,000.00	\$ 2,750,000.00	\$ 1,249,502.00	\$ 1,500,498.00	
State Appropriation—Credits—1925-1927 .....	955.00					
State Appropriation—Credits—1927-1929 .....	20.00					
<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$ 1,750,975.00</b>	<b>\$ 2,750,000.00</b>	<b>\$ 2,750,000.00</b>	<b>\$ 1,249,502.00</b>	<b>\$ 1,500,498.00</b>	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$ 1,659,883.17					
Expended from State Appropriation during 1927-29 .....	71,766.25	\$ 2,574,999.43				
Expended from State Appropriation during 1929-31 .....		112,360.14	\$ 2,750,000.00	\$ 1,249,502.00	\$ 1,500,498.00	
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$ 1,731,649.42</b>	<b>\$ 2,687,359.57</b>	<b>\$ 2,750,000.00</b>	<b>\$ 1,249,502.00</b>	<b>\$ 1,500,498.00</b>	
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 19,325.58					
State Appropriation to Lapse .....		\$ 62,640.43				



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PENNSYLVANIA INDUSTRIAL REFORMATORY						
A-1	Salaries—\$3,000 and Over .....			\$ 41,295.00	\$ 18,994.00	\$ 22,301.00
A-2	Salaries—Less than \$3,000 .....			449,482.00	204,859.00	244,623.00
B	Wages .....			57,053.00	23,349.00	33,704.00
C	Fees .....			19,252.00	7,867.00	11,385.00
D	Office Supplies, Printing, Postage and Stationery .....			6,189.00	2,018.00	4,171.00
E	Traveling Expenses .....			6,646.00	1,455.00	5,191.00
F	Telephone and Telegraph .....			1,953.00	692.00	1,261.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			2,377.00	700.00	1,677.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			3,201.00	983.00	2,218.00
H	Miscellaneous Supplies .....			214,891.00	78,061.00	136,830.00
I	Repairs .....	\$ 82,998.41	\$ 91,879.65	9,184.00	3,632.00	5,552.00
J	Newspaper Advertising and Notices .....			200.00		200.00
K	Light, Heat, Power and Water .....			53,501.00	22,465.00	31,036.00
L	Freight, Express, Cartage, Etc. ....			400.00	56.00	344.00
N	Food and Forage .....			178,657.00	69,192.00	109,465.00
O	Insurance, Surety and Fidelity Bonds ..			1,737.00	537.00	1,200.00
P-1	Equipment—Office .....			3,600.00	730.00	2,870.00
P-4	Equipment—Miscellaneous .....			37,117.00	5,915.00	31,202.00
S	Buildings and Construction .....	47,000.00	101,589.79			
U	Subsidies and Indemnities .....	449,954.17 #	489,967.01 #	16,895.00	7,395.00	9,500.00
	Advance Requisitions .....				4,309.00	* 4,309.00
	Reserve .....			53,370.00		52,370.00
TOTAL EXPENDITURES .....		\$ 579,952.58	\$ 683,436.45	\$ 1,156,000.00	\$ 453,209.00	\$ 702,791.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 450,000.00	\$ 490,000.00	\$ 1,156,000.00	\$ 453,209.00	\$ 702,791.00
State Appropriation—Repairs and Improve- ments .....	83,000.00	92,000.00			
State Appropriation—Construction .....	47,000.00	103,000.00			

Appropriation for construction amounting  
to \$258,000.00 made to Department of  
Property and Supplies this period.

<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 580,000.00	\$ 685,000.00	\$ 1,156,000.00	\$ 453,209.00	\$ 702,791.00
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 467,115.95				
Expended from State Appropriation during 1927-29 .....	112,836.63	\$ 629,922.97			
Expended from State Appropriation during 1929-31 .....		53,513.48	\$ 1,156,000.00	\$ 453,209.00	\$ 702,791.00

<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 579,952.58	\$ 683,436.45	\$ 1,156,000.00	\$ 453,209.00	\$ 702,791.00
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## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 47.42				
State Appropriation to Lapse .....		\$ 33.48			
State Appropriation to Continue .....		1,530.07			

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PENNSYLVANIA TRAINING SCHOOL						
A-1	Salaries—\$3,000 and Over .....			\$ 27,800.00	\$ 13,321.00	\$ 14,479.00
A-2	Salaries—Less than \$3,000 .....			245,632.00	111,049.00	134,583.00
B	Wages .....			16,129.00	12,157.00	3,972.00
C	Fees .....			7,406.00	* 4,071.00	3,335.00
D	Office Supplies—Printing, Postage and Stationery .....			2,760.00	1,399.00	1,361.00
E	Traveling Expense .....			14,019.00	5,997.00	8,022.00
F	Telephone and Telegraph .....			2,271.00	1,386.00	1,335.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			2,357.00	1,213.00	1,144.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			1,636.00	713.00	923.00
H	Miscellaneous Supplies .....			136,291.00	67,253.00	69,038.00
I	Repairs .....	\$ 104,974.98	\$ 84,403.80	18,463.00	9,916.00	8,547.00
K	Light, Heat, Power and Water .....			70,198.00	32,990.00	37,208.00
L	Freight Express, Cartage, Etc. ....			5.00	5.00	
N	Food and Forage .....			139,003.00	74,288.00	64,715.00
O	Insurance, Surety and Fidelity Bonds ..			620.00	160.00	460.00
P-1	Equipment—Office .....			261.00		261.00
P-4	Equipment—Miscellaneous .....			13,804.00	3,888.00	9,916.00
S	Buildings and Construction .....	85,000.00	83,231.36			
U	Subsidies and Indemnities .....	200,000.00 #	229,963.64 #	955.00	380.00	575.00
	Advance Requisitions .....				2,000.00	* 2,000.00
TOTAL EXPENDITURES .....		\$ 389,974.98	\$ 397,598.80	\$ 700,000.00	\$ 342,186.00	\$ 357,814.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 200,000.00	\$ 230,000.00	\$ 700,000.00	\$ 342,186.00	\$ 357,814.00
State Appropriation—Repairs and Improve- ments .....	\$ 850,000.00	95,600.00	Appropriation for construction amounting to \$257,000.00 made to the Department of Prop- erty and Supplies this period.		
State Appropriation—Construction .....					
TOTAL AVAILABLE FUNDS .....	\$ 390,000.00	\$ 410,000.00	\$ 700,000.00	\$ 342,186.00	\$ 357,814.00

## LESS EXPENDITURES

Expended from State Appropriation during 1925-27 .....	\$ 371,575.18				
Expended from State Appropriation during 1927-29 .....	17,197.15	\$ 305,871.42			
Expended from State Appropriation during 1929-31 .....	1,202.65	91,727.37	\$ 700,000.00	\$ 342,186.00	\$ 357,814.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 389,974.98	\$ 397,598.80	\$ 700,000.00	\$ 342,186.00	\$ 357,814.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 25.02				
State Appropriation to Lapse .....		46.67			
State Appropriation to Continue .....		12,354.53			

\*Indicates Deduction.

#During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
STATE INDUSTRIAL HOME FOR WOMEN— MUNCY						
A-1	Salaries—\$3,000 and Over .....			\$ 11,000.00	\$ 5,271.00	\$ 5,729.00
A-1	Salaries—Less than \$3,000 .....			5,491.00	1,937.00	3,554.00
B	Wages .....			106,738.00	47,134.00	59,134.00
C	Fees .....			4,417.00	1,454.00	2,963.00
D	Office Supplies, Printing, Postage and Stationery .....			1,457.00	625.00	832.00
E	Traveling Expense .....			4,528.00	2,150.00	2,379.00
F	Telephone and Telegraph .....			1,298.00	545.00	753.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			1,902.00	658.00	1,244.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			1,246.00	394.00	852.00
H	Miscellaneous Supplies .....			35,602.00	13,630.00	21,972.00
I	Repairs .....		\$ 17,999.72	7,818.00	841.00	6,977.00
K	Light, Heat, Power and Water .....			16,874.00	7,229.00	9,645.00
L	Freight, Express, Cartage, Etc. ....			15.00	25.00	10.00
N	Food and Forage .....			27,944.00	10,475.00	17,469.00
O	Insurance, Surety and Fidelity Bonds....			867.00	323.00	544.00
P-1	Equipment—Office .....			542.00	95.00	447.00
P-4	Equipment—Miscellaneous .....			31,039.00	825.00	30,214.00
S	Buildings and Construction .....	\$ 99,988.25		6,046.00		6,046.00
U	Subsidies and Indemnities .....	101,954.54 #	110,000.00 #	175.00	75.00	100.00
	Advance Requisitions .....				843.00	* 843.00
TOTAL EXPENDITURES .....		\$ 201,942.79	\$ 127,999.72	\$ 265,000.00	\$ 94,509.00	\$ 170,491.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Maintenance .....	\$ 90,000.00	\$ 110,000.00				
State Appropriation—Maintenance—Deficiency.	12,000.00		\$ 265,000.00	\$ 94,509.00	\$ 170,491.00	
State Appropriation — Repairs and Improve- ments .....		18,000.00	Appropriation for construction amounting to \$269,000.00 made to the Department of Property and Supplies this period.			
State Appropriation—Construction .....	100,000.00					
TOTAL AVAILABLE FUNDS .....	\$ 202,000.00	\$ 128,000.00	\$ 265,000.00	\$ 94,509.00	\$ 170,491.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$ 162,772.37					
Expended from State Appropriation during 1927-29 .....	38,177.46	\$ 117,532.56				
Expended from State Appropriation during 1929-31 .....	992.96	10,467.16	\$ 265,000.00	\$ 94,509.00	\$ 170,491.00	
TOTAL EXPENDITURES (As Detailed Above) .....	201,942.79	\$ 127,999.72	\$ 265,000.00	\$ 94,509.00	\$ 170,491.00	
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 57.21					
State Appropriation to Lapse .....		\$ .28				

# Indicates Deduction.

\* During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
EASTERN STATE PENITENTIARY, PHILADELPHIA						
A-1	Salaries—\$3,000 and Over .....	.....	.....	\$ 81,723.00	\$ 38,227.00	\$ 43,496.00
A-2	Salaries—Less than \$3,000 .....	.....	.....	572,000.00	245,127.00	326,873.00
B	Wages .....	.....	.....	50,650.00	14,072.00	36,578.00
C	Fees .....	.....	.....	1,797.00	626.00	1,171.00
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	8,360.00	3,652.00	4,708.00
E	Traveling Expense .....	.....	.....	6,748.00	2,313.00	4,435.00
F	Telephone and Telegraph .....	.....	.....	6,432.00	2,687.00	3,745.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	.....	.....	3,249.00	1,188.00	2,061.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	.....	.....	6,769.00	1,777.00	4,992.00
H	Miscellaneous Supplies .....	.....	.....	229,663.00	112,021.00	117,642.00
I	Repairs .....	\$ 13,427.75	\$ 17,432.41	1,032.00	81.00	951.00
J	Newspaper Advertising and Notices .....	.....	.....	1,542.00	473.00	1,069.00
K	Light, Heat, Power and Water .....	.....	.....	120,993.00	47,632.00	73,361.00
L	Freight, Express, Cartage, Etc. ....	.....	.....	1,360.00	668.00	692.00
N	Food and Forage .....	.....	.....	421,926.00	197,304.00	224,622.00
O	Insurance, Surety and Fidelity Bonds...	.....	.....	3,995.00	1,036.00	2,959.00
P-1	Equipment—Office .....	.....	.....	1,510.00	378.00	1,132.00
P-4	Equipment—Miscellaneous .....	.....	.....	10,039.00	2,117.00	7,922.00
U	Subsidies and Indemnities .....	581,235.30 #	654,253.92 #	18,412.00	3,274.00	15,138.00
	Advance Requisitions .....	.....	.....	.....	5,000.00	* 5,000.00
TOTAL EXPENDITURES .....		\$ 594,663.05	\$ 671,686.33	\$ 1,548,200.00	\$ 679,653.00	\$ 868,547.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 600,000.00	\$ 710,000.00				
State Appropriation — Repairs and Improvements .....	20,000.00	45,000.00	\$ 1,548,200.00	\$ 679,653.00	\$ 868,547.00	
TOTAL AVAILABLE FUNDS .....	\$ 620,000.00	\$ 755,000.*0	\$ 1,548,200.00	\$ 679,653.00	\$ 868,547.00	

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 549,621.66					
Expended from State Appropriation during 1927-29 .....	45,041.39	\$ 591,715.00				
Expended from State Appropriation during 1929-31 .....		79,971.03	\$ 1,548,200.00	\$ 679,653.00	\$ 868,547.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 594,663.05	\$ 671,686.33	\$ 1,548,200.00	\$ 679,653.00	\$ 868,547.00	

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 25,336.95					
State Appropriation to Lapse .....		\$ 83,313.67				

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts were met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
WESTERN STATE PENITENTIARY, PITTSBURGH						
A-1	Salaries—\$3,000 and Over .....			\$ 93,731.00	\$ 46,618.00	\$ 47,113.00
A-1	Salaries—Less than \$3,000 .....			429,636.00	209,551.00	220,085.00
B	Wages .....			41,583.00	18,796.00	22,787.00
C	Fees .....			497.00	338.00	159.00
D	Office Supplies, Printing, Postage and Stationery .....			8,922.00	3,298.00	5,624.00
E	Traveling Expense .....			13,066.00	5,499.00	7,567.00
F	Telephone and Telegraph .....			4,896.00	1,500.00	3,396.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			2,087.00	720.00	1,367.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			1,419.00	565.00	854.00
H	Miscellaneous Supplies .....			185,718.00	79,352.00	106,366.00
I	Repairs .....	\$ 34,962.93	\$ 44,992.18	14,429.00	3,767.00	10,662.00
J	Newspaper Advertising and Notices .....			509.00	209.00	300.00
K	Light, Heat, Power and Water .....			70,381.00	30,651.00	39,730.00
L	Freight, Express, Cartage, Etc. ....			54.00	16.00	38.00
N	Food and Forage .....			322,599.00	141,553.00	181,046.00
O	Insurance, Surety and Fidelity Bonds....			3,257.00	1,227.00	2,030.00
P-1	Equipment—Office .....			836.00	167.00	669.00
P-3	Equipment—Motor, Other than Passen- ger Cars .....			500.00		500.00
P-4	Equipment—Miscellaneous .....			11,124.00	925.00	10,199.00
U	Subsidies and Indemnities .....	814,868.33 #	559,885.75 #	7,756.00	2,618.00	5,138.00
	Advance Requisitions .....				5,000.00	* 5,000.00
TOTAL EXPENDITURES .....		\$ 849,831.26	\$ 604,877.93	\$ 1,213,000.00	\$ 552,370.00	\$ 660,630.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 815,000.00	\$ 560,000.00	\$ 1,213,000.00	\$ 552,370.00	\$ 660,630.00
State Appropriation — Repairs and Improve- ments .....	35,000.00	45,000.00			
			Appropriation for construction amounting to \$88,000 made to the Department of Property and Supplies this period.		

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 773,997.49				
Expended from State Appropriation during 1927-29 .....	75,071.32	\$ 573,390.45			
Expended from State Appropriation during 1929-31 .....	762.45	31,487.48	\$ 1,213,000.00	\$ 552,370.00	\$ 660,630.00

TOTAL EXPENDITURES (As Detailed Above) .....	\$ 849,831.26	\$ 604,877.93	\$ 1,213,000.00	\$ 552,370.00	\$ 660,630.00
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## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	168.74				
State Appropriation to Lapse .....		\$ 14.07			
State Appropriation to Continue .....		108.00			

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts were met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
NEW EASTERN STATE PENITENTIARY, GRATERFORD						
S	Buildings and Construction .....	\$ 315,541.70	\$ 749,999.97	\$ 500,000.00	\$ 496,805.00	\$ 3,195.00
	TOTAL EXPENDITURES .....	\$ 315,541.70	\$ 749,999.97	\$ 500,000.00	\$ 496,805.00	\$ 3,195.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—New Eastern Penitentiary Site Commission .....	\$ 300,000.00	.....	.....	.....	.....	.....
State Appropriation—New Eastern Penitentiary Site Commission—Deficiency .....	25,000.00	.....	.....	.....	.....	.....
State Appropriation—Construction .....	.....	\$ 750,000.00	\$ 500,000.00*	\$ 496,805.00*	\$ 3,195.00*	.....
State Appropriation—Credits—1925-1927 .....	991.15	.....	.....	.....	.....	.....
Appropriation of \$3,500,000 for construction and \$5,500 for purchase of land made to the Department of Property and Supplies this period.						
TOTAL AVAILABLE FUNDS .....	\$ 325,991.15	\$ 750,000.00	\$ 500,000.00	\$ 496,805.00	\$ 3,195.00	.....

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 297,983.29	.....	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	17,558.41	\$ 749,999.97	\$ 313,888.00	\$ 313,888.00	.....	.....
Expended from State Appropriation during 1929-31 .....	.....	.....	186,112.00	182,917.00	\$ 3,195.00	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 315,541.70	\$ 749,999.97	\$ 500,000.00	\$ 496,805.00	\$ 3,195.00	.....

## BALANCE—

State Appropriation to Lapse .....	.....	\$ .03	.....	.....	.....	.....
State Appropriation to Continue .....	\$ 10,449.45	.....	.....	.....	.....	.....

\* Available Prior to 1929-31.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
STATE PENITENTIARY AT ROCKVIEW						
A-1	Salaries—\$3,000 and Over .....	.....	.....	\$ 62,080.00	\$ 29,226.00	\$ 32,854.00
A-2	Salaries—Less than \$3,000 .....	.....	.....	327,847.00	152,860.00	174,987.00
B	Wages .....	.....	.....	61,545.00	31,318.00	30,227.00
C	Fees .....	.....	.....	4,476.00	2,037.00	2,439.00
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	3,600.00	1,672.00	1,928.00
E	Traveling Expense .....	.....	.....	11,368.09	5,166.00	6,202.00
F	Telephone and Telegraph .....	.....	.....	2,268.00	1,009.00	1,259.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	.....	.....	3,743.00	1,559.00	2,184.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	.....	.....	10,596.00	4,856.00	5,740.00
H	Miscellaneous Supplies .....	.....	.....	131,958.00	71,666.00	60,292.00
I	Repairs .....	\$ 90,304.28	.....	313.00	97.00	216.00
J	Newspaper Advertising and Notices .....	.....	.....	122.00	36.00	86.00
K	Light, Heat, Power and Water .....	.....	.....	60,853.00	29,030.00	31,823.00
L	Freight, Express, Cartage, Etc. ....	.....	.....	82.00	33.00	49.00
N	Food and Forage .....	.....	.....	151,252.00	69,504.00	81,748.00
O	Insurance, Surety and Fidelity Bonds ..	.....	.....	3,911.00	1,265.00	2,646.00
P-1	Equipment—Office .....	.....	.....	667.00	122.00	485.00
P-3	Equipment—Motor, Other than Pas- senger Cars .....	.....	.....	1,380.00	.....	1,380.00
P-4	Equipment—Miscellaneous .....	.....	.....	12,960.00	160.00	12,800.00
S	Buildings and Construction .....	\$ 300,000.00	488,874.70	74.00	74.00	.....
U	Subsidies and Indemnities .....	.....	362,578.95 #	16,965.00	7,779.00	9,186.00
	Advance Requisitions .....	.....	.....	.....	3,000.00	3,000.00*
TOTAL EXPENDITURES .....		\$ 300,000.00	\$ 941,757.93	\$ 868,000.00	\$ 412,469.00	\$ 455,531.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—Maintenance .....	\$ 330,000.00				
	State Appropriation—Maintenance—Deficiency .....	33,949.00	\$ 868,000.00	\$ 412,469.00	\$ 455,531.00	
	State Appropriation—Repairs and Improve- ments .....	90,700.00				
	State Appropriation—Construction and Land..	\$ 300,000.00	500,000.00	Appropriation for construction amounting to \$338,000.00 made to the Department of Prop- erty and Supplies this period.		
TOTAL AVAILABLE FUNDS .....		\$ 300,000.00	\$ 954,649.00	\$ 868,000.00	\$ 412,469.00	\$ 455,531.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 285,636.52				
	Expended from State Appropriation during 1927-29 .....	14,363.48	\$ 842,400.73			
	Expended from State Appropriation during 1929-31 .....		99,357.20	\$ 868,000.00	\$ 412,469.00	\$ 455,531.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 300,000.00	\$ 941,757.93	\$ 868,000.00	\$ 412,469.00	\$ 455,531.00
BALANCE—						
	State Appropriation to Lapse .....		\$ 1,765.77			
	State Appropriation to Continue .....		11,125.30			

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
THE GLEN MILLS SCHOOLS—MAINTENANCE						
U	Subsidies and Indemnities .....	\$ 499,730.33	\$ 547,353.39	\$ 665,000.00	\$ 275,776.00	\$ 389,224.00
	TOTAL EXPENDITURES .....	\$ 499,730.33	\$ 547,353.39	\$ 665,000.00	\$ 275,776.00	\$ 389,224.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Maintenance .....	\$ 500,000.00	\$ 550,000.00	\$ 665,000.00	\$ 275,776.00	\$ 389,224.00
	TOTAL AVAILABLE FUNDS .....	\$ 500,000.00	\$ 550,000.00	\$ 665,000.00	\$ 275,776.00	\$ 389,224.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 437,500.00	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	62,230.33	\$ 475,292.90	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	.....	72,060.49	\$ 665,000.00	\$ 275,776.00	\$ 389,224.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 499,730.33	\$ 547,353.39	\$ 665,000.00	\$ 275,776.00	\$ 389,224.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 269.67	.....	.....	.....	.....
	State Appropriation to Lapse .....	.....	\$ 2,646.61	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
ALLENTOWN STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 42,477.00	\$ 20,208.00	\$ 22,271.00
A-2	Salaries—Less than \$3,000 .....			465,620.00	218,563.00	247,057.00
B	Wages .....			199.00	75.00	124.00
C	Fees .....			1,846.00	738.00	1,108.00
D	Office Supplies, Printing, Postage and Stationery .....			5,237.00	2,464.00	2,773.00
E	Traveling Expense .....			2,548.00	1,185.00	1,363.00
F	Telephone and Telegraph .....			3,167.00	1,419.00	1,748.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			1,488.00	610.00	878.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			2,679.00	1,203.00	1,476.00
H	Miscellaneous Supplies .....			128,970.00	63,508.00	65,462.00
I	Repairs .....	\$ 109,993.26	\$ 134,491.84	5,451.00	2,580.00	2,871.00
J	Newspaper Advertising and Notices .....			700.00	315.00	385.00
K	Light, Heat, Power and Water .....			74,504.00	33,205.00	41,299.00
L	Freight, Express, Cartage, Etc. ....			49.00	23.00	26.00
N	Food and Forage .....			206,264.00	99,419.00	106,845.00
O	Insurance, Surety and Fidelity Bonds ..			2,717.00	1,067.00	1,650.00
P-1	Equipment—Office .....			1,500.00	579.00	921.00
P-3	Equipment—Motor, Other than Pas- senger Cars .....			1,600.00	1,600.00	
F-4	Equipment—Miscellaneous .....			67,013.00	23,313.00	43,700.00
S	Buildings and Construction .....		179,580.40			
U	Subsidies and Indemnities .....			10.00	10.00	
Z	Refunds and Repayments of Receipts ..			461.00	155.00	306.00
	Advance Requisitions .....				3,000.00	3,000.00
TOTAL EXPENDITURES .....		\$ 109,993.26	\$ 314,072.24	\$ 1,014,500.00	\$ 475,237.00	\$ 539,263.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	**	**	}	\$ 1,014,500.00	\$ 475,237.00	\$ 539,263.00
State Appropriation—Repairs and Improve- ments .....	\$ 110,000.00	140,000.00				
State Appropriation—Construction .....		200,000.00				
Appropriation for construction amounting to \$323,000.00 made to the Department of Property and Supplies this period.						
TOTAL AVAILABLE FUNDS .....	\$ 110,000.00	\$ 340,000.00	\$ 1,014,500.00	\$ 475,237.00	\$ 539,263.00	

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 70,722.93				
Expended from State Appropriation during 1927-29 .....	39,270.28	\$ 132,759.18			
Expended from State Appropriation during 1929-31 .....		181,313.06	\$ 1,014,500.00	\$ 475,237.00	\$ 539,263.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 109,993.26	\$ 314,072.24	\$ 1,014,500.00	\$ 475,237.00	\$ 539,263.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 6.74				
State Appropriation to Lapse .....		\$ 20,448.77			
State Appropriation to Continue .....		5,478.99			

\* Indicates Deduction.

\*\* During this period this institution received an allocation for maintenance from the appropriation for the Maintenance, Care and Treatment of the Indigent Insane.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
DANVILLE STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 54,686.00	\$ 25,744.00	\$ 28,942.00
A-2	Salaries—Less than \$3,000 .....			587,214.00	262,782.00	324,432.00
B	Wages .....			5,462.00	4,965.00	497.00
C	Fees .....			9,876.00	4,706.00	5,170.00
D	Office Supplies, Printing, Postage and Stationery .....			2,963.00	1,540.00	1,423.00
E	Travelling Expense .....			2,170.00	990.00	1,180.00
F	Telephone and Telegraph .....			1,600.00	638.00	962.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			3,012.00	1,104.00	1,908.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			2,812.00	890.00	1,922.00
H	Miscellaneous Supplies .....			198,773.00	91,524.00	107,249.00
I	Repairs .....	\$ 120,000.00	\$ 196,256.03	19,253.00	3,804.00	15,449.00
J	Newspaper Advertising and Notices .....			444.00	147.00	297.00
K	Light, Heat, Power and Water .....			67,946.00	29,052.00	38,894.00
L	Freight, Express, Cartage, Etc. ....			19.00	6.00	13.00
N	Food and Forage .....			269,557.00	109,384.00	160,173.00
O	Insurance, Surety and Fidelity Bonds ..			3,449.00	1,550.00	1,899.00
P-1	Equipment—Office .....			2,459.00	459.00	2,000.00
P-4	Equipment—Miscellaneous .....			55,305.00	892.00	54,413.00
S	Buildings and Construction .....	200,000.00	247,130.95			
U	Subsidies and Indemnities .....	6,272.25				
	Advance Requisitions .....				2,483.00	*2,483.00
TOTAL EXPENDITURES .....		\$ 326,272.25	\$ 443,386.98	\$ 1,287,000.00	\$ 542,660.00	\$ 744,340.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	**	**				
State Appropriation—Maintenance—Deficiency, Acts of 1929 .....	\$ 6,272.25		\$ 1,287,000.00	\$ 542,660.00	\$ 744,340.00	
State Appropriation—Repairs and Improve- ments .....	120,000.00	215,000.00				
State Appropriation—Construction .....	200,000.00	250,000.00				

Appropriation for construction amounting  
to \$310,000.00 made to the Department of  
Property and Supplies this period.

TOTAL AVAILABLE FUNDS .....

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 105,616.27					
Expended from State Appropriation during 1927-29 .....	176,616.30	\$ 298,190.74				
Expended from State Appropriation during 1929-31 .....	44,039.68	145,196.24	\$ 1,287,000.00	\$ 542,660.00	\$ 744,340.00	

TOTAL EXPENDITURES (As Detailed  
Above) .....

## BALANCE—

State Appropriation to Continue .....		\$ 21,613.02				
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\* Indicates Deduction.

\*\* During this period this institution received an allocation for maintenance from the appropriation for the Maintenance, Care and Treatment of the Indigent Insane.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
FAIRVIEW STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 24,583.00	\$ 11,563.00	\$ 13,020.00
A-2	Salaries—Less than \$3,000 .....			223,384.00	92,474.00	130,910.00
E	Wages .....			20,510.00	19,084.00	1,446.00
C	Fees .....			280.00	114.00	166.00
D	Office Supplies, Printing, Postage and Stationery .....			1,359.00	730.00	629.00
E	Traveling Expense .....			2,120.00	937.00	1,183.00
F	Telephone and Telegraph .....			1,827.00	947.00	880.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			1,934.00	1,061.00	873.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			1,999.00	811.00	1,188.00
H	Miscellaneous Supplies .....			50,533.00	27,022.00	23,511.00
I	Repairs .....	\$ 23,556.47	\$ 18,496.42	3,429.00	2,407.00	1,022.00
K	Light, Heat, Power and Water .....			36,083.00	17,188.00	18,895.00
N	Food and Forage .....			80,722.00	40,897.00	39,825.00
O	Insurance, Surety and Fidelity Bonds ..			1,036.00	412.00	624.00
P-1	Equipment—Office .....			1,000.00		1,000.00
P-4	Equipment—Miscellaneous .....			16,501.00	3,707.00	12,794.00
S	Buildings and Construction .....	41,381.00	86,363.61			
U	Subsidies and Indemnities .....	25,000.00	25,000.00			
	Advance Requisitions .....				1,871.00	1,871.00*
TOTAL EXPENDITURES .....		\$ 89,937.47	\$ 129,860.03	\$ 467,300.00	\$ 221,205.00	\$ 246,095.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Maintenance .....	**	**			
	State Appropriation—Maintenance—Additional	\$ 25,000.00	\$ 25,000.00	\$ 467,300.00	\$ 221,205.00	\$ 246,095.00
	State Appropriation—Repairs and Improve- ments .....	23,619.00	18,500.00			
	State Appropriation—Construction .....	41,381.00	87,500.00	Appropriation for construction amounting to \$503,000.00 made to the Department of Property and Supplies this period.		
TOTAL AVAILABLE FUNDS .....		\$ 90,000.00	\$ 131,000.00	\$ 467,300.00	\$ 221,205.00	\$ 246,095.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 66,412.31				
	Expended from State Appropriation during 1927-29 .....	23,525.16	\$ 118,806.64			
	Expended from State Appropriation during 1929-31 .....		11,653.39	\$ 467,300.00	\$ 221,205.00	\$ 246,095.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 89,937.47	\$ 129,860.03	\$ 467,300.00	\$ 221,205.00	\$ 246,095.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 62.53				
	State Appropriation to Lapse .....		\$ 3.58			
	State Appropriation to Continue .....		1,136.39			

\* Indicates Deduction.

\*\* During this period this institution received an allocation for maintenance from the appropriation for Maintenance, Care and Treatment of the Indigent Insane.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
HARRISBURG STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....	.....	.....	\$ 27,936.00	\$ 13,356.00	\$ 14,580.00
A-2	Salaries—Less than \$3,000 .....	.....	.....	419,846.00	194,931.00	224,915.00
B	Wages .....	.....	.....	3,696.00	3,397.00	99.00
C	Fees .....	.....	.....	2,568.00	521.00	2,047.00
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	3,367.00	1,640.00	1,727.00
E	Traveling Expense .....	.....	.....	1,358.00	585.00	773.00
F	Telephone and Telegraph .....	.....	.....	2,284.00	945.00	1,339.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	.....	.....	963.00	279.00	684.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	.....	.....	1,065.00	295.00	770.00
H	Miscellaneous Supplies .....	.....	.....	152,012.00	65,679.00	86,333.00
I	Repairs .....	\$ 14,977.41	\$ 45,000.00	8,508.00	2,668.00	5,820.00
J	Newspaper Advertising and Notices .....	.....	.....	413.00	176.00	237.00
K	Light, Heat, Power and Water .....	.....	.....	96,761.00	44,044.00	52,717.00
L	Freight, Express, Cartage, Etc. ....	.....	.....	12.00	3.00	9.00
N	Food and Forage .....	.....	.....	270,010.00	123,610.00	146,400.00
O	Insurance, Surety and Fidelity Bonds..	.....	.....	2,450.00	895.00	1,555.00
P-1	Equipment—Office .....	.....	.....	966.00	248.00	718.00
P-4	Equipment—Miscellaneous .....	.....	.....	45,379.00	3,641.00	41,738.00
S	Buildings and Construction .....	.....	199,998.66	.....	.....	.....
U	Subsidies and Indemnities .....	.....	.....	30.00	10.00	20.00
Z	Refunds and Repayments of Receipts..	.....	.....	576.00	284.00	292.00
	Advance Requisitions .....	.....	.....	.....	2,592.00	*2,592.00
TOTAL EXPENDITURES .....		\$ 14,977.41	\$ 344,998.66	\$ 1,040,200.00	\$ 460,019.00	\$ 580,181.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	**	**	\$ 1,040,200.00	\$ 460,019.00	\$ 580,181.00
State Appropriation—Repairs and Improve- ments .....	\$ 15,000.00	45,000.00			
State Appropriation—Construction .....	.....	300,000.00			
Appropriation for construction amount- ing to \$608,000.00 made to the Department of Property and Supplies this period.					

<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 15,000.00	\$ 345,000.00	\$ 1,040,200.00	\$ 460,019.00	\$ 580,181.00
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 11,180.06				
Expended from State Appropriation during 1927-29 .....	3,797.35	\$ 296,584.38			
Expended from State Appropriation during 1929-31 .....		48,414.28	\$ 1,040,200.00	\$ 460,019.00	\$ 580,181.00

<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 14,977.41	\$ 344,998.66	\$ 1,040,200.00	\$ 460,019.00	\$ 580,181.00
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## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 22.59				
State Appropriation to Lapse .....		1.34			

\* Indicates Deduction.

\*\* During this period this institution received an allocation for maintenance from the appropriation for the Maintenance, Care and Treatment of the Indigent Insane.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
NORRISTOWN STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 50,443.00	\$ 22,522.00	\$ 27,921.00
A-2	Salaries—Less than \$3,000 .....			844,582.00	410,563.00	434,019.00
B	Wages .....			1,089.00	694.00	395.00
C	Fees .....			3,802.00	1,089.00	2,713.00
D	Office Supplies, Printing, Postage and Stationery .....			2,383.00	1,433.00	950.00
E	Traveling Expense .....			3,105.00	1,222.00	1,883.00
F	Telephone and Telegraph .....			4,724.00	2,169.00	2,555.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			2,100.00	1,052.00	1,048.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			2,474.00	1,301.00	1,173.00
H	Miscellaneous Supplies .....			197,533.00	115,171.00	82,362.00
I	Repairs .....	\$ 62,198.70	\$ 99,410.99	17,578.00	5,707.00	11,871.00
J	Newspaper Advertising and Notices .....			100.00	50.00	50.00
K	Light, Heat, Power and Water .....			181,113.00	96,190.00	84,923.00
L	Freight, Express, Cartage, Etc. ....			17.00	7.00	10.00
N	Food and Forage .....			487,361.00	233,800.00	253,561.00
O	Insurance, Surety and Fidelity Bonds ...			3,806.00	1,904.00	1,902.00
P-1	Equipment—Office .....			538.00	273.00	265.00
P-3	Equipment—Motor, Other than Passenger Cars .....			3,312.00		3,312.00
P-4	Equipment—Miscellaneous .....			19,847.00	7,663.00	12,184.00
S	Buildings and Construction .....	87,800.00	145,998.04			
Z	Refunds and Repayments of Receipts ...			1,593.00	407.00	1,186.00
	Advance Requisitions .....				5,000.00	* 5,000.00
TOTAL EXPENDITURES .....		\$ 149,998.70	\$ 245,409.03	\$ 1,827,500.00	\$ 908,217.00	\$ 919,283.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	**	**	\$ 1,827,500.00	\$ 908,217.00	\$ 919,283.00
State Appropriation—Repairs and Improve- ments .....	\$ 62,200.00	\$ 105,500.00			
State Appropriation—Construction .....	87,800.00	146,000.00			
Appropriation for construction amounting to \$142,251.00 made to the Department of Property and Supplies this period.					

<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 150,000.00	\$ 251,500.00	\$ 1,827,500.00	\$ 908,217.00	\$ 919,283.00
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 114,839.24				
Expended from State Appropriation during 1927-29 .....	35,159.46	\$ 197,058.59			
Expended from State Appropriation during 1929-31 .....		48,350.44	\$ 1,827,500.00	\$ 908,217.00	\$ 919,283.00

<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 149,998.70	\$ 245,409.03	\$ 1,827,500.00	\$ 908,217.00	\$ 919,283.00
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## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 1.30				
State Appropriation to Lapse .....		\$ 1.96			
State Appropriation to Continue .....		6,089.01			

\* Indicates Deduction.

\*\* During this period this institution received an allocation for maintenance from the appropriation for the Maintenance, Care and Treatment of the Indigent Insane.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
TORRANCE STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....	.....	.....	\$ 25,300.00	\$ 9,862.00	\$ 15,438.00
A-2	Salaries—Less than \$3,000 .....	.....	.....	208,330.00	83,833.00	124,497.00
E	Wages .....	.....	.....	17,037.00	16,709.00	328.00
C	Fees .....	.....	.....	1,412.00	642.00	770.00
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	1,862.00	825.00	1,037.00
E	Travelling Expense .....	.....	.....	2,221.00	876.00	1,345.00
F	Telephone and Telegraph .....	.....	.....	1,379.00	437.00	942.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	.....	.....	1,905.00	821.00	1,084.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	.....	.....	2,689.00	1,827.00	862.00
H	Miscellaneous Supplies .....	.....	.....	66,311.00	31,770.00	34,541.00
I	Repairs .....	.....	\$ 19,998.85	3,286.00	400.00	2,886.00
J	Newspaper Advertising and Notices .....	.....	.....	308.00	308.00	.....
K	Light, Heat, Power and Water .....	.....	.....	32,768.00	14,749.00	18,019.00
L	Freight, Express, Cartage, Etc. ....	.....	.....	80.00	20.00	40.00
N	Food and Forage .....	.....	.....	96,562.00	44,038.00	52,524.00
O	Insurance, Surety and Fidelity Bonds..	.....	.....	1,001.00	401.00	600.00
P-1	Equipment—Office .....	.....	.....	1,000.00	36.00	964.00
P-4	Equipment—Miscellaneous .....	.....	.....	70,499.00	4,617.00	65,882.00
S	Buildings and Construction .....	\$ 389,908.88	587,890.78	26,470.00	.....	26,470.00
U	Subsidies and Indemnities .....	43,261.82	.....	.....	.....	.....
Z	Refunds and Repayments of Receipts..	.....	.....	100.00	.....	100.00
	Advance Requisitions .....	.....	.....	.....	1,804.00	*1,804.00
TOTAL EXPENDITURES .....		\$ 433,170.70	\$ 607,889.63	\$ 560,500.00	\$ 213,975.00	\$ 346,525.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	**	**			
State Appropriation—Maintenance—Additional —Deficiency .....	\$ 40,000.00	.....	\$ 560,500.00	\$ 213,975.00	\$ 346,525.00
State Appropriation—Maintenance—Additional —Deficiency, Acts of 1929 .....	3,261.82	.....			
State Appropriation—Repairs and Improve- ments .....		\$ 20,000.00	Appropriation for construction amounting to		
State Appropriation—Construction .....	310,000.00	650,000.00	\$478,000.00 made to the Department of Prop-		
State Appropriation—Construction—Deficiency	83,000.00	.....	erty and Supplies this period.		
TOTAL AVAILABLE FUNDS .....	\$ 436,261.82	\$ 670,000.00	\$ 560,500.00	\$ 213,975.00	\$ 346,525.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 211,391.10					
Expended from State Appropriation during 1927-29 .....	216,886.50	\$ 464,051.47				
Expended from State Appropriation during 1929-31 .....	4,893.10	143,838.16	\$ 560,500.00	\$ 213,975.00	\$ 346,525.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 433,170.70	\$ 607,889.63	\$ 560,500.00	\$ 213,975.00	\$ 346,525.00	

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 976.17					
State Appropriation to Lapse .....		\$ 5.37				
State Appropriation to Continue .....	2,114.95	82,105.00				

\* Indicates Deduction.

\*\* During this period this institution received an allocation for maintenance from the appropriation for the Maintenance, Care and Treatment of the Indigent Insane.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
WARREN STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 37,094.00	\$ 17,562.00	\$ 19,532.00
A-2	Salaries—Less than \$3,000 .....			562,985.00	255,891.00	307,094.00
B	Wages .....			6,842.00	4,136.00	2,706.00
C	Fees .....			2,951.00	1,128.00	1,823.00
D	Office Supplies, Printing, Postage and Stationery .....			5,543.00	2,122.00	3,421.00
E	Traveling Expense .....			3,650.00	1,455.00	2,195.00
F	Telephone and Telegraph .....			1,573.00	626.00	947.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			1,283.00	640.00	643.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			2,092.00	874.00	1,218.00
H	Miscellaneous Supplies .....			139,520.00	58,014.00	81,506.00
I	Repairs .....	\$ 164,014.71	\$ 167,154.79	5,245.00	1,961.00	3,284.00
J	Newspaper Advertising and Notices .....			121.00	48.00	73.00
K	Light, Heat, Power and Water .....			110,056.00	49,477.00	60,579.00
L	Freight Express, Cartage, Etc. ....			11.00	11.00	
N	Food and Forage .....			307,554.00	140,829.00	166,725.00
O	Insurance, Surety and Fidelity Bonds ...			2,524.00	1,164.00	1,360.00
P-1	Equipment—Office .....			2,310.00	230.00	2,080.00
P-3	Equipment—Motor, Other than Passenger Cars .....			1,500.00		1,500.00
P-4	Equipment—Miscellaneous .....			88,983.00	5,473.00	83,510.00
S	Buildings and Construction .....	15,000.00	283,214.77			
U	Subsidies and Indemnities .....	9,756.22		69.00	47.00	22.00
Z	Refunds and Repayments of Receipts ...			1,454.00	425.00	1,029.00
	Advance Requisitions .....				1,944.00	* 1,944.00
	Reserve .....			8,340.00		8,340.00
TOTAL EXPENDITURES .....		\$ 188,770.93	\$ 450,369.56	\$ 1,291,700.00	\$ 544,057.00	\$ 747,643.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	**	**				
State Appropriation—Maintenance—Deficiency Acts of 1929 .....	\$ 9,756.22		\$ 1,291,700.00	\$ 544,057.00	\$ 747,643.00	
State Appropriation—Repairs and Improve- ments .....	165,000.00	\$ 167,500.00				
State Appropriation—Construction .....	15,000.00	333,000.00				

Appropriation for construction amounting  
to \$287,000.00 made to the Department of  
Property and Supplies this period.

TOTAL AVAILABLE FUNDS .....	\$ 189,756.22	\$ 502,500.00	\$ 1,291,700.00	\$ 544,057.00	\$ 747,643.00	
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-1927 .....	\$ 69,989.45					
Expended from State Appropriation during 1927-29 .....	118,841.48	\$ 366,066.78				
Expended from State Appropriation during 1929-31 .....	* 60.00	84,302.78	\$ 1,291,700.00	\$ 544,057.00	\$ 747,643.00	

TOTAL EXPENDITURES (As Detailed above) .....	\$ 188,770.93	\$ 450,369.56	\$ 1,291,700.00	\$ 544,057.00	\$ 747,643.00	
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## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 31.29					
State Appropriation to Lapse .....		\$ .39				
State Appropriation to Continue .....	954.00	52,130.05				

\* Indicates Deduction.

\*\* During this period this institution received an allocation for maintenance from the appropriation for the Maintenance Care and Treatment of the Indigent Insane.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
WERNERSVILLE STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 24,700.00	\$ 10,434.00	\$ 14,266.00
A-2	Salaries—Less than \$3,000 .....			354,088.00	166,713.00	187,375.00
B	Wages .....			3,696.00	1,238.00	2,458.00
C	Fees .....			3,022.00	1,361.00	1,661.00
D	Office Supplies, Printing, Postage and Stationery .....			980.00	444.00	536.00
E	Traveling Expense .....			567.00	209.00	358.00
F	Telephone and Telegraph .....			687.00	376.00	311.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			549.00	49.00	500.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			2,148.00	216.00	1,932.00
H	Miscellaneous Supplies .....			89,339.00	37,562.00	51,777.00
I	Repairs .....	\$ 89,044.94	\$ 134,999.35	4,032.00	1,089.00	2,943.00
K	Light, Heat, Power and Water .....			67,325.00	33,327.00	33,998.00
N	Food and Forage .....			138,787.00	66,411.00	72,376.00
O	Insurance, Surety and Fidelity Bonds..			2,545.00	1,245.00	1,300.00
P-1	Equipment—Office .....			300.00		300.00
P-4	Equipment—Miscellaneous .....			70,485.00	22,144.00	48,341.00
S	Buildings and Construction .....		80,010.30	550.00		550.00
U	Subsidies and Indemnities .....			50.00	2.00	48.00
Z	Refunds and Repayments of Receipts..			150.00		150.00
	Advance Requisitions .....				1,689.00	*1,689.00
TOTAL EXPENDITURES .....		\$ 89,044.94	\$ 215,009.65	\$ 764,000.00	\$ 344,509.00	\$ 419,491.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	**	**	\$ 764,000.00	\$ 344,509.00	\$ 419,491.00
State Appropriation—Repairs and Improve- ments .....	\$ 90,000.00	\$ 135,000.00			
State Appropriation—Construction .....		92,000.00			

Appropriation for construction amounting to  
\$313,350.00 made to the Department of Prop-  
erty and Supplies this period.

TOTAL AVAILABLE FUNDS .....	\$ 90,000.00	\$ 227,000.00	\$ 764,000.00	\$ 344,509.00	\$ 419,491.00
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 12,057.00				
Expended from State Appropriation during 1927-29 .....	76,987.24	\$ 167,771.33			
Expended from State Appropriation during 1929-31 .....		47,238.32	\$ 764,000.00	\$ 344,509.00	\$ 419,491.00

TOTAL EXPENDITURES (As Detailed Above) .....	\$ 89,044.94	\$ 215,009.65	764,000.00	\$ 344,509.00	\$ 419,491.00
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## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 955.06				
State Appropriation to Lapse .....		1.26			
State Appropriation to Continue .....		11,989.09			

\* Indicates Deduction.

\*\* During this period this institution received an allocation for maintenance from the appropriation for the Maintenance, Care and Treatment of the Indigent Insane.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MAINTENANCE, CARE AND TREATMENT OF INDIGENT INSANE						
MENTAL HOSPITALS						
	Allentown State Hospital .....	\$ 359,303.86	\$ 354,666.19	\$ 1,014,500.00	\$ 475,237.00	\$ 539,263.00
	Danville State Hospital .....	484,161.43	499,971.49	1,287,000.00	542,660.00	744,340.00
	Farview State Hospital .....	149,564.39	150,734.31	467,300.00	221,205.00	246,095.00
	Harrisburg State Hospital .....	424,462.54	438,200.00	1,040,200.00	460,019.00	580,181.00
	Norristown State Hospital .....	765,975.71	755,000.00	1,827,500.00	908,217.00	919,283.00
	Torrance State Hospital .....	117,177.43	159,656.57	560,500.00	213,975.00	346,525.00
	Warren State Hospital .....	470,980.28	468,891.29	1,291,700.00	544,057.00	747,643.00
	Wernersville State Hospital .....	253,764.69	275,000.00	764,000.00	344,509.00	419,491.00
	Total Mental Hospitals .....	\$ 3,023,390.33 (3)	\$ 3,102,119.85 (3)	\$ 8,252,700.00 (2)	\$ 3,709,879.00 (2)	\$ 4,542,821.00 (2)
COUNTY HOSPITALS AND POOR DISTRICTS						
	Allegheny County Home .....	\$ 246,375.42	\$ 238,424.86		\$ 111,248.00	
	Blakely Poor District .....	21,991.69	23,569.43		9,792.00	
	Blair County Hospital .....	59,963.99	61,910.00		22,773.00	
	Chester County Hospital .....	60,697.40	63,361.70		24,603.00	
	Jenkins Township Poor District .....	16,821.69	61,594.27		26,145.00	
	Lancaster County Home and Hospital .....	37,585.40	56,700.27		20,807.00	
	Luzerne County Poor District at Retreat .....	138,167.11	147,392.54		57,431.00	
	Mercer County Home and Hospital .....	32,908.28	34,393.70		13,023.00	
	Philadelphia Hospital for Mental Diseases .....	743,706.27	745,572.29	\$ 2,260,000.00	110,407.00	\$ 1,641,253.00
	Pittsburgh City Home and Hospital .....	349,518.26	381,983.42		101,763.00	
	Schuylkill County Home .....	94,148.26	95,999.71		36,731.00	
	Scranton Poor District .....	106,146.26	116,035.96		46,341.00	
	Somerset County Hospital .....	83,926.55	96,243.71		36,040.00	
	Total County Hospitals and Poor Districts .....	\$ 2,041,956.58	\$ 2,123,181.86		\$ 617,104.00	
	REMOVAL AND TRANSFER OF INDIGENT IN- SANE .....	\$ 5,615.79	\$ 7,509.43		\$ 1,643.00	
	DIXMONT HOSPITAL .....	\$ 304,043.13	\$ 320,698.86	\$ 330,000.00(2)	\$ 123,974.00(2)	\$ 206,026.00(2)
	TOTAL EXPENDITURES .....	\$ 5,377,005.83	\$ 5,553,510.00	\$ 2,260,000.00	\$ 618,747.00	\$ 1,641,253.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—Maintenance, Care and Treatment of Indigent Insane .....	\$ 5,325,000.00 55,277.22	\$ 5,555,000.00	\$ 2,260,000.00(1)	\$ 618,747.00	\$ 1,641,253.00
	TOTAL AVAILABLE FUNDS .....	\$ 5,380,277.22	\$ 5,555,000.00	\$ 2,260,000.00(1)	\$ 618,747.00	\$ 1,641,253.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 4,717,339.88				
	Expended from State Appropriation during 1927-29 .....	649,092.44	\$ 5,108,099.36			
	Expended from State Appropriation during 1929-31 .....	10,573.51	445,410.64	\$ 2,260,000.00(1)	\$ 618,747.00	\$ 1,641,253.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 5,377,005.83	\$ 5,553,510.00	\$ 2,260,000.00(1)	\$ 618,747.00	\$ 1,641,253.00
BALANCE—						
	State Appropriation to Continue .....	\$ 3,271.39	\$ 1,490.00			

- (1) Appropriation this period for County Hospitals and Poor Districts and Removal and Transfer of Indigent Insane. Each Mental Hospital was given separate maintenance appropriation.
- (2) Shown here for comparison only. Not included in totals.
- (3) During this period the receipts from the operation of these Institutions were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
DIXMONT HOSPITAL						
U	Subsidies and Indemnities .....	.....	\$ 51,973.86	(1) \$ 405,000.00	\$ 172,199.00	\$ 232,801.00
	TOTAL EXPENDITURES .....	.....	\$ 51,973.86	\$ 405,000.00	\$ 172,199.00	\$ 232,801.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	**	**	\$ 330,000.00	\$ 123,974.00	\$ 206,026.00
State Appropriation—Repairs and Improve- ments .....		\$ 52,000.00	70,000.00	44,470.00	25,530.00
State Appropriation—Water Supply System ..			5,000.00	3,755.00	1,245.00
State Appropriation—Electric Wiring .....					
TOTAL AVAILABLE FUNDS .....		\$ 52,000.00	\$ 405,000.00	\$ 172,199.00	\$ 232,801.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1927-29 .....	\$ 51,973.86				
Expended from State Appropriation during 1929-31 .....		\$ 405,000.00	\$ 172,199.00	\$ 232,801.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 51,973.86	\$ 405,000.00	\$ 172,199.00	\$ 232,801.00	

## BALANCE—

State Appropriation to Lapse .....	\$ 26.14				
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(1) Special Appropriation for Repairs and Improvements.

\*\* During this period this institution received an allocation for maintenance from the appropriation for the Maintenance, Care and Treatment of the Indigent Insane.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
LAURELTON STATE VILLAGE						
A-1	Salaries—\$3,000 and Over .....			\$ 22,375.00	\$ 9,972.00	\$ 12,403.00
A-2	Salaries—Less than \$3,000 .....			170,162.00	68,742.00	101,420.00
B	Wages .....			22,000.00	10,080.00	11,920.00
C	Fees .....			7,309.00	2,386.00	4,923.00
D	Office Supplies, Printing, Postage and Stationery .....			2,360.00	728.00	1,632.00
E	Traveling Expense .....			1,836.00	534.00	1,302.00
F	Telephone and Telegraph .....			1,901.00	799.00	1,102.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			3,159.00	842.00	2,317.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			5,120.00	1,767.00	3,353.00
H	Miscellaneous Supplies .....			54,338.00	17,162.00	37,176.00
I	Repairs .....	\$ 9,999.95	\$ 19,999.75	22,697.00	17,716.00	4,981.00
J	Newspaper Advertising and Notices .....			20.00		20.00
K	Light, Heat, Power and Water .....			41,323.00	13,927.00	27,396.00
L	Freight, Express, Cartage, Etc. ....			22.00	2.00	20.00
N	Food and Forage .....			124,428.00	46,419.00	78,009.00
O	Insurance, Surety and Fidelity Bonds ..			1,951.00	523.00	1,428.00
P-1	Equipment—Office .....			621.00	122.00	499.00
P-4	Equipment—Miscellaneous .....			24,818.00	3,089.00	21,729.00
S	Buildings and Construction .....	505,882.91	458,215.48	10,000.00		10,000.00
U	Subsidies and Indemnities .....	160,000.00 #	305,000.00 #	60.00		60.00
	Advance Requisitions .....				3,000.00	*3,000.00
TOTAL EXPENDITURES .....		\$ 675,882.86	\$ 783,215.23	\$ 516,500.00	\$ 197,810.00	\$ 318,690.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Maintenance .....	\$ 160,000.00	\$ 305,000.00	\$ 516,500.00	\$ 197,810.00	\$ 318,690.00	Appropriation for construction amounting to \$150,000.00 made to the Department of Property and Supplies this period.
State Appropriation—Repairs and Improve- ments .....	10,000.00	20,000.00				
State Appropriation—Construction .....	500,000.00	500,000.00				
State Appropriation—Construction—Deficiency Acts of 1929 .....	8,513.00					
TOTAL AVAILABLE FUNDS .....	\$ 678,513.08	\$ 825,000.00	\$ 516,500.00	\$ 197,810.00	\$ 318,690.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$ 451,083.11					
Expended from State Appropriation during 1927-29 .....	218,916.84	\$ 593,691.54				
Expended from State Appropriation during 1929-31 .....	5,882.91	189,523.69	\$ 516,500.00	\$ 197,810.00	\$ 318,690.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 675,882.86	\$ 783,215.23	\$ 516,500.00	\$ 197,810.00	\$ 318,690.00	
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ .05					
State Appropriation to Lapse .....		\$ .25				
State Appropriation to Continue .....	2,630.17	41,784.52				

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PENNHURST STATE SCHOOL						
A-1	Salaries—3,000 and Over .....	.....	.....	\$ 23,106.00	\$ 9,826.00	\$ 13,280.00
A-2	Salaries—Less than \$3,000 .....	.....	.....	307,230.00	138,570.00	168,660.00
B	Wages .....	.....	.....	11,146.00	6,318.00	4,828.00
C	Fees .....	.....	.....	2,000.00	658.00	1,342.00
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	2,800.00	1,138.00	1,662.00
E	Traveling Expense .....	.....	.....	2,160.00	629.00	1,531.00
F	Telephone and Telegraph .....	.....	.....	3,600.00	1,585.00	2,015.00
G-1	Motor Suplies and Repairs—Passenger Cars .....	.....	.....	1,800.00	795.00	1,005.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	.....	.....	7,000.00	2,714.00	4,286.00
H	Miscellaneous Supplies .....	.....	.....	156,444.00	66,868.00	89,576.00
I	Repairs .....	\$ 77,003.28	\$ 68,200.64	6,473.00	196.00	6,277.00
J	Newspaper Advertising and Notices .....	.....	.....	100.00	22.00	78.00
K	Light, Heat, Power and Water .....	.....	.....	78,500.00	35,482.00	43,018.00
L	Freight, Express, Cartage, Etc. ....	.....	.....	240.00	85.00	155.00
N	Food and Forage .....	.....	.....	120,000.00	53,492.00	66,508.00
O	Insurance, Surety and Fidelity Bonds ..	.....	.....	3,030.00	1,299.00	1,701.00
P-1	Equipment—Office .....	.....	.....	200.00	43.00	157.00
P-3	Equipment—Motor, Other than Passenger Cars .....	.....	.....	1,846.00	1,682.00	164.00
P-4	Equipment—Miscellaneous .....	.....	.....	36,855.00	18,796.00	18,059.00
S	Buildings and Construction .....	.....	220,137.28	19,900.00	.....	19,900.00
U	Subsidies and Indemnities .....	659,926.26 #	660,000.00 #	.....	.....	.....
	Advance Requisitions .....	.....	.....	.....	2,000.00	*2,000.00
TOTAL EXPENDITURES .....		\$ 736,929.54	\$ 948,337.92	\$ 784,400.00	\$ 342,198.00	\$ 442,202.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS

State Appropriation—Maintenance .....	\$ 660,000.00	\$ 660,000.00			
State Appropriation—Maintenance—Deficiency Acts of 1929 .....	3,111.03				
State Appropriation—Repairs and Improve- ments .....	80,000.00	75,000.00	\$ 784,400.00	\$ 342,198.00	\$ 442,202.00
State Appropriation—Repairs and Improve- ments—Deficiency .....	3,142.00				
State Appropriation—Construction .....		225,000.00	Appropriation for construction amounting to \$678,000.00 made to the Department of Property and Supplies this period.		
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 746,253.03	\$ 960,000.00	\$ 784,400.00	\$ 342,198.00	\$ 442,202.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 16,782.06	\$ 783,616.51			
Expended from State Appropriation during 1927-29 .....		164,721.41			
Expended from State Appropriation during 1929-31 .....	720,147.48		\$ 784,400.00	\$ 342,198.00	\$ 442,202.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 736,929.54	\$ 948,337.92	\$ 784,400.00	\$ 342,198.00	\$ 442,202.00

## BALANCE

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 4,595.22				
State Appropriation to Continue .....		126.20			
State Appropriation to Lapse .....	4,728.27	11,535.88			

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
POLK STATE SCHOOL						
A-1	Salaries—\$3,000 and Over .....			\$ 29,367.00	\$ 13,592.00	\$ 15,775.00
A-2	Salaries—Less than \$3,000 .....			520,592.00	237,933.00	282,659.00
B	Wages .....			12,670.00	11,870.00	800.00
C	Fees .....			3,690.00	1,909.00	1,781.00
D	Office Supplies, Printing, Postage and Stationery .....			5,360.00	2,308.00	3,052.00
E	Traveling Expense .....			3,425.00	1,039.00	2,386.00
F	Telephone and Telegraph .....			5,539.00	2,392.00	3,147.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			1,659.00	617.00	1,042.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			3,928.00	1,585.00	2,343.00
H	Miscellaneous Supplies .....			160,851.00	71,275.00	89,576.00
I	Repairs .....	\$ 150,759.38	\$ 17,499.05	15,010.00	6,764.00	8,246.00
J	Newspaper Advertising and Notices .....			25.00		25.00
K	Light, Heat, Power and Water .....			94,883.00	41,052.00	53,831.00
N	Food and Forage .....			372,053.00	157,739.00	214,314.00
O	Insurance, Surety and Fidelity Bonds ..			1,537.00	737.00	800.00
P-1	Equipment—Office .....			357.00	58.00	299.00
P-4	Equipment—Miscellaneous .....			20,934.00	6,615.00	14,319.00
S	Buildings and Construction .....		621,873.95			
U	Subsidies and Indemnities .....	1,008,866.48 #	1,033,085.60 #	120.00	39.00	81.00
	Advance Requisitions .....				5,000.00	*5,000.00
TOTAL EXPENDITURES .....		\$ 1,159,625.86	\$ 1,672,458.60	\$ 1,252,000.00	\$ 562,524.00	\$ 689,476.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 1,025,000.00	\$ 975,000.00			
State Appropriation—Maintenance—Deficiency .....		63,379.00			
State Appropriation—Credits—1925-1927 .....	127.30		\$ 1,252,000.00	\$ 562,524.00	\$ 689,476.00
State Appropriation—Repairs and Improve- ments .....	165,000.00	17,500.00			
State Appropriation—Construction and Land ..		635,000.00	Appropriation for Construction amounting to \$196,000.00 made to the Department of Property and Supplies this period.		
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 1,190,127.30	\$ 1,690,879.00	\$ 1,252,000.00	\$ 562,524.00	\$ 689,476.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 1,056,113.02				
Expended from State Appropriation during 1927-29 .....	103,512.84	\$ 1,373,629.20			
Expended from State Appropriation during 1929-31 .....		298,829.40	\$ 1,252,000.00	\$ 562,524.00	\$ 689,476.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 1,159,625.86	\$ 1,672,458.60	\$ 1,252,000.00	\$ 562,524.00	\$ 689,476.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 30,501.44				
State Appropriation to Lapse .....		\$ 5,294.35			
State Appropriation to Continue .....		13,126.05			

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SELINGROVE STATE COLONY FOR EPILEPTICS						
A-1	Salaries—\$3,000 and Over .....			\$ 15,000.00	\$ 7,188.00	\$ 7,812.00
A-2	Salaries—Less than \$3,000 .....			56,955.00	23,284.00	33,671.00
B	Wages .....			587.00	287.00	300.00
C	Fees .....			586.00	144.00	442.00
D	Office Supplies, Printing, Postage and Stationery .....			1,743.00	717.00	1,026.00
E	Traveling Expense .....			4,044.00	1,171.00	2,873.00
F	Telephone and Telegraph .....			635.00	278.00	357.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			3,804.00	609.00	3,195.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			5,026.00	695.00	4,331.00
H	Miscellaneous Supplies .....			64,123.00	32,414.00	31,709.00
I	Repairs .....		No Appropriation during this period	10,863.00	1,379.00	9,484.00
K	Light, Heat, Power and Water .....			15,498.00	5,712.00	9,786.00
L	Freight, Express, Cartage, Etc. ....			113.00	8.00	105.00
N	Food and Forage .....			35,744.00	16,046.00	19,698.00
O	Insurance, Surety and Fidelity Bonds ..			707.00	307.00	400.00
P-1	Equipment—Office .....			1,977.00	694.00	1,283.00
P-3	Equipment—Motor, Other than Passenger Cars .....			2,500.00		2,500.00
P-4	Equipment—Miscellaneous .....			64,145.00	25,441.00	38,704.00
S	Buildings and Construction .....		\$ 299,997.76	2,150.00	1,150.00	1,000.00
U	Subsidies and Indemnities .....		49,997.26 #			
	Advance Requisitions .....				1,000.00	*1,000.00
TOTAL EXPENDITURES .....			\$ 349,997.02	\$ 286,200.00	\$ 118,524.00	\$ 167,676.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Maintenance .....	No Appropriation	\$ 50,000.00	\$ 286,200.00	\$ 118,524.00	\$ 167,676.00	
State Appropriation—Construction .....	during this period	300,000.00	Appropriation for construction amounting to \$643,000.00 made to the Department of Prop- erty and Supplies this period.			
TOTAL AVAILABLE FUNDS .....		\$ 350,000.00	\$ 286,200.00	\$ 118,524.00	\$ 167,676.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....	No Appropriation	\$ 260,155.28				
Expended from State Appropriation during 1929-31 .....	during this period	89,841.74	\$ 286,200.00	\$ 118,524.00	\$ 167,676.00	
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 349,997.02	\$ 286,200.00	\$ 118,524.00	\$ 167,676.00	
BALANCE—						
State Appropriation to Lapse .....		\$ 2.98				

CUMBERLAND VALLEY STATE INSTITUTION  
FOR MENTAL DEFECTIVESAppropriation for construction amounting to  
\$243,000.00 made to the Department of Property  
and Supplies this period.

ELWYN TRAINING SCHOOL						
U	Subsidies and Indemnities .....	\$ 352,530.04	\$ 357,881.10	\$ 420,000.00	\$ 149,607.00	\$ 270,393.00
TOTAL EXPENDITURES .....		\$ 352,530.04	\$ 357,881.10	\$ 420,000.00	\$ 149,607.00	\$ 270,393.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Maintenance .....		\$ 357,500.00	\$ 390,000.00	\$ 420,000.00	\$ 149,607.00	\$ 270,393.00
TOTAL AVAILABLE FUNDS .....		\$ 357,500.00	\$ 390,000.00	\$ 420,000.00	\$ 149,607.00	\$ 270,393.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....		\$ 308,609.12				
Expended from State Appropriation during 1927-29 .....		43,920.92	\$ 312,135.59			
Expended from State Appropriation during 1929-31 .....			45,745.51	\$ 420,000.00	\$ 149,607.00	\$ 270,393.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 352,530.04	\$ 357,881.10	\$ 420,000.00	\$ 149,607.00	\$ 270,393.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....		\$ 1,969.96	\$ 32,112.90			
State Appropriation to Lapse .....						

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ASHLAND STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 53,531.00	\$ 23,508.00	\$ 30,023.00
A-2	Salaries—Less than \$3,000 .....			231,394.00	107,553.00	123,841.00
B	Wages .....			5,876.00	2,962.00	2,914.00
C	Fees .....			813.00	255.00	558.00
D	Office Supplies, Printing, Postage and Stationery .....			949.00	409.00	540.00
E	Traveling Expense .....			1,264.00	257.00	1,007.00
F	Telephone and Telegraph .....			3,440.00	1,510.00	1,930.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			1,451.00	532.00	919.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			3,092.00	1,186.00	1,906.00
H	Miscellaneous Supplies .....			48,820.00	21,070.00	27,780.00
I	Repairs .....	\$ 29,403.34		2,825.00	140.00	2,685.00
J	Newspaper Advertising and Notices .....			15.00		15.00
K	Light, Heat, Power and Water .....			24,258.00	10,007.00	14,251.00
L	Freight, Express, Cartage, Etc. ....			15.00		15.00
N	Food and Forage .....			90,320.00	40,165.00	50,155.00
O	Insurance, Surety and Fidelity Bonds ..			2,825.00	1,099.00	1,726.00
P-1	Equipment—Office .....			822.00	72.00	750.00
P-4	Equipment—Miscellaneous .....			19,041.00	3,259.00	15,782.00
S	Buildings and Construction .....		116,772.76			
U	Subsidies and Indemnities .....	\$ 274,998.20 #	249,371.29 #			
Z	Refunds and Repayments of Receipts... Advance Requisitions .....			999.00	384.00	635.00
					1,000.00	*1,000.00
TOTAL EXPENDITURES .....		\$ 274,998.20	\$ 395,547.39	\$ 491,750.00	\$ 215,348.00	\$ 276,402.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 245,000.00	\$ 245,000.00				
State Appropriation—Maintenance—Deficiency .....	30,490.00	5,000.00	\$ 491,750.00	\$ 215,348.00	\$ 276,402.00	
State Appropriation—Repairs and Improvements .....	5,000.00	30,000.00				
State Appropriation—Construction .....		135,000.00				
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 280,490.00	\$ 415,000.00	\$ 491,750.00	\$ 215,348.00	\$ 276,402.00	

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 263,005.98					
Expended from State Appropriation during 1927-29 .....	11,992.22	\$ 339,093.14				
Expended from State Appropriation during 1929-31 .....		56,454.25	\$ 491,750.00	\$ 215,348.00	\$ 276,402.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 274,998.20	\$ 395,547.39	\$ 491,750.00	\$ 215,348.00	\$ 276,402.00	

## BALANCE—

State Appropriation Lapsed Under Act 25-A or Act 402, 1929 .....	\$ 5,491.80					
State Appropriation to Lapse .....		628.71				
State Appropriation to Continue .....		18,823.90				

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
BLOSSBURG STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 21,200.00	\$ 9,775.00	\$ 11,425.00
A-2	Salaries—Less than \$3,000 .....			83,277.00	39,474.00	43,803.00
B	Wages .....			10,247.00	4,939.00	5,308.00
C	Fees .....			349.00	334.00	15.00
D	Office Supplies, Printing, Postage and Stationery .....			1,075.00	496.00	579.00
E	Traveling Expense .....			700.00	336.00	364.00
F	Telephone and Telegraph .....			1,411.00	656.00	755.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			274.00	64.00	210.00
H	Miscellaneous Supplies .....			17,211.00	7,946.00	9,265.00
I	Repairs .....	\$ 49,530.44	\$ 9,974.52	597.00	340.00	257.00
K	Light, Heat, Power and Water .....			12,361.00	5,755.00	6,606.00
L	Freight, Express, Cartage, Etc. ....			130.00	57.00	73.00
N	Food and Forage .....			19,945.00	9,010.00	10,935.00
O	Insurance, Surety and Fidelity Bonds ..			712.00	512.00	200.00
P-1	Equipment—Office .....			66.00	16.00	50.00
P-4	Equipment—Miscellaneous .....			332.00	158.00	174.00
U	Subsidies and Indemnities .....	97,099.57 #	100,000.00 #			
Z	Refunds and Repayments of Receipts ..			113.00	13.00	100.00
	Advance Requisitions .....				1,000.00	* 1,000.00
TOTAL EXPENDITURES .....		\$ 146,630.01	\$ 109,974.52	\$ 170,000.00	\$ 80,881.00	\$ 89,119.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 65,000.00	\$ 100,000.00				
State Appropriation—Maintenance—Deficiency Acts of 1927 .....	20,000.00					
State Appropriation—Maintenance—Deficiency Acts of 1929 .....	2,099.57	4,000.00	\$ 170,000.00	\$ 80,881.00	\$ 89,119.00	
State Appropriation—Repairs and Improve- ments .....	40,000.00	10,000.00				
State Appropriation—Repairs and Improve- ments—Deficiency Acts of 1929 .....	10,570.27					
<b>TOTAL AVAILABLE FUNDS .....</b>	<b>\$ 147,669.84</b>	<b>\$ 114,000.00</b>	<b>\$ 170,000.00</b>	<b>\$ 80,881.00</b>	<b>\$ 89,119.00</b>	

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 99,739.79					
Expended from State Appropriation during 1927-29 .....	34,240.50	\$ 83,272.05				
Expended from State Appropriation during 1929-31 .....	12,649.72	26,702.47	\$ 170,000.00	\$ 80,881.00	\$ 89,119.00	
<b>TOTAL EXPENDITURES (As Detailed Above) .....</b>	<b>\$ 146,630.01</b>	<b>\$ 109,974.52</b>	<b>\$ 170,000.00</b>	<b>\$ 80,881.00</b>	<b>\$ 89,119.00</b>	

## BALANCE—

State Appropriation to Lapse .....		\$ 25.48				
State Appropriation to Continue .....	\$ 1,039.83	4,000.00				

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
COALDALE STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....	.....	.....	\$ 32,648.00	\$ 15,633.00	\$ 17,015.00
A-2	Salaries—Less than \$3,000 .....	.....	.....	91,186.00	40,140.00	51,046.00
B	Wages .....	.....	.....	11,430.00	6,915.00	4,515.00
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	1,546.00	658.00	888.00
E	Traveling Expense .....	.....	.....	1,521.00	447.00	1,074.00
F	Telephone and Telegraph .....	.....	.....	1,660.00	774.00	886.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	.....	.....	722.00	565.00	157.00
H	Miscellaneous Supplies .....	.....	.....	12,186.00	5,692.00	6,494.00
I	Repairs .....	\$ 6,193.53	.....	3,181.00	730.00	2,451.00
K	Light, Heat, Power and Water .....	.....	.....	13,197.00	6,514.00	6,683.00
L	Freight, Express, Cartage, Etc. ....	.....	.....	508.00	4.00	504.00
N	Food and Forage .....	.....	.....	36,782.00	17,350.00	19,432.00
O	Insurance, Surety and Fidelity Bonds ..	.....	.....	782.00	300.00	482.00
P-4	Equipment—Miscellaneous .....	.....	.....	651.00	83.00	568.00
S	Buildings and Indemnities .....	\$ 235,372.56	119,217.71	.....	.....	.....
U	Subsidies and Indemnities .....	129,976.29 #	134,643.27 #	.....	.....	.....
	Advance Requisitions .....	.....	.....	.....	423.00	423.00*
TOTAL EXPENDITURES .....		\$ 365,348.85	\$ 260,056.51	\$ 208,000.00	\$ 96,228.00	\$ 111,772.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 130,000.00	\$ 150,000.00		\$ 208,000.00	\$ 96,228.00	\$ 111,772.00
State Appropriation—Repairs and Improve- ments .....		70,000.00				
State Appropriation—Construction .....	238,000.00	140,000.00				
State Appropriation—Construction—Deficiency, Acts of 1927 .....	25,000.00					
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 393,000.00	\$ 360,000.00	\$ 208,000.00	\$ 96,228.00	\$ 111,772.00	

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 283,045.03					
Expended from State Appropriation during 1927-29 .....	78,344.33	\$ 197,430.54				
Expended from State Appropriation during 1929-31 .....	3,959.49	62,625.97	\$ 208,000.00	\$ 96,228.00	\$ 111,772.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 365,348.85	\$ 260,056.51	\$ 208,000.00	\$ 96,228.00	\$ 111,772.00	

## BALANCE—

State Appropriation Lapsed Under Act 25-A, 1927 or Act 402, 1929 .....	\$ 23.71					
State Appropriation to Continue .....	27,627.44	\$ 22,943.49				

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
CONNELLSVILLE STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 7,335.00	\$ 3,450.00	\$ 3,885.00
A-2	Salaries—Less than \$3,000 .....			83,616.00	35,366.00	48,250.00
B	Wages .....			3,896.00	2,775.00	1,631.00
C	Fees .....			4,348.00	1,554.00	2,794.00
D	Office Supplies, Printing, Postage and Stationery .....			1,275.00	470.00	805.00
E	Traveling Expense .....			1,613.00	544.00	1,069.00
F	Telephone and Telegraph .....			1,391.00	643.00	748.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			381.00	156.00	225.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			359.00	135.00	174.00
H	Miscellaneous Supplies .....			16,582.00	6,854.00	9,723.00
I	Repairs .....	\$ 5,000.00	\$ 4,491.89	7,149.00	558.00	6,591.00
J	Newspaper Advertising and Notices .....			17.00	5.00	12.00
K	Light, Heat, Power and Water .....			11,504.00	5,131.00	6,373.00
L	Freight, Express, Cartage, Etc. ....			390.00	177.00	213.00
N	Food and Forage .....			26,667.00	11,514.00	15,153.00
O	Insurance, Surety and Fidelity Bonds ..			697.00	241.00	456.00
P-1	Equipment—Office .....			952.00	137.00	815.00
P-4	Equipment—Miscellaneous .....			4,385.00	1,005.00	3,380.00
S	Buildings and Construction .....	100,000.00	49,998.31	15,000.00		15,000.00
U	Subsidies and Indemnities .....	24,999.49 #	42,488.30 #			
Z	Refunds and Repayments of Receipts ..			1,733.00	451.00	1,282.00
	Advance Requisitions .....				1,000.00	1,000.00*
TOTAL EXPENDITURES .....		\$ 129,999.49	\$ 96,978.50	\$ 189,200.00	\$ 72,216.00	\$ 116,984.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 25,000.00	\$ 35,000.00				
State Appropriation—Maintenance—Deficiency .....		10,100.00	\$ 189,200.00	\$ 72,216.00	\$ 116,984.00	
State Appropriation—Repairs and Improve- ments .....	5,000.00	4,500.00				
State Appropriation—Construction .....	100,000.00	50,000.00				
TOTAL AVAILABLE FUNDS .....	\$ 130,000.00	\$ 99,600.00	\$ 189,200.00	\$ 72,216.00	\$ 116,984.00	

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 38,602.44					
Expended from State Appropriation during 1927-29 .....	91,397.05	\$ 86,556.15				
Expended from State Appropriation during 1929-31 .....		10,422.35	\$ 189,200.00	\$ 72,216.00	\$ 116,984.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 129,999.49	\$ 96,978.50	\$ 189,200.00	\$ 72,216.00	\$ 116,984.00	

## BALANCE—

State Appropriation Lapsed Under Act 25-A, 1927 or Act 402, 1929 .....	\$ .51					
State Appropriation to Lapse .....		9.80				
State Appropriation to Continue .....		2,611.70				

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
HAZLETON STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 22,486.00	\$ 12,725.00	\$ 9,761.00
A-2	Salaries—Less than \$3,000 .....			107,038.00	57,567.00	49,471.00
B	Wages .....			556.00	425.00	141.00
C	Fees .....			10.00	5.00	5.00
D	Office Supplies, Printing, Postage and Stationery .....			1,865.00	1,030.00	835.00
E	Traveling Expense .....			103.00	28.00	75.00
F	Telephone and Telegraph .....			1,707.00	959.00	748.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			704.00	436.00	268.00
H	Miscellaneous Supplies .....			42,730.00	24,988.00	17,742.00
I	Repairs .....		\$ 58,568.37	4,256.00	3,216.00	1,040.00
J	Newspaper Advertising and Notices .....			2.00	2.00	
K	Light, Heat, Power and Water .....			22,762.00	12,092.00	10,670.00
L	Freight, Express, Cartage, Etc. ....			79.00	58.00	21.00
N	Food and Forage .....			74,278.00	40,558.00	33,720.00
O	Insurance, Surety and Fidelity Bonds ..			943.00	468.00	475.00
P-1	Equipment—Office .....			296.00	296.00	
P-4	Equipment—Miscellaneous .....			5,374.00	1,272.00	4,102.00
S	Buildings and Construction .....	\$ 29,499.74	49,950.01			
U	Subsidies and Indemnities .....	# 104,933.91	# 100,986.36			
Z	Refunds and Repayments of Receipts ..			501.00	385.00	416.00
	Advance Requisitions .....				888.00	*888.00
TOTAL EXPENDITURES .....		\$ 134,433.65	\$ 209,504.74	\$ 286,000.00	\$ 157,398.00	\$ 128,602.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Maintenance .....	\$ 105,000.00	\$ 110,000.00				
State Appropriation—Maintenance—Deficiency, Acts of 1929 .....	9,806.90		\$ 286,000.00	\$ 157,398.00	\$ 128,602.00	
State Appropriation—Repairs and Improve- ments .....		60,000.00				
State Appropriation—Construction .....	25,000.00	50,000.00				
State Appropriation—Construction—Deficiency	4,500.00					
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 144,306.90	\$ 220,000.00	\$ 286,000.00	\$ 157,398.00	\$ 128,602.00	
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....	\$ 119,514.41					
Expended from State Appropriation during 1927-29 .....	14,919.24	\$ 174,977.47				
Expended from State Appropriation during 1929-31 .....		34,527.27	\$ 286,000.00	\$ 157,398.00	\$ 128,602.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 134,433.65	\$ 209,504.74	\$ 286,000.00	\$ 157,398.00	\$ 128,602.00	
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A, 1927 or Act 402, 1929 .....	\$ 66.35					
State Appropriation to Lapse .....		\$ 10,495.26				
State Appropriation to Continue .....	9,806.90					

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
LOCUST MOUNTAIN STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 13,341.00	\$ 6,042.00	\$ 7,299.00
A-2	Salaries—Less than \$3,000 .....			100,617.00	43,561.00	57,056.00
B	Wages .....			3,070.00	2,011.00	1,059.00
C	Fees .....			8.00	8.00	
D	Office Supplies, Printing, Postage and Stationery .....			947.00	300.00	647.00
E	Traveling Expense .....			422.00	222.00	200.00
F	Telephone and Telegraph .....			931.00	417.00	514.00
H	Miscellaneous Supplies .....			17,790.00	7,038.00	10,752.00
I	Repairs .....	\$ 11,426.23	\$ 10,000.00	12,589.00	1,412.00	11,177.00
K	Light, Heat, Power and Water .....			11,136.00	4,344.00	6,792.00
L	Freight, Express, Cartage, Etc. ....			618.00	237.00	381.00
N	Food and Forage .....			32,214.00	13,162.00	19,052.00
O	Insurance, Surety and Fidelity Bonds ..			501.00	241.00	260.00
P-1	Equipment—Office .....			374.00	175.00	199.00
P-4	Equipment—Miscellaneous .....			16,663.00	2,925.00	13,738.00
S	Buildings and Construction .....		108,931.09			
U	Subsidies and Indemnities .....	110,196.13 #	145,542.28 #			
Z	Refunds and Repayments of Receipts ..			179.00	54.00	125.00
	Advance Requisitions .....				641.00	641.00*
TOTAL EXPENDITURES .....		\$ 121,622.36	\$ 264,473.37	\$ 211,400.00	\$ 82,790.00	\$ 128,610.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 55,000.00	\$ 110,000.00			
State Appropriation—Maintenance—Deficiency	47,600.00	40,000.00			
State Appropriation—Maintenance—Deficiency, Act of 1929 .....	7,596.23		\$ 211,400.00	\$ 82,790.00	\$ 128,610.00
State Appropriation—Repairs and Improve- ments .....	10,000.00	10,000.00			
State Appropriation—Repairs and Improve- ments—Deficiency, Acts of 1929 .....	1,426.23				
State Appropriation—Construction .....		110,000.00			
TOTAL AVAILABLE FUNDS .....	\$ 121,622.46	\$ 270,000.00	\$ 211,400.00	\$ 82,790.00	\$ 128,610.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 61,999.90				
Expended from State Appropriation during 1927-29 .....	47,600.00	\$ 193,604.45			
Expended from State Appropriation during 1929-31 .....	9,022.46	70,863.92	\$ 211,400.00	\$ 82,790.00	\$ 128,610.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 121,622.36	\$ 264,473.37	\$ 211,400.00	\$ 82,790.00	\$ 128,610.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A, 1927 or Act 402, 1929 .....	\$ .10				
State Appropriation to Lapse .....		\$ 4,457.72			
State Appropriation to Continue .....		1,068.91			

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
NANTICOKE STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 902.00	\$ 902.00	
A-2	Salaries—Less than \$3,000 .....			114,376.00	51,832.00	\$ 62,524.00
B	Wages .....			3,956.00	2,996.00	962.00
C	Fees .....			435.00	210.00	225.00
D	Office Supplies, Printing, Postage and Stationery .....			988.00	430.00	558.00
E	Traveling Expense .....			942.00	177.00	765.00
F	Telephone and Telegraph .....			1,422.00	608.00	814.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			328.00	97.00	231.00
H	Miscellaneous Supplies .....			35,473.00	14,120.00	21,353.00
I	Repairs .....		\$ 14,991.47	5,119.00	2,183.00	2,936.00
J	Newspaper Advertising and Notices .....			6.00	6.00	
K	Light Heat, Power and Water .....			21,402.00	9,973.00	11,429.00
L	Freight, Express, Cartage, Etc. ....			27.00	12.00	15.00
M	Rents .....			2.00		2.00
N	Food and Forage .....			69,871.00	28,492.00	41,379.00
O	Insurance, Surety and Fidelity Bonds ..			231.00	131.00	150.00
P-1	Equipment—Office .....			293.00	43.00	250.00
P-4	Equipment—Miscellaneous .....			4,629.00	4,629.00	
S	Buildings and Construction .....			84,970.87	7,122.00	7,122.00
U	Subsidies and Indemnities .....	\$ 74,997.22 #	77,203.41 #			
Z	Refunds and Repayments of Receipts ..			2,224.00	2,224.00	
	Advance Requisitions .....				1,000.00	1,000.00*
TOTAL EXPENDITURES .....		\$ 74,997.22	\$ 177,165.75	\$ 269,800.00	\$ 120,085.00	\$ 149,715.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 75,000.00	\$ 75,000.00			
State Appropriation—Maintenance—Deficiency Act of 1929 .....	2,762.22	15,000.00	\$ 269,800.00	\$ 120,085.00	\$ 149,715.00
State Appropriation—Repairs and Improve- ments .....		15,000.00			
State Appropriation—Construction .....		85,000.00	Appropriation for purchase of land amount- ing to \$2,500.00 made to the Department of Property and Supplies this period.		
TOTAL AVAILABLE FUNDS .....	\$ 77,762.22	\$ 190,000.00	\$ 269,800.00	\$ 120,085.00	\$ 149,715.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 68,582.20				
Expended from State Appropriation during 1927-29 .....	6,415.02	\$ 141,259.09			
Expended from State Appropriation during 1929-31 .....		35,906.66	\$ 269,800.00	\$ 120,085.00	\$ 149,715.00

TOTAL EXPENDITURES (As Detailed  
Above)

\$ 74,997.22	\$ 177,165.75	\$ 269,800.00	\$ 120,085.00	\$ 149,715.00
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## BALANCE—

State Appropriation Lapsed Under Act 25-A, 1927 or Act 402, 1929 .....	\$ 2.78				
State Appropriation to Lapse .....		\$ 37.66			
State Appropriation to Continue .....	2,762.22	12,796.59			

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
PHILIPSBURG STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 14,392.00	\$ 6,700.00	\$ 7,692.00
A-2	Salaries—Less than \$3,000 .....			72,293.00	32,928.00	39,365.00
B	Wages .....			9,357.00	4,348.00	5,009.00
C	Fees .....			1,638.00	323.00	1,315.00
D	Office Supplies, Printing, Postage and Stationery .....			1,215.00	335.00	880.00
E	Traveling Expense .....			779.00	401.00	378.00
F	Telephone and Telegraph .....			1,532.00	716.00	816.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			524.00	139.00	385.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			274.00	66.00	203.00
H	Miscellaneous Supplies .....			21,444.00	9,945.00	11,499.00
I	Repairs .....	\$ 50,000.00	\$ 10,000.00	3,439.00	1,960.00	1,479.00
J	Newspaper Advertising and Notices .....			48.00		48.00
K	Light, Heat, Power and Water .....			10,331.00	4,506.00	5,825.00
L	Freight, Express, Cartage, Etc. ....			23.00		23.00
N	Food and Forage .....			35,762.00	15,043.00	20,719.00
O	Insurance, Surety and Fidelity Bonds ..			786.00	328.00	458.00
P-1	Equipment—Office .....			203.00	83.00	125.00
P-4	Equipment—Miscellaneous .....			1,021.00	221.00	800.00
S	Buildings and Construction .....	160,000.00				
U	Subsidies and Indemnities .....	62,939.22 #	83,201.99 #			
	Advance Requisitions .....				1,000.00	1,000.00*
	Reserve .....			4,334.00		4,334.00
TOTAL EXPENDITURES .....		\$ 272,939.22	\$ 93,201.99	\$ 179,400.00	\$ 79,042.00	\$ 100,358.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 55,000.00	\$ 75,000.00			
State Appropriation—Maintenance—Deficiency, Acts of 1927 .....	7,864.96				
State Appropriation—Maintenance—Deficiency, Acts of 1929 .....	74.26	10,000.00	\$ 179,400.00	\$ 79,042.00	\$ 100,358.00
State Appropriation—Repairs and Improve- ments .....	50,000.00	10,000.00			
State Appropriation—Construction .....	100,000.00				
State Appropriation—Construction—Deficiency ..	60,000.00				
TOTAL AVAILABLE FUNDS .....	\$ 272,939.22	\$ 95,000.00	\$ 179,400.00	\$ 79,042.00	\$ 100,358.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1927-29 .....	\$ 205,000.00				
Expended from State Appropriation during 1929-31 .....	67,864.96	\$ 82,689.72			
Expended from State Appropriation during 1925-27 .....	74.26	10,512.27	\$ 179,400.00	\$ 79,042.00	\$ 100,358.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 272,939.22	\$ 93,201.99	\$ 179,400.00	\$ 79,042.00	\$ 100,358.00

## BALANCE—

State Appropriation to Lapse .....		\$ 1,743.57			
State Appropriation to Continue .....		54.44			

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SCRANTON STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....			\$ 12,286.00	\$ 5,528.00	\$ 6,758.00
A-2	Salaries—Less than \$3,000 .....			182,062.00	83,767.00	98,295.00
B	Wages .....			3,385.00	2,940.00	445.00
C	Fees .....			2,150.00	695.00	1,455.00
D	Office Supplies, Printing, Postage and Stationery .....			1,688.00	493.00	1,195.00
E	Traveling Expense .....			230.00	40.00	190.00
F	Telephone and Telegraph .....			4,131.00	1,774.00	2,357.00
G-1	Motor Supplies and Repairs—Passenger Cars .....			110.00		110.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....			338.00	117.00	221.00
H	Miscellaneous Supplies .....			61,275.00	29,318.00	31,957.00
I	Repairs ..	\$ 44,873.62	\$ 65,847.19	22,561.00	5,188.00	17,373.00
J	Newspaper Advertising and Notices .....			291.00	89.00	202.00
K	Light, Heat, Power and Water .....			26,282.00	11,668.00	14,614.00
L	Freight, Express, Cartage, Etc. ....			2,234.00	858.00	1,376.00
N	Food and Forage .....			101,560.00	41,721.00	59,839.00
O	Insurance, Surety and Fidelity Bonds ..			1,625.00	800.00	825.00
P-1	Equipment—Office .....			595.00	307.00	288.00
P-4	Equipment—Miscellaneous .....			13,842.00	9,913.00	3,929.00
S	Buildings and Construction .....		179,765.79			
U	Subsidies and Indemnities .....	226,569.29 #	249,164.85 #			
Z	Refunds and Repayment of Receipts ..			55.00		55.00
	Advance Requisitions .....				597.00	*597.00
TOTAL EXPENDITURES .....		\$ 271,442.91	\$ 494,777.80	\$ 436,700.00	\$ 195,813.00	\$ 240,887.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Maintenance .....	\$ 190,000.00	\$ 200,000.00				
State Appropriation—Maintenance—Deficiency, Acts of 1927 .....	25,000.00					
State Appropriation—Maintenance—Deficiency, Acts of 1929 .....	11,569.29	50,000.00	\$ 436,700.00	\$ 195,813.00	\$ 240,887.00	
State Appropriation—Repairs and Improve- ments .....	45,000.00	66,000.00				
State Appropriation—Construction .....		180,000.00				
TOTAL AVAILABLE FUNDS .....	\$ 271,569.29	\$ 496,000.00	\$ 436,700.00	\$ 195,813.00	\$ 240,887.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$ 229,410.12					
Expended from State Appropriation during 1927-29 .....	30,463.50	\$ 429,765.46				
Expended from State Appropriation during 1929-31 .....	11,569.29	65,012.34	\$ 436,700.00	\$ 195,813.00	\$ 240,887.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 271,442.91	\$ 494,777.80	\$ 436,700.00	\$ 195,813.00	\$ 240,887.00	
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 126.38					
State Appropriation to Lapse .....		\$ 1,066.20				
State Appropriation to Continue .....		156.00				

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SHAMOKIN STATE HOSPITAL						
A-1	Salaries—\$3,000 and Over .....	.....	.....	\$ 27,344.00	\$ 13,044.00	\$ 14,300.00
A-2	Salaries—Less than \$3,000 .....	.....	.....	69,411.00	31,686.00	37,725.00
B	Wages .....	.....	.....	3,788.00	1,805.00	1,983.00
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	1,372.00	607.00	765.00
E	Traveling Expense .....	.....	.....	254.00	49.00	205.00
F	Telephone and Telegraph .....	.....	.....	1,152.00	485.00	667.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	.....	.....	1,756.00	662.00	1,094.00
H	Miscellaneous Supplies .....	.....	.....	28,589.00	11,372.00	17,217.00
I	Repairs .....	\$ 16,998.21	\$ 49,993.09	23,275.00	4,845.00	18,430.00
J	Newspaper Advertising and Notices .....	.....	.....	50.00	.....	50.00
K	Light, Heat, Power and Water .....	.....	.....	17,862.00	7,147.00	10,715.00
L	Freight, Express, Cartage, Etc. ....	.....	.....	1,856.00	743.00	1,113.00
N	Food and Forage .....	.....	.....	48,407.00	19,400.00	29,007.00
O	Insurance Surety and Fidelity Bonds ..	.....	.....	697.00	298.00	399.00
P-1	Equipment—Office .....	.....	.....	297.00	34.00	263.00
P-4	Equipment—Miscellaneous .....	.....	.....	6,056.00	2,776.00	3,280.00
S	Buildings and Construction .....	.....	.....	3,500.00	.....	3,500.00
U	Subsidies and indemnities .....	95,287.95 #	116,497.73 #	.....	.....	.....
Z	Refunds and Repayments of Receipts ..	.....	.....	334.00	34.00	300.00
	Advance Requisitions .....	.....	.....	.....	514.00	514.00*
TOTAL EXPENDITURES .....		\$ 112,286.16	\$ 166,491.42	\$ 236,000.00	\$ 95,501.00	\$ 140,499.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Maintenance .....	\$ 85,000.00	\$ 85,000.00				
State Appropriation—Maintenance—Deficiency, Acts of 1929 .....	12,000.00	32,000.00	\$ 236,000.00	\$ 95,501.00	\$ 140,499.00	
State Appropriation—Repairs and Improve- ments .....	17,000.00	50,000.00				
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 114,000.00	\$ 167,000.00	\$ 236,000.00	\$ 95,501.00	\$ 140,499.00	

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 94,648.36					
Expended from State Appropriation during 1927-29 .....	7,349.85	\$ 122,283.05				
Expended from State Appropriation during 1929-31 .....	10,287.95	44,208.37	\$ 236,000.00	\$ 95,501.00	\$ 140,499.00	
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 112,286.16	\$ 166,491.42	\$ 236,000.00	\$ 95,501.00	\$ 140,499.00	

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 1,713.84					
State Appropriation to Lapse .....		\$ 6.31				
State Appropriation to Continue .....		502.27				

\* Indicates Deduction.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MEDICAL AND SURGICAL HOSPITALS—STATE AIDED						
U	Subsidies and Indemnities .....	\$ 4,538,958.66	\$ 5,286,505.50	\$ 5,922,800.00	\$ 2,013,309.00	\$ 3,909,491.00
	TOTAL EXPENDITURES .....	\$ 4,538,958.66	\$ 5,286,505.50	\$ 5,922,800.00	\$ 2,013,309.00	\$ 3,909,491.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Medical and Surgical Hospitals—State Aided .....	\$ 4,548,100.00	\$ 5,335,300.00	\$ 5,922,800.00	\$ 2,013,309.00	\$ 3,909,491.00
	State Appropriation—Medical and Surgical Hospitals—State Aided—Deficiency .....	38,653.34	.....	.....	.....	.....
	TOTAL AVAILABLE FUNDS .....	\$ 4,586,753.34	\$ 5,335,300.00	\$ 5,922,800.00	\$ 2,013,309.00	\$ 3,909,491.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 4,098,400.34	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	440,558.32	\$ 4,409,511.38	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	.....	876,994.12	\$ 5,922,800.00	\$ 2,013,309.00	\$ 3,909,491.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 4,538,958.66	\$ 5,286,505.50	\$ 5,922,800.00	\$ 2,013,309.00	\$ 3,909,491.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 47,794.68	.....	.....	.....	.....
	State Appropriation to Lapse .....	.....	\$ 48,794.50	.....	.....	.....
MAINTENANCE OF THE SICK AND INJURED						
U	Subsidies and Indemnities .....	\$ 73,144.42	\$ 3,189.45	.....	.....	.....
	TOTAL EXPENDITURES .....	\$ 73,144.42	\$ 3,189.45	.....	.....	.....
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
	State Appropriation—Maintenance of the Sick and Injured .....	\$ 1,000,000.00	\$ 500,000.00	No appropriation this period		
	TOTAL AVAILABLE FUNDS .....	\$ 1,000,000.00	\$ 500,000.00	.....	.....	.....
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 47,816.87	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	25,327.55	\$ 2,811.45	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	.....	378.00	.....	.....	.....
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 73,144.42	\$ 3,189.45	.....	.....	.....
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 926,855.58	.....	.....	.....	.....
	State Appropriation to Lapse .....	.....	\$ 496,810.55	.....	.....	.....

## DEPARTMENT OF WELFARE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
HOMES—STATE AIDED						
U	Subsidies and Indemnities .....	\$ 524,652.71	\$ 559,571.96	\$ 625,700.00	\$ 223,071.00	\$ 402,629.00
	TOTAL EXPENDITURES .....	\$ 524,652.71	\$ 559,571.96	\$ 625,700.00	\$ 223,071.00	\$ 402,629.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—Homes—State Aided ....	\$ 545,100.00	\$ 599,300.00	\$ 625,700.00	\$ 223,071.00	\$ 402,629.00
	TOTAL AVAILABLE FUNDS .....	\$ 545,100.00	\$ 599,300.00	\$ 625,700.00	\$ 223,071.00	\$ 402,629.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 446,377.02	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	78,275.69	\$ 577,397.89	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	.....	82,174.07	\$ 625,700.00	\$ 223,071.00	\$ 402,629.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 524,652.71	\$ 559,571.96	\$ 625,700.00	\$ 223,071.00	\$ 402,629.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$ 20,447.29	.....	.....	.....	.....
	State Appropriation to Lapse .....	.....	\$ 38,728.04	.....	.....	.....

## PENNSYLVANIA SOLDIERS' AND SAILORS' HOME

TOTAL EXPENDITURES .....	\$ 280,000.00 #	\$ 299,992.68 #	\$ 315,000.00*	\$ 129,321.00	\$ 135,619.00
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## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	State Appropriation—Maintenance .....	\$ 200,000.00	\$ 236,400.00	See Department of Military Affairs		
	State Appropriation—Repairs .....	80,000.00	63,600.00			
	TOTAL AVAILABLE FUNDS .....	\$ 280,000.00	\$ 300,000.00	.....	.....	.....
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 279,943.94	.....	.....	.....	.....
	Expended from State Appropriation during 1927-29 .....	51.06	\$ 292,797.05	.....	.....	.....
	Expended from State Appropriation during 1929-31 .....	.....	7,195.63	.....	.....	.....
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 280,000.00	\$ 299,992.68	.....	.....	.....
BALANCE—						
	State Appropriation to Lapse .....	.....	\$ 7.32	.....	.....	.....

\* Appropriated to Department of Military Affairs this period. Shown here for comparison only.

# During this period the receipts from the operation of this institution were retained and spent without passing through the State Treasury. The difference between the cost of operation and these receipts was met by an appropriation from the General Fund.



## APPENDIX TO THE

## MISCELLANEOUS ADMINISTRATIVE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
GENERAL						
	History of the 28th Division .....	\$ 70,000.00	\$ 36,000.00	.....	.....	.....
	Inauguration of the Governor .....	5,000.00 #	.....	.....	.....	.....
	Inaugural Expenses—Deficiency .....	30,000.00	.....	.....	.....	.....
	Investigation—Judge Berkey .....	5,500.00	.....	.....	.....	.....
	Liberty Fire Company No. 1, Spring City ....	460.00	.....	.....	.....	.....
	Expenses of Electoral College .....	.....	664.60	.....	.....	.....
REFUNDS						
	Appleby Brothers and Whitaker Company, Harrisburg .....	1,285.33	.....	.....	.....	.....
	Johes Bakery, Wilkinsburg .....	104.50	.....	.....	.....	.....
	E. C. Fish Company .....	5,832.00 #	#	.....	.....	.....
	H. B. Koch Estate, Allentown .....	1,442.91	.....	.....	.....	.....
NON-GOVERNMENTAL PAYMENTS						
	Annuity for Right-of-Way .....	20,000.00	20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
	Federal Aid to State College .....	100,000.00	100,000.00	100,000.00	50,000.00	50,000.00
	Interest Due the Federal Government .....	28,588.56	.....	330.00	330.00	.....
	Industrial Rehabilitation—Interest .....	.....	22,458.70	.....	.....	.....
	Money Refunded to Federal Government— Plant Pest Act .....	.....	4,109.15	265.00	261.00	4.00
	TOTAL EXPENDITURES .....	\$ 268,213.30	\$ 183,232.45	\$ 120,595.00	\$ 60,591.00	\$ 60,004.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

## State Appropriations

History of the 28th Division .....	\$ 70,000.00	\$ 36,000.00			
Inauguration of the Governor .....	5,000.00 #				
Inaugural Expenses—Deficiency .....	30,000.00				
Investigation—Judge Berkey .....	5,500.00				
Liberty Fire Company No. 1, Spring City ....	460.00				
Philadelphia Judgment .....	2,694.15				
Expenses of Electoral College .....		1,000.00			
State College Bonds .....	25,000.00				
Forestry Bonds .....	50,000.00				

## Refunds:

United Baking Company of Pittsburgh ....	1,091.00				
Appleby Brothers and Whitaker Company,					
Harrisburg .....	1,289.33				
R. E. Lamberton, Sheriff, Philadelphia County	568.97				
Johes Bakery, Wilkinsburg .....	104.50				
E. C. Fish Company .....	5,832.00 # #				
H. B. Koch Estate, Allentown .....	1,550.00				
Balance Transferred from Prior Biennium ..			\$ 265.00	\$ 265.00	\$ 4.00
State Appropriation—Credits—1925-1927 .....	148,588.56				
State Appropriation—Credits—1927-1929 .....		146,833.05			
State Appropriation—Credits—1929-1931 .....			120,330.00	60,330.00	60,000.00
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 347,678.51	\$ 183,833.05	\$ 120,595.00	\$ 60,595.00	\$ 60,004.00

## LESS EXPENDITURES—

Expended from State Appropriation during					
1921-1923 .....	\$ 5,000.00				
Expended from State Appropriation during					
1923-1925 .....	5,832.00				
Expended from State Appropriation during					
1925-1927 .....	257,381.30				
Expended from State Appropriation during					
1927-1929 .....		\$ 183,129.01			
Expended from State Appropriation during					
1929-1931 .....		103.44	\$ 120,595.00	\$ 60,591.00	\$ 60,004.00
<b>TOTAL EXPENDITURES (As Detailed</b>					
<b>    Above)</b> .....	\$ 268,213.30	\$ 183,232.45	\$ 120,595.00	\$ 60,591.00	\$ 60,004.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A					
1927 or Act 402, 1929 .....	\$ 76,202.09				
State Appropriation to Continue .....	3,263.12				
State Appropriation Balance Transferred .....		\$ 265.20		\$ 4.00	
State Appropriation to Lapse .....		335.40			

# Paid in 1921-1923

# # Paid in 1923-1925

## SPECIAL ADMINISTRATIVE COMMISSIONS

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
WATERS						
	Board of Commissioners of Navigation for the River Delaware and Navigable Tributaries ..	\$ 59,682.50	\$ 68,583.45	\$ 75,000.00	\$ 33,910.00	\$ 41,090.00
BRIDGES						
	Pennsylvania and New Jersey Joint Bridge Commission for Erection and Maintenance of Philadelphia-Camden Bridge .....	\$ 2,340,000.00	.....	.....	.....	.....
	Pennsylvania and New Jersey Joint Bridge Commission for Acquisition of Toll Bridges .....	.....	\$ 169,562.12	\$ 160,000.00	.....	\$ 160,000.00
	Pennsylvania and New York Joint Bridge Com- mission for Acquisition and Maintenance of Toll Bridges .....	.....	.....	50,000.00	.....	50,000.00
	Total Bridges .....	\$ 2,340,000.00	\$ 169,562.12	\$ 210,000.00	.....	\$ 210,000.00
	TOTAL EXPENDITURES .....	\$ 2,399,682.50	\$ 238,145.57	\$ 285,000.00	\$ 33,910.00	\$ 251,090.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation

## WATERS

Board of Commissioners of Navigation for the River Delaware and Navigable Tributaries ..	\$ 60,000.00	\$ 75,000.00	\$ 75,000.00	\$ 33,910.00	\$ 41,090.00
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## BRIDGES

Pennsylvania and New Jersey Joint Bridge Commission for Erection and Maintenance of Philadelphia-Camden Bridge .....	\$ 2,561,662.00	.....	.....	.....	.....
Pennsylvania and New Jersey Joint Bridge Commission for Acquisition of Toll Bridges .....	.....	\$ 200,000.00	\$ 160,000.00	.....	\$ 160,000.00
Pennsylvania Commission for Co-operation with Federal Government .....	.....	2,500.00	.....	.....	.....
Pennsylvania Delaware River Bridge Commis- sion No. 2 .....	.....	25,000.00	.....	.....	.....
Pennsylvania and New York Joint Bridge Com- mission for Acquisition and Maintenance of Toll Bridges .....	.....	.....	50,000.00	.....	50,000.00
Total Bridges .....	\$ 2,561,662.00	\$ 227,500.00	\$ 210,000.00	.....	\$ 210,000.00
TOTAL AVAILABLE FUNDS .....	\$ 2,621,662.00	\$ 302,500.00	\$ 285,000.00	\$ 33,910.00	\$ 251,090.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 1,823,650.68	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....	351,031.82	\$ 214,746.47	.....	.....	.....
Expended from State Appropriation during 1929-31 .....	225,000.00	23,399.10	\$ 285,000.00	\$ 33,910.00	\$ 251,090.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 2,399,682.50	\$ 238,145.57	\$ 285,000.00	\$ 33,910.00	\$ 251,090.00

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 221,979.50	.....	.....	.....	.....
State Appropriation to Continue .....	.....	\$ 57,937.88	.....	.....	.....
State Appropriation to Lapse .....	.....	6,416.55	.....	.....	.....



## APPENDIX TO THE

## MISCELLANEOUS COMMISSIONS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931

## MISCELLANEOUS COMMISSIONS

Consolidated Municipalities ..... \$ 4,998.93 No appropriations during these periods

TOTAL EXPENDITURES ..... \$ 4,998.93

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Consolidated Municipalities ..... \$ 5,000.00 No appropriations during these periods

TOTAL AVAILABLE FUNDS ..... \$ 5,000.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 ..... \$ 4,980.43

Expended from State Appropriation during 1927-29 ..... \$ 18.50

No appropriations during these periods

TOTAL EXPENDITURES (As Detailed Above) ..... \$ 4,998.93

## BALANCE—

State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 ..... \$ 1.07

## TAXES RETURNED TO POLITICAL SUBDIVISIONS

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

LIQUID FUEL TAX—PAYMENTS TO COUNTIES .	Carried as Special Fund this period.	\$ 7,256,333.87	\$ 1,138,483.00	\$ 1,138,483.00	.....
TOTAL EXPENDITURES .....		\$ 7,256,333.87	\$ 1,138,483.00	\$ 1,138,483.00	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Credits—1927-29 ..... \$ 8,362,583.42\*

State Appropriation—Credits—1929-31 ..... \$ 32,233.00 \$ 32,233.00

Balance Transferred from Prior Biennium .. 1,106,250.00 1,106,250.00

TOTAL AVAILABLE FUNDS ..... \$ 8,362,583.42 \$ 1,138,483.00 \$ 1,138,483.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1927-29 ..... \$ 7,256,333.87

Expended from State Appropriation during 1929-31 ..... \$ 1,138,483.00 # \$ 1,138,483.00 #

TOTAL EXPENDITURES (As Detailed Above) ..... \$ 7,256,333.87 \$ 1,138,483.00 \$ 1,138,483.00

## BALANCE—

Balance Transferred ..... \$ 1,106,249.55

\* Includes \$727,784.31 transferred from Special Fund.

# Transferred to Liquid Fuels Tax Fund.

## SENATE

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARIES						
50 Senators			\$ 139,000.00	\$ 151,000.00		\$ 151,000.00
Officers and Employees—Session			71,954.00	76,000.00		76,000.00
Returning Officers and Employees			3,297.00	8,000.00		8,000.00
Clerk to President of Senate			3,000.00	3,000.00	\$ 1,500.00	1,500.00
Secretary			6,975.80	15,000.00	7,500.00	7,500.00
Assistant to Secretary—Recess			80.00			
Chief Clerk			12,000.00	12,000.00	6,000.00	6,000.00
Assistant Clerk—Session			2,000.00	2,000.00		2,000.00
Assistant Clerk—Recess			3,570.00	3,800.00	2,100.00	1,700.00
Librarian			9,000.00	9,000.00	4,500.00	4,500.00
Assistant Librarian			7,200.00	7,200.00	3,600.00	3,600.00
Assistant to Secretary—Recess			4,000.00	4,200.00	2,400.00	1,800.00
Stenographer to President			2,400.00	2,400.00	1,200.00	1,200.00
Stenographer to Librarian—Recess			6,120.00	6,300.00	3,600.00	2,700.00
Two Watchmen			7,200.00	7,200.00	3,600.00	3,600.00
Superintendent to Storeroom			4,770.97	6,000.00	3,000.00	3,000.00
Custodians—Washroom and Basement			7,069.32	7,200.00	1,800.00	5,400.00
Custodians—Senate Chamber			8,190.00	8,625.00	4,500.00	4,125.00
Messengers			2,400.00	2,400.00	1,200.00	1,200.00
		\$ 355,121.84				
MILEAGE						
50 Senators			10,861.25	18,000.00		18,000.00
Officers and Employees			2,012.60	2,700.00		2,700.00
Returning Officers and Employees			1,010.00	2,000.00		2,000.00
MISCELLANEOUS EXPENSES						
Postage of Senators—Session			7,500.00	7,500.00		7,500.00
Postage, Chief Clerk—Session			150.00	150.00		150.00
Postage, Lieutenant Governor—Session			150.00	150.00		150.00
Postage, Legislative Journal—Session			4,100.00	4,500.00		4,500.00
Postage, Labor and Expense—Session			870.00	2,500.00		2,500.00
Postage, Labor and Expense—Recess			1,000.00	2,500.00	2,500.00	
Postage, Labor and Expense—Librarian—Recess			2,563.03	2,800.00		2,800.00
Postage, Labor and Expense—Librarian—Session			2,780.21	2,800.00	2,800.00	
Contingent, Clerical and Stenographic Ex- penses—Recess			2,000.00	2,000.00	2,000.00	
Contingent, Clerical and Stenographic Ex- penses—Session			2,000.00	2,000.00		2,000.00
Necessary Expenses—Years Ending May 31, 1926, 1928 and 1930			3,352.60	4,000.00	3,000.00	1,000.00
Necessary Expenses—Six Months Ending No- vember 30 1926, 1928 and 1930			1,894.80	2,000.00		2,000.00
Incidental Expenses—Six Months from Decem- ber 1, 1926, 1928 and 1930			7,516.91	8,000.00		8,000.00
History of Legislation—Extra Services			2,500.00	2,500.00	2,500.00	
Expenses—Committee on Appropriations			11,564.65	12,000.00		12,000.00
Issuing Certificates of Election			71.50	75.00		75.00
Expenses Attending Funerals			1,733.53	3,000.00	1,000.00	2,000.00
TOTAL		\$ 355,121.84	\$ 365,858.17	\$ 412,500.00	\$ 60,300.00	\$ 352,200.00
SPECIAL SESSION, 1926		\$ 63,871.60				
TOTAL EXPENDITURES *		\$ 418,993.44	\$ 365,858.17	\$ 412,500.00	\$ 60,300.00	\$ 352,200.00

\* For expenditures by Labor and Industry and Property and Supplies, see these Departments.



## APPENDIX TO THE

## SENATE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
AVAILABLE FUNDS—						
State Appropriation						
Salaries:						
50 Senators		\$	126,000.00	\$	151,000.00	\$ 151,000.00
Salary of Fifty Senators—Additional—1927-1929			13,000.00*			
Officers and Employees—Session			76,000.00		76,000.00	76,000.00
Returning Officers and Employees			8,000.00		8,000.00	8,000.00
Clerk to President of Senate			3,000.00		3,000.00	1,500.00
Secretary			15,000.00		15,000.00	7,500.00
Salary of the Secretary—Additional—1927-1929			200.00*			
Chief Clerk			12,000.00		12,000.00	6,000.00
Assistant Clerk—Session			2,000.00		2,000.00	2,000.00
Assistant Clerk—Recess			3,600.00		3,800.00	1,700.00
Librarian			9,000.00		9,000.00	4,500.00
Assistant Librarian			7,200.00		7,200.00	3,600.00
Assistant to Secretary—Recess			4,000.00		4,200.00	1,800.00
Stenographer to President			2,400.00		2,400.00	1,200.00
Stenographer to Librarian—Recess			6,000.00		6,300.00	2,700.00
Stenographer to Librarian—Recess — Additional 1927-1929			300.00*			
Two Watchmen			7,200.00		7,200.00	3,600.00
Superintendent of Storeroom			4,800.00		6,000.00	3,000.00
Custodians—Washroom and Basement			7,200.00		7,200.00	1,800.00
Custodians—Senate Chamber			8,625.00		8,625.00	4,500.00
Messenger			2,400.00		2,400.00	1,200.00
Mileage:						
50 Senators			5,000.00		18,000.00	18,000.00
Mileage of Fifty Senators—Additional—1927-1929		\$ 373,696.50	13,000.00*			
Officers and Employees			2,700.00		2,700.00	2,700.00
Returning Officers and Employees			2,000.00		2,000.00	2,000.00
Miscellaneous Expenses:						
Postage of Senators—Session			7,500.00		7,500.00	7,500.00
Postage, Chief Clerk—Session			150.00		150.00	150.00
Postage, Lieutenant Governor—Session			150.00		150.00	150.00
Postage, Legislative Journal—Session			4,500.00		4,500.00	4,500.00
Postage, Labor and Expense—Session			1,800.00		2,500.00	2,500.00
Postage, Labor and Expense—Recess			1,800.00		2,500.00	2,500.00
Postage, Labor and Expense — Librarian — Recess			2,800.00		2,800.00	2,800.00
Postage, Labor and Expense—Librarian — Session			2,800.00		2,300.00	2,800.00
Contingent, Clerical and Stenographic Expense—Recess			2,000.00		2,000.00	2,000.00
Contingent, Clerical and Stenographic Expense—Session			2,000.00		2,000.00	2,000.00
Necessary Expenses—Years Ending May 31, 1926, 1928 and 1930			4,000.00		4,000.00	3,000.00
Necessary Expenses—Six Months Ending November 30, 1926, 1928 and 1930			2,000.00		2,000.00	2,000.00
Incidental Expenses—Six Months from December 1, 1926, 1928 and 1930			8,000.00		8,000.00	8,000.00
History of Legislation—Extra Services			2,500.00		2,500.00	2,500.00
Expenses—Committee on Appropriations			12,000.00		12,000.00	12,000.00
Issuing Certificates of Election			71.50		75.00	75.00
Expenses Attending Funerals			3,000.00		3,000.00	1,000.00
State Appropriation—Special Session 1926		66,511.20				
State Appropriation—Credits—1925-1927		2,739.86				
TOTAL AVAILABLE FUNDS		\$ 442,947.56	\$ 397,696.50	\$ 412,500.00	\$ 60,300.00	\$ 352,200.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27		\$ 409,013.56				
Expended from State Appropriation during 1927-29		9,979.88	\$ 359,595.13			
Expended from State Appropriation during 1929-31			6,263.04	\$ 412,500.00	\$ 60,300.00	\$ 352,200.00
TOTAL EXPENDITURES (As Detailed Above)		\$ 418,993.44	\$ 365,858.17	\$ 412,500.00	\$ 60,300.00	\$ 352,200.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A, 1927		\$ 23,954.12				
State Appropriation to Lapse			\$ 15,503.67			
State Appropriation to Continue			14,334.66			

\* Available prior to June 1, 1929.

## HOUSE OF REPRESENTATIVES

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARIES						
208 Members			\$ 622,000.00	\$ 625,000.00		\$ 625,000.00
Officers and Employes—Session			103,583.50	120,000.00		120,000.00
Returning Officers—Session			6,534.00	13,000.00		13,000.00
Chief Clerk			12,000.00	12,000.00	\$ 6,000.00	6,000.00
Assistant to Chief Clerk				7,200.00	3,800.00	3,800.00
Assistant Clerk—Session			2,000.00	2,000.00		2,000.00
Assistant Clerk—Recess			3,570.00	3,600.00	2,100.00	1,500.00
Resident Clerk			9,000.00	9,000.00	4,500.00	4,500.00
Stenographer to Resident Clerk—Recess			3,060.00	3,075.00	1,800.00	1,275.00
Superintendent of Storeroom			4,800.00	6,000.00	3,000.00	3,000.00
Assistant Resident Clerk			7,200.00	7,200.00	2,850.00	4,350.00
Two Watchmen			7,200.00	7,200.00	3,600.00	3,600.00
Custodian of Basement			3,600.00	3,600.00	1,800.00	1,800.00
Custodian of Hall of Fame			3,600.00	3,600.00	1,800.00	1,800.00
Assistant Custodians			6,120.00	7,908.00	3,600.00	4,308.00
Messenger			2,400.00	2,400.00	1,200.00	1,200.00
MILEAGE						
208 Members			50,149.50	75,000.00		75,000.00
Officers and Employes—Session			3,337.30	4,000.00		4,000.00
Returning Officers—Session			1,743.00	3,000.00		3,000.00
		\$ 793,897.41				
POSTAGE						
208 Members			31,050.00	31,200.00		31,200.00
Chief Clerk—Session			150.00	150.00		150.00
Legislative Journal—Session			10,000.00	10,000.00		10,000.00
CONTINGENT EXPENSES						
Speaker—Recess			836.54	2,000.00	2,000.00	
Speaker—Session			2,000.00	2,000.00		2,000.00
Chief Clerk—Years Ending May 31, 1926, 1928, and 1930			8,200.00	10,000.00	10,000.00	
Chief Clerk—Six Months Ending November 30, 1926, 1928, and 1930			4,100.00	5,000.00		5,000.00
Resident Clerk—Years Ending May 31, 1926, 1928, and 1930			2,022.12	3,500.00	2,000.00	1,500.00
Resident Clerk—Years Ending May 31, 1927, 1929, and 1931			1,000.00	3,500.00		3,500.00
MISCELLANEOUS EXPENSES						
Appropriation Committee			10,449.34	12,000.00		12,000.00
Appropriation Committee—Extra—1929				512.40	512.40	
Issuing Certificates of Election			569.25	570.00		570.00
Incidental Expense			12,000.00	12,000.00		12,000.00
Expenses Attending Funerals			1,948.54	6,000.00	4,000.00	2,000.00
TOTAL		\$ 798,897.41	\$ 936,223.09	\$ 1,013,215.40	\$ 54,362.40	\$ 958,853.00
SPECIAL SESSION 1926		\$ 184,919.30				
TOTAL EXPENDITURES*		\$ 983,816.71	\$ 936,223.09	\$ 1,013,215.40	\$ 54,362.40	\$ 958,853.00

\*For expenditures by Labor and Industry and Property and Supplies, see these Departments.



## APPENDIX TO THE

HOUSE OF REPRESENTATIVES (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
AVAILABLE FUNDS						
State Appropriation:						
Salaries:						
	208 Members .....		\$ 521,000.00	\$ 625,000.00		\$ 625,000.00
	Salaries of Members—Additional .....		104,000.00*			
	Officers and Employees—Session .....		120,000.00	120,000.00		120,000.00
	Returning Officers—Session .....		13,000.00	13,000.00		13,000.00
	Chief Clerk .....		12,000.00	12,000.00	\$ 6,000.00	6,000.00
	Assistant to Chief Clerk .....			7,200.00	3,600.00	2,600.00
	Assistant Clerk—Session .....		2,000.00	2,000.00		2,000.00
	Assistant Clerk—Recess .....		3,600.00	3,600.00	2,100.00	1,500.00
	Resident Clerk .....		9,000.00	9,000.00	4,500.00	4,500.00
	Stenographer to Resident Clerk—Recess .....		3,075.00	3,075.00	1,800.00	1,275.00
	Superintendent of Storeroom .....		4,800.00	6,000.00	3,000.00	3,000.00
	Assistant Resident Clerk .....		7,200.00	7,200.00	2,850.00	4,350.00
	Two Watchmen .....		7,200.00	7,200.00	3,600.00	3,600.00
	Custodian of Basement .....		3,600.00	3,600.00	1,800.00	1,800.00
	Custodian of Hall of Fame .....		3,600.00	3,600.00	1,800.00	1,800.00
	Assistant Custodians .....		7,908.00	7,908.00	3,600.00	4,308.00
	Messenger .....		2,400.00	2,400.00	1,200.00	1,200.00
Mileage:						
	208 Members .....		21,000.00	75,000.00		75,000.00
	Mileage of Members—Additional .....		54,000.00*			
	Officers and Employees—Session .....		4,000.00	4,000.00		4,000.00
	Returning Officers—Session .....		3,000.00	3,000.00		3,000.00
		\$ 829,632.25				
Postage:						
	208 Members .....		31,200.00	31,200.00		31,200.00
	Chief Clerk—Session .....		150.00	150.00		150.00
	Legislative Journal—Session .....		10,000.00	10,000.00		10,000.00
Contingent Expenses:						
	Speaker—Recess .....		2,000.00	2,000.00	2,000.00	
	Speaker—Session .....		2,000.00	2,000.00		2,000.00
	Chief Clerk—Years Ending May 31, 1926, 1928, and 1930 .....		8,200.00	10,000.00	10,000.00	
	Chief Clerk—Six Months Ending November 30, 1926, 1928 and 1930 .....		4,100.00	5,000.00		5,000.00
	Resident Clerk—Years Ending May 31, 1926, 1928 and 1930 .....		3,500.00	3,500.00	2,000.00	1,500.00
	Resident Clerk—Years Ending May 31, 1927, 1929 and 1931 .....		3,500.00	3,500.00		3,500.00
Miscellaneous Expenses:						
	Appropriation Committee .....		12,000.00	12,000.00		12,000.00
	Extra Expenses of Appropriation Committee 1929 .....			512.40	512.40	
	Issuing Certificates of Election .....		569.25	570.00		570.00
	E. L. Allum Estate—Allowance .....		2,139.00			
	Incidental Expense .....		12,000.00	12,000.00		12,000.00
	Expenses Attending Funerals .....		6,000.00	6,000.00	4,000.00	2,000.00
	State Appropriation—Special Session 1926 .....	185,786.50				
	State Appropriation—Credits 1925-1927 .....	2,397.11				
	TOTAL AVAILABLE FUNDS .....	\$ 1,016,035.56	\$ 1,003,791.25	\$ 1,013,215.40	\$ 54,362.40	\$ 958,853.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 961,305.73				
	Expended from State Appropriation during 1927-29 .....	22,510.98	\$ 926,332.72			
	Expended from State Appropriation during 1929-1931 .....		9,890.37	\$ 1,013,215.40	\$ 54,362.40	\$ 958,853.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 983,816.71	\$ 936,223.09	\$ 1,013,215.40	\$ 54,362.40	\$ 958,853.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A— 1927 .....	\$ 33,351.95				
	State Appropriation to Lapse .....		\$ 2,996.46			
	State Appropriation to Continue .....	857.20	64,571.70			

\* Available prior to June 1, 1929.

## LEGISLATIVE JOURNAL

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
LEGISLATIVE JOURNAL						
	Indices for Legislative Journal .....	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00		\$ 1,500.00
	Proof-reading .....			4,500.00		4,500.00
	Indexing the Legislative Journal .....	1,500.00	1,500.00	1,500.00		1,500.00
	Special Session—1926 .....	1,252.00				
	TOTAL EXPENDITURES .....	\$ 4,252.00	\$ 3,000.00	\$ 7,500.00		\$ 7,500.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
	State Appropriation—Indices .....	\$ 1,500.00	\$ 1,500.00	\$ 1,300.00		\$ 1,500.00
	State Appropriation—Proof-reading .....	4,500.00	4,500.00	4,300.00		4,500.00
	State Appropriation—Indexing the Legislative Journal .....	1,500.00	1,500.00	1,300.00		1,500.00
	State Appropriation—Special Session, 1926 ....	2,500.00				
	<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 10,000.00	\$ 7,500.00	\$ 7,500.00		\$ 7,500.00
<b>LESS EXPENDITURES—</b>						
	Expended from State Appropriation during 1925-27 .....	\$ 2,752.00				
	Expended from State Appropriation during 1927-29 .....	1,500.00	\$ 1,500.00			
	Expended from State Appropriation during 1929-31 .....		1,500.00	\$ 7,500.00		\$ 7,500.00
	<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 4,252.00	\$ 3,000.00	\$ 7,500.00		\$ 7,500.00
<b>BALANCE—</b>						
	State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....	\$ 5,748.00				
	State Appropriation to Continue .....		\$ 4,500.00			

## MISCELLANEOUS LEGISLATIVE

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## GENERAL FUND

Expenses of Delegates to Legislator's Conventions. ....	\$ 861.43	\$ 2,000.00	\$ 250.00	\$ 1,750.00
Expenses of Delegates to Annual Convention ....	806.47			
Expenses of Delegates to York Centennial .....	886.53			
<b>TOTAL EXPENDITURES</b> .....	\$ 2,554.43	\$ 2,000.00	\$ 250.00	\$ 1,750.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>				
	State Appropriation—Expenses of Delegates to Legislator's Conventions .....	\$ 1,200.00		
	State Appropriation—Expenses of Delegates to Annual Convention .....	1,000.00	\$ 2,000.00	\$ 250.00
	State Appropriation—Expenses of Delegates to Exercises Commemorating Battle of German- town .....	250.00		
	State Appropriation—Expenses of Delegates to York Centennial .....	5,000.00		
	<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 7,450.00	\$ 2,000.00	\$ 250.00
<b>LESS EXPENDITURES—</b>				
	Expended from State Appropriation during 1927-29 .....	\$ 2,554.43		
	Expended from State Appropriation during 1929-31 .....		\$ 2,000.00	\$ 250.00
	<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 2,554.43	\$ 2,000.00	\$ 250.00
<b>BALANCE—</b>				
	State Appropriation to Continue .....	\$ 4,895.57		



## APPENDIX TO THE

## LEGISLATIVE REFERENCE BUREAU

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
	SALARY OF THE DIRECTOR .....		\$ 12,000.00	\$ 12,000.00	\$ 6,000.00	\$ 6,000.00
	SALARY OF THE ASSISTANT DIRECTOR .....		12,000.00	15,000.00	7,500.00	7,500.00
	SALARIES AND GENERAL EXPENSES					
A-1	Salaries—\$3,000 and Over .....		29,849.84	30,800.00	15,400.00	15,400.00
A-2	Salaries—Less than \$3,000 .....		21,901.85	22,480.00	11,060.00	11,420.00
B	Wages .....		4,248.50	5,638.00	45.00	5,593.00
D	Office Supplies, Printing, Postage and Stationery .....		712.00	632.00	316.00	316.00
E	Traveling Expense .....		814.29	990.00	244.00	746.00
F	Telephone and Telegraph .....	Distribution not available	3.69	10.00	1.00	9.00
H	Miscellaneous Supplies .....		801.24	5,376.00	3,110.00	2,266.00
	Reserve .....			5,574.00		5,574.00
	TOTAL EXPENDITURES .....	\$ 70,109.30	\$ 82,331.42	\$ 98,500.00	\$ 43,676.00	\$ 54,824.00
	EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—					
D-1	Office Supplies .....	\$ 1,377.36	\$ 1,215.92		\$ 343.00	
D-2	Printing and Binding .....	3,351.48	1,544.69		57.00	
F	Telephone, Telegraph and Leased Office Devices .....	260.68	273.28		143.00	
H	Miscellaneous Supplies .....	(1)	(1)	\$ 5,165.00		\$ 4,416.00
I	Repairs .....	(1)	(1)		21.00	
O	Insurance, Surety and Fidelity Bonds ..	50.00	50.00		33.00	
P-1	Equipment—Office .....	(1)	823.33		103.00	
P-4	Equipment—Miscellaneous .....	(1)	(3)		49.00	
	TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS.....	\$ 5,039.52	\$ 3,917.22	\$ 5,165.00	\$ 749.00	\$ 4,416.00
	EXPENDED BY LABOR AND INDUSTRY—					
	Compensation for Injured State Employees....			(4)	(4)	(4)
	GRAND TOTAL EXPENDITURES .....	\$ 75,148.82	\$ 86,248.64	\$ 103,665.00	\$ 44,425.00	\$ 59,240.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

AVAILABLE FUNDS—						
State Appropriation—Salary of the Director ..	\$	12,000.00	\$	12,000.00	\$	6,000.00
State Appropriation—Salary of the Assistant Director .....		12,000.00		15,000.00		7,500.00
State Appropriation—Salaries and General Ex- penses .....		49,000.00		58,600.00		71,500.00
State Appropriation—Incidental and Emer- gency Expense .....		2,000.00				
TOTAL AVAILABLE FUNDS .....	\$	75,000.00	\$	82,600.00	\$	98,500.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	70,109.30				
Expended from State Appropriation during 1927-29 .....			\$	82,300.44		
Expended from State Appropriation during 1929-31 .....				30.98	\$	98,500.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$	70,109.30	\$	82,331.42	\$	98,500.00
BALANCE—						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402 1929 .....	\$	4,890.70				
State Appropriation to Lapse .....			\$	268.58		

NOTES: (1) Included with Office Supplies these periods.  
(2) Included with Office Equipment this period.  
(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.

## SPECIAL LEGISLATIVE COMMISSIONS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
GOVERNMENT						
	Salary Survey Commission .....		\$ 6,707.34			
JUSTICE						
	To Examine Parole Laws of Pennsylvania.....	\$ 8,778.00				
NATURAL RESOURCES						
	Investigation of Geological Formation and Strength of Bituminous Coal .....		\$ 999.27			
PUBLIC INSTRUCTION						
	Healing Art Commission .....		\$ 12,826.67			
	To Study the Distribution of State School Subsidies to School Districts .....		6,612.94			
	To Study Present Plan of Financing the Pub- lic Schools and Related Matters .....			\$ 10,000.00	\$ 275.00	\$ 9,725.00
	Total Public Instruction .....		\$ 19,439.61	\$ 10,000.00	\$ 275.00	\$ 9,725.00
REVENUE						
	To Examine Tax Laws of Pennsylvania and other States and Countries .....	\$ 25,000.00				
	To Examine Tax Laws of Pennsylvania and other States and Countries—Deficiency ....	186.89				
	Total Revenue .....	\$ 25,486.89				
STATE						
	Election Law Commission .....		7,223.22			
TOWNSHIPS						
	Township Law Commission .....			\$ 15,000.00	\$ 4,540.00	\$ 10,460.00
WELFARE						
	To Suggest Revisions and Amendments to Statutes Relating to Children .....	\$ 14,997.26				
	Complete Work of Old Age Assistance Com- mission .....	1,991.87 #				
	Old Age Pensions .....	18,784.07				
	Penal Institutions Commission .....		\$ 7,305.13			
	Total Welfare .....	\$ 35,773.20	\$ 7,305.13			
PENAL LAWS						
	Commission to Study Criminal Law .....		\$ 24,955.56			
COMMEMORATION OF HISTORICAL EVENTS						
	Penn Landing Commission .....			\$ 1,500.00		\$ 1,500.00
	Sesqui Centennial .....	\$ 728,195.72				
	Old Portage Railroad Celebration .....		\$ 4,837.31			
	Colored Soldiers' Monument .....		1,141.12			
	Total Commemoration of Historical Events	\$ 728,195.72	\$ 5,978.43	\$ 1,500.00		\$ 1,500.00
	TOTAL EXPENDITURES .....	\$ 798,233.81	\$ 72,608.56	\$ 26,500.00	\$ 4,815.00	\$ 21,685.00

# Paid in 1923-1925.



## APPENDIX TO THE

## SPECIAL LEGISLATIVE COMMISSIONS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES						
AVAILABLE FUNDS—						
State Appropriation						
GOVERNMENT						
	Salary Survey Commission .....		\$ 10,000.00			
JUSTICE						
	To Examine Parole Laws of Pennsylvania ..	\$ 10,000.00				
MOTOR VEHICLES						
	Compulsory Liability Insurance Commission	\$ 222.03				
NATURAL RESOURCES						
	Investigation of Geological Formation and Strength of Bituminous Coal .....		\$ 1,000.00			
PUBLIC INSTRUCTION						
	Healing Art Commission .....		\$ 20,000.00			
	To Study the Distribution of State School Subsidies to School Districts .....		10,000.00			
	To Study Present Plans of Financing Public Schools and Related Matters .....			\$ 10,000.00	\$ 275.00	\$ 9,725.00
	Total Public Instruction .....		\$ 30,000.00	\$ 10,000.00	\$ 275.00	\$ 9,725.00
REVENUE						
	To Examine Tax Laws of Pennsylvania and Other States and Countries .....	\$ 25,000.00				
	To Examine Tax Laws of Pennsylvania and Other States and Countries—Deficiency ...	500.00				
	Total Revenue .....	\$ 25,500.00				
STATE						
	Election Law Commission .....		\$ 20,000.00			
TOWNSHIPS						
	Township Law Commission .....			\$ 15,000.00	\$ 4,540.00	\$ 10,460.00
WELFARE						
	To Suggest Revisions and Amendments to Statutes Relating to Children .....	\$ 15,000.00				
	Complete Work of Old Age Assistance Com- mission .....	2,000.00				
	Old Age Pensions .....	20,000.00				
	Penal Institution Commission .....		\$ 20,000.00			
	Total Welfare .....	\$ 37,000.00	\$ 20,000.00			
PENAL LAWS						
	To Revise the Penal Code .....		\$ 2,500.00			
	Commission to Study Criminal Law .....		25,000.00			
	Total Penal Laws .....		\$ 27,500.00			
COMMEMORATION OF HISTORICAL EVENTS						
	Penn Landing Commission .....			\$ 1,500.00		\$ 1,500.00
	Sesqui Centennial .....	\$ 750,000.00				
	Old Portage Railroad Celebration .....		\$ 10,000.00			
	Colored Soldiers' Monument .....		50,000.00			
	Total — Commemoration of Historical Events .....	\$ 750,000.00	\$ 60,000.00	\$ 1,500.00		\$ 1,500.00
	Total State Appropriations .....	\$ 822,722.03	\$ 168,500.00	\$ 26,500.00	\$ 4,815.00	\$ 21,685.00
	State Appropriation—Credits—1925-1927 .....	11,167.29				
	TOTAL AVAILABLE FUNDS .....	\$ 833,889.32	\$ 168,500.00	\$ 26,500.00	\$ 4,815.00	\$ 21,685.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1923-1925 .....	\$ 1,991.87				
	Expended from State Appropriation during 1925-1927 .....	792,600.68				
	Expended from State Appropriation during 1927-1929 .....	3,641.26	\$ 64,957.82			
	Expended from State Appropriation during 1929-1931 .....		7,650.74	\$ 26,500.00	\$ 4,815.00	\$ 21,685.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 798,233.81	\$ 72,608.56	\$ 23,500.00	\$ 4,815.00	\$ 21,685.00
BALANCE—						
	State Appropriation Lapsed Under Act 25-A, 1927 or Act 402, 1929 .....	\$ 35,635.51				
	State Appropriation to Continue .....		\$ 85,891.44			

## JUDICIAL DEPARTMENT

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SUPREME COURT						
	Salaries of Judges .....	\$ 246,000.00	\$ 246,000.00	\$ 274,000.00	\$ 137,602.00	\$ 136,398.00
	Expenses of Judges .....	52,524.87	53,547.42	56,000.00	26,808.00	29,192.00
	Salary of Deputy Prothonotary—Eastern Dis- trict .....	7,200.00	7,800.00	7,800.00	3,900.00	3,900.00
	Chief Clerk .....	4,800.00	5,400.00	5,400.00	2,700.00	2,700.00
	Assistant Chief Clerk .....	3,600.00	3,600.00	3,600.00	1,800.00	1,800.00
	Clerk, as Assistant to Chief Clerk .....	3,400.00	3,600.00	3,600.00	1,800.00	1,800.00
	Record Clerk .....	4,800.00	5,400.00	5,400.00	2,700.00	2,700.00
	Salaries and Expenses of Librarian and Assist- ant Librarian .....	15,687.92	16,098.58	16,100.00	9,273.00	6,827.00
	Salaries of Deputy Prothonotary and Clerk— Middle District .....	3,600.00	4,800.00	4,800.00	2,400.00	2,400.00
	Attendant of Supreme Court Room—Middle District .....	1,200.00	1,200.00	1,200.00	600.00	600.00
	Salary, Clerk in Office of Prothonotary—West- ern District .....	4,800.00	6,000.00	6,000.00	3,000.00	3,000.00
	Salaries of Clerks, Tipstaves and Stenographers and Expenses .....	59,995.92	66,833.94	73,195.92	32,458.90	40,737.02
	Stationery, Supplies and Necessary Expense— Eastern District .....	9,999.93	15,991.78	16,000.00	8,363.00	7,637.00
	Stationery, Supplies and Necessary Expense— Western District .....	4,500.00	5,500.00	5,500.00	2,133.00	3,367.00
	Fees of Prothonotary—Eastern, Middle and Western Districts .....	6,000.00	7,500.00	10,000.00	4,920.00	5,080.00
	Fees of Prothonotary—Eastern, Middle and Western Districts—Deficiency .....	1,500.00	2,070.00	.....	.....	.....
	Contingent Expenses—Supreme and Superior Courts .....	604.31	643.83	800.00	146.00	654.00
	Fees of Special Masters .....	.....	.....	10,000.00	.....	10,000.00
	Portrait, Chief Justice .....	.....	.....	750.00	750.00	.....
	Total Supreme Court .....	\$ 430,212.95	\$ 451,985.55	\$ 500,145.92	\$ 241,353.90	\$ 258,792.02
SUPERIOR COURT						
	Salaries of Judges .....	\$ 224,999.92	\$ 223,623.56	\$ 253,000.00	\$ 125,582.00	\$ 127,413.00
	Expenses of Judges .....	41,916.50	40,708.75	49,000.00	21,953.00	27,047.00
	Salaries and Expenses of Clerks and Tipstaves .....	35,178.00	39,449.22	56,000.00	25,479.00	30,521.00
	Docket, Stationery and Supplies .....	10,000.00	9,999.92	10,000.00	6,258.00	3,742.00
	Total Superior Court .....	\$ 312,094.42	\$ 313,781.45	\$ 368,000.00	\$ 179,272.00	\$ 182,728.00
COMMON PLEAS COURT						
	Salaries of Judges .....	\$ 2,140,199.00	\$ 2,237,418.17	\$ 2,784,000.00	\$ 1,377,899.00	\$ 1,406,101.00
	Expenses of Traveling Judges .....	59,996.33	59,999.19	90,000.00	69,179.00	20,821.00
	Expenses of Traveling Judges—Deficiency .....	19,977.63	28,121.82	.....	.....	.....
	Payment of Mileage of Divided Judicial Dis- tricts .....	3,523.72	3,832.55	5,000.00	1,832.00	2,113.00
	Clerk Hire—Dauphin County .....	14,400.00	14,400.00	14,400.00	7,200.00	7,200.00
	Total Common Pleas Court .....	\$ 2,238,096.68	\$ 2,343,771.73	\$ 2,893,400.00	\$ 1,456,160.00	\$ 1,437,240.00
MUNICIPAL COURT OF PHILADELPHIA						
	Salaries of Judges .....	\$ 429,249.86	\$ 452,991.37	\$ 540,000.00	\$ 266,499.00	\$ 273,501.00
COUNTY COURT OF ALLEGHENY COUNTY						
	Salaries of Judges .....	\$ 160,999.84	\$ 158,399.06	\$ 201,000.00	\$ 100,500.00	\$ 100,500.00
ORPHANS' COURT						
	Salaries of Judges .....	\$ 96,444.28	\$ 97,000.00	\$ 121,000.00	\$ 61,016.00	\$ 59,984.00
STATE REPORTER						
	Salary of the Reporter .....	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00
	Salary of the The Assistant State Reporter ..	6,000.00	6,000.00	6,000.00	3,000.00	3,000.00
	Salaries and General Expenses .....	5,990.01	7,811.64	8,000.00	3,724.00	4,276.00
	Total State Reporter .....	\$ 21,990.01	\$ 23,811.64	\$ 24,000.00	\$ 11,724.00	\$ 12,276.00
MISCELLANEOUS						
	Retired Judges' Salaries .....	\$ 100,000.00	\$ 129,465.58	\$ 141,000.00	\$ 53,261.00	\$ 82,739.00
	Retired Judges' Salaries—Deficiency .....	38,612.34	.....	.....	.....	.....
	Associate Judges' Salaries .....	46,453.09	45,064.00	50,000.00	20,847.00	29,153.00
	Associate Judges' Mileage .....	5,000.00	5,000.00	5,000.00	2,672.00	2,328.00
	Commission—Supreme and Superior Court House Site .....	.....	.....	500.00	.....	500.00
	Total Miscellaneous .....	\$ 190,065.43	\$ 179,529.58	\$ 196,500.00	\$ 81,780.00	\$ 114,720.00
	TOTAL EXPENDITURES .....	\$ 3,879,153.47	\$ 4,021,270.38	\$ 4,844,045.92	\$ 2,398,304.90	\$ 2,445,741.02



## APPENDIX TO THE

## JUDICIAL DEPARTMENT (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
D-1	Office Supplies .....	\$ 1,669.12	\$ 1,998.68		\$ 822.00	
D-2	Printing and Binding .....	1,486.22	1,658.44		506.00	
F	Telephone, Telegraph and Leased Office Devices .....	131.33	128.78		128.00	
H	Miscellaneous Supplies .....	(1)	(1)	\$ 4,764.00	8.00	\$ 2,825.00
I	Repairs .....	(1)	(1)		50.00	
O	Insurance, Surety and Fidelity Bonds ..				35.00	
P-1	Equipment—Office .....	(1)	1,585.31		390.00	
TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....		\$ 3,286.67	\$ 5,371.21	\$ 4,764.00	\$ 1,939.00	\$ 2,825.00
EXPENDED BY LABOR AND INDUSTRY—Com- pensation for Injured State Employees .....				(4)	(4)	(4)
GRAND TOTAL EXPENDITURES .....		\$ 3,882,440.14	\$ 4,026,641.59	\$ 4,848,809.92	\$ 2,400,243.90	\$ 2,448,566.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)AVAILABLE FUNDS—  
State Appropriation

## Supreme Court:

Salaries of Judges .....	\$ 246,000.00	\$ 246,000.00	\$ 274,000.00	\$ 137,602.00	\$ 136,398.00
Expenses of Judges .....	56,000.00	56,000.00	56,000.00	26,808.00	29,192.00
Salary of Deputy Prothonotary—Eastern Dis-					
trict .....	7,200.00	7,800.00	7,800.00	3,900.00	3,900.00
Chief Clerk .....	4,800.00	5,400.00	5,400.00	2,700.00	2,700.00
Assistant Chief Clerk .....	3,600.00	3,600.00	3,600.00	1,800.00	1,800.00
Clerk as Assistant to Chief Clerk .....	3,600.00	3,600.00	3,800.00	1,800.00	1,800.00
Record Clerk .....	4,800.00	5,400.00	5,400.00	2,700.00	2,700.00
Salaries and Expenses of Librarian and					
Assistant Librarian .....	15,700.00	16,100.00	16,100.00	9,273.00	6,827.00
Salaries of Deputy Prothonotary and Clerk—					
Middle District .....	3,600.00	4,800.00	4,800.00	2,400.00	2,400.00
Attendant of Supreme Court Room—Middle					
District .....	1,200.00	1,200.00	1,200.00	600.00	600.00
Salary, Clerk in Office of Prothonotary—					
Western District .....	4,800.00	6,000.00	6,000.00	3,000.00	3,000.00
Salaries of Criers, Tipstaves, Stenographers					
and Expenses .....	59,995.92	71,995.92	73,195.92	32,458.90	40,737.02
Stationery, Supplies and Necessary Expenses					
—Eastern District .....	10,000.00	16,000.00	16,000.00	8,363.00	7,637.00
Stationery, Supplies and Necessary Expenses					
—Western District .....	4,500.00	5,500.00	5,500.00	2,133.00	3,367.00
Fees of Prothonotary, Eastern, Middle and					
Western Districts .....	6,000.00	7,500.00	10,000.00	4,920.00	5,080.00
Fees of Prothonotary, Eastern, Middle and					
Western Districts—Deficiency .....	1,500.00	2,500.00			
Contingent Expenses, Supreme and Superior					
Courts—Middle District .....	800.00	800.00	800.00	146.00	654.00
Fees of Special Masters .....			10,000.00		10,000.00
Portrait of Chief Justice .....			750.00	750.00	
Total Supreme Court .....	\$ 434,095.92	\$ 460,195.92	\$ 500,145.92	\$ 241,353.90	\$ 258,792.02

## Superior Court:

Salaries of Judges .....	\$ 225,000.00	\$ 225,000.00	\$ 253,000.00	\$ 125,582.00	\$ 127,418.00
Expenses of Judges .....	49,000.00	49,000.00	49,000.00	21,953.00	27,047.00
Salaries and Expenses of Criers and Tip-					
staves .....	42,250.00	45,250.00	56,000.00	25,479.00	30,521.00
Docket Stationery and Supplies .....	10,000.00	10,000.00	10,000.00	6,258.00	3,742.00
Total Superior Court .....	\$ 326,250.00	\$ 329,250.00	\$ 368,000.00	\$ 179,272.00	\$ 188,728.00

## Common Pleas Court:

Salaries of Judges .....	\$ 2,183,000.00	\$ 2,239,000.00	\$ 2,784,000.00	\$ 1,377,899.00	\$ 1,406,101.00
Expenses of Traveling Judges .....	60,000.00	60,000.00	90,000.00	69,179.00	20,821.00
Expenses of Traveling Judges—Deficiency ..	20,000.00	30,000.00			
Payment of Mileage in Divided Judicial					
Districts .....	5,000.00	5,000.00	5,000.00	1,882.00	3,118.00
Clerk Hire—Dauphin County .....	14,400.00	14,400.00	14,400.00	7,200.00	7,200.00
Total Common Pleas Court .....	\$ 2,282,400.00	\$ 2,348,400.00	\$ 2,893,400.00	\$ 1,456,160.00	\$ 1,437,240.00

## JUDICIAL DEPARTMENT (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GENERAL FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES (Continued)						
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						
Orphans' Court:						
Salaries of Judges .....		\$ 432,000.00	\$ 456,000.00	\$ 540,000.00	\$ 266,499.00	\$ 273,501.00
Municipal Court of Philadelphia:						
Salaries of Judges .....		\$ 161,000.00	\$ 161,000.00	\$ 201,000.00	\$ 100,500.00	\$ 100,500.00
County Court of Allegheny County:						
Salaries of Judges .....		\$ 97,000.00	\$ 97,000.00	\$ 121,000.00	\$ 61,016.00	\$ 59,984.00
State Reporter:						
Salary of the Reporter .....		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00
Salary of the Assistant Reporter .....		6,000.00	6,000.00	6,000.00	3,000.00	3,000.00
Salaries and General Expenses .....		6,000.00	8,000.00	8,000.00	3,724.00	4,276.00
Total State Reporter .....		\$ 22,000.00	\$ 24,000.00	\$ 24,000.00	\$ 11,724.00	\$ 12,276.00
Miscellaneous:						
Retired Judges—Salaries .....		\$ 100,000.00	\$ 130,000.00	\$ 141,000.00	\$ 58,261.00	\$ 82,739.00
Retired Judges—Salaries—Deficiency .....		42,000.00				
Associate Judges—Salaries .....		50,000.00	50,000.00	50,000.00	20,847.00	29,153.00
Associate Judges—Mileage .....		5,000.00	5,000.00	5,000.00	2,672.00	2,328.00
Commission—Supreme and Superior Court House Site .....				500.00		500.00
Total—Miscellaneous .....		\$ 197,000.00	\$ 185,000.00	\$ 196,500.00	\$ 81,780.00	\$ 114,720.00
TOTAL AVAILABLE FUNDS .....		\$ 3,951,745.92	\$ 4,060,845.92	\$ 4,844,045.92	\$ 2,398,304.90	\$ 2,445,741.02
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....		\$ 3,875,061.71				
Expended from State Appropriation during 1927-29 .....		4,091.76	\$ 4,002,772.98			
Expended from State Appropriation during 1929-31 .....			18,497.40	\$ 4,844,045.92	\$ 2,398,304.90	\$ 2,445,741.02
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 3,879,153.47	\$ 4,021,270.38	\$ 4,844,045.92	\$ 2,398,304.90	\$ 2,445,741.02
BALANCE—						
State Appropriation Lapsed Under Act 25-A, 1927, or Act 402, 1929 .....		\$ 72,592.45				
State Appropriation to Lapse .....			\$ 189.17			
State Appropriation to Continue .....			39,386.37			

Notes: (1) Included with Office Supplies these periods.

(4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.



## APPENDIX TO THE

## COMMONWEALTH OF PENNSYLVANIA

## SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES DURING THE PERIODS INDICATED

## OPERATING SPECIAL FUNDS

		Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures						
Code	Expended	1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931					
CURRENT OPERATING SPECIAL FUNDS											
Motor License Fund											
	Department of Highways .....	\$ 41,542,824.28	\$ 81,170,976.57	\$ 146,556,036.00	\$ 59,094,348.00	\$ 87,461,688.00					
	Department of Property and Supplies .....			70,000.00	5,161.00	64,839.00					
	Public Service Commission .....		15,000.00	485,000.00	22,500.00	462,500.00					
	Department of Revenue .....			7,413,190.00	3,117,133.00	4,296,057.00					
	Treasury Department—Board of Finance and Revenue .....	9,951,180.33	15,570,962.36	13,997,219.00	7,030,761.00	6,966,458.00					
	Joint Bridge Commission .....		288,831.32	38,669.00	20,940.00	17,729.00					
	Total Motor License Fund .....	\$ 51,494,004.61	\$ 97,045,770.45	\$ 168,560,114.00	\$ 69,290,843.00	\$ 99,269,271.00					
Fish Fund											
	Board of Fish Commissioners .....	\$ 624,028.41	\$ 677,524.80	\$ 984,185.00	\$ 418,892.00	\$ 565,293.00					
	Department of Revenue .....			28,966.00	11,191.00	17,775.00					
	Total Fish Fund .....	\$ 624,028.41	\$ 677,524.80	\$ 1,013,151.00	\$ 430,083.00	\$ 583,068.00					
Game Fund											
	Board of Game Commissioners .....	\$ 1,378,189.00	\$ 1,868,511.11	\$ 2,552,938.00	\$ 1,103,600.00	\$ 1,449,338.00					
	Department of Revenue .....			47,479.00	28,479.00	19,000.00					
	Treasury Department—Board of Finance and Revenue .....			396.00	179.00	217.00					
	Total Game Fund .....	\$ 1,378,189.00	\$ 1,868,511.11	\$ 2,600,813.00	\$ 1,132,258.00	\$ 1,468,555.00					
Banking Department Fund											
	Department of Banking .....	\$ 1,021,140.71	\$ 1,163,279.13	\$ 1,425,945.00	\$ 651,000.00	\$ 774,918.00					
Securities Commission Fund											
	Department of Banking .....	162,239.53	201,461.12	227,999.00	102,947.00	125,052.00					
State Farm Products Show Fund											
	Department of Agriculture .....			69,145.00	18,775.00	50,370.00					
Federal Allotment Forest Protection Fund											
	Department of Forests and Waters .....			102,327.00	41,497.00	60,830.00					
Federal Forest Nursery Fund											
	Department of Forests and Waters .....			4,404.00	1,984.00	2,420.00					
TOTAL CURRENT OPERATING SPECIAL FUNDS .....							\$ 54,679,802.26	\$ 100,956,549.91	\$ 174,003,898.00	\$ 71,669,414.00	\$ 102,334,494.00
ABOLISHED OPERATING SPECIAL FUNDS											
Dog Fund											
	Department of Agriculture .....	\$ 1,408,445.68	\$ 260,032.80								
Experimental Agriculture Fund											
	Department of Agriculture .....	13,259.12									
Bureau of Markets Fund											
	Department of Agriculture .....	14,203.68									
Carbonated Beverage Fund											
	Department of Agriculture .....	38,603.84	1,261.96								
State Bond Road Fund											
	Department of Highways .....	57,169,191.91	14,943,365.96								
Insurance Department Fund											
		280,945.30	3,051.31								
Bedding and Upholstery Fund											
	Department of Labor and Industry .....	87,231.07	123,552.42	\$ 14,937.00	\$ 14,937.00						
Boiler Inspection Fund											
	Department of Labor and Industry .....	134,915.63									
Elevator Inspection Fund											
	Department of Labor and Industry .....	12,058.67									
State Athletic Commission Fund											
	Department of Military Affairs .....	105,817.06	1,884.10								
Engineers Fund											
	Department of Public Instruction .....	7,440.29									
Badge and Emblem Fund											
	Department of State .....		1,124.94								
Registered Names Fund											
	Department of State .....	2,927.51									
Standardization Laboratory Fund											
	Public Service Commission .....	28,895.42	924.23								
Alcohol Permit Fund											
	Department of Welfare .....	24,321.35									
TOTAL ABOLISHED OPERATING SPECIAL FUNDS .....							\$ 59,328,256.53	\$ 15,335,207.72	\$ 14,937.00	\$ 14,937.00	
TOTAL EXPENDITURES .....							\$ 114,007,858.79	\$ 116,291,757.63	\$ 174,018,835.00	\$ 71,684,351.00	\$ 102,334,484.00

## ALL APPROPRIATIONS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
MOTOR LICENSE FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1928 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-1	Salaries—\$3,000 and Over .....	\$ 7,572,231.76	\$ 973,740.52	\$ 1,448,886.00	\$ 608,261.00	\$ 840,625.00
A-2	Salaries—Less than \$3,000 .....		7,769,536.51	10,941,324.00	4,662,778.00	6,278,546.00
B	Wages .....	10,639,086.47	14,934,075.35	18,809,887.00	8,222,164.00	10,587,723.00
C	Fees .....		239,138.65	103,152.00	46,254.00	56,898.00
D	Office Supplies, Printing, Postage and Stationery .....	1,112,282.45	1,273,433.00	1,583,608.00	767,408.00	816,200.00
E	Traveling Expense .....	1,439,665.36	1,456,559.90	2,368,034.00	946,134.00	1,421,900.00
F	Telephone and Telegraph .....	98,486.08	113,900.20	202,294.00	86,443.00	115,851.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		266,470.52	303,918.00	131,480.00	172,438.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	2,106,735.66	1,731,483.32	1,858,400.00	786,600.00	1,671,800.00
H	Miscellaneous Supplies .....	1,431,208.25	852,709.58	13,815,683.00	5,334,596.00	8,481,087.00
I	Repairs .....		19,539,897.38	23,597,797.00	10,716,457.00	12,881,300.00
J	Newspaper Advertising and Notices .....	63,289.41	16,470.18	25,223.00	13,592.00	11,661.00
K	Light, Heat, Power and Water .....	33,984.07	162,272.52	247,132.00	95,222.00	151,910.00
L	Freight, Express, Cartage, Etc. ....	119,630.17	87,743.17	91,547.00	35,943.00	55,604.00
M	Rents .....	623,058.13	214,848.15	683,343.00	281,306.00	402,037.00
N	Food and Forage .....			1,200.00		1,200.00
O	Insurance Surety and Fidelity Bonds ..			456,571.00	208,205.00	248,365.00
P-1	Equipment—Office .....	190,106.15	207,733.08	442,815.00	211,465.00	231,350.00
P-2	Equipment—Motor, Passenger Cars .....		216,745.15	171,131.00	85,557.00	85,574.00
P-3	Equipment—Motor, Other than Passenger Cars .....	175,804.46	1,630,055.24	1,356,005.00	720,006.00	635,999.00
P-4	Equipment—Miscellaneous .....	691,751.28	607,526.72	601,040.00	308,815.00	292,225.00
SS	Construction of N. O. Building .....		2,221,506.86	626,214.00	606,214.00	20,000.00
S	Buildings and Construction .....	11,513,089.26	22,930,013.59	65,039,029.00	24,041,708.00	40,997,321.00
T	Land .....		61,429.00	74,580.00	49,580.00	25,000.00
U	Subsidies and Indemnities .....	3,040,347.80	18,905,280.53	9,061,028.00	3,342,451.00	5,718,577.00
V	Fixed Charges, Debt Interest, and Sink- ing Fund .....			13,855,219.00	6,982,193.00	6,873,026.00
Z	Refunds and Repayments of Receipts ..			112,000.00		112,000.00
	Transportation of Employees .....		258,499.08			
	Rentals of Equipment .....		374,702.25			
	Other Items .....	10,251,704.02				
	Reserve .....			683,054.00		683,054.00
TOTAL PER DEPARTMENT .....		\$ 51,102,460.72	\$ 97,045,770.45	\$ 168,560,114.00	\$ 69,290,843.00	\$ 99,269,271.00
Adjustments* .....		391,543.89				
TOTAL EXPENDITURES .....		\$ 51,494,004.61	\$ 97,045,770.45	\$ 168,560,114.00	\$ 69,290,843.00	\$ 99,269,271.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balance from Prior Periods .....	\$	4,783,577.25	\$	21,899,062.46	\$	28,542,247.00
Receipts:						
Liquid Fuels Tax Penalties and Interest .....		15,446,101.22		35,739,256.29		54,535,510.00
Motor Licenses and Fees .....		48,345,370.79		53,524,836.32		66,212,844.00
Fines and Penalties .....		740,998.53		1,023,314.05		1,264,523.00
Construction and Maintenance Contributions ..		2,759,896.49		7,293,165.18		17,501,811.00
Miscellaneous .....		723,393.00		1,421,841.24		1,427,289.00
State-Aid Highways Construction Appropria- tion Credits .....		449,193.02		4,686,541.93		4,290,065.00
Refund of Expenditures .....		136,533.77				1,910,667.00
Transfers to Motor Fund .....				3,419,071.00		3,419,071.00
TOTAL AVAILABLE FUNDS .....	\$	73,393,067.07	\$	125,588,017.47	\$	177,193,360.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	51,494,004.61				
Expended from State Appropriation during 1927-29 .....			\$	97,045,770.45		
Expended from State Appropriation during 1929-31 .....					\$	168,560,114.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$	51,494,004.61	\$	97,045,770.45	\$	168,560,114.00
BALANCE—						
Balances Transferred to Next Biennium .....	\$	21,899,062.46	\$	28,542,247.02	\$	8,633,246.00

\* Differences between books of Auditor General and Department of Highways, represented by requisitions in transit and receipts undeposited.



## APPENDIX TO THE

## DEPARTMENT OF HIGHWAYS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
MOTOR LICENSE FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MAINTENANCE, REPAIRS AND CONSTRUCTION OF ROADS; SALARIES AND GENERAL EX- PENSES						
A-1	Salaries—\$3,000 and Over .....		\$ 973,740.52	\$ 1,286,691.00	\$ 552,706.00	\$ 733,985.00
A-2	Salaries—Less than \$3,000 .....		7,769,536.51	7,632,610.00	3,213,515.00	4,419,095.00
B	Wages .....		14,823,533.73	17,564,842.00	7,874,285.00	9,690,557.00
C	Fees .....		194,441.75	65,719.00	27,799.00	37,920.00
D	Office Supplies, Printing, Postage and Stationery .....		1,273,433.00	535,042.00	274,842.00	260,200.00
E	Traveling Expense .....		1,456,559.90	1,768,444.00	673,890.00	1,094,554.00
F	Telephone and Telegraph .....		113,900.20	150,008.00	65,958.00	84,050.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		266,409.06	264,661.00	117,151.00	147,510.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		1,728,119.10	1,707,454.00	727,454.00	980,000.00
H	Miscellaneous Supplies .....		852,709.58	10,849,464.00	4,692,464.00	6,157,000.00
I	Repairs .....		18,387,259.69	22,379,413.00	10,432,413.00	11,947,000.00
J	Newspaper Advertising and Notices ....		16,470.18	24,923.00	13,343.00	11,580.00
K	Light, Heat, Power and Water .....	Detail not available	160,933.77	221,887.00	87,987.00	133,900.00
L	Freight, Express, Cartage, Etc. ....		86,904.78	88,686.00	33,986.00	54,700.00
M	Rents .....		214,848.15	502,038.00	248,334.00	253,704.00
N	Food and Forage .....			1,200.00		1,200.00
O	Insurance, Surety and Fidelity Bonds ...			441,671.00	201,807.00	239,864.00
P-1	Equipment—Office .....		207,733.08	232,012.00	100,362.00	131,650.00
P-2	Equipment—Motor, Passenger Cars .....		216,745.15	134,699.00	64,699.00	70,000.00
P-3	Equipment—Motor, Other than Passenger Cars .....		1,630,055.24	1,275,891.00	675,891.00	600,000.00
P-4	Equipment—Miscellaneous .....		607,509.74	581,938.00	301,938.00	280,000.00
SS	Construction of North Office Building ..		2,221,506.86	626,214.00	606,214.00	20,000.00
S	Buildings and Construction .....		13,849,063.16	37,184,230.00	15,384,230.00	21,800,000.00
T	Land .....		61,429.00	74,580.00	49,580.00	25,000.00
U	Subsidies and Indemnities .....		66,107.59	59,373.00	4,373.00	55,000.00
	Transportation of Employees .....		257,179.98			
	Rental of Equipment .....		370,390.10			
TOTAL EXPENDITURES .....			\$ 67,806,519.82	\$ 105,653,688.00	\$ 46,425,219.00	\$ 59,228,469.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

## State Appropriation—

Balance from Prior Periods (a) .....	\$ 4,072,017.31	\$ 16,896,556.19	\$ 25,001,745.00	\$ 25,001,745.00	\$ *6,116,407.00
Credits—1925-27 (b) .....	46,265,026.61				
Credits—1927-29 (b) .....		75,599,517.94			
Credits—1929-30 (b) .....			87,382,591.00	15,154,489.00	72,228,122.00
Lapsed—1925-27 .....		512,190.98			
Lapsed—1927-29 .....			152,598.00	152,598.00	

TOTAL AVAILABLE FUNDS .....	\$ 50,337,043.92	\$ 92,808,265.11	\$ 112,536,934.00	\$ 40,308,812.00	\$ 66,111,715.00
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 33,640,487.73				
Expended from State Appropriation during 1927-29 .....		\$ 67,806,519.82			
Expended from State Appropriation during 1929-31 .....			\$ 105,653,688.00	\$ 46,425,219.00	\$ 59,288,469.00

TOTAL EXPENDITURES (As Detailed Above) .....	\$ 33,640,487.73	\$ 67,806,519.82	\$ 105,653,688.00	\$ 46,425,219.00	\$ 59,228,469.00
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## BALANCE—

Balance Transferred to Next Biennium .....	\$ 16,896,556.19	\$ 25,001,745.29	\$ 6,883,246.00	\$ * 6,116,407.00	\$ 6,883,246.00
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\* Indicates Deduction.

(a) Balances from Prior Periods are net of specific appropriation balances.

(b) Credits are Motor Fund receipts net of specific appropriations and specific appropriation credits.

## DEPARTMENT OF HIGHWAYS (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## MOTOR LICENSE FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
HIGHWAY PROGRAM						
B	Wages .....			\$ 640,497.00	\$ 60,497.00	\$ 580,000.00
E-2	Traveling Expenses—Auto and Taxi Hire .....			10,171.00	171.00	10,000.00
H	Miscellaneous Supplies .....			1,221,803.00	107,963.00	1,113,840.00
I	Repairs .....			10,000.00		10,000.00
K	Light, Heat, Power, Water and Fuel ....			9,225.00	225.00	9,000.00
L	Freight, Express and Cartage .....			1,000.00		1,000.00
M	Rents .....			57,860.00	7,860.00	50,000.00
S	Buildings and Construction .....			20,899,444.00	4,949,444.00	15,950,000.00
Total Highway Program .....				\$ 22,850,000.00	\$ 5,126,160.00	\$ 17,723,840.00
COUNTIES OF FIRST CLASS		\$ 200,000.00	\$ 500,000.00	\$ 750,000.00	\$ 375,000.00	\$ 375,000.00
STATE AID TO CITIES (Except First Class)						
B	Wages .....			\$ 50,000.00	\$ 9,863.00	\$ 40,137.00
E-2	Traveling Expenses—Auto and Taxi Hire .....			600.00	125.00	475.00
H	Miscellaneous Supplies .....			99,750.00	18,334.00	81,416.00
I	Repairs .....			250,000.00		250,000.00
L	Freight, Express and Cartage .....			250.00	6.00	244.00
M	Rents .....			3,600.00	227.00	3,373.00
S	Buildings and Construction .....			100,000.00		100,000.00
U	Subsidies and Indemnities .....			1,395,800.00	15,394.00	1,380,406.00
Total State Aid to Cities (Except First Class) .....				\$ 1,900,000.00	\$ 43,949.00	\$ 1,856,051.00
STATE AID HIGHWAYS		\$ 9,274,476.55	\$ 4,694,034.05	\$ 8,245,241.00	\$ 4,112,139.00	\$ 4,133,102.00
STATE AID—BUTLER COUNTY		\$ 101,031.80				
TOWNSHIP REWARDS		\$ 2,985,991.99	\$ 2,668,196.87	\$ 6,345,855.00	\$ 2,834,437.00	\$ 3,511,418.00
MAINTENANCE OF TOWNSHIP REWARD ROADS				\$ 500,000.00	\$ 67,215.00	\$ 432,785.00
PROPERTY DAMAGE				\$ 10,000.00	\$ 3,602.00	\$ 6,398.00
TOTAL EXPENDITURES .....		\$ 12,561,500.34	\$ 7,862,230.92	\$ 40,601,096.00	\$ 12,562,502.00	\$ 28,038,594.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

## State Appropriation:

Highway Program .....			\$ 23,500,000.00	\$ 5,126,160.00	\$ 18,373,840.00
Counties of First Class .....	\$ 200,000.00	\$ 500,000.00	750,000.00	375,000.00	375,000.00
State Aid to Cities (Except First Class) .....			2,000,000.00	43,949.00	1,956,051.00
State Aid Highways .....	5,000,000.00	5,000,000.00	2,000,000.00		
Balances Transferred from Prior Bienniums .....					
Butler County—1925 .....			6,130.00	2,201,472.00	3,003,704.00
State Aid Highways—1925 .....			349,715.00		
State Aid Highways—1927 .....			2,413,784.00		
State Aid Highways (General Fund) 1921 .....			435,547.00		
Credits—1925-1927 .....	2,193,867.14				
Credits—1927-1929 .....	2,535,662.52	2,133,994.67			
Credits—1929-1931 .....			4,040,065.00	1,910,667.00	2,129,398.00
State Aid—Butler County .....	102,940.89				
Credits—1925-1927 .....	39,824.87				
Credits—1927-1929 .....	13,700.92				
Township Rewards .....	3,000,000.00	3,000,000.00	6,000,000.00	2,834,547.00	3,511,418.00
Balances Transferred from Prior Bienniums .....					
Township Rewards 1925 .....			14,052.00		
Township Rewards 1927 .....			331,803.00		
Credits—1925-1927 .....	17.73				
Credits—1927-1929 .....	26.08				
Maintenance of Township Reward Roads .....			500,000.00	67,215.00	432,785.00
Property Damage .....			10,000.00	3,602.00	6,398.00
<b>TOTAL AVAILABLE FUNDS</b> .....	\$ 13,086,040.15	\$ 10,633,994.67	\$ 42,351,096.00	\$ 12,562,502.00	\$ 29,788,594.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-1927 .....	\$ 7,156,401.42				
Expended from State Appropriation during 1927-29 .....	5,405,098.92	\$ 7,862,230.92			
Expended from State Appropriation during 1929-31 .....			\$ 40,601,096.00	\$ 12,562,502.00	\$ 28,038,594.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$ 12,561,500.34	\$ 7,862,230.92	\$ 40,601,096.00	\$ 12,562,502.00	\$ 28,038,594.00

## BALANCE—

State Appropriation to Lapse .....	\$ 154,643.40	\$ 26,176.81			
State Appropriation (Balances Transferred to 1929) .....	369,896.41	2,745,586.94			
State Appropriation to Continue .....			\$ 1,750,000.00		\$ 1,750,000.00



## APPENDIX TO THE

## DEPARTMENT OF HIGHWAYS (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
MOTOR LICENSE FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
WELFARE INSTITUTIONS—ROADS				\$ 125,000.00	\$ 45,936.00	\$ 79,064.00
HEALTH INSTITUTIONS—ROADS				25,000.00	13,491.00	11,509.00
EDUCATIONAL INSTITUTIONS—ROADS				50,000.00	16,250.00	33,750.00
STATE PARKS—ROADS				100,000.00	29,698.00	70,302.00
TOTAL EXPENDITURES				\$ 300,000.00	\$ 105,375.00	\$ 194,625.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Welfare Institutions—Roads				\$ 125,000.00	\$ 45,936.00	\$ 79,064.00
State Appropriation—Health Institutions—Roads				25,000.00	13,491.00	11,509.00
State Appropriation—Educational Institutions—Roads				50,000.00	16,250.00	33,750.00
State Appropriation—State Parks—Roads				100,000.00	29,698.00	70,302.00
TOTAL AVAILABLE FUNDS				\$ 300,000.00	\$ 105,375.00	\$ 194,625.00
LESS EXPENDITURES—						
Expended from State Appropriation during 1929-31				\$ 300,000.00	\$ 105,375.00	\$ 194,625.00
TOTAL EXPENDITURES (As Detailed Above)				\$ 300,000.00	\$ 105,375.00	\$ 194,625.00

ISSUING ROAD BONDS	\$ 34,375.19					
COUNTY BRIDGES DESTROYED		\$ 26,996.42		No Appropriation During This Period.		
STATE HIGHWAY BRIDGES DESTROYED		71 582.54				
TOTAL EXPENDITURES	\$ 34,375.19	\$ 98,578.96				

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Issuing Road Bonds	\$ 50,000.00					
State Appropriation—County Bridges Destroyed		\$ 75,000.00				
State Appropriation—State Highway Bridges Destroyed		150,000.00				
TOTAL AVAILABLE FUNDS	\$ 50,000.00	\$ 225,000.00				
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27	\$ 34,375.19					
Expended from State Appropriation during 1927-29		\$ 97,326.91				
Expended from State Appropriation during 1929-31		1,252.05				
TOTAL EXPENDITURES (As Detailed Above)	\$ 34,375.19	\$ 98,578.96				
BALANCE—						
State Appropriation to Lapse	\$ 15,624.81	\$ 126,421.04				

## DEPARTMENT OF PROPERTY AND SUPPLIES

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
MOTOR FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
	ESTABLISHMENT AND MAINTENANCE OF AIR- PORTS	.....	.....	\$ 70,000.00	\$ 5,161.00	\$ 64,839.00
	TOTAL EXPENDITURES	.....	.....	\$ 70,000.00	\$ 5,161.00	\$ 64,839.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Establishment and Main-  
tenance of Airports

.....	.....	\$ 70,000.00	\$ 5,161.00	\$ 64,839.00
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TOTAL AVAILABLE FUNDS

## LESS EXPENDITURES—

Expended from State Appropriation during  
1929-31

.....	.....	\$ 70,000.00	\$ 5,161.00	\$ 64,839.00
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TOTAL EXPENDITURES (As Detailed  
Above)

.....	.....	\$ 70,000.00	\$ 5,161.00	\$ 64,839.00
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## PUBLIC SERVICE COMMISSION

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
MOTOR FUND

GRADE CROSSING ELIMINATION	.....	\$ 37,500.00	\$ 250,000.00	.....	\$ 250,000.00
TOTAL EXPENDITURES	.....	\$ 37,500.00	\$ 250,000.00	.....	\$ 250,000.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

State Appropriation—Grade Crossing Elimina-  
tion

.....	\$ 250,000.00	\$ 250,000.00	.....	\$ 250,000.00
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TOTAL AVAILABLE FUNDS

## LESS EXPENDITURES—

Expended from State Appropriation during  
1927-29

.....	\$ 15,000.00	.....	.....	.....
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Expended from State Appropriation during  
1929-31

.....	22,500.00	\$ 250,000.00	.....	\$ 250,000.00
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TOTAL EXPENDITURES (As Detailed  
Above)

.....	\$ 37,500.00	\$ 250,000.00	.....	\$ 250,000.00
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## BALANCE—

State Appropriation to Continue

.....	\$ 212,500.00	.....	.....	.....
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## APPENDIX TO THE

## DEPARTMENT OF REVENUE

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## MOTOR LICENSE FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
COLLECTING MOTOR LICENSE FEES, LIQUID FUELS AND OPERATION OF MOTOR PATROL						
A-1	Salaries—\$3,000 and Over .....	.....	.....	\$ 112,195.00	\$ 55,535.00	\$ 56,640.00
A-2	Salaries—Less than \$3,000 .....	.....	.....	3,158,714.00	1,449,284.00	1,709,450.00
B	Wages .....	.....	.....	336,641.00	176,461.00	160,180.00
C	Fees .....	.....	.....	7,433.00	3,455.00	3,978.00
D	Office Supplies, Printing, Postage and Stationery .....	.....	.....	1,046,566.00	492,566.00	554,000.00
E	Traveling Expense .....	.....	.....	584,745.00	270,375.00	314,370.00
F	Telephone and Telegraph .....	.....	.....	52,286.00	20,486.00	31,800.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	.....	.....	39,257.00	14,329.00	24,928.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	.....	.....	150,746.00	59,146.00	91,600.00
H	Miscellaneous Supplies .....	.....	.....	789,129.00	358,438.00	430,691.00
I	Repairs .....	.....	.....	11,189.00	2,514.00	8,675.00
J	Newspaper Advertising and Notices .....	.....	.....	300.00	150.00	150.00
K	Light, Heat, Power and Water .....	.....	.....	13,559.00	6,099.00	7,460.00
L	Freight, Express, Cartage, Etc. ....	.....	.....	3,592.00	1,632.00	1,960.00
M	Rents .....	.....	.....	33,509.00	15,889.00	17,620.00
O	Insurance, Surety and Fidelity Bonds ..	.....	.....	14,900.00	6,400.00	8,500.00
P-1	Equipment—Office .....	.....	.....	210,803.00	111,103.00	99,700.00
P-2	Equipment—Motor, Passenger Cars .....	.....	.....	36,432.00	20,857.00	15,575.00
P-3	Equipment—Motors, Other than Pas- senger Cars .....	.....	.....	80,114.00	44,114.00	36,000.00
P-4	Equipment—Miscellaneous .....	.....	.....	19,104.00	6,878.00	12,226.00
S	Buildings and Construction .....	.....	.....	28,922.00	1,422.00	27,500.00
	Reserve .....	.....	.....	683,054.00	.....	683,054.00
TOTAL EXPENDITURES .....		.....	.....	\$ 7,413,190.00	\$ 3,117,133.00	\$ 4,296,057.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—Allocation from the Motor Fund .....						
				\$ 7,413,190.00	\$ 3,117,133.00	\$ 4,296,057.00
<b>TOTAL AVAILABLE FUNDS</b> .....				\$ 7,413,190.00	\$ 3,117,133.00	\$ 4,296,057.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1929-31 .....						
				\$ 7,413,190.00	\$ 3,117,133.00	\$ 4,296,057.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....				\$ 7,413,190.00	\$ 3,117,133.00	\$ 4,296,057.00

## TREASURY DEPARTMENT—BOARD OF FINANCE AND REVENUE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
MOTOR LICENSE FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
INTEREST AND REDEMPTION OF ROAD BONDS		\$ 11,386,192.91	\$ 14,076,052.88	\$ 13,855,219.00	\$ 6,982,193.00	\$ 6,873,026.00
LOAN AND TRANSFER AGENT						
C Fees .....		29,696.90	30,000.00	30,000.00	15,000.00	15,000.00
REFUNDING MOTOR LICENSE FEES AND FINES						
Z Refunds and Repayments of Receipts ..				87,000.00	33,568.00	53,432.00
REFUNDING MONEYS DUE BY DEPARTMENT OF HIGHWAYS						
Z Refunds and Repayments of Receipts ..				25,000.00		25,000.00
TOTAL EXPENDITURES .....		\$ 11,415,889.81	\$ 14,106,052.88	\$ 13,997,219.00	\$ 7,030,761.00	\$ 6,963,458.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
State Appropriation—Interest and Redemption of Road Bonds .....	\$ 10,277,800.00	\$ 14,076,052.88	\$ 13,855,219.00	\$ 6,982,193.00	\$ 6,873,026.00	
State Appropriation—Interest and Redemption of Road Bonds—Deficiency .....	1,450,012.58					
State Appropriation—Loan and Transfer Agent Allocation from the Motor License Fund—Refunding License Fees .....	30,000.00	30,000.00	30,000.00	15,000.00	15,000.00	
Allocation from the Motor License Fund—Refunding Dept. of Highway Moneys .....			87,000.00	33,568.00	53,432.00	
			25,000.00		25,000.00	
TOTAL AVAILABLE FUNDS .....	\$ 11,757,812.58	\$ 14,106,052.88	\$ 13,997,219.00	\$ 7,030,761.00	\$ 6,966,458.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	9,951,180.33					
Expended from State Appropriation during 1927-29 .....	1,464,709.48	\$ 14,106,052.88				
Expended from State Appropriation during 1929-31 .....			\$ 13,997,219.00	\$ 7,030,761.00	\$ 6,966,458.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 11,415,889.81	\$ 14,106,052.88	\$ 13,997,219.00	\$ 7,030,761.00	\$ 6,966,458.00	
BALANCE—						
State Appropriation to Lapse .....	\$ 341,922.77					

## JOINT BRIDGE COMMISSION

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
MOTOR LICENSE FUND

PENNSYLVANIA-NEW JERSEY JOINT BRIDGE COMMISSION FOR MAKING SURVEYS .....		\$ 2,500.00		\$ 2,500.00	
MORRISVILLE BRIDGE, PENNSYLVANIA-NEW JERSEY JOINT BRIDGE .....	\$ 309,771.01				
TOTAL EXPENDITURES .....	\$ 309,771.01	\$ 2,500.00		\$ 2,500.00	

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—					
State Appropriation—Pennsylvania-New Jersey Joint Bridge Commission for Making Surveys .....		\$ 2,500.00		\$ 2,500.00	
State Appropriation—Morrisville Bridge, Pennsylvania-New Jersey Joint Bridge .....	\$ 325,000.00				
TOTAL AVAILABLE FUNDS .....	\$ 325,000.00	\$ 2,500.00		\$ 2,500.00	
LESS EXPENDITURES—					
Expended from State Appropriation during 1925-27 .....					
Expended from State Appropriation during 1927-29 .....	\$ 288,831.52				
Expended from State Appropriation during 1929-31 .....	20,939.49	\$ 2,500.00		\$ 2,500.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 309,771.01	\$ 2,500.00		\$ 2,500.00	
BALANCE—					
State Appropriation to Continue .....	\$ 15,228.99				



## APPENDIX TO THE

COMMONWEALTH OF PENNSYLVANIA  
SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS INDICATED  
MOTOR LICENSE FUND APPROPRIATIONS

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
1923-1925 APPROPRIATIONS						
Township Reward (\$2,000,000.00)		\$ 711,559.94				
Total		\$ 711,559.94				
1925-1927 APPROPRIATIONS						
Maintenance Repairs and Construction of Roads; Salaries and General Expenses	\$	33,640,487.73				
Interest and Redemption of Road Bonds (\$10,277,800.00)		9,936,180.33				
Interest and Redemption of Road Bonds, Deficiency (\$1,450,012.58)			\$ 1,450,012.58			
Issuing Road Bonds (\$50,000.00)		34,375.19				
Loan and Transfer Agent (\$30,000.00)		15,000.00	14,696.90			
Township Reward (\$3,000,000.00)		2,341,523.94	644,468.05			
State Aid Highways (\$5,000,000.00)		4,532,586.16	4,741,890.39			
State Aid—Butler County (\$102,940.89)		82,291.32	18,740.48			
Counties of First Class (\$200,000.00)		200,000.00				
Total	\$	50,782,444.67	\$ 6,869,803.40			
1927-1929 APPROPRIATIONS						
Maintenance Repairs and Construction of Roads; Salaries and General Expenses	\$	67,806,519.82				
Interest and Redemption of Road Bonds (\$14,076,052.88)			14,076,052.88			
Loan and Transfer Agent (\$30,000.00)			30,000.00			
Township Rewards (\$2,000,000.00)			2,668,196.87			
State Aid Highways (\$5,000,000.00)			4,694,034.05			
Counties of First Class (\$500,000.00)			500,000.00			
State Highways Bridges Destroyed (\$150,000.00)			71,582.54			
County Bridges Destroyed (\$75,000.00)			25,744.37	\$ 1,252.00	\$ 1,252.00	
Morrisville Bridge, Pennsylvania and New Jersey Joint Bridge (\$325,000.00)		288,831.52	36,169.00	20,940.00	\$ 15,229.00	
Grade Crossing Elimination (\$250,000.00)		15,000.00	235,000.00	22,500.00	212,500.00	
Total	\$	90,175,962.05	\$ 272,421.00	\$ 44,692.00	\$ 227,729.00	
1929-1931 APPROPRIATIONS						
Maintenance Repairs and Construction of Roads; Salaries and General Expenses			\$ 105,653,688.00	\$ 46,425,219.00	\$ 59,228,469.00	
Township Rewards (\$6,000,000.00)			6,345,855.00 #	2,834,437.00	3,511,418.00	
State Aid Highways (\$2,000,000.00)			8,245,241.00 # #	4,112,139.00	4,133,102.00	
Counties of First Class (\$750,000.00)			750,000.00	375,000.00	375,000.00	
Maintenance of Township Reward Roads (\$500,000.00)			500,000.00	67,215.00	432,785.00	
State Aid to Cities, Except First Class (\$2,000,- 000.00)			1,900,000.00**	43,949.00	1,856,051.00	
Property Damage (\$10,000.00)			10,000.00	3,602.00	6,398.00	
Highway Program (\$23,500,000.00)			22,850,000.00*	5,126,160.00	17,723,840.00	
Pennsylvania-New Jersey Joint Bridge Commis- sion for Making Surveys (\$2,500.00)			2,500.00		2,500.00	
Welfare Institutions—Roads (\$125,000.00)			125,000.00	45,935.00	79,064.00	
Health Institutions—Roads (\$25,000.00)			25,000.00	13,491.00	11,509.00	
Educational Institutions—Roads (\$50,000.00)			50,000.00	16,250.00	33,750.00	
State Parks—Roads (\$100,000.00)			100,000.00	29,698.00	70,302.00	
Interest and Redemption of Road Bonds (\$13,- 855,219.55)			13,855,219.00	6,982,193.00	6,873,026.00	
Loan and Transfer Agent (\$30,000.00)			30,000.00	15,000.00	15,000.00	
Establishment and Maintenance of Airports (\$70,000.00)			70,000.00	5,161.00	64,839.00	
Elimination of Grade Crossings (\$250,000.00)			250,000.00		250,000.00	
1929-1931 ALLOCATIONS						
Collecting Motor License Fees and Fines (\$7,413,190.00)			7,413,190.00	3,117,133.00	4,296,057.00	
Refunding Motor License Fees and Fines (\$87,000.00)			87,000.00	33,568.00	53,432.00	
Refunding Monies due by Department of Highways (\$25,000.00)			25,000.00		25,000.00	
Total			\$ 168,287,693.00	\$ 69,246,151.00	\$ 99,041,542.00	
TOTAL EXPENDITURES	\$	51,494,004.61	\$ 97,045,770.45	\$ 168,560,114.00	\$ 69,290,843.00	\$ 99,269,271.00
AVAILABLE FUNDS—						
Balance from Prior Periods	\$	4,783,577.25	\$ 21,899,062.46	\$ 38,542,247.00	\$ 28,542,247.00	\$ 33,544,997.99
Receipts		68,609,489.82	103,688,955.01	148,651,113.00	74,293,593.00	74,357,520.00
TOTAL AVAILABLE FUNDS	\$	73,393,067.07	\$ 125,588,017.47	\$ 177,193,360.00	\$ 102,835,840.00	\$ 107,902,517.00
LESS EXPENDITURES—						
Expended from State Appropriation (As Detailed Above)	\$	51,494,004.61	\$ 97,045,770.45	\$ 168,560,114.00	\$ 69,290,843.00	\$ 99,269,271.00
BALANCE—						
State Appropriation to Continue	\$	21,899,062.46	\$ 28,542,247.02	\$ 8,633,246.00	\$ 33,544,997.00	\$ 8,633,246.00

## COMMONWEALTH OF PENNSYLVANIA

## SUMMARY STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS INDICATED

## MOTOR LICENSE FUND APPROPRIATIONS (Continued)

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
FUNDS AVAILABLE FOR MAINTENANCE, REPAIR AND CONSTRUCTION OF ROADS; SALARIES AND GENERAL EXPENSES						
MOTOR FUND RECEIPTS APPROPRIATED FOR ALL HIGHWAY PURPOSES						
		\$ 63,609,498.82	\$ 103,683,955.01	\$ 148,651,113.00	\$ 74,293,593.00	\$ 74,357,520.00
Less:	Appropriations for Specific Purposes	\$ 20,110,753.47	\$ 23,406,052.88	\$ 49,267,720.00	\$ 74,267,720.00	
	Allocations for Specific Purposes			7,525,190.00	7,525,190.00	
	Credits to Appropriations for Specific Purposes	2,233,709.74	4,683,384.19	4,040,065.00	1,910,657.00	2,129,398.00
	Transfer from General Fund for Specific Purposes			435,547.00	435,547.00	
	Total	\$ 22,344,463.21	\$ 28,089,437.07	\$ 61,268,522.00	\$ 59,139,124.00	\$ 2,129,398.00
MOTOR FUND RECEIPTS AVAILABLE						
		\$ 46,265,026.61	\$ 75,599,517.94	\$ 87,382,591.00	\$ 15,154,469.00	\$ 72,228,122.00
Add:	Appropriation Lapsed:					
	Interest and Redemption of Road Bonds 1925		341,619.67			
	Issuing Road Bonds 1925		15,624.81			
	Loan and Transfer Agent 1925		303.10			
	State Aid Highways 1925		105,338.13			
	State Aid Butler County 1925		49,305.27			
	County Bridges Destroyed 1927			48,004.00	48,004.00	
	State Aid Highways 1927			26,177.00	26,177.00	
	State Highway Bridges Destroyed 1927			78,417.00	78,417.00	
Add:	Balances from Prior Periods	4,072,017.31	16,696,556.19	25,001,745.00	25,001,745.00	† 6,116,407.00
TOTAL FUNDS AVAILABLE FOR MAINTENANCE AND CONSTRUCTION OF ROADS; SALARIES AND GENERAL EXPENSES						
		\$ 50,337,043.92	\$ 92,808,265.11	\$ 112,536,934.00	\$ 40,308,612.00	\$ 66,111,715.00
LESS EXPENDITURES—						
	Expended from State Appropriation for Maintenance, Repair and Construction of Roads; Salaries and General Expenses	33,640,487.73	67,806,519.82	105,653,688.00	46,425,219.00	59,228,469.00
BALANCE—						
	State Appropriation for Maintenance, Repair and Construction of Roads; Salaries and General Expenses—To Continue	\$ 16,696,556.19	\$ 25,001,745.29	\$ 6,883,246.00	\$ † 6,116,407.00	\$ 6,883,246.00
#	Includes \$345,855.00	Balances from Prior	Bienniums Reappropriated.			
*	\$650,000.00 estimated to be unexpended at	May 31, 1931.				
**	\$100,000.00 estimated to be unexpended at	May 31, 1931.				
†	Includes \$3,205,176.00	Balances from Prior	Bienniums Reappropriated. \$1,000,000.00 estimated to be unexpended at			
	Indicates Deduction.		May 31, 1931.			



## APPENDIX TO THE

## DEPARTMENT OF AGRICULTURE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
STATE FARM PRODUCTS SHOW FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-2	Salaries—Less than \$3.000 .....	\$ 1,800.00		\$ 3,100.00		\$ 3,100.00
B	Wages .....	4,273.90	\$ 7,784.14	8,763.00	\$ 4,163.00	4,600.00
C	Fees .....	456.49	333.70	332.00	332.00	
D	Office Supplies, Printing, Postage and Stationery .....	54.76	263.85	2,356.00	256.00	2,100.00
E	Traveling Expense .....	2,188.63	2,385.29	1,262.00	907.00	385.00
F	Telephone and Telegraph .....	97.16	127.69	215.00	50.00	165.00
H	Miscellaneous Supplies .....	2,416.63	5,858.43	8,403.00	1,903.00	6,500.00
I	Repairs .....		12.40			
J	Newspaper, Advertising and Notices ....	345.17	463.64	804.00	254.00	550.00
K	Light Heat, Power and Water .....	473.84	404.97	380.00	380.00	
L	Freight, Express, Cartage, Etc. ....	2,005.43	1,960.16	1,969.00	889.00	1,100.00
M	Rents .....	9,031.75	17,632.16	8,692.00	8,492.00	200.00
N	Food and Forage .....		908.37	2,433.00	433.00	2,000.00
O	Insurance, Surety and Fidelity Bonds ..		358.86	200.00		200.00
P-1	Equipment—Office .....			1,500.00		1,500.00
P-4	Equipment—Miscellaneous .....		7.50	12,036.00	36.00	12,000.00
U	Subsidies and Indemnities—Premiums and Prizes .....	9,979.79	4,401.00	16,700.00	700.00	16,000.00
Z	Refunds and Repayments of Receipts— Exhibit Sales Refunded to Exhibitors ..	35,056.15	46,362.21			
TOTAL EXPENDITURES .....		\$ 68,179.90	\$ 90,266.42	\$ 69,145.00	\$ 18,775.00	\$ 50,370.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

Balance from Prior Period .....	\$ 258.95	\$ 543.32			\$ 5,213.00
Receipts to Special Fund—1925-27 .....	68,464.27				
Receipts to Special Fund—1927-29 .....		92,009.33			
Receipts to Special Fund—1929-31 .....		1,250.16	\$ 76,588.00 #	\$ 23,988.00 #	52,600.00
TOTAL AVAILABLE FUNDS .....	\$ 68,723.22*	\$ 93,802.81*	\$ 76,588.00	\$ 23,988.00	\$ 57,813.00

## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 68,179.90				
Expended from State Appropriation during 1927-29 .....		\$ 90,237.37			
Expended from State Appropriation during 1929-31 .....		29.05	\$ 69,145.00	\$ 18,775.00	\$ 50,370.00
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 68,179.90*	\$ 90,266.42*	\$ 69,145.00	\$ 18,775.00	\$ 50,370.00

## BALANCE—

Balances Transferred .....	\$ 543.32	\$ 3,536.39	\$ 7,443.00	\$ 5,213.00	\$ 7,443.00
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# Includes \$3,536.39 transferred to State Treasury from State Farm Products Show Committee.  
Shown here for comparison only. Not in custody of the State Treasurer this period.

## DEPARTMENT OF BANKING

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## BANKING DEPARTMENT FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-1	Salaries—\$3,000 and Over .....	\$ 712,003.26	\$ 390,865.64	\$ 492,383.00	\$ 234,383.00	\$ 253,000.00
A-2	Salaries—Less than \$3,000 .....		425,420.46	509,288.00	227,113.00	282,175.00
B	Wages .....	3,563.00	6,961.72	6,863.00	3,263.00	3,600.00
C	Fees .....		34,232.82	31,858.00	14,858.00	17,000.00
D	Office Supplies, Printing, Postage and Stationery .....	14,861.61	19,328.10	32,263.00	9,763.00	22,500.00
E	Traveling Expense .....	255,191.83	267,770.00	316,737.00	143,887.00	172,850.00
F	Telephone and Telegraph .....	5,578.30	3,119.88	7,889.00	3,064.00	4,825.00
I	Repairs .....	98.61	407.59	897.00	297.00	600.00
K	Light, Heat, Power and Water .....	35.45	118.38	186.00	66.00	120.00
L	Freight, Express, Cartage, Etc. ....	1,373.63	778.00	1,121.00	521.00	600.00
M	Rents .....	19,355.33	11,521.04	20,934.00	10,186.00	10,748.00
O	Insurance, Surety and Fidelity Bonds ..			1,162.00	662.00	500.00
P-1	Equipment—Office .....	7,885.81	2,755.50	4,364.00	1,964.00	2,400.00
	Advance Requisitions .....				1,000.00	* 1,000.00
	Other Items .....	1,193.88				
TOTAL EXPENDITURES .....		\$ 1,021,140.71	\$ 1,163,279.13	\$ 1,425,945.00	\$ 651,027.00	\$ 774,918.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

Balances from Prior Period .....	\$ 28,820.93	\$ 48,612.80	\$ 28,547.00	\$ 28,547.00	\$ 5,283.00
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## Receipts:

Examination Fees .....	805,559.06	948,479.51	1,135,947.00	510,947.00	625,000.00
Overhead Charges .....	172,187.58	134,667.02	192,851.00	74,160.00	118,691.00
Licenses .....	55,372.00	51,912.00	68,064.00	39,533.00	28,531.00
Fees of Office .....	2,437.20	4,333.70	3,982.00	1,582.00	2,400.00
Interest on Deposits .....	2,935.66	3,797.44	3,541.00	1,541.00	2,000.00
Miscellaneous .....	2,441.08	23.78			

TOTAL AVAILABLE FUNDS .....	\$ 1,069,753.51	\$ 1,191,826.25	\$ 1,432,932.00	\$ 656,310.00	\$ 781,905.00
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 1,021,140.71				
Expended from State Appropriation during 1927-29 .....		\$ 1,163,279.13			
Expended from State Appropriation during 1929-31 .....			\$ 1,425,945.00	\$ 651,027.00	\$ 774,918.00

TOTAL EXPENDITURES (As Detailed Above) .....	\$ 1,021,140.71	\$ 1,163,279.13	\$ 1,425,945.00	\$ 651,027.00	\$ 774,918.00
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## BALANCE—

Balances Transferred .....	\$ 48,612.80	\$ 28,547.12	\$ 6,987.00	\$ 5,283.00	\$ 6,987.00
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\* Indicates Deduction.



## APPENDIX TO THE

## DEPARTMENT OF BANKING (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
SECURITIES COMMISSION FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-1	Salaries—\$3,000 and Over .....	\$ 110,424.50	\$ 96,534.53	\$ 103,378.00	\$ 50,038.00	\$ 53,340.00
A-2	Salaries—Less than \$3,000 .....		56,756.39	55,512.00	25,512.00	30,000.00
B	Wages .....	19,886.95	65.10	111.00	35.00	75.00
C	Fees .....		10,406.89	14,708.00	6,703.00	8,000.00
D	Office Supplies, Printing, Postage and Stationery .....	6,044.68	9,226.30	9,037.00	4,237.00	4,800.00
E	Traveling Expense .....	4,799.32	6,007.44	5,623.00	2,267.00	3,355.00
F	Telephone and Telegraph .....	1,722.95	1,368.28	1,561.00	661.00	840.00
I	Repairs .....	61.62	109.96	358.00	148.00	210.00
K	Light, Heat, Power and Water .....	475.19	446.98	628.00	268.00	360.00
L	Freight, Express, Cartage, Etc. ....	49.32	20.25	41.00	10.00	31.00
M	Rents .....	14,916.61	17,862.70	19,480.00	9,540.00	9,940.00
O	Insurance, Surety and Fidelity Bonds ..			226.00	126.00	100.00
P-1	Equipment—Office .....	3,311.55	2,659.59	6,764.00	3,164.00	3,600.00
	Advance Requisitions .....			372.00	232.00	140.00
	Other Items .....	548.84				
	Reserve .....			10,260.00		10,260.00
TOTAL EXPENDITURES .....		\$ 162,239.53	\$ 201,464.42	\$ 227,999.00	\$ 102,947.00	\$ 125,052.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balances from Prior Period .....	\$ 137,053.64	\$ 161,133.39	\$ 186,998.00	\$ 186,998.00	\$ 222,386.00	
Receipts:						
Application Fees .....	74,470.00	54,380.00	58,950.00	31,140.00	27,810.00	
Registration Fees .....	103,900.00	165,470.00	195,010.00	103,140.00	32,870.00	
Interest on Deposits .....	7,903.90	7,468.56	9,101.00	4,011.00	5,090.00	
Miscellaneous .....	40.38	10.80	44.00	44.00		
TOTAL AVAILABLE FUNDS .....	\$ 323,372.92	\$ 389,462.75	\$ 451,103.00	\$ 325,333.00	\$ 348,156.00	
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$ 162,239.53					
Expended from State Appropriation during 1927-29 .....		\$ 201,464.42				
Expended from State Appropriation during 1929-31 .....			\$ 227,999.00	\$ 102,947.00	\$ 125,052.00	
TOTAL EXPENDITURES (As Detailed Above) .....	\$ 162,239.53	\$ 201,464.42	\$ 227,999.00	\$ 102,947.00	\$ 125,052.00	
BALANCE—						
Balances Transferred .....	\$ 161,133.39	\$ 186,998.33	\$ 223,104.00	\$ 222,386.00	\$ 223,104.00	

## DEPARTMENT OF FORESTS AND WATERS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
FEDERAL ALLOTMENT FOREST PROTECTION FUND

B	Wages .....		\$ 84,116.00	\$ 32,966.00	\$ 51,150.00
C	Fees .....		30.00	5.00	25.00
D	Office Supplies, Printing, Postage and Stationery .....		32.00	7.00	25.00
E	Traveling Expense .....		11,722.00	4,622.00	7,100.00
F	Telephone and Telegraph .....		327.00	147.00	180.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		11.00	1.00	10.00
H	Miscellaneous Supplies .....		1,699.00	1,199.00	500.00
K	Light, Heat, Power and Water .....		12.00	2.00	10.00
M	Rents .....		365.00	165.00	200.00
P-4	Equipment—Miscellaneous .....		3,512.00	2,182.00	1,330.00
U	Subsidies and Indemnities .....		501.00	201.00	300.00
TOTAL EXPENDITURES .....			\$ 102,327.00	\$ 41,497.00	\$ 60,830.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—					
Balance from Prior Period .....					\$ 16,669.00
Receipts to Special Fund .....			97,124.00	48,064.00	49,060.00
Transfers from General Fund .....	Not in Existence this Period.		10,102.00	10,102.00	
TOTAL AVAILABLE FUNDS .....			\$ 107,226.00	\$ 58,166.00	\$ 65,729.00
LESS EXPENDITURES—					
Expended from State Appropriation during 1929-31 .....	Not in Existence this Period.		\$ 102,327.00	\$ 41,497.00	\$ 60,830.00
TOTAL EXPENDITURES (As Detailed Above) .....			\$ 102,327.00	\$ 41,497.00	\$ 60,830.00
BALANCE—					
Balances Transferred .....			\$ 4,899.00	\$ 16,669.00	\$ 4,899.00

## DEPARTMENT OF FORESTS AND WATERS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
FEDERAL FOREST NURSERY FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
B	Wages .....	Not in Existence this Period.		\$ 4,404.00	\$ 1,984.00	\$ 2,420.00
	TOTAL EXPENDITURES .....			\$ 4,404.00	\$ 1,984.00	\$ 2,420.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	Balance from Prior Period .....					\$ 421.00
	Receipts to Special Fund .....			\$ 4,409.00	\$ 2,404.00	2,005.00
	Transfers from General Fund .....	Not in Existence this Period.		1.00	1.00	
	TOTAL AVAILABLE FUNDS .....			\$ 4,410.00	\$ 2,405.00	\$ 2,426.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1929-31 .....	Not in Existence this Period.		\$ 4,404.00	\$ 1,984.00	\$ 2,420.00
	TOTAL EXPENDITURES (As Detailed Above) .....			\$ 4,404.00	\$ 1,984.00	\$ 2,420.00
BALANCE—						
	Balances Transferred .....			\$ 6.00	\$ 421.00	\$ 6.00

## ALL APPROPRIATIONS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
FISH FUND

A-1	Salaries—\$3,000 and Over .....	\$ 218,159.82	\$ 32,699.68	\$ 43,415.00	\$ 19,757.00	\$ 23,658.00
A-2	Salaries—Less than \$3,000 .....		199,281.81	228,673.00	102,033.00	126,640.00
B	Wages .....	42,259.48	83,608.86	167,888.00	73,388.00	94,500.00
C	Fees .....		7,541.92	2,788.00	1,188.00	1,600.00
D	Office Supplies, Printing, Postage, and Stationery .....	19,135.00	15,600.67	16,593.00	5,838.00	10,695.00
E	Traveling Expense .....	69,635.81	55,971.78	62,808.00	27,138.00	35,670.00
F	Telephone and Telegraph .....	6,334.65	5,983.96	8,228.00	3,603.00	4,625.00
G-1	Motor Supplies and Repairs—Passenger Cars .....	7,259.53	4,460.66	5,607.00	2,052.00	3,555.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....		13,142.59	28,481.00	12,836.00	15,645.00
H	Miscellaneous Supplies .....	34,740.82	85,989.49	150,375.00	63,075.00	87,300.00
I	Repairs .....	4,815.48	5,744.77	4,929.00	1,604.00	3,325.00
J	Newspaper Advertising and Notices .....	90.94	409.92	306.00	41.00	265.00
K	Light, Heat, Power and Water .....	11,115.03	14,442.75	27,795.00	10,515.00	17,280.00
L	Freight, Express and Cartage .....	1,201.48	1,467.01	1,281.00	336.00	945.00
M	Rents .....	635.03	1,159.10	2,448.00	968.00	1,480.00
N	Food and Forage .....	21,325.18	41,249.70	89,798.00	38,498.00	51,300.00
O	Insurance, Surety and Fidelity Bonds ..			5,894.00	2,499.00	3,395.00
P-1	Equipment—Office .....	3,074.19	1,629.45	3,154.00	934.00	2,200.00
P-2	Equipment—Motor, Passenger Cars .....		1,201.55	10,222.00	4,222.00	6,000.00
P-3	Equipment—Motor, Other than Passenger Cars .....	12,729.04	38,476.25	31,466.00	11,706.00	19,760.00
P-4	Equipment—Miscellaneous .....	28,705.73	52,716.49	31,478.00	13,448.00	18,030.00
S	Buildings and Construction .....	86,807.75	14,696.39	63,754.00	33,754.00	30,000.00
T	Land .....	34,027.43		25,600.00	600.00	25,000.00
U	Subsidies and Indemnities .....		50.00			
	Correction Prior Period .....	8.00				
Z	Refunds and Repayments of Receipts ..			200.00		200.00
	Advance Requisitions .....	571.04				
	Other Items .....	21,396.93				
	TOTAL EXPENDITURES .....	\$ 624,028.41	\$ 677,524.80	\$ 1,013,151.00	\$ 430,083.00	\$ 583,068.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	Balance from Prior Period .....	\$ 252,255.09	\$ 253,463.24	\$ 427,582.00	\$ 427,582.00	\$ 462,869.00
	Receipts to Special Fund .....	625,236.56	851,643.52	936,120.00	465,370.00	470,750.00
	TOTAL AVAILABLE FUNDS .....	\$ 877,491.65	\$ 1,105,106.76	\$ 1,363,702.00	\$ 892,952.00	\$ 933,619.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 624,028.41				
	Expended from State Appropriation during 1927-29 .....		\$ 677,524.80			
	Expended from State Appropriation during 1929-31 .....			\$ 1,013,151.00	\$ 430,083.00	\$ 583,068.00
	TOTAL EXPENDITURES (As Detailed Above) .....	\$ 624,028.41	\$ 677,524.80	\$ 1,013,151.00	\$ 430,083.00	\$ 583,068.00
BALANCE—						
	Balances Transferred .....	\$ 253,463.24	\$ 427,581.96	\$ 350,551.00	\$ 462,869.00	\$ 350,551.00



## APPENDIX TO THE

## BOARD OF FISH COMMISSIONERS

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## FISH FUND (Continued)

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MAINTENANCE AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	\$ 218,159.82	\$ 32,699.68	\$ 43,415.00	\$ 19,757.00	\$ 23,658.00
A-2	Salaries—Less than \$3,000 .....		199,281.81	288,673.00	102,033.00	126,640.00
B	Wages .....	42,259.48	83,608.86	167,888.00	73,388.00	94,500.00
C	Fees .....		7,541.92	2,788.00	1,188.00	1,600.00
D	Office Supplies, Printing, Postage and Stationery .....	19,135.00	15,600.67	11,147.00	5,327.00	5,820.00
E	Traveling Expense .....	69,635.81	55,971.78	62,808.00	27,138.00	35,670.00
F	Telephone and Telegraph .....	6,334.65	5,983.96	8,228.00	3,603.00	4,625.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		4,460.66	5,607.00	2,052.00	3,555.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	7,259.53	13,142.59	28,481.00	12,836.00	15,645.00
H	Miscellaneous Supplies .....	34,740.82	85,989.49	127,345.00	52,445.00	74,900.00
I	Repairs .....	4,815.48	5,744.77	4,929.00	1,604.00	3,325.00
J	Newspaper Advertising and Notices ....	90.94	409.92	306.00	41.00	265.00
K	Light, Heat, Power and Water .....	11,115.08	14,442.75	27,795.00	10,515.00	17,280.00
L	Freight, Express, Cartage, Etc. ....	1,201.48	1,467.01	781.00	336.00	445.00
M	Rents .....	635.03	1,159.10	2,448.00	968.00	1,480.00
N	Food and Forage .....	21,325.18	41,249.70	89,798.00	38,498.00	51,300.00
O	Insurance, Surety and Fidelity Bonds ..			5,894.00	2,499.00	3,395.00
P-1	Equipment—Office .....	3,074.19	1,629.45	3,134.00	934.00	2,200.00
P-2	Equipment—Motor, Passenger Cars ....		1,201.55	10,222.00	4,222.00	6,000.00
P-3	Equipment—Motor, Other than Passenger Cars .....	12,729.04	38,476.25	31,466.00	11,706.00	19,760.00
P-4	Equipment—Miscellaneous .....	28,705.73	52,716.49	31,478.00	13,448.00	18,030.00
S	Buildings and Construction .....	86,807.75	14,696.39	63,754.00	33,754.00	30,000.00
T	Land .....	34,027.43		25,600.00	600.00	25,000.00
U	Subsidies and Indemnities .....		50.00			
	Correction Prior Period .....	8.00				
Z	Refunds and Repayments of Receipts ...			200.00		200.00
	Advance Requisitions .....	571.00				
	Other Items .....	21,396.93				
TOTAL EXPENDITURES .....		\$ 624,028.41	\$ 677,524.80	\$ 984,185.00	\$ 418,892.00	\$ 565,293.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATION—GENERAL FUND—						
O	Insurance, Surety and Fidelity Bonds ...	\$ 349.17	\$ 285.76			
TOTAL EXPENDED BY PROPERTY AND SUPPLIES .....		\$ 349.17	\$ 285.76			
EXPENDED BY LABOR AND INDUSTRY—Com- pensation for Injured State Employees .....						
			\$ 17.93	(4)	(4)	(4)
GRAND TOTAL EXPENDITURES .....		\$ 624,377.58	\$ 677,828.49	\$ 984,185.00	\$ 418,892.00	\$ 565,293.00
SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES (Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)						
AVAILABLE FUNDS—						
State Appropriation—						
	Balance from Prior Period .....	\$ 252,255.09	\$ 253,463.24	\$ 427,582.00	\$ 427,582.00	\$ 462,869.00
	Allocation from Fish Fund .....	625,236.56	851,643.52	907,154.00	454,179.00	452,975.00
TOTAL AVAILABLE FUNDS .....		\$ 877,491.65	\$ 1,105,106.76	\$ 1,334,736.00	\$ 881,761.00	\$ 915,844.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 624,028.41				
	Expended from State Appropriation during 1927-29 .....		\$ 677,524.80			
	Expended from State Appropriation during 1929-31 .....			\$ 984,185.00	\$ 418,892.00	\$ 565,293.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 624,028.41	\$ 677,524.80	\$ 984,185.00	\$ 418,892.00	\$ 565,293.00
BALANCE—						
	Balances Transferred .....	\$ 253,463.24	\$ 427,581.96	\$ 350,551.00	\$ 462,869.00	\$ 350,551.00

Notes: (4) Compensation Insurance carried with State Workmen's Insurance Fund these periods. Cost included in Item O.

## DEPARTMENT OF REVENUE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
FISH FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual	Estimated
					June 1, 1929 To May 31, 1930	June 1, 1930 To May 31, 1931
COLLECTING FISHING LICENSE FEES AND FINES						
D	Office Supplies, Printing, Postage and Stationery .....	No Allocations during these periods.		\$ 5,436.00	\$ 561.00	\$ 4,875.00
H	Miscellaneous Supplies .....			23,030.00	10,630.00	12,400.00
L	Freight, Express, Cartage, Etc. ....			500.00	.....	500.00
TOTAL EXPENDITURES .....				\$ 28,966.00	\$ 11,191.00	\$ 17,775.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—							
Allocation from Fish Fund .....	No Allocation during these periods.	\$	28,966.00	\$	11,191.00	\$	17,775.00
TOTAL AVAILABLE FUNDS .....		\$	28,966.00	\$	11,191.00	\$	17,775.00
LESS EXPENDITURES—							
Expended from State Appropriation during 1929-31 .....	No Allocation during these periods	\$	28,966.00	\$	11,191.00	\$	17,775.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$	28,966.00	\$	11,191.00	\$	17,775.00

## ALL APPROPRIATIONS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GAME FUND

A-1	Salaries—\$3,000 and Over .....	\$ 29,085.00	\$ 39,443.39	\$ 45,811.00	\$ 19,851.00	\$ 25,960.00
A-2	Salaries—Less than \$3,000 .....	427,826.95	462,446.70	508,749.00	243,839.00	264,910.00
B	Wages .....	50,504.94	85,011.61	140,210.00	67,110.00	73,100.00
C	Fees .....		209,626.77	222,867.00	120,467.00	102,400.00
D	Office Supplies, Printing, Postage, and Stationery .....	72,448.26	77,037.65	88,026.00	47,826.00	40,200.00
E	Traveling Expense .....	202,161.58	233,884.00	252,256.00	123,628.00	128,628.00
F	Telephone and Telegraph .....	11,503.14	14,430.76	16,361.00	8,036.00	8,325.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		22,032.37	22,482.00	8,741.00	13,741.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	9,946.21	4,000.87	5,143.00	2,443.00	2,700.00
H	Miscellaneous Supplies .....	191,192.85	212,829.29	225,981.00	90,081.00	135,900.00
I	Repairs .....	9,337.70	23,058.53	24,801.00	11,826.00	12,975.00
J	Newspaper Advertising and Notices .....	2,477.62	8,729.88	3,076.00	1,276.00	1,800.00
K	Light, Heat, Power and Water .....			844.00	144.00	700.00
L	Freight, Express and Cartage .....	44,264.27	48,135.47	21,032.00	17,007.00	4,025.00
M	Rents .....	3,284.18	3,871.35	4,620.00	2,060.00	2,560.00
N	Food and Forage .....	25,382.94	24,595.16	63,124.00	29,879.00	33,245.00
O	Insurance, Surety and Fidelity Bonds ..			4,482.00	1,991.00	2,491.00
P-1	Equipment—Office .....	2,949.74	4,422.42	5,703.00	2,203.00	3,500.00
P-2	Equipment—Motor, Passenger Cars .....		3,326.70	4,285.00	3,285.00	1,000.00
P-3	Equipment—Motor, Other than Passenger Cars .....	15,977.30	18,427.53	27,200.00	8,600.00	18,600.00
P-4	Equipment—Miscellaneous .....	6,724.54	21,762.97	43,120.00	27,420.00	15,700.00
S	Buildings and Construction .....	34,746.05	76,649.99	50,401.00	12,901.00	37,500.00
T	Land .....	45,279.26	256,408.50	785,641.00	268,863.00	516,788.00
U	Subsidies and Indemnities .....	12,347.78	18,379.20	10,410.00	4,410.00	6,000.00
V	Fixed Charges, Debt Interest and Sinking Fund .....			23,292.00	8,192.00	15,100.00
Z	Fefunds and Repayments of Receipts ..			896.00	179.00	717.00
	Advance Requisitions .....	7,300.17				
	Other Items .....	173,448.52				
<b>TOTAL EXPENDITURES</b> .....		\$ 1,378,189.00	\$ 1,868,511.11	\$ 2,600,813.00	\$ 1,132,258.00	\$ 1,468,555.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
<b>State Appropriation—</b>						
Balance from Prior Period .....		\$ 196,943.26	\$ 275,443.77	\$ 599,990.00	\$ 599,990.00	\$ 608,870.00
Receipts to Special Fund .....		1,456,689.51	2,193,057.79	2,319,710.00	1,141,138.00	1,178,572.00
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 1,653,632.77	\$ 2,468,501.56	\$ 2,919,700.00	\$ 1,741,128.00	\$ 1,787,442.00
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....		\$ 1,378,189.00				
Expended from State Appropriation during 1927-29 .....			\$ 1,868,511.11			
Expended from State Appropriation during 1929-31 .....				\$ 2,600,813.00	\$ 1,132,258.00	\$ 1,468,555.00
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....		\$ 1,378,189.00	\$ 1,868,511.11	\$ 2,600,813.00	\$ 1,132,258.00	\$ 1,468,555.00
<b>BALANCE—</b>						
Balances Transferred .....		\$ 275,443.77	\$ 599,990.45	\$ 318,887.00	\$ 608,870.00	\$ 318,887.00



## APPENDIX TO THE

## BOARD OF GAME COMMISSIONERS

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GAME FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
MAINTENANCE AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	\$ 29,085.00	\$ 39,443.39	\$ 45,811.00	\$ 19,851.00	\$ 25,960.00
A-2	Salaries—Less than \$3,000 .....	427,826.95	462,446.70	508,749.00	243,839.00	264,910.00
B	Wages .....	50,504.94	85,011.61	140,210.00	67,110.00	73,100.00
C	Fees .....		209,626.77	222,867.00	120,467.00	102,400.00
D	Office Supplies, Printing, Postage and Stationery .....	72,448.26	77,037.65	41,133.00	19,433.00	21,700.00
E	Traveling Expense .....	202,161.53	233,884.00	252,256.00	123,628.00	123,628.00
F	Telephone and Telegraph .....	11,503.00	14,430.76	16,361.00	8,036.00	8,325.00
G-1	Motor Supplies and Repairs—Passenger Cars .....		22,032.37	22,482.00	8,741.00	13,741.00
G-2	Motor Supplies and Repairs—All Other than Passenger Cars .....	9,946.21	4,000.87	5,143.00	2,443.00	2,700.00
H	Miscellaneous Supplies .....	191,192.85	212,829.29	225,981.00	90,081.00	135,900.00
I	Repairs .....	9,337.70	23,058.53	24,801.00	11,826.00	12,975.00
J	Newspaper Advertising and Notices ....	2,477.62	8,729.88	3,076.00	1,276.00	1,800.00
K	Light, Heat, Power and Water .....			844.00	144.00	700.00
L	Freight, Express, Cartage, Etc. ....	44,264.27	48,135.47	20,446.00	16,921.00	3,525.00
M	Rents .....	3,284.18	3,871.35	4,620.00	2,060.00	2,560.00
N	Food and Forage .....	25,382.94	24,595.16	63,124.00	29,879.00	33,245.00
O	Insurance, Surety and Fidelity Bonds ..			4,482.00	1,991.00	2,491.00
P-1	Equipment—Office .....	2,949.74	4,422.42	5,703.00	2,203.00	3,500.00
P-2	Equipment—Motor, Passenger Cars ....		18,427.53	27,200.00	8,600.00	18,600.00
P-3	Equipment—Motor, Other than Passenger Cars .....	15,977.30	3,326.70	4,285.00	3,285.00	1,000.00
P-4	Equipment—Miscellaneous .....	6,724.54	21,762.97	43,120.00	27,420.00	15,700.00
S	Buildings and Construction .....	34,746.05	76,649.99	50,401.00	12,901.00	37,500.00
T	Land .....	45,279.26	256,408.50	785,641.00	268,863.00	516,778.00
U	Subsidies and Indemnities .....	12,347.78	18,379.20	10,410.00	4,410.00	6,000.00
V	Fixed Charges, Debt Interest, and Sink- ing Fund .....			23,292.00	8,192.00	15,100.00
Z	Refunds and Repayments of Receipts ...			500.00		500.00
	Advance Requisitions .....	7,300.17				
	Other Items .....	173,448.52				
TOTAL EXPENDITURES .....		\$ 1,378,189.00	\$ 1,868,511.11	\$ 2,552,938.00	\$ 1,103,600.00	\$ 1,449,338.00
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
O	Insurance, Surety and Fidelity Bonds ..	\$ 159.58	\$ 615.44		\$ 83.00	\$ 83.00*
TOTAL EXPENDED BY PROPERTY AND SUP- PLIES FROM ALLOCATIONS .....		\$ 159.58	\$ 615.44		\$ 83.00	\$ 83.00*
EXPENDED BY LABOR AND INDUSTRY—Com- pensation for Injured State Employees .....						
GRAND TOTAL EXPENDITURES .....		\$ 1,378,348.58	\$ 1,870,756.98	\$ 2,556,382.00	\$ 1,104,613.00	\$ 1,451,769.00

SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES  
(Exclusive of Property and Supplies Allocations and Expenditures by Labor and Industry)

## AVAILABLE FUNDS—

State Appropriations—						
	Balance from Prior Period .....	\$ 196,943.26	\$ 275,443.77	\$ 599,990.00	\$ 599,990.00	\$ 608,870.00
	Allocation from Game Fund .....	1,456,689.51	2,193,057.79	2,271,835.00	1,112,480.00	1,159,355.00
TOTAL AVAILABLE FUNDS .....		\$ 1,653,632.77	\$ 2,468,501.56	\$ 2,871,825.00	\$ 1,712,470.00	\$ 1,768,225.00
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 1,278,189.00				
	Expended from State Appropriation during 1927-29 .....		\$ 1,868,511.11			
	Expended from State Appropriation during 1929-31 .....			\$ 2,552,938.00	\$ 1,103,600.00	\$ 1,449,338.00
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 1,378,189.00	\$ 1,868,511.11	\$ 2,552,938.00	\$ 1,103,600.00	\$ 1,449,338.00
BALANCE—						
	Balance Transferred .....	\$ 275,443.77	\$ 599,990.45	\$ 318,887.00	\$ 608,870.00	\$ 318,887.00

\* Indicates Deduction.

(4) Compensation Insurance Carried with State Workmen's Insurance Fund these periods. Cost included in Item. O. These amounts represent payments on old liabilities.

## DEPARTMENT OF REVENUE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GAME FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
COLLECTING HUNTING LICENSE FEES AND FINES						
D	Office Supplies, Printing, Postage and Stationery .....			\$ 46,893.00	\$ 28,393.00	\$ 18,500.00
L	Freight, Express, Cartage, Etc. ....	No Allocation during these periods		586.00	86.00	500.00
	TOTAL EXPENDITURES .....			\$ 47,479.00	\$ 28,479.00	\$ 19,000.00

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	Allocation from Game Fund .....	No Allocation during these periods	\$ 47,479.00	\$ 28,479.00	\$ 19,000.00	
	TOTAL AVAILABLE FUNDS .....		\$ 47,479.00	\$ 28,479.00	\$ 19,000.00	
LESS EXPENDITURES—						
	Expended from State Appropriation during 1929-31 .....	No Allocation during these periods	\$ 47,479.00	\$ 28,479.00	\$ 19,000.00	
	TOTAL EXPENDITURES (As Detailed Above) .....		\$ 47,479.00	\$ 28,479.00	\$ 19,000.00	

## TREASURY DEPARTMENT—BOARD OF FINANCE AND REVENUE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
GAME FUND

REFUNDING HUNTING LICENSE FEES						
Z	Refunds and Repayment of Receipts ...	No Allocation during these periods	\$ 396.00	\$ 179.00	\$ 217.00	
	TOTAL EXPENDITURES .....		\$ 396.00	\$ 179.00	\$ 217.00	

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	Allocation from Game Fund .....	No Allocation during these periods	\$ 396.00	\$ 179.00	\$ 217.00	
	TOTAL AVAILABLE FUNDS .....		\$ 396.00	\$ 179.00	\$ 217.00	
LESS EXPENDITURES—						
	Expended from State Appropriation during 1929-31 .....	No Allocation during these periods	\$ 396.00	\$ 179.00	\$ 217.00	
	TOTAL EXPENDITURES (As Detailed Above) .....		\$ 396.00	\$ 179.00	\$ 217.00	



## APPENDIX TO THE

## DEPARTMENT OF AGRICULTURE

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## DOG FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARIES AND GENERAL EXPENSES						
A-1	Salaries—\$3,000 and Over .....	\$ 100,959.84				
A-2	Salaries—Less than \$3,000 .....	444,684.36				
B	Wages .....	17,559.42				
C	Fees .....	122,674.20				
D	Office Supplies, Printing, Postage and Stationery .....	24,412.02				
E	Traveling Expense .....	195,380.51				
F	Telephone and Telegraph .....	6,004.85				
G-1	Motor Supplies and Repairs—Passenger Cars .....	12,513.60				
H	Miscellaneous Supplies .....	44,463.86				
I	Repairs .....	253.61				
J	Newspaper Advertising and Notices .....	980.27				
K	Light, Heat, Power and Water .....	1,928.93				
L	Freight, Express, Cartage, Etc. ....	1,715.36				
M	Rents .....	4,323.36				
N	Food and Forage .....	4,675.85				
P-1	Equipment—Office .....	4,469.40				
P-2	Equipment—Motor, Passenger Cars .....	4,036.45				
P-4	Equipment—Miscellaneous .....	1,202.16				
S	Buildings and Construction .....	53,423.58				
U	Subsidies and Indemnities .....	153,841.98				
	Other Items .....	443.79				
TOTAL EXPENDITURES .....		\$ 1,199,997.40				

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS—</b>						
State Appropriation—From Dog Fund—Animal Industry .....						
		\$ 750,000.00				
State Appropriation—From Dog Fund—Dog Law Enforcement .....						
		450,000.00				
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 1,200,000.00				
<b>LESS EXPENDITURES—</b>						
Expended from State Appropriation during 1925-27 .....						
		\$ 1,199,997.40				
<b>TOTAL EXPENDITURES</b> (As Detailed Above) .....		\$ 1,199,997.40				
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A 1927 or Act 402, 1929 .....						
		\$ 2.60				

## DEPARTMENT OF AGRICULTURE (Continued)

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## DOG FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
ANIMAL INDEMNITIES						
B	Wages .....	\$	6,565.90	.....	.....	.....
C	Fees .....			.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....		860.34	.....	.....	.....
E	Traveling Expense .....		619.14	.....	.....	.....
F	Telephone and Telegraph .....		574.93	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....		745.44	.....	.....	.....
H	Miscellaneous Supplies .....		1,347.56	.....	.....	.....
I	Repairs .....		256.72	.....	.....	.....
J	Newspaper Advertising and Notices .....		7.70	.....	.....	.....
K	Light, Heat, Power and Water .....		290.94	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....		256.20	.....	.....	.....
M	Rents .....		148.50	.....	.....	.....
N	Food and Forage .....		106.08	.....	.....	.....
P-1	Equipment—Office .....		295.90	.....	.....	.....
P-2	Equipment—Motor Passenger Cars .....		1,261.82	.....	.....	.....
P-4	Equipment—Miscellaneous .....		216.86	.....	.....	.....
S	Buildings and Construction .....		1,356.07	.....	.....	.....
U	Subsidies and Indemnities .....		303,702.80	.....	.....	.....
	Other Items .....		89.41	.....	.....	.....
TOTAL EXPENDITURES .....		\$	318,702.31	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

<b>AVAILABLE FUNDS</b>						
State Appropriation—From Dog Fund—Re-						
search, Animal Indemnities—Deficiency ....		\$ 15,000.00				
State Appropriation—From Dog Fund—Animal						
Indemnities—Deficiency .....		340,000.00				
<b>TOTAL AVAILABLE FUNDS</b> .....		\$ 355,000.00				
<b>LESS EXPENDITURES</b>						
Expended from State Appropriation during						
1925-27 .....		\$ 58,669.51				
Expended from State Appropriation during						
1927-29 .....		260,032.80				
<b>TOTAL EXPENDITURES (As Detailed</b>						
Above) .....		\$ 318,702.31				
<b>BALANCE—</b>						
State Appropriation Lapsed Under Act 25-A						
1927 or Act 402, 1929 .....		\$ 36,297.69				



## APPENDIX TO THE

DEPARTMENT OF AGRICULTURE (Continued)  
 STATEMENT OF ACTUAL EXPENDITURES BY PERIODS  
 DOG FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
1923-1925 APPROPRIATIONS (a)						
Maintenance—Animal Industry .....	\$	23,699.68	.....	.....	.....	.....
Dog Law Enforcement .....		8,527.23	.....	.....	.....	.....
1923-1925 DEFICIENCY APPROPRIATIONS						
Maintenance—Department of Agriculture \$101,- 000.00) .....		18,933.46	.....	.....	.....	.....
Animal Indemnities (\$250,000.00) .....		98,618.40	.....	.....	.....	.....
1925-1927 APPROPRIATIONS .....						
Maintenance—Animal Industry (\$750,000.00) ..		749,999.40	.....	.....	.....	.....
Dog Law Enforcement (\$450,000.00) .....		449,998.00	.....	.....	.....	.....
1925-1927 DEFICIENCY APPROPRIATIONS						
Animal Indemnities (\$340,000.00) .....		54,580.18	\$ 249,122.62	.....	.....	.....
Research—Animal Indemnities (\$15,000.00) .....		4,089.33	10,910.18	.....	.....	.....
<b>TOTAL EXPENDITURES</b> .....	\$	1,408,445.68	\$ 260,032.80	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balance Beginning of Period .....	\$	365,357.17	\$ 293,321.97	.....	.....	.....
Receipts:						
License Fees .....		1,208,821.99	.....	.....	.....	.....
Fines .....		109,392.00	.....	.....	.....	.....
Recovered Damage .....		3,037.91	.....	.....	.....	.....
Refunded Cash .....		1,797.33	.....	.....	.....	.....
Sale of Farm Products .....		2,995.10	.....	.....	.....	.....
Interest .....		11,366.15	.....	.....	.....	.....
<b>TOTAL AVAILABLE FUNDS</b> .....	\$	1,701,767.65	\$ 293,321.97	.....	.....	.....
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	1,408,445.68	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....			\$ 260,032.80	.....	.....	.....
<b>TOTAL EXPENDITURES (As Detailed Above)</b> .....	\$	1,408,445.68	\$ 260,032.80	.....	.....	.....
BALANCE—						
Balance Transferred to Next Biennium .....	\$	293,321.97	.....	.....	.....	.....
Balance Transferred to General Fund—Act 428, 1927 .....			\$ 33,289.17	.....	.....	.....

(a) Blanket Appropriation to Department of Agriculture for purposes indicated, Section 16, Act of May 11, 1921, P. L. 522, amended March 16, 1925, P. L. 16.

## DEPARTMENT OF AGRICULTURE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
EXPERIMENTAL AGRICULTURE FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-1	Salaries—\$3,000 and Over .....	\$ 229.16	.....	.....	.....	.....
A-2	Salaries—Less than \$3,000 .....	2,217.50	.....	.....	.....	.....
B	Wages .....	1,749.25	.....	.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....	15.00	.....	.....	.....	.....
E	Traveling Expense .....	1.80	.....	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....	31.54	.....	.....	.....	.....
H	Miscellaneous Supplies .....	16.75	.....	.....	.....	.....
K	Light, Heat, Power and Water .....	13.30	.....	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....	17.50	.....	.....	.....	.....
N	Food and Forage .....	53.01	.....	.....	.....	.....
S	Buildings and Construction .....	8,779.31	.....	.....	.....	.....
	Other Items .....	135.00	.....	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 13,259.12	.....	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	Balance from Prior Period .....	\$ 12,871.71	.....	.....	.....	.....
	Receipts to Special Fund .....	442.13	.....	.....	.....	.....
	Receipts to Special Fund—1927-1929 .....	29.40	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....		\$ 13,343.24	.....	.....	.....	.....
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 13,259.12	.....	.....	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 13,259.12	.....	.....	.....	.....
BALANCE—						
	Balance Transferred to General Fund (Act 428—1927) .....	\$ 84.12	.....	.....	.....	.....

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## BUREAU OF MARKETS FUND

B	Wages .....	\$ 5,532.50	.....	.....	.....	.....
C	Fees .....	3,130.35	.....	.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....	189.38	.....	.....	.....	.....
E	Traveling Expense .....	2,453.04	.....	.....	.....	.....
F	Telephone and Telegraph .....	43.79	.....	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....	900.25	.....	.....	.....	.....
H	Miscellaneous Supplies .....	1,309.81	.....	.....	.....	.....
M	Rents .....	190.80	.....	.....	.....	.....
P-4	Equipment—Miscellaneous .....	453.76	.....	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 14,203.68	.....	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
	Balance from Prior Period .....	\$ 2,247.91	.....	.....	.....	.....
	Receipts:					
	Fruit and Vegetable Inspection .....	9,021.90	.....	.....	.....	.....
	Poultry Certification .....	3,183.95	.....	.....	.....	.....
	Interest .....	149.45	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....		\$ 14,603.21	.....	.....	.....	.....
LESS EXPENDITURES—						
	Expended from State Appropriation during 1925-27 .....	\$ 14,203.68	.....	.....	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....		\$ 14,203.68	.....	.....	.....	.....
BALANCE—						
	Balance Transferred to General Fund (Act 428—1927) .....	\$ 399.53	.....	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF AGRICULTURE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
CARBONATED BEVERAGE FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-1	Salaries—\$3,000 and Over .....	\$ 18,626.78	.....	.....	.....	.....
A-2	Salaries—Less than \$3,000 .....	.....	.....	.....	.....	.....
B	Wages .....	7,307.75	.....	.....	.....	.....
C	Fees .....	.....	.....	.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....	63.52	.....	.....	.....	.....
E	Traveling Expense .....	13,531.71	.....	.....	.....	.....
F	Telephone and Telegraph .....	1.52	.....	.....	.....	.....
H	Miscellaneous Supplies .....	20.32	.....	.....	.....	.....
P-4	Equipment—Miscellaneous .....	314.20	.....	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 39,865.80	.....	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Receipts .....	\$	93,690.62	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$	93,690.62	.....	.....	.....	.....
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	38,603.84	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....		1,261.96	.....	.....	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$	39,865.80	.....	.....	.....	.....
BALANCE—						
Transferred to the General Fund .....	\$	32,436.64	.....	.....	.....	.....
Transferred to the General Fund (Act 428, 1927)		21,388.18	.....	.....	.....	.....

## DEPARTMENT OF HIGHWAYS

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## STATE BOND ROAD FUND

B	Wages .....		766,834.55	.....	.....	.....
I	Repairs .....	\$ 2,515,031.17	\$ 12,014.21	.....	.....	.....
S	Buildings and Construction .....	54,654,160.74	14,156,894.01	.....	.....	.....
U	Subsidies and Indemnities .....		7,623.19	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 57,169,191.91	\$ 14,943,365.96	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balance from Prior Periods .....	\$	18,373,888.14	\$ 8,470,074.68	.....	.....	.....
Receipts:						
Sale of Bonds including Premiums and Ac- crued Interest .....		30,129,999.91	584.79	.....	.....	.....
Bank Penalty on Interest .....			1,530.10	.....	.....	.....
Interest on Overdue Accounts .....		574,995.45	200,536.98	.....	.....	.....
Interest on Deposits including Penalties .....		14,154.32	42,149.65	.....	.....	.....
Refunded Cash .....		7,970,890.39	3,065,948.38	.....	.....	.....
Highway Construction Refunds .....		8,575,340.38	3,162,541.65	.....	.....	.....
Federal Aid .....				.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$	65,639,266.59	\$ 14,943,366.23	.....	.....	.....
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	57,169,191.91	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....			14,943,365.96	.....	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$	57,169,191.91	\$ 14,943,365.96	.....	.....	.....
BALANCE—						
Balance Transferred to Next Biennium .....	\$	8,470,074.68	.....	.....	.....	.....
Balance Transferred to Motor Fund .....			.27	.....	.....	.....

## INSURANCE DEPARTMENT

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## INSURANCE DEPARTMENT FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
SALARY OF THE COMMISSIONER		\$	15,000.00			
SALARIES AND GENERAL EXPENSES						
EXPENDED FROM DEPARTMENTAL APPROPRIATION FOR—						
A-1	Salaries—\$3,000 and Over .....	202,143.33				
A-2	Salaries—Less than \$3,000 .....					
B	Wages .....	10,885.35				
C	Fees .....					
D	Office Supplies, Printing, Postage, and Stationery .....	17,181.64				
E	Travelling Expenses .....	18,965.02				
F	Telephone and Telegraph .....	518.45				
G-1	Motor Supplies and Repairs—Passenger Cars .....	51.57				
H	Miscellaneous Supplies .....	665.71				
I	Repairs .....	248.92				
L	Freight, Express and Cartage .....	165.92				
N	Food and Forage .....	1,918.84				
P-1	Equipment—Office .....	12,963.02				
P-2	Equipment—Motor, Passenger Cars .....	3,016.40				
	Other Items .....	281.44				
TOTAL EXPENDITURES .....		284,006.61				
EXPENDED FROM PROPERTY AND SUPPLIES ALLOCATIONS—						
D-1	Office Supplies .....	526.12				
D-2	Printing and Binding .....	3,666.71				
F	Telephone, Telegraph and Leased Office Devices .....	1,843.34				
H	Miscellaneous Supplies .....	(1)				
I	Repairs .....	(1)				
M	Rents .....	10,530.00				
N	Food and Forage .....	(2)				
O	Insurance, Surety and Fidelity Bonds ..	103.50				
P-1	Equipment—Office .....	(1)				
P-2	Equipment—Motor, Passenger Cars .....	(2)				
P-4	Equipment—Miscellaneous .....	(1)				
TOTAL EXPENDED BY PROPERTY AND SUPPLIES FROM ALLOCATIONS .....		\$	16,674.67			
GRAND TOTAL EXPENDITURES .....		\$	300,681.28			

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

(Exclusive of Property and Supplies, Allocations and Expenditures by Labor and Industry)

## AVAILABLE FUNDS—

State Appropriation—From Insurance Department Fund—

Salaries and General Expenses .....

\$ 350,000.00

State Appropriation—Credits—1925-1927 .....

51.94

TOTAL AVAILABLE FUNDS .....

\$ 350,051.94

LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....

\$ 280,945.30

Expended from State Appropriation during 1927-29 .....

3,061.31

TOTAL EXPENDITURES (As Detailed Above) .....

\$ 284,006.61

BALANCE—

State Appropriation Lapsed Under Act Creating Fund .....

\$ 66,045.33

Notes: (1) Included with Office Supplies these periods.  
 (2) No allocation these periods.



## APPENDIX TO THE

## DEPARTMENT OF LABOR AND INDUSTRY

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## BEDDING AND UPHOLSTERY FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-1	Salaries—\$3,000 and Over .....	\$ 6,450.00	\$ 11,540.00	.....	.....	.....
A-2	Salaries—Less than \$3,000 .....	36,438.02	60,122.91	.....	.....	.....
B	Wages .....	759.60	160.00	.....	.....	.....
C	Fees .....		8,239.76	.....	.....	.....
D	Office Supplies, Printing, Postage, and Stationery .....	9,753.74	11,036.64	.....	.....	.....
E	Travelling Expense .....	9,271.61	12,702.17	.....	.....	.....
F	Telephone and Telegraph .....	218.40	192.95	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....	3,564.48	10,735.33	.....	.....	.....
H	Miscellaneous Supplies .....	324.92	525.54	.....	.....	.....
K	Light, Heat, Power and Water .....		66.27	.....	.....	.....
L	Freight, Express and Cartage .....	71.97	82.52	.....	.....	.....
M	Rents .....	1,461.53	4,628.65	.....	.....	.....
P-1	Equipment—Office .....	648.46	2,297.07	.....	.....	.....
P-2	Equipment—Motor, Passenger Cars .....	10,860.58	15,960.13	.....	.....	.....
	Other Items .....	7,402.71		.....	.....	.....
TOTAL EXPENDITURES .....		\$ 87,231.07	\$ 138,489.94	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balance from Prior Period .....	\$	24,882.16	\$	33,032.55	.....	.....
Receipts to Special Fund .....		95,381.46		108,906.00	.....	.....
Receipts to Special Fund 1929-30 .....				5,023.39	.....	.....
TOTAL AVAILABLE FUNDS .....	\$	120,263.62	\$	146,961.94	.....	.....
LESS EXPENDITURES						
Expended from State Appropriation during 1925-27 .....	\$	87,231.07	.....	.....	.....	.....
Expended from State Appropriation during 1927-29 .....			\$	123,552.42	.....	.....
Expended from State Appropriation during 1929-31 .....				14,937.52	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$	87,231.07	\$	138,489.94	.....	.....
BALANCE						
Balance Transferred to Next Biennium .....	\$	33,032.55	.....	.....	.....	.....
Balance Transferred to General Fund .....			\$	8,472.00	.....	.....

## DEPARTMENT OF LABOR AND INDUSTRY (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
BOILER INSPECTION FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-1	Salaries—\$3,000 and Over .....	\$ 111,760.58	.....	.....	.....	.....
A-2	Salaries—Less than \$3,000 .....	.....	.....	.....	.....	.....
B	Wages .....	15.00	.....	.....	.....	.....
C	Fees .....	.....	.....	.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....	329.42	.....	.....	.....	.....
E	Traveling Expense .....	18,182.32	.....	.....	.....	.....
F	Telephone and Telegraph .....	481.66	.....	.....	.....	.....
G-1	Motor Supplies and Repairs—Passenger Cars .....	2,019.07	.....	.....	.....	.....
H	Miscellaneous Supplies .....	13.50	.....	.....	.....	.....
I	Repairs .....	45.50	.....	.....	.....	.....
K	Light, Heat, Power and Water .....	3.48	.....	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....	56	.....	.....	.....	.....
M	Rents .....	579.85	.....	.....	.....	.....
P-1	Equipment—Office .....	5.00	.....	.....	.....	.....
P-2	Equipment—Motor, Passenger Cars ....	1,259.69	.....	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 124,915.63	.....	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balance from Prior Period .....	\$	46,072.84	.....	.....	.....	.....
Receipts:						
Inspection Fees .....		87,199.54	.....	.....	.....	.....
Interest and Check Collection .....		1,779.51	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$	135,051.89	.....	.....	.....	.....
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	134,915.63	.....	.....	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$	134,915.63	.....	.....	.....	.....
BALANCE—						
Balance Transferred to General Fund (Act 428, 1927) .....	\$	136.26	.....	.....	.....	.....

## DEPARTMENT OF LABOR AND INDUSTRY (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
ELEVATOR INSPECTION FUND

A-1	Salaries—\$3,000 and Over .....	\$ 12,058.67	.....	.....	.....	.....
A-2	Salaries—Less than \$3,000 .....	.....	.....	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 12,058.67	.....	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balance from Prior Period .....	\$	1,398.76	.....	.....	.....	.....
Receipts:						
Elevator Inspection Fees .....		10,770.00	.....	.....	.....	.....
Interest .....		93.10	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$	12,261.86	.....	.....	.....	.....
LESS EXPENDITURES—						
Expended from State Appropriation during 1925-27 .....	\$	12,058.67	.....	.....	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$	12,058.67	.....	.....	.....	.....
BALANCE—						
Balance Transferred to General Fund (Act 428, 1927) .....	\$	203.19	.....	.....	.....	.....



## APPENDIX TO THE

## DEPARTMENT OF MILITARY AFFAIRS

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## STATE ATHLETIC COMMISSION FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
A-1	Salaries—\$3,000 and Over .....	\$ 35,999.52	.....	.....	.....	.....
A-2	Salaries—Less than \$3,000 .....	17,804.67	.....	.....	.....	.....
B	Wages .....	29,820.00	.....	.....	.....	.....
C	Fees .....	150.00	.....	.....	.....	.....
D	Office Supplies, Printing, Postage and Stationery .....	3,211.88	.....	.....	.....	.....
E	Travelling Expense .....	10,073.27	.....	.....	.....	.....
F	Telephone and Telegraph .....	1,469.04	.....	.....	.....	.....
H	Miscellaneous Supplies .....	129.53	.....	.....	.....	.....
L	Freight, Express, Cartage, Etc. ....	43.53	.....	.....	.....	.....
M	Rents .....	4,797.96	.....	.....	.....	.....
P-1	Equipment—Office .....	3,473.24	.....	.....	.....	.....
	Other Items .....	708.50	.....	.....	.....	.....
TOTAL EXPENDITURES .....		\$ 107,701.16	.....	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

Balance from Prior Periods ..... \$ 73,807.92

State Appropriation—Receipts—1925-27 ..... 260,915.80

TOTAL AVAILABLE FUNDS ..... \$ 334,723.72

## LESS EXPENDITURES—

Expended from State Appropriation during  
1925-27 ..... \$ 105,817.06

Expended from State Appropriation during  
1927-29 ..... 1,884.10

TOTAL EXPENDITURES As Detailed  
Above) ..... \$ 107,701.16

## BALANCE—

Balance Transferred to General Fund (Act 428,  
1927) ..... \$ 227,022.56

## DEPARTMENT OF PUBLIC INSTRUCTION

## STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES

## ENGINEERS FUND

TOTAL EXPENDITURES ..... \$ 7,440.29

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

Balance from Prior Period ..... \$ 17,482.70

Receipts:  
Licenses ..... 1,558.90

Interest on Deposits ..... 115.32

TOTAL AVAILABLE FUNDS ..... \$ 19,156.92

## LESS EXPENDITURES—

Expended from State Appropriation during  
1925-27 ..... \$ 7,440.29

TOTAL EXPENDITURES (As Detailed  
Above) ..... \$ 7,440.29

## BALANCE—

Transferred to General Fund—Act 428, 1927 .. \$ 11,716.63

## DEPARTMENT OF STATE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
BADGE AND EMBLEM FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
		TOTAL EXPENDITURES .....		\$	1,410.00	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Receipts—Fees .....	\$	1,410.00	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$	1,410.00	.....	.....	.....	.....
LESS EXPENDITURES—						
Expended from State Appropriation during 1927-29 .....	\$	1,124.94	.....	.....	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$	1,124.94	.....	.....	.....	.....
BALANCE—						
Balance Transferred to General Fund (Act 428, 1927) .....	\$	285.06	.....	.....	.....	.....

## DEPARTMENT OF STATE (Continued)

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
REGISTERED NAMES FUND

TOTAL EXPENDITURES .....	\$	2,927.51	.....	.....	.....	.....
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## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

AVAILABLE FUNDS—						
Balance from Prior Period .....	\$	10,574.05	.....	.....	.....	.....
Receipts:						
License Fees .....		910.00	.....	.....	.....	.....
Interest on Deposits .....		81.06	.....	.....	.....	.....
TOTAL AVAILABLE FUNDS .....	\$	11,565.11	.....	.....	.....	.....
LESS EXPENDITURES .....						
Expended from State Appropriation during 1925-27 .....	\$	2,927.51	.....	.....	.....	.....
TOTAL EXPENDITURES (As Detailed Above) .....	\$	2,927.51	.....	.....	.....	.....
BALANCE—						
Transferred to General Fund—Act 428, 1927 ..	\$	8,637.60	.....	.....	.....	.....



## APPENDIX TO THE

## PUBLIC SERVICE COMMISSION

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
STANDARDIZATION LABORATORY FUND

Code	Expended	Actual Expenditures		Estimated Total Expenditures 1929-31	Detail of 1929-31 Expenditures	
		1925-27	1927-29		Actual June 1, 1929 To May 31, 1930	Estimated June 1, 1930 To May 31, 1931
TOTAL EXPENDITURES .....		\$	28,895.42	.....	.....	.....

## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

Balance from Prior Period .....	\$ 2,075.85
Receipts:	
Interest on Deposits .....	65.43
Testing Fees .....	28,297.00

TOTAL AVAILABLE FUNDS .....	\$ 30,438.28
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 28,895.42
Expended from State Appropriation during 1927-29 .....	924.23

TOTAL EXPENDITURES (As Detailed Above) .....	\$ 29,819.65
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## BALANCE—

Balance Transferred to General Fund (Act 428, 1927) .....	\$ 618.63
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## DEPARTMENT OF WELFARE

STATEMENT OF ACTUAL AND ESTIMATED EXPENDITURES APPLICABLE TO PERIODS REGARDLESS OF DATE OF EXPENDITURES  
ALCOHOL PERMIT FUND

A-1 Salaries—\$3,000 and Over .....	\$ 15,922.62
A-2 Salaries—Less than \$3,000 .....	
D Office Supplies, Printing, Postage and Stationery .....	1,234.71
E Traveling Expense .....	3,565.70
F Telephone and Telegraph .....	94.49
M Rents .....	2,012.51
P-1 Equipment—Office .....	201.51
Other Items .....	1,239.71

TOTAL EXPENDITURES .....	\$ 24,321.35
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## SUMMARY OF AVAILABLE FUNDS, EXPENDITURES AND BALANCES

## AVAILABLE FUNDS—

Receipts:	
Fees of Office .....	\$ 24.35
Interest on Bank Balances .....	65.50
Permit Fees .....	37,025.55
Refunded Cash .....	150.00

TOTAL AVAILABLE FUNDS .....	\$ 37,266.40
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## LESS EXPENDITURES—

Expended from State Appropriation during 1925-27 .....	\$ 24,321.35
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TOTAL EXPENDITURES (As Detailed Above) .....	\$ 24,321.35
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## BALANCE—

Balance Transferred to General Fund (Act 428, 1927) .....	\$ 12,945.05
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FINAL REPORT OF THE TOWNSHIP LAW REVISION  
COMMISSION

Township Law Revision Commission

JOHN J. McCLURE, Chairman  
Chester

GEORGE T. WEINGARTNER  
New Castle

FREDERICK C. PETERS  
Ardmore

GEORGE L. REED  
Harrisburg

CHARLES A. DONNELLY  
Upper Darby

CLARENCE W. SCHECK  
Mt. Lebanon, Pittsburgh

ANDREW MacDONALD  
Haverford

R. S. BLACKWOOD  
Beaver Falls

SAMUEL L. SMEDLEY, SR.  
Newtown Square

E. M. LIDDLE  
DuBois

WM. H. WHITAKER, Secretary  
Upper Darby

HAROLD A. THOMSON, Clerk  
Upper Darby

JOHN H. FERTIG, Counsel  
Legislative Reference Bureau  
Harrisburg

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EXPOSITION SHOWING SOURCES OF THE VARIOUS PROVISIONS OF THE PROPOSED SECOND CLASS TOWNSHIP LAW

PROPOSED TOWNSHIP REWARD LAW

Harrisburg, Pa.,  
January ...., 1931

To the General Assembly,  
Commonwealth of Pennsylvania,  
Session of 1931.

The Township Law Revision Commission of the Commonwealth of Pennsylvania respectfully submits the following report:

LEGISLATION CREATING THE COMMISSION

At the Session of the General Assembly, in 1929, the following law was duly enacted:

AN ACT

Creating a commission to study the law relating to townships; to revise, restate, and harmonize existing laws, and eliminate inconsistent, overlapping, and redundant provisions of law which appear obsolete, or repealed by implication; and to draft such new laws as may appear necessary; and to consolidate the laws relating to townships, and draft a separate code for each class of townships; and making an appropriation.

Section 1. Be it enacted, &c., That a commission is hereby created, to consist of three commissioners of townships of the first class, one of whom shall be learned in the law, three supervisors of townships of the second class, to be appointed by the Governor, two members of the Senate, one of whom shall be learned in the law, to be appointed by the President Pro Tempore of the Senate, and two members of the House of Representatives, one of whom shall be learned in the law, to be appointed by the Speaker of the House of Representatives. The commission shall select from its membership a chairman, and shall elect a secretary who need not be a member of the commission. It shall be the duty of said commission to study laws of the Commonwealth relating to townships, to revise, restate, and harmonize existing laws, to eliminate inconsistent, redundant, and overlapping provisions of law which appear obsolete or repealed by implication, and to draft such new laws as may appear necessary to the conduct of affairs of townships in a proper economical and efficient manner, and to consolidate such laws as relate to townships into a separate code for each class of townships.

Section 2. The members of the commission shall not receive any compensation for their services, but shall be reimbursed for all expenses incurred in the performance of their duties. The commission shall have power to employ a secretary, and such clerks and stenographers as may be deemed necessary. The commission shall make a report to the General Assembly not later than February first, one thousand nine hundred and thirty-one.

Section 3. The sum of fifteen thousand dollars (\$15,000), or so much thereof as may be necessary, is hereby specifically



appropriated to the commission for the purpose of carrying out the provisions of this act and for the payment of expenses of the commission and the compensation and expenses of the secretary, clerks and stenographers.

Payments from said appropriation shall be made on requisition of the chairman of the commission by warrant of the Auditor General on the State Treasurer.

The commission shall be furnished the necessary stationery and office supplies, and have all necessary printing done by the proper departments of the State, upon requisition of the chairman of the commission.

Approved—The 26th day of April, A. D. 1929.

JOHN S. FISHER

### II

#### APPOINTMENT OF MEMBERS OF THE COMMISSION

In accordance with the terms of this law, the following persons were appointed as members of the Commission: The Governor appointed Charles A. Donnelly, Township Commissioner, of Upper Darby Township, Delaware County; Andrew MacDonald, Township Commissioner of Lower Merion Township, Montgomery County; Clarence W. Scheck, Township Commissioner of Mount Lebanon Township, Allegheny County; R. S. Blackwood, Supervisor of Chippewa Township, Beaver County; Samuel L. Smedley, Sr., Supervisor of Edgemont Township, Delaware County, and E. M. Liddle, Supervisor of Sandy Township, Clearfield County. The President Pro Tempore of the Senate appointed the following Senators: John E. Kunkle of Westmoreland County and John J. McClure of Delaware County. The Speaker of the House appointed the following Members of the House of Representatives: George L. Reed of Dauphin County, and Frederick C. Peters of Montgomery County. Senator George T. Weingartner was subsequently appointed by the President Pro Tempore to fill the vacancy caused by the death of Senator Kunkle.

### III

#### ORGANIZATION OF COMMISSION

Pursuant to the call of the Governor, the members appointed met for organization in the Governor's Reception Room at the State Capitol, Tuesday, October 22, 1929. The Commission organized by electing Senator John E. Kunkle, chairman, Representative George L. Reed as vice chairman, William H. Whitaker as secretary, and Harold A. Thompson as clerk. Later, John H. Fertig, representing the Legislative Reference Bureau, was designated as counsel to the Commission. Just prior to Christmas, 1929, the Commission was saddened by the death of its chairman, Senator John E. Kunkle, and at its meeting in Pittsburgh, January 8, 1930, adopted resolutions of sorrow and sympathy, which were forwarded to his family. At the same meeting, Senator John J. McClure was elected to succeed Senator Kunkle as chairman.

### IV

#### MEETINGS OF COMMISSION AND PUBLIC HEARINGS

At a meeting held in Harrisburg on November 8, 1929, the Commission decided to hold three public hearings, the first in the Lower Merion Township Hall, Ardmore, on December 4, 1929, the second in the Chamber of Commerce Building, Pittsburgh, on January 8, 1930, and the third in the Senate Caucus Room at the State Capitol, Harrisburg, on February 5, 1930.

These meetings were thoroughly advertised through the press and by the mailing of letters from the secretary's office to the township officers of the various townships. The public meetings were well attended, and a number of citizens addressed the Commission, suggesting various changes in and additions to the township laws, and giving the Commission the benefit of much practical experience. Many of the suggestions offered at these meetings were finally incorporated in the drafts of legislation which are herewith submitted for the consideration of the General Assembly.

Members of the Commission, the secretary, and clerk attended the meetings of the State Association of Township Supervisors held at Scranton, February 11 and 12, 1930, and the State Association of Township Commissioners held at Allentown, March 17 and 18, 1930. At these conventions the views of the township officers were obtained and the plans

of the Commission outlined. The clerk to the Commission also attended and addressed forty-two conventions of County Associations of Township Supervisors and Auditors, outlining the work of the Commission. Many valuable suggestions were received from these sources.

Monthly meetings of the Commission in executive session were held, except during the months of July, August, September and October, 1930. At these meetings a careful revision of the township law was undertaken by sub-committees with the assistance of the staff of the Legislative Reference Bureau. Each section of law was read and thoroughly discussed, and such changes, additions and eliminations made as appeared advisable.

### V

#### SCOPE, PLAN, WORK AND RECOMMENDATIONS OF COMMISSION

To facilitate and expedite the work of the Commission in executive session, it was, on motion, decided to divide the Commission into two sub-committees, one to consider and draft a code of laws for townships of the first class, and the other to consider and draft a code of laws for townships of the second class. Such a procedure was necessitated since Section 1 of the Act of April 26, 1929, P. L. 842, which creates the Commission, requires it to consolidate the township laws into "A separate code for each class of townships." While this requirement increases the bulk of the township law, since many provisions are thus duplicated, nevertheless, it serves a useful purpose, and eliminates the necessity of ascertaining to which class or classes of townships a particular provision of the Code applies. This is one of the difficulties experienced in using the Township Code of 1917. The Commission is in hearty accord with the plan codifying separately the law for each class of municipalities.

During the early deliberations of the Commission, it was found necessary to adopt a definite policy with respect to the legislative field which the Commission intended to cover in the legislation to be drafted. The Commission construes the act creating it, as intending to charge it with the duty of revising and bringing to date substantially the law contained in the Code of 1917, and drawing and submitting such other bills on subjects not properly incorporated in the Code as are peculiar to townships. It concluded that it was not justified, under its powers to revise general laws which affect all classes of municipalities, such, for instance, as the law on municipal indebtedness, municipal and tax liens, assessment of property for taxation, collection of taxes, free non-sectarian libraries, etc. All of the municipal codes adopted to date have carefully eliminated these provisions on the theory that they comprehend subjects where uniformity in practice should be preserved among the several classes of municipalities. The same policy is followed in the drafts of legislation herewith submitted. The general municipal law is not disturbed.

A great number of suggestions received referred to the matter of tax assessments and collections. All sorts of ideas were advanced to correct the evils which admittedly exist in our present local tax system. But the Commission felt that it could not, under its powers and policy adopt any of these suggestions. The Commission, however, urges the General Assembly to take cognizance of the inequalities which now exist in the taxation of real property, and heartily favors the modernizing of the local tax laws and the adoption of sound business and administrative methods. The Commission calls attention to the fact that more than \$5,000,000 is expended annually for the collection of local taxes.

The Commission, in preparing its drafts, was not unmindful of the fact that there were fifty-eight townships of the first class in the Commonwealth prior to the 1930 census, most of which are suburbs of large cities in Philadelphia, Allegheny, Luzerne and Lackawanna Counties. Some of these townships have larger populations and area than many third class cities. Thus, an expansion of their corporate powers was deemed necessary to advance the cause of good government and municipal improvements, and to eliminate the restrictions which presently exist. These new powers were carefully framed and amply safeguarded. Practically all of them were taken from existing laws applying to other classes of municipalities.

One matter on which the Commission heard much testimony was the collection of the Liquid Fuels Tax from municipalities. Officials of municipalities feel that the collection of this tax is not justified and is contrary to the practice in other states.



The Commission is aware of the fact that no exemption is granted in the Liquid Fuels Tax Law because the constitutionality of such an exemption is feared. The Commission, however, is of the opinion that the courts of Pennsylvania will, when the matter is accurately presented, follow the theories developed by courts of other states and the United States Supreme Court, to the effect, that the constitutional clause requiring taxes to be uniform applies only to property taxes and not to excises. It, therefore, recommends that the Liquid Fuels Tax Law be amended so as to exempt from the tax liquid fuels purchased by municipalities.

In handling its detail work the Commission has had the constant assistance and services of the Legislative Reference Bureau. This Bureau gathered together, classified, and inserted into the Code of 1917 all legislation enacted since that date; and then prepared for the use of the Commission a code of existing law for each class of townships. With this as a foundation, the sub-committees commenced the work of revision, taking into consideration the suggestions which had been offered, and taking full advantage of the practical experience of the township commissioners and township supervisors who were members of the Commission.

A preliminary draft of the proposed codes was completed, printed in bulletin form and mailed to interested parties throughout the State. The public was generally invited to study the proposed Codes carefully and to submit any further suggestions to the secretary of the Commission not later than November 1, 1930.

At meetings of the Commission held November 18 and 19, 1930, the final revisions were completed and are now submitted to the General Assembly as a part of this report. Immediately following each of the township codes will be found an exposition showing the sources of the various provisions, with such explanatory notes as were deemed necessary to clarify the various sections for those interested. These notes, prepared by the Legislative Reference Bureau staff, will ultimately find their way into the digests of statutory laws where they will be preserved for the future.

## V

### ANNEXATION OF TERRITORY

The Commission has given much time and consideration to the question of the annexation of parts of townships to adjacent boroughs and cities. It realizes that the progress and development of boroughs and cities depends in large measure, upon the expansion of their territories by annexation. But the carving up of townships by annexation frequently leaves the remainder of a township with so low an assessed valuation that it is unable to raise sufficient revenue to carry on its affairs. The injustices resulting in such cases have been appreciated by the public school authorities, and amendments to the School Code vest power in the State Council of Education to preserve existing township school districts where municipal annexations are effected. In the end this system will bring into being conditions similar to those found with respect to local poor districts, where, in many localities, the territory of a poor district is found to overlap municipal and county lines. In the report of the Commission to codify and revise the laws relating to poor districts, submitted to the Legislature of 1925, the Commission says, that "It is frequently impossible, from a search of the laws, to definitely fix the status of many local poor districts or their exact territory. Possibly the worst confusion is caused by municipal incorporations and the annexations of territory. This brings about a changing of municipal lines while the lines of the poor district remain rigid. Thus, the territory of a city or borough, due to its recent incorporation or growth, is found to lie partly in several poor districts." This was one of the evils which the Poor Law Commission attempted to remedy, and was also one of the evils which brought about the enactment of the School Code of 1911, which made municipal and school district lines coextensive.

Since the law governing such annexations is found in the codes relating to boroughs and cities, the Commission is of the opinion that it has no jurisdiction to draw any legislation on the subject, but it respectfully calls the matter to the attention of the General Assembly as one needing correction, and recommends appropriate action.

## VII

### TOWNSHIP REWARD

The reward system for roads in townships of the second class was inserted into the Township Code of 1917 by way of

amendment. The most divergent opinions were registered with respect to this subject. The Commission finally concluded to reframe this law and submit its draft of legislation in the form of a separate bill. The contents of the bill and the changes from the existing system are set forth in the summaries of legislation (Division XI) in a later part of the report. The Commission believes this law is not properly a part of the Township Code, but belongs rather with the laws under which the highway system of the Commonwealth is being developed and improved. Furthermore, the subject is such a debatable one that the inclusion of it in a code might endanger the passage of other needed legislation. The proposals submitted for a township reward system, are, in the opinion of the Commission, sound.

## VIII

### SUMMARY OF IMPORTANT CHANGES PROPOSED IN CODES SUBMITTED

The important changes proposed in the law for townships of the first and second class are numerous, and to facilitate the work of the Legislature in the consideration of the codes, these changes have been summarized in the material which follows. The summary is divided into three parts: first, the changes proposed in the law relating to townships of the first class (Division IX); second, the changes proposed in the law relating to townships of the second class (Division X); and third, an exposition of the proposed Township Reward Law (Division XI).

## IX

### TOWNSHIP OF THE FIRST CLASS

#### Classification of Townships

Existing laws provide that when a township of the second class has a population of at least three hundred inhabitants to the square mile, such township becomes automatically a township of the first class. Consequently, all townships now having this population are designated townships of the first class, and all other townships of the second class.

It is recommended that this method of changing classes be discontinued, and that when a township of the second class has the required population, it shall not become a first class township until the electors have voted for the change.

The present arbitrary system frequently forces a township into the first class when it could be best administered as a second class township. The instant a township goes into the first class it loses all township reward assistance from the Commonwealth.

#### Creation of Townships of the First Class

When townships of the second class reach a population of three hundred inhabitants to the square mile, as ascertained by the United States census or by a special enumeration, the question of becoming a township of the first class is to be submitted to the electors and the change of class is to be governed by their decision. So also the creation of a first class township may be effected by the division of an existing township or by the consolidation of two or more townships, but only when the electors affected by the division or consolidation have voted for the change.

When a township of the first class is created, the township government is organized on the first Monday of January next, by appointed officers who hold office until officers can be elected at the first municipal election.

#### Officers

The minimum number of township commissioners in townships not divided into wards and in townships having less than seven wards was increased from five to seven.

A procedure has been provided to remove township commissioners who refuse to organize.

The compensation of township commissioners was graduated according to population, as follows: less than five thousand, one hundred dollars (\$100); five thousand to twenty-five thousand, two hundred dollars (\$200); above twenty-five thousand, three hundred dollars (\$300).

Specific powers have been conferred to appoint a solicitor and township engineer with such powers as are usually conferred on such officers of municipalities.

Difficulty has been experienced in securing bonds for the treasurer as tax collector in some first class townships, because



the amount required is the face value of the duplicate. This has been reduced to fifty per centum of the duplicate. It is felt that this amount will amply protect the township.

The present compensation of the township treasurer is five per centum of all taxes collected and one per centum of all other moneys, unless a lower rate is fixed by the board of commissioners. The commissioners thus have full power to regulate this compensation, and in some of the townships the commissioners have been materially scaled down. Additional power has been conferred to fix an annual compensation for all services in lieu of a percentage, and a limit of ten thousand dollars (\$10,000) has been imposed which may not be exceeded.

The treasurer will hereafter be required to promptly deposit all moneys of the township in the name of the township and the commissioners are required to name depositories of township funds and require them to give security. This relieves the treasurer and his bond in case of a bank failure.

In connection with the establishment of the office of township engineer, provision was made for the establishment of a deed registry, similar to the kind used in third class cities. This system is not mandatory, but will be of great assistance to assessors wherever established.

The office of township auditor is abolished and in his stead the court of common pleas is required, annually, to appoint a certified public accountant to audit the books of the township, unless the office of controller has been established. Additional power is conferred on the certified public accountant, acting as auditor, to enter any surcharge as a judgment and proceed to its collection for the benefit of the township. Instead of having such an auditor, a township is empowered to create the office of controller.

More specific provisions have been incorporated with regard to the organization, control and regulation of the police force.

#### Corporate Powers

The corporate powers have been materially amplified. Among the new powers conferred are those relating to the creation of offices, positions and departments necessary to administer the affairs of the township; the employment of the assessor and assistant assessors when not engaged on the county assessment; the licensing of shows, circuses, sports, and amusements; the abatement of nuisances; prohibiting manufacture and sale of inflammable and explosive substances; regulating party walls and partition fences; making fire regulations and abating fire hazards; regulating markets and market houses; regulating and licensing junk dealers, pawnbrokers, hucksters, peddlers, vendors, auctions and auctioneers; inspecting milk; numbering buildings; enacting smoke regulations; regulating disorderly conduct; authorizing the insuring of any public liability of the township; making of contracts of group insurance; and erecting comfort and waiting stations and drinking fountains.

#### Board of Health

The law providing for the organization and administration of boards of health have been made a part of the Code.

#### Finance and Taxation

Power has been conferred to make temporary loans not exceeding one year in anticipation of taxes levied and to be collected during the current year.

The township commissioners are required to keep records of sinking fund moneys, and make investments only in State, Federal and their own bonds. The law was restored requiring that when benefits for an improvement are collected, they must be credited to the sinking fund for the retirement of obligations issued for such improvement.

The present law, requiring unanimous action of the board of township commissioners to present a petition to court for an increase in the annual tax levy, was changed so as to require only a majority action, and specific power was conferred to levy a separate tax for interest and sinking fund requirements.

Due to the penalties imposed by Act No. 541 of the Session of 1929, the penalties on township taxes, which were one per centum per month after a fixed date, were limited to the year in which the taxes were levied.

Specific authority was granted to make exonerations of occupation taxes.

#### Contracts

The various general provisions relating to contracts, entered into by townships, having been gathered into one article.

Publications for bids were reduced from three to two weeks. Provision was made exempting from the contractual provisions the purchase of patented articles.

The Act of April 20, 1927, P. L. 350, which prohibits architects and engineers employed by a township from bidding on or being interested in public work generally, has been restricted so as to apply only to public work in the township. The Commission sees no reason why a consulting architect or engineer, by reason of his employment by a township, should be prohibited from bidding on public work where the township has no interest. Similar prohibitions have been extended against township officers and employees.

#### Eminent Domain and the Assessment of Damages and Benefits

The entire law relating to the procedure for the exercise of the right of eminent domain and the assessment of damages and benefits by viewers' proceedings has been revised, and a consolidated procedure modeled on provisions in the borough law has been included. This will materially lessen the bulk of the law and at the same time produce clarity and uniformity in all proceedings of this nature.

#### Roads, Streets and Highways

The laws relating to the improvement of highways are numerous and complicated. Many different systems have been enacted to accomplish the same purpose. To obviate this condition two simple systems have been drafted, one for improvements where the cost of the improvement is assessed against abutting property owners by viewers according to benefits, and the other where the improvement is with or without petition and where the cost of the improvement or part thereof is assessed by the foot-front rule. In both cases the drafts have been modeled on the borough law. Specific provisions have been included for the paving of additional widths, where a defined width is paved by the State or county as a State or State-aid highway or county road.

The proceedings for the laying-out and opening of roads leading to driving parks, fair grounds, etc., have been eliminated as applying to special cases and of no general interest.

Separate proceedings for the grading and construction of curbs and gutters on roads leading to or connecting cities, boroughs, villages and places of public resort, and for the construction of additional widths where the county paves a road, have also been eliminated as covered by the board powers conferred for the improvement of roads and streets.

Provisions relating to ditches, drains and watercourses and private interferences therewith have been re-written and the township consent for such purposes required.

#### Sidewalks

The entire law on this subject has been re-written and power conferred to require abutting owners to construct and keep sidewalks in repair or to have the township do the same and collect the cost. Provisions have also been included to have the townships build sidewalks without requiring the owners to do so.

#### Sewers

No material change has been made in the law relating to sewers, but the provisions have been simplified by eliminating the many sections relating to eminent domain proceedings.

#### Collection by Installment of the Cost of Street Curb, Sewer and Sidewalk Improvements

An article has been incorporated authorizing townships of the first class to collect assessments against property owners for street, curb, sewer and sidewalk improvements by the installment plan. Cities and boroughs have laws on this subject.

#### Revolving Fund for Street and Sewer Improvements

Power is conferred to levy and collect a special tax not to exceed five mills for the purpose of creating a revolving fund to be used by the township in making permanent street, sidewalk and sewer improvements. Assessments against property owners are paid into this fund to reimburse it for expenditures made in paying for an improvement. Similar laws apply in cities and boroughs.

#### Township Planning

An article has been inserted authorizing the creation of a township planning commission. The proposed law is similar to that applying to cities of the third class.

#### Actions By and Against Townships

The law in the existing Township Code, relative to the enforcement of judgments against townships, was eliminated. It

provided a special procedure in such cases different from that in the case of other municipalities, and has been held unconstitutional.

#### Penalties

Practically all of the penalties in the code have been reduced to summary convictions, and the fines directed to be paid to the township treasurer.

#### X

### TOWNSHIPS OF THE SECOND CLASS

#### Classification of Townships

Existing laws provide that when a township of the second class has a population of at least three hundred inhabitants to the square mile as shown by the United States census or by a special enumeration, such township shall become automatically a township of the first class. Consequently all townships having this population are designated townships of the first class, and all others as townships of the second class.

The recommendations is made, in the Code submitted, that this population basis be retained, but that no township with the required population be created a first class township until a majority of the electors vote for a change of classes. The present arbitrary system frequently forces a township into the first class system when it could be best administered as a second class township. The instant a township goes into the first class it loses all township reward assistance from the Commonwealth.

#### Creation of Townships

A uniform procedure has been established for the creation of townships of the second class (a) out of parts of two or more townships, (b) by the division of a township, or (c) by the consolidation of townships. In no case may a township be thus created until the electors in the territory affected have voted favorably on the question of such creation. Likewise by a vote of the electors a township of the first class may be reestablished as a township of the second class, notwithstanding the fact that it has a population of three hundred inhabitants to the square mile. This will enable existing first class townships to return to the second class. Where a township of the first class loses its required population, it automatically returns to the second class.

#### Officers

The secretary and treasurer are required to be the same individual, except where a bank is elected treasurer. In such cases an individual treasurer may be elected.

Two or more townships may join and appoint the same person as township superintendent of roads.

No supervisor acting as superintendent or roadmaster may receive compensation for any day when he is paid for attending supervisors' meetings, unless the meeting is during the evening.

Provision has been made for the prompt deposit of moneys by the township treasurer, in the name of the township, and supervisors have been empowered to appoint banks as depositories of township funds. This provision is, however, not mandatory.

Specific authority has been conferred upon supervisors to appoint a solicitor and an engineer.

Provision has been made for the entry of surcharges by auditors as judgment and for their collection by auditors and taxpayers.

Optional provisions for the postponing of the reports of township auditors, instead of advertising in newspapers, have been incorporated.

#### Fiscal Year

The fiscal year for townships of the second class has been changed from the first Monday of December to the first Monday of January to accord with the fiscal year of other municipalities. The terms of all officers will hereafter begin on the first Monday of January instead of December, except in the case of those first elected where an extra month has been added to the term to cover the gap created by this change.

#### State and County Associations

Township auditors have been eliminated as members of the county association of township supervisors, and the officers of the State association of township supervisors were made ex-officio members of each county association without vote.

The compensation of delegates for attending meetings of State associations was increased from four dollars to six dollars per day.

#### Corporate Powers

Power is conferred on supervisors to purchase, hold, lease, let, and convey such real and personal estate as the purposes of the township shall require.

Specific authority was conferred to expend moneys for workmen's insurance, and to insure any property as well as any public liability of the township, and to take contracts of group insurance.

Power was conferred to purchase or take, by gift, forest lands for recreational purposes, to appropriate moneys to neighboring municipalities and townships for fire protection, and generally to control nuisances.

It was felt that the general corporate powers usually exercised by municipalities could not be conferred since supervisors do not have power to pass ordinances, and so such power was conferred.

#### Contracts

At present all contracts let by townships, involving an expenditure of more than one hundred dollars, must be by contract. This amount was increased to three hundred dollars, and a provision was added making it unlawful to evade these contract provisions by splitting contracts. Road and bridge contracts are not valid until approved by the Department of Highways. A record of all purchases, involving less than three hundred dollars, must be kept and furnished by supervisors in their annual report.

The Act of April 20, 1927, P. L. 350, so far as it relates to townships of the second class, was limited so that it only prohibits architects and engineers, employed by a township, from bidding on or being interested in public work in the township. The Commission sees no reason why a consulting architect or engineer, by reason of his employment by a township, should be prohibited from bidding on public work where the township has no interest.

#### Taxation and Finance

In the budget provisions, power was conferred on supervisors to transfer, by resolution, unexpended moneys from one appropriation item to another. This is a power exercised by other municipalities, and is most important in townships of the second class where the township is uncertain whether reward moneys will be allocated to it by the Commonwealth.

Specific provision requires the tax levy to be made by resolution.

The tax collector is required to settle each annual duplicate not later than the first day of July of the succeeding year. In such settlement he is allowed a credit for all returned taxes, for those which have been liened and those exonerated. Specific provision is made for the exoneration of uncollectible occupation taxes.

The duplicate is required to issue on or before May first instead of June first.

#### Eminent Domain and the Assessment of Damages and Benefits

A uniform procedure for the exercise of eminent domain and the assessment of damages and benefits in all proceedings where the same is required has been drafted, using the law for boroughs as a model. The numerous procedures of this kind found in various portions of the existing code, and attached to specific subjects and powers, have been eliminated. The law in this respect has been greatly simplified.

#### Roads, Streets and Highways

Many records of the original laying-out or dedication of public roads are missing. In some instances public roads were no doubt established by use, without any formal proceeding. To cure this situation a new section has been drafted providing that every road not of record, which has been used for public travel and maintained for a period of at least twenty-one years, shall be deemed a public road of the width of thirty-three feet, notwithstanding there is no public record of the laying-out or dedication of such road. This will validate township expenditures on such roads.

Specific provision has been made for the vacation of abandoned portions of State highways not vacated by the Department of Highways. In such cases the consent of the property owners must be secured and a record of the vacation filed with the court of quarter sessions.



The procedure for the laying-out and opening of roads leading to driving parks, fair grounds, etc., has been eliminated as having been passed for a specific case.

The system of having the Department of Highways grant permits for road crossing of various kinds, has been changed by conferring this power on the supervisors. The cost, which may be imposed by the township, includes the reasonable cost of issuing the permit, the cost of restoring the road and inspecting the work.

The provisions for the vacation of lanes and alleys, declared nuisances by boards of health, have been eliminated since townships of the second class have no such boards.

The township reward system has been entirely omitted in the code, and a separate bill, materially altering the system, is submitted. This bill is elsewhere discussed.

#### Bridges

The penalties for driving over wooden or iron bridges of a span of forty-five feet, faster than a walk, or carrying fire over the same, except in a lantern, and the provisions requiring supervisors to post notice of such penalties, have been eliminated as practically obsolete.

#### Contracts with Railways

The provisions in the Code of 1917, authorizing supervisors to contract with railroad companies, relative to the relocation, change and elevation of railroad beds, has been eliminated because jurisdiction in such matters is now conferred on the Public Service Commission by the Public Service Company Law.

#### Public Buildings

In the erection of a town hall, supervisors were authorized to make provision in any building for community activities.

#### Transient Retail Merchants

The law relating to the licensing of transient retail merchants was changed so as to confer the power of licensure on the supervisors and to pay the license fee to the township. The law was not quite clear as it provided for the granting of the license by "proper authority" and the payment of the license to the county treasurer for the benefit of the school district.

#### Forestry

Provisions similar to those in the law for other classes of municipalities authorizing townships to engage in forest activities were added.

#### Actions By and Against Townships

The law in the existing Township Code, relative to the enforcement of judgments against townships was eliminated. It provided a special procedure in such cases different from that in the case of other municipalities, and has been held unconstitutional as special legislation.

#### Penalties

Practically all of the penalties in the code have been reduced to summary convictions, and the fines and penalties directed to be paid to the township treasurer.

### XI

#### TOWNSHIP REWARD

A separate bill, establishing a township reward system, is submitted to take the place of the existing system. Under present laws applications for township reward do not lapse after they are filed. Since appropriations have been insufficient to take care of the applications filed, the unfilled applications have been steadily growing in number. The bill submitted proposes that the appropriation for the biennium 1931-33 for township reward, shall be applied to applications on file on September 30, 1930, and not to any new ones filed. It is thought that in this manner the Department of Highways will be enabled to take care of most of these applications, some of which were filed as early as 1926. All applications filed in the future, which remain unfilled, must be reaffirmed each biennium, otherwise they will be deemed to have lapsed.

Provision has been made for the establishment, by county commissioners and supervisors, of a primary township road system in each county. No system is deemed established until approved by the Department of Highways. When such a system is established, reward moneys may be expended only on the primary system, except where used for bridges and pipe.

Provision is made for partial payment of reward where the amount of the reward is more than two thousand dollars. In the case of traffic bound roads, the reward is spread over three annual payments.

The limitations on the amount which the Commonwealth contributed towards the cost of a reward improvement have been eliminated and the Commonwealth is required to pay a definite percentage of the actual cost, the percentage varying according to the assessed valuation per mile of road. The percentages adopted are fifty, sixty and seventy-five for townships having valuations of more than thirty thousand dollars (\$30,000); twenty thousand dollars (\$20,000) to thirty thousand dollars (\$30,000); or less than twenty thousand dollars (\$20,000).

The amount of the Commonwealth's share of the maintenance of reward roads, which now is one hundred dollars per mile, was changed by taking into consideration the assessed valuation per mile of road. Generally, the amount of maintenance recommended varies between one hundred dollars (\$100) or one hundred and fifty dollars (\$150) per mile, except in the case of bituminous surface treatment where the amount is increased to four hundred dollars (\$400) and six hundred dollars (\$600) respectively, per mile. The maintenance aid is to be distributed on the same percentage basis as shown above, but retains the dollar limit.

An amendment is recommended to the Act of May 1, 1929, P. L. 1046, which appropriates the moneys in the Motor License Fund, requiring the Department of Highways to set aside annually twenty-five thousand dollars (\$25,000) for the restoration and repair of roads and bridges in emergency cases, to be expended on the township reward plan.

#### In Conclusion

The Commission desires to record its appreciation of the assistance which it has received, not only from public officials, but also from private citizens. Particular acknowledgement is made for the valuable assistance of the Legislative Reference Bureau staff. The services afforded by this Bureau, and the detail work performed by it, made possible this complete report.

Respectfully Submitted,

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Township Law Revision Commission.

### PROPOSED CODE OF LAWS FOR TOWNSHIPS OF THE FIRST CLASS

An Act concerning townships of the first class; amending, revising, consolidating and changing the law relating thereto; and abolishing the elected office of township auditor.

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Section 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That the laws relating to townships of the firstclass are hereby amended, revised, consolidated and changed as follows:



## ARTICLE I

## PRELIMINARY PROVISIONS

Section 101. Short Title. This act shall be known, and may be cited, as "The First Class Township Law." This act shall take effect on the first day of July, one thousand nine hundred and thirty-one.

Section 102. Definition. The word "township" or "townships" as used in this act shall mean a township of the first class unless the context indicates otherwise.

Section 103. Excluded Provisions. This act does not include any provisions, and shall not be construed to repeal any acts relating to—

(a) The procedure for the collection of municipal and tax claims by liens.

(b) The method of incurring or increasing bonded indebtedness.

(c) Election officers and the general conduct of elections.

(d) Poor districts.

(e) Public schools and school districts.

(f) Constables.

(g) Justices of the peace.

(h) State roads, State-aid roads, and private roads.

(i) Validation of elections, bonds, ordinances, and acts of corporate officers.

(j) Free non-sectarian libraries.

Section 104. Saving Clauses. The provisions of this act so far as they are the same as those of existing laws are intended as a continuation of such laws and not as new enactments. The repeal by this act of any act of Assembly or part thereof shall not revive any act or part thereof heretofore repealed or superseded, nor affect the existence or class of any township heretofore created. The provisions of this act shall not affect any act done, liability incurred, or right accrued or vested, or affect any suit or prosecution, pending or to be instituted, to enforce any right or penalty or punish any offense under the authority of such repealed laws. All ordinances, regulations, and rules, made pursuant to any act of Assembly, repealed by this act, shall continue with the same force and effect as if such act had not been repealed. Any person holding office under any act of Assembly, repealed by this act, shall continue to hold such office until the expiration of the term thereof, subject to the conditions attached to such office prior to the passage of this act.

Section 105. Constitutional Construction. The provisions of this act shall be severable, and if any of the provisions shall be held to be unconstitutional such decision shall not affect the validity of any of the remaining provisions of this act. It is hereby declared as the legislative intent that this act would have been adopted had such unconstitutional provision not been included therein.

Section 106. Construction of References. Whenever, in this act, reference is made to any act by title, such reference shall also apply to and include any codification wherein the provisions of the act referred to are substantially reenacted.

Section 107. How Act Applies. This act shall apply to all townships of the first class within the Commonwealth, as now existing or hereinafter created.

Section 108. Saving Clauses Where Class of Townships Changed. Whenever any township of the second class is designated a township of the first class, or whenever any township of the first class is reestablished as a township of the second class, or whenever any township is divided, all liabilities incurred, rights accrued, or vested, obligations issued or contracted, and all suits and prosecutions pending or to be instituted to enforce any right or penalty accrued, or punish any offense committed, prior to such change of class or division, and all ordinances, resolutions, rules and regulations shall continue with the same force and effect as if no such change or division had been made.

Section 109. Exception as to Taxation. This act does not provide a complete system for the assessment and collection of township taxes, but the taxation provisions herein contained shall be construed as supplementary to the general local taxation laws. All acts and parts of acts relating to taxation in townships of the first class, not inconsistent with this act, in force prior to the passage of this act, which are not reenacted or specifically repealed by this act, shall remain in force

as to such townships in the same manner as prior to the passage of this act.

## ARTICLE II

## CLASSIFICATION AND CREATION OF TOWNSHIPS OF THE FIRST CLASS

## (a) Classification

Section 201. The townships now in existence and those to be hereafter created are divided into two classes. Townships of the first class shall be those having a population of at least three hundred inhabitants to the square mile, which have been heretofore or may hereafter be created townships of the first class. All townships, not townships of the first class, shall be townships of the second class. A change from one class to the other shall hereafter be made only as provided by this act or the laws relating to townships of the second class.

## (b) Creation of Townships of the First Class from Townships of the Second Class

Section 205. Enrollment of Ascertain Population. At any time not less than one year before the time fixed for taking a decennial census of the United States, whenever the owners of twenty-five per centum of the assessed valuation of the real estate of any township of the second class shall present their petition to the court of quarter sessions, averring that the population of the township is at least three hundred inhabitants to the square mile, and shall give such security as the court may prescribe for the payment of all costs and expenses which may be incurred in any procedure had upon said petition, the court shall appoint a commissioner to perform the duties hereafter prescribed.

The said commissioner shall make an enrollment of the inhabitants of such township, and make report thereof to the court at the next ensuing term. Upon the filing of the report the same shall be confirmed nisi, which confirmation shall become absolute, unless excepted to within thirty days thereafter, during which time notice of the said filing and confirmation shall be advertised in a newspaper published in the county, once a week for three weeks. If exceptions are filed to the report within the said thirty days, the court, upon consideration thereof, shall confirm the report or modify the said finding. After final confirmation the clerk of the court shall certify to the county commissioners and to the township supervisors of the township, the population of the township, as shown by said proceedings. The costs and expenses of the proceedings, including a reasonable fee for the commissioner and attorney, shall be paid by the petitioners or by the township, or partly by each, as the court shall direct.

Section 206. Proclamations by County Commissioners. In addition to the procedure provided in the preceding section, the county commissioners of each county shall, following each decennial census of the United States, ascertain from such census whether any township of the second class in the county has a population of three hundred inhabitants to the square mile, and shall immediately certify the fact that any township has a population of three hundred inhabitants to the square mile to the township supervisors of the township.

Section 207. Submission of Question to Voters. At the first general or municipal election occurring at least ninety days after the ascertainment, by special enrollment or from the United State census, that any township of the second class has a population of at least three hundred inhabitants to the square mile, the question whether such township of the second class shall become a township of the first class shall be submitted to the voters of the township, and the county commissioners shall cause to be printed on separate ballots to be used in such township at such election, a proper question framed in accordance with the election laws of the Commonwealth.

Section 208. Returns of Election and Effect Thereof. The election officers shall compute the votes cast at the election, provided for in the preceding section and make return thereof to the clerk of the court of quarter sessions, who shall tabulate the same and certify the result thereof to the county commissioners and the township supervisors of such township. If a majority of the votes cast at any such election shall be in favor of becoming a township of the first class, the government of the township of the first class shall be organized and become operative on the first Monday of January next suc-

ceeding such election, at which time the terms of the officers of the township of the second class shall cease and terminate. If a majority of the votes cast at any such election shall be in favor of remaining a township of the second class no further proceedings shall be had for a period of two years, after which period the supervisors, by unanimous action may, or upon petition of ten per centum of the registered voters of the township shall resubmit the question to the electors of the township in the manner hereinbefore provided.

(c) Creation of Townships of the First Class by Division and Consolidation

Section 210. Manner in Which Townships of the First Class May be Created. The court of quarter sessions may, upon the presentation of petitions, as hereinafter provided, create new townships of the first class—

(a) By the division of a township of the first class into two townships, or

(b) By the consolidation of two or more townships of the first class located in the same county.

Section 211. Petitions. Petitions for the creation of townships as provided in the preceding section, shall be signed either (a) by the owners of real property representing at least twenty-five per centum of the assessed valuation of the township or each of the townships affected by such division or consolidation, as the case may be, or (b) by registered voters, equal in number to at least twenty-five per centum of the highest total vote cast for candidates for any office in the township or townships affected as the case may be at the last preceding municipal election. Such petitions shall be sworn to and subscribed by at least three of the signers. (c) Petitions for the consolidation of townships may also be presented when signed by a majority of the commissioners of each of the townships proposed to be consolidated and sworn to and subscribed by at least one commissioner from each such township. Such petitions shall set forth the name of any proposed new township and shall specify the reasons for such division or consolidation. Each such petition shall be accompanied by an accurate map or plot prepared by an engineer showing the lines of any township and the division line in case where a township is divided, or the lines of the new township where two or more townships are to be consolidated, and the present division lines between such townships. Where natural marks are on such lines, they shall also be shown.

Section 212. Confirmation Nisi of Petition. Notice of Filing. Upon the presentation of any such petition, the same shall be confirmed nisi, and the court shall, by its order, require such notice to be given by the petitioners to the residents and commissioners of the townships affected as it deems proper.

Section 213. Exception. Confirmation Absolute of Petition. Within thirty days after the filing of such petition, any taxpayer of the township or townships affected, as the case may be, may file exceptions to such petitions, questioning the sufficiency of the number of signers, or the legality of any signatures, or the accuracy or sufficiency of the map or plot attached thereto. The court, upon the filing of any exceptions, shall fix a day for hearing of which such notice shall be given as the court may direct. At such hearing the court shall hear all parties interested and their witnesses. If the exceptions in the opinion of the court are sustained, and the court deems the petition not amendable, it shall dismiss the petition, otherwise it shall confirm the same absolutely, after any amendments permitted by the court have been made.

Section 214. Elections. When any petition is confirmed absolutely, the court shall order an election to be held on the question of the division or consolidation of such township or townships, which shall be held on the day of the next general or municipal election occurring at least sixty days after such order of court. Such election shall be held at the regular polling places in the township or townships affected, as the case may be. At any such election all of the qualified electors of the township or townships affected by such division or consolidation shall have the right to vote. The ballots at any such election shall be furnished by the county commissioners, and the question to be placed thereon shall be framed and printed on the ballots as provided by the election laws of the Commonwealth.

Section 215. Notice of Election. A constable of the township or townships affected, as the case may be, or if there be no constable, then one of the commissioners designated by the court, shall give at least fifteen days' notice of the time and

place of holding such election by posting not less than six written or printed handbills in public places in each of such townships. The notice of election shall contain the reasons for the division or consolidation of such township or townships as set forth in the petition presented to the court.

Section 216. Return of Election. Decree. The election officers, after the polls have been closed, shall count the ballots and certify the number of votes cast for and against such division or consolidation to the clerk of the court of quarter sessions, who shall tabulate and compute the same and lay the result before the court. If it shall appear that a majority of the votes cast in such township or in each of the townships affected are in favor of the division of a township or the consolidation of two or more townships, as the case may be, the court shall order and decree the new township agreeably to the name and lines set forth in the petition, and the government of the new township shall be organized and become effective on the first Monday of January next succeeding such election, at which time the terms of office of township officers in such township shall cease and terminate. If a majority of the votes cast in any such township or in any of the townships affected are against the division or consolidation of such township or townships, no further action shall be had upon said proceedings. No new proceeding shall be entertained by the court for a period of two years.

Section 217. Boundary Monuments. The court shall, when deemed necessary, cause the lines at intervals not exceeding fifteen hundred feet, the cost thereof to be paid by the new township.

Section 218. Classification of Old and New Townships. Townships created by the consolidation or division of townships as herein provided shall be and remain townships of the first class, unless and until by subsequent proceedings in accordance with laws relating to townships of the second class any such township shall be reestablished or proclaimed to be a township of the second class.

Section 219. Costs. When a township of the first class is created as hereinbefore provided, the costs of the proceedings shall be paid by such township, and where any petition is dismissed or a majority of the electors of any one or more townships shall vote against the division or consolidation of any such township, the costs of the proceedings shall be paid by the petitioners.

Section 220. Property Rights and Liabilities Where Townships Consolidated. After the consolidation of two or more townships, the rights, privileges and franchises of each of the townships and all property, real, personal and mixed, and all debts due on whatever account, and other things in action belonging to each of such townships, shall be vested in the new township. The title to real estate vested in either of such townships shall not revert or be in any way impaired by reason of such consolidation. All rights of creditors or liens shall be preserved, and all debts and liabilities of either of such townships shall attach to such new township and be in force against it.

Section 221. Adjustment of Indebtedness When Township Divided. (a) Where a township is divided, the commissioners of the new township and of the existing township affected, shall make a just and proper adjustment and apportionment of all property, both real and personal, including funds and taxes, as well as indebtedness, if any, to and between the new township and the old township. In making such adjustment and apportionment of the property and indebtedness, the old and the new township shall be entitled respectively to share in a division of the property, indebtedness, funds and taxes in the proportion that the assessed valuation of the real estate remaining in the township bears to the assessed valuation of the land in the new township, taken from such township. The adjustment and apportionment, if made shall be reduced to writing and duly executed and acknowledged by the commissioners of the townships affected, and shall be filed in the office of the clerk of the court of quarter sessions of the county.

(b) In case the commissioners of such townships cannot make such amicable apportionment and adjustment of real property and indebtedness within six months after the election for the creation of such new township then any one or more commissioners of either of the townships affected may present a petition to the court of quarter sessions of the county, setting forth the facts. Whereupon, the court shall appoint three disinterested commissioners, taxables of the county, but



not residing in either of the townships affected, who shall give due notice to the commissioner of the townships affected, and shall hold hearings and make a report to the court, making an apportionment and adjustment of all the property, funds, and taxes, as well as indebtedness to and between the new township and the existing township, stating the amount of indebtedness that shall be assumed by the new township and the existing township.

(c) The commissioners shall give at least five days' notice of the filing of their report to the commissioner of the townships affected. Unless exceptions are filed thereto within thirty days by either township, the same shall be confirmed by the court absolutely.

(d) Any sum awarded by the report to a township shall be a legal and valid claim in its favor against the other township, charged therewith. Any property, real or personal, given and adjudged to any township, shall be the property of the township to which it is given and adjudged.

(e) The commissioners shall be allowed ten dollars for each day actually spent by them in the performance of their duties, together with their actual necessary expenses. All costs and expenses of such petitioning shall be apportioned by the court, to and between the townships affected as it shall deem proper.

(f) In case exceptions are filed to the report of such commissioners, the court shall dispose of the same, taking testimony if deemed advisable, and the decision of the court thereon shall be final and binding on the townships unless an appeal is taken within thirty days to the Superior or Supreme Court as in other cases.

#### (d) Officers of Newly Created Townships

Section 225. Officers for New Townships. Whenever a new township of the first class shall be created in accordance with any of the procedures in this article, the court of quarter sessions shall appoint seven commissioners and the other elective officers to which the township is entitled and fix the polling place or places in such township. The officers so appointed shall hold their offices from the first Monday of January following the election creating such township, until the first Monday of January following the municipal election at which officers of the township are elected as hereinafter provided.

Section 226. Election of Commissioners in New Townships. At the first municipal election, following the creation of a township as hereinbefore provided, if such township has not been divided into wards, there shall be elected seven township commissioners at large. Four of such commissioners shall be elected for terms of four years each and three for terms of two years each from the first Monday of January next following such election. The ballots at such election shall designate the term for which each commissioner is elected. Their successors shall be elected for terms of four years in accordance with this act.

Section 227. Election of Treasurer in New Townships. At such municipal election, the qualified electors of such township shall elect a township treasurer for a two or four year term so that his term shall expire at the same time as the terms of treasurers of other townships of the first class under the provisions of this act. Thereafter the term of treasurer of said township shall be four years from the first Monday of January next following his election.

Section 228. Election of Township Assessor and Assistant Township Assessor in New Townships. At such municipal election, one township assessor shall be elected for a term of four years and one assistant township assessor for a term of two years. Thereafter the terms of such township assessor and assistant township assessor shall be four years from the first Monday of January succeeding their respective elections. This section shall not apply to townships in counties having county boards for the assessment and revision of taxes.

This section shall not apply to townships in counties having county boards for the assessment and revision of taxes where assessors under existing laws are appointed.

Section 229. Election of Assistant Triennial Assessors in New Townships. At such municipal election, the qualified electors of such township shall elect two citizens, resident in said township, to be assistant triennial assessors for terms of four years each from the first Monday of January next following such election. This section shall not apply to townships in counties having county boards for the assessment and revision of taxes.

This section shall not apply to townships in counties having county boards for the assessment and revision of taxes where assessors under existing laws are appointed.

#### (e) Certificate of Creation of Townships to be Furnished State Departments

Section 235. Whenever a township of the first class is created, the clerk of the court shall certify such creation to the Secretary of Internal Affairs and Secretary of Highways of the Commonwealth. The clerk of the court shall be allowed a fee of two dollars for his services, to be paid as part of the costs of the proceedings.

### ARTICLE III

#### TOWNSHIP LINES AND BOUNDARIES

Section 301. Center Line of Navigable Stream as Boundary. Whenever any township is bounded by the nearest margin of any navigable stream, and the opposite township, borough, or city, as the case may be, is also bounded by the nearest margin of the same stream, the middle of such stream shall be the boundary between such townships, or township and borough or city. Nothing contained in this section shall be construed to repeal any local or special law providing to the contrary.

Section 302. Petition to Alter or Ascertain Township Lines and Boundaries. The courts of quarter sessions may, upon the presentation of a petition, (a) alter the lines of two or more adjoining townships so as to suit the convenience of the inhabitants thereof; (b) cause the lines or boundaries of townships to be ascertained and established; and (c) ascertain and establish disputed lines and boundaries between two or more townships or between townships and cities or boroughs. When any such petition is presented the court may require the petitioners to file a bond in a sufficient sum to secure the payment of all costs of the proceeding.

Section 303. Appointment and Report of Commissioners. Upon application by petition to the court for any of the purposes set forth in the last preceding section, the court shall appoint three impartial citizens, one of whom shall be a registered civil engineer, to inquire into the prayer of the petition. After having given notice to parties interested as directed by the court, the commissioners shall hold a hearing and view the said lines or boundaries; and they, or any two of them, shall prepare a report together with their opinion of the same and accompany it with a plot or draft of the lines and boundaries proposed to be altered or ascertained and established if the same cannot be fully designated by natural lines or boundaries. Upon the filing of any such report, the same shall be confirmed nisi.

Section 304. Exceptions and Procedure. Exceptions to any such report may be filed by any person interested within thirty days after the filing of the report, and the court may thereupon fix a day for the hearing of such exceptions, of which hearing such notice shall be given as the court shall direct. After hearing, the court shall have power to sustain such exceptions or to dismiss them and confirm the report, or refer the report back to the same or new commissioners with like authority to make another report, on which like legal proceedings may be had. Where no exceptions are filed within thirty days after the filing of the report, the court shall confirm the same absolutely. When any report is confirmed absolutely, the court shall enter a decree altering or ascertaining and establishing the lines and boundaries as shown in said report.

Section 305. Monuments. Whenever such township line or boundary is altered or ascertained and established, the court shall cause the same to be marked with stone monuments placed at intervals not exceeding fifteen hundred feet.

Section 306. Pay of Commissioners, Civil Engineer, and Chain-carriers. Costs. The pay of commissioners appointed to alter or ascertain and establish township lines, shall be ten dollars; the pay of civil engineers shall be twenty dollars; and the pay of chain-carriers shall be five dollars for each day necessarily employed, and five cents per mile for each mile necessarily traveled in the discharge of their duties. The court shall by its order provide how the costs and expenses of any such proceeding, including the furnishing and placing of monuments shall be paid, and may assess them against any township and/or municipalities interested.

Section 307. Adjustment of Indebtedness. Whenever the boundaries of any township have been altered or ascertained



and established upon application of the supervisors, commissioners or the authorities of any school district or poor district, the court of common pleas, sitting in equity, may adjust the taxes, debts and expenses for township, municipal, poor and school purposes between the townships, municipalities, poor and school districts affected.

#### ARTICLE IV

##### WARDS

**Section 401. Petitions to Create, Divide or Re-Divide Wards.** The court of quarter sessions, upon petitions, may divide or re-divide any township, heretofore or hereafter created, into wards, erect any wards out of two or more adjoining wards or parts thereof, divide any wards already erected into two or more wards, or after the lines or boundaries of any two or more adjoining wards, and may cause lines or boundaries of wards to be fixed and established. No township shall be divided or redivided into more than fifteen wards. All wards as heretofore established shall remain as heretofore until altered or divided as provided in this article.

**Section 402. Signing Petition.** Appointment and Powers of Commissioners. The petition shall be signed by at least twenty freeholders, residents of the township or of the ward or wards the limits of which it is proposed to change. Upon the presentation of the petition, the court shall appoint three impartial men as commissioners, one of whom shall be a civil engineer, to inquire into the propriety of granting the prayer of the petitioners. The commissioners, or any two of them, shall make a report to the next term of court, and shall accompany it with a plot showing the boundaries of the township and the wards before and after the proposed change, whenever the same cannot be fully designated by natural lines.

**Section 403. Filing and Confirmation of Report.** Exceptions. When the same is presented, the court shall confirm the report nisi, which confirmation shall become absolute unless exceptions thereto are filed within thirty days after such confirmation nisi. The court may grant a review if in its opinion a better adjudication may thereby be secured. If no exceptions are filed, the court may confirm the report, or make such other order as to it shall be deemed proper. If exceptions are filed the court shall fix a time for hearing, and thereafter shall enter such decree as by it shall be deemed just and proper. From the final decree as entered by the court of quarter sessions there shall be no appeal.

**Section 404. Pay of Commissioners.** The commissioners appointed under the provisions of this act shall receive ten dollars per diem, except the civil engineer, who shall receive twenty dollars per diem. Each commissioner shall also be entitled to mileage at the rate of five cents per mile circular. The compensation of the commissioners, and mileage and reasonable attorney's fees, shall be paid by the township in all cases where the prayer of the petitioners is granted, and in other cases shall be paid by the petitioners.

**Section 405. Election Districts.** The court of quarter sessions may, from time to time, divide any such ward into two or more election districts so as to suit the conveniences of the electors thereof.

**Section 406. Numbering of Wards.** When any township shall be divided or redivided into wards, or when any ward in any township shall be created, divided, or altered, the court shall in its decree fix the number of each of the wards of such township.

**Section 407. Schedule for Election of Commissioners in Townships First Divided Into Wards.** When a township is first divided into wards, the township commissioners then in office shall continue in office until the expiration of their respective terms.

At the first municipal election, occurring at least ninety days after such division into wards, there shall be elected by the qualified electors of each ward of the township, one township commissioner, who need not reside in the ward for which he is elected. At such election the township commissioners elected in even-numbered wards shall be elected for terms of two years each, and those in odd-numbered wards for terms of four years each, or vice versa, as the case may be, in order that the expiration of such terms will harmonize with the expiration of terms of township commissioners elected for such numbered wards under the provisions of this act. Thereafter successors to such commissioners elected by wards shall be elected for terms of four years each at the municipal election imme-

diately preceding the expiration of the terms of ward commissioners.

In the number of wards into which the township has been divided is less than seven, then at the municipal election preceding the expiration of the terms of any commissioner or commissioners theretofore elected at large, if such expiration of terms will leave the township with less than seven township commissioners, there shall be elected at large a sufficient number of township commissioners so that the total number of commissioners elected by wards and at large in the township shall thereafter be seven. If one township commissioner is elected at large at such election he shall be elected for a term of four years. If two township commissioners are elected at large at such election, one shall be elected for a term of two years and one for a term of four years. If three township commissioners are elected at large at such election, two shall be elected for terms of four years each, and one for a term of two years. If four township commissioners are elected at large at such election, two shall be elected for terms of four years each and two for terms of two years each. If five township commissioners are elected at large at such election, three shall be elected for terms of four years each and two for terms of two years each. Successors to such township commissioners elected at large at such election shall be elected for terms of four years each.

All terms of office to township commissioners, elected at large or by wards, shall commence on the first Monday of January next following their election.

**Section 408. Schedule of Election of Commissioners in Newly Created Wards.** Whenever in a township previously divided into wards, a new ward is created, and the number of wards thereafter in such township, including the new ward, is less than seven, then at the municipal election next following the expiration of the term of the commissioner or commissioners elected at large whose terms shall first expire after such creation, there shall be elected by the qualified electors of such new ward one township commissioner, who need not reside in the ward for which he is elected, for a term of two or four years, so that the expiration of his term will harmonize with the expiration of terms of commissioners for such numbered wards under the provisions of this act. Successors to such township commissioners shall be elected for terms of four years. The number of commissioners thereafter elected at large in any such township shall be the difference between the number of wards and seven, and a sufficient number of commissioners shall be elected at large at each municipal election preceding the expiration of terms of commissioners at large, so that the total number of commissioners in the township will at all times be seven.

Whenever, in any township previously divided into wards, a new ward is created, and the number of wards thereafter in such township is seven, then at the municipal election preceding the expiration of the term of office of any commissioner or commissioners elected at large, a township commissioner shall be elected for such ward who need not reside in the ward. Such election shall be for a two or four year term, so that the expiration of his term will harmonize with the expiration of terms of commissioners for such numbered wards, under the provisions of this act. The successor to such ward commissioner shall be elected for a four-year term. No township commissioner shall thereafter be elected at large in such township.

If the number of wards in such township, including the new ward, shall be more than seven, the court of quarter sessions shall appoint a township commissioner for such new ward, who shall hold office until the first Monday in January succeeding the first municipal election at which township commissioners are elected in such numbered wards under the provisions of this act, at which election and every four years thereafter a township commissioner, who need not reside in the ward, shall be elected by the qualified electors of said ward for a term of four years.

All township commissioners elected under this section, shall take office on the first Monday of January next succeeding their election.

**Section 409. Schedule for Election of Commissioners Where Re-Division of Wards Made Under Prior Laws.** In any township where wards were heretofore abolished by law or the reason that the number exceeded fifteen as limited by article four of this act, and where fifteen commissioners were elected at large for two year terms, at the municipal election in one



thousand nine hundred and twenty-nine, pending the redivision of such township into wards, the successors to such commissioners shall be elected by wards as established by such redivision at the municipal election in the year one thousand nine hundred and thirty-one, and the commissioners elected at such election from the even-numbered wards shall be elected for two-year terms and those elected in odd-numbered wards for four-year terms. Thereafter their successors shall be elected for four-year terms as provided by this act.

## ARTICLE V

### ELECTION OF OFFICERS—VACANCIES IN OFFICE

#### (a) General Provisions

Section 501. Electors only Eligible. No person shall be eligible to any elective office in any township, unless he is an elector of the township for which he is chosen.

Section 502. Hold Until Successors Qualified. Officers of townships shall hold their offices until their successors are elected and qualified.

Section 503. Elected Officers Enumerated. The electors of each township shall elect (a) at least seven township commissioners, (b) one township treasurer, (c) one township assessor one assistant township assessor, and two assistant triennial assessors, and (d) one controller where such office has been established.

#### (b) Commissioners

Section 504. Number and Election of Commissioners in Townships having Wards. In townships having less than seven wards, the number of commissioners shall be seven. One such commissioner shall be elected from each ward and the remaining number of commissioners, to which the township is entitled, shall be elected at large. In townships having seven or more wards, one commissioner shall be elected from each ward. Commissioners need not reside in the ward from which elected. Township commissioners shall be elected at municipal elections, preceding the expiration of the terms of commissioners then in office, for terms of four years each, from the first Monday of January succeeding their election. At the election in the year one thousand nine hundred and thirty-one, the commissioners from odd-numbered wards shall be elected and at the election in the year one thousand nine hundred and thirty-three, those from even-numbered wards shall be elected. Elections at large shall be held at the municipal election preceding the expiration of the term of any commissioner elected at large.

Section 505. Number and Election of Commissioners in Townships Not Divided Into Wards. In townships not divided into wards the number of township commissioners shall be seven, who shall be elected at large by the voters of the township. At each municipal election four or three township commissioners, as the case may be, shall be elected for terms of four years each, from the first Monday of January next succeeding, to take the place of the commissioners whose terms then expire.

Section 506. Temporary Schedule. The provisions of this act increase the number of township commissioners in townships not divided into wards and in townships having less than seven wards from five or six to seven. The court of quarter sessions of the county shall upon petition appoint a sufficient number of township commissioners for such townships to hold office until the first Monday of January succeeding the first municipal election occurring at least sixty days after such appointment so that each such township shall have a total of seven township commissioners. At such municipal election additional township commissioners shall be elected for two or four year terms, as the case may be, to harmonize with the system for the election of township commissioners provided by this act, to take office on the first Monday of January succeeding their election. Their successors shall be elected for four-year terms.

Section 507. Election Notices. The notice of any primary election, or nominating caucus, convention, or meeting, held for the purpose of nominating candidates for the office of township commissioner and the notice of any election of township commissioners, shall designate for what ward of the township each commissioner is to be nominated or elected, as the case may be. In case any one or more of the township commissioners are to be elected by vote of the qualified electors of the township at large, the notice shall so state. The

ballots to be cast at any election for township commissioners shall designate, under an appropriate heading, the candidate for office of township commissioner for whom the qualified electors of the ward are entitled to cast their ballots, and under appropriate heading the candidate or candidates for the office of township commissioner which are to be elected by the electors of the township at large.

#### (c) Treasurer

Section 510. Election of Treasurer. At the municipal election in the year one thousand nine hundred and thirty-three, and every fourth year thereafter, the electors of each township shall elect a township treasurer for a term of four years, from the first Monday of January next following his election.

Section 511. Eligibility. The same person may hold the office of township treasurer and treasurer of the school district, but no township treasurer shall hold any other township office except that of tax collector.

#### (d) Assessors

Section 515. Election of Township Assessor and Assistant Township Assessor. At the municipal election preceding the expiration of the term of any township assessor or assistant township assessor, and quadrennially thereafter, one township assessor or one assistant township assessor, or both, as the case may be, shall be elected for four-year terms from the first Monday of January next succeeding their election.

The compensation of the assistant township assessor shall be the same as provided by law for the township assessor, and shall be paid by the county.

This section shall not apply to townships in counties having county boards for the assessment and revision of taxes where assessors under existing laws are appointed.

Section 516. Assistant Triennial Assessors. In all townships the qualified electors shall, at the municipal election preceding the expiration of the term of the assistant assessors now in office, and at the municipal election every four years thereafter, elect two citizens, resident in said township, to be assistant triennial assessors, to take the place of those whose terms expire on the first Monday of January next following such election.

All assistant triennial assessors elected under the provisions of this section shall hold their office for a term of four years from the first Monday of January next following their election. Such assistant triennial assessors shall aid the township assessor only in making the triennial assessment of property during their respective terms of office.

This section shall not apply to townships in counties having county boards for the assessment and revision of taxes where assessors under existing laws are appointed.

Section 517. Election Assessors Saved. The election of assistant assessors provided for in this subdivision shall extend only to the election of assistant assessors for the valuation of property for taxation, and shall not repeal or affect the provisions of any statute providing for the election of assistant or registry assessors for the performance of duties relating to elections.

#### (e) Controller

Section 525. Election of Controller. The qualified electors in every township of the first class, accepting the provisions of this act, relating to the controller as hereinafter provided, shall, at the municipal election in the year one thousand nine hundred and thirty-three, and every four years thereafter, elect as township controller one person, who shall be a competent accountant and an elector of the township for at least four years prior to his election. The person so chosen shall serve for a term of four years from the first Monday of January next succeeding his election.

Section 526. Acceptance of Controller Provisions by Ordinance. The provisions of this act, relating to the controller, shall not become operative or effective in any township until the board of commissioners shall, by ordinance, accept the provisions of this act relating to the office of controller. Such office of controller shall be continued until the acceptance ordinance be repealed, when it shall terminate and the accounts of township officers shall thereafter be audited by a certified public accountant as in this act provided. When any township so accepts the provisions of this act, the court of quarter sessions, upon petition of the board of commissioners, shall appoint a controller, to hold office until the first Monday of January next succeeding the next municipal election at

which a controller may be elected under the provisions of this act.

In all townships of the first class so accepting the provisions of this act, the office of township auditor is abolished.

#### (f) Vacancies in Office

Section 530. Township Commissioners. When a vacancy occurs in the office of township commissioner in any township, by reason of death, resignation, removal from the township or otherwise, the court of quarter sessions, upon the petition of twenty qualified voters of the ward or township, as the case may be, in which the vacancy occurs, may appoint a qualified voter of the township to fill such vacancy. If such petition is not presented to the court within thirty days after such vacancy occurs, the board of township commissioners of the township may appoint a qualified voter of the township to fill the vacancy. In either event the person so appointed shall hold office until the next municipal election, at which election a township commissioner shall be elected for the unexpired term of the person whose place he is elected to fill.

Section 531. Township Treasurer and Controller. The board of township commissioners of townships may fill any vacancy occurring in the office of township treasurer or township controller by death, resignation, removal from the township, or otherwise. The person so appointed shall hold office until the next municipal election, at which election a treasurer or controller shall be elected for the unexpired term of the person whose place he is elected to fill.

Section 532. Assessors. Vacancies in the office of assessor, assistant township assessors, or assistant triennial assessors, in townships shall be filled in the manner provided by law.

### ARTICLE VI

#### GENERAL PROVISIONS RELATING TO TOWNSHIP OFFICERS

##### (a) General Provisions

Section 601. Oath. Every person elected or appointed to any township office in any township shall before entering upon the duties of his office, take and subscribe an oath or affirmation, before some person having authority to administer oaths, to support the Constitution of the United States and of this Commonwealth, and to perform the duties of his office with fidelity. A copy of such oath or affirmation shall, within ten days thereafter, be filed with the township secretary.

Section 602. Bonds. When any officer or employee of any township is required to give bond for the faithful performance of his duties, and such bond is required to be executed by a surety company, the township shall pay the premium on such bond, except in the case of the treasurer, where the township may pay such premium.

Section 603. Compensation. No township shall increase or diminish the salary, compensation or emoluments of any elected officer after his election.

Section 604. Failure of Officer to Perform Duties. If any township officer refuses or neglects to perform his duties, the court of quarter sessions, upon complaint in writing by one hundred citizens, owners of real estate residing in the township, may issue a rule upon such officer to show cause why his office should not be declared vacant and another appointed in his stead. Such rule shall be made returnable not less than two weeks from its date of issue. Upon hearing, and proof that the facts alleged in the complaint are true, the court may declare the office vacant and appoint another in his stead, to hold office until the next municipal election, at which time a person shall be elected for the unexpired term.

##### (b) County Associations of Township Officers

Section 610. Formation of County Associations. Meetings. County associations of township officers may be formed. Such associations, when formed, shall hold annual or semi-annual conventions, when the county-seats of the respective counties or some other suitable place within the county for the purpose of considering and discussing questions and subjects pertaining to the best methods for the construction, improvement, and maintenance of the public highways and bridges, and the administration of township governments.

Section 611. Membership of Association. Expenses of Members. The township commissioners and other officers of the township designated by the township commissioners shall attend such conventions whenever possible. Each township offi-

cer attending such convention shall receive a certificate, signed by the presiding officer and acting secretary of the convention, attesting his presence at the convention. Such certificate shall entitle him to collect from the township treasurer the sum of three dollars per day for each day's attendance and mileage at the rate of five cents per mile traveled, to be computed by the route usually traveled from his place of residence to the place where the convention is held. No township officer shall be paid for more than two days' attendance in any one year. The expenses of holding any such convention shall be paid pro rata by the townships joining therein.

Section 612. Officers of Association. Ex-Officio Membership. The officers of the association shall consist of a president, two vice-presidents, a secretary, and a treasurer; all of whom, except the secretary, shall be members of the association, and shall hold office for one year or until their successors are chosen. If desirable, the secretary may be a person not a regular member of the association, and may be paid for his service such compensation, not exceeding ten dollars per annum, as the other officers may determine. Every township officer attending such convention may vote in the election of officers. The mayor of any city, the burgess of any borough, or their duly appointed representative, the county commissioners, and the judges of the court in the county, the township engineer of the State Highway Department, the assistant engineers of the division of township highways, and the superintendent of State highways in charge of such county, shall be eligible to membership, but shall not be entitled to vote, nor to hold office.

##### (c) State Association of Township Officers

Section 620. Formation of State Association Authorized. The formation of a State association of township commissioners is hereby authorized. Such officers of the township as may be designated by the township commissioners may attend such meeting. The association shall hold annual meetings at such time and place within the Commonwealth as it may designate, for the purpose of discussing various questions and subjects pertaining to the duties of township commissioners, and for the purpose of devising uniform, economical, and efficient methods of administering the affairs of townships of the first class.

Section 621. Delegates from County Associations. Each township shall send one township officer as a delegate to each annual meeting of said State association, who shall be selected by the commissioners of the township of which he is a commissioner.

Section 622. Expenses of Delegates Paid by County Associations. The expenses of the delegates and other officers attending the annual meeting shall not exceed seven dollars and fifty cents per day for each officer attending, for not more than three days, together with the actual mileage at the prevailing rate of railroad fare, and shall be paid by the respective townships.

Section 623. Expenses of Annual Meeting Limited. The expenses of the annual meeting, including expenses of committees, printing, and stenographers, shall be paid by the respective townships jointly in such State association.

### ARTICLE VII

#### TOWNSHIP COMMISSIONERS

Section 701. Organizations. Failure to Organize. The township commissioners shall organize on the first Monday of January of each even-numbered year. They shall assemble for such purpose at their place of meeting at seven-thirty o'clock post meridian. Until otherwise designated by ordinance, the place of meeting shall be the oldest polling place in the township.

The board shall organize by the election of one of their number as president, and one as a vice-president. The president, or in his absence the vice-president, shall preside at all meetings of the board, and perform such other duties as are specified in this act or which may be prescribed by ordinance.

If a majority of the commissioners shall not attend at the organization meeting, those present may adjourn the meeting from day to day until a majority attend.

If the township commissioners of any township shall fail to organize within ten days from the time prescribed by this section, the court of quarter sessions upon the petition of ten taxable inhabitants, verified by the affidavit of five of the petitioners, shall issue a rule upon the delinquent or delinquents to show cause why their seats should not be declared



vacant. The rule shall be returnable not less than five days from the time of its issue, and, after hearing, the court may declare the seats of any delinquents vacant, and appoint others in their stead to hold office until a successor is elected for the unexpired term at the next municipal election occurring at least sixty days thereafter.

Section 702. Monthly Meetings. Quorum. The board shall meet at least once a month, at such time and such place as may be designated by ordinance. A majority of the members of the board shall constitute a quorum.

Section 703. Compensation. Each township commissioner shall receive a salary of one hundred dollars per year in townships having a population of less than five thousand, two hundred dollars per year in townships having a population of five thousand and more but less than twenty-five thousand, and three hundred dollars per year in townships having a population of twenty-five thousand and more, payable quarterly, as full compensation for the duties imposed by the provisions of this act.

Section 704. Reports to State Department of Highways. The township commissioners shall annually, on or before the first day of February in each year, make a sworn statement to the State Department of Highways, on blanks furnished to them by the said Department, of the whole amount of tax levied during the preceding year for road and bridge purposes and the total amount of taxes collected during the year for road and bridge purposes. They shall specify, in such report, the amount expended for maintenance or repairs or roads and bridges, for opening and building new roads and bridges, and for macadamizing or otherwise permanently improving roads, the number of miles of roads thus made, and the total number of miles of township roads in the township. Such report shall also contain such other matters and things pertaining to roads and bridges as the Department may require.

#### ARTICLE VIII

##### TOWNSHIP TREASURER

Section 801. Bond. The treasurer of each township shall give bond, in a sum to be prescribed by ordinance or resolution and at least equal to fifty per centum of the probable amount of the annual township tax. Such bond shall be subscribed by sureties approved by the township commissioners, or by a surety company or companies duly authorized to do business in this Commonwealth. The bond given by the treasurer shall be conditioned for the faithful performance of the duties of his office, for a just account of all moneys belonging to the township funds that may come into his hands from taxation or otherwise, for the payment over thereof only in the manner prescribed by law; for the delivery to his successor in office of all papers, books, documents, and other things held in right of his office, and for the payment to such successor of any balance in money remaining in his hands or charged against him in the settlement of his accounts. Said bond shall be filed with the township commissioners.

Section 802. Compensation. The township treasurer shall receive for his duties as treasurer and tax collector for the township a sum equal to five per centum of all township taxes received or collected by him, and, in addition thereto, a sum equal to one per centum on all other moneys received or collected by him for the township, unless a different rate or annual compensation shall be fixed by ordinance of the township commissioners finally adopted thirty days prior to his election: Provided, that in no case shall the total compensation of the treasurer as treasurer and tax collector for the township exceed the sum of ten thousand dollars (\$10,000).

Section 803. Accounts to Be Kept by Treasurer. Every township treasurer shall take charge of all township moneys from all sources, and promptly deposit the same in a bank, banking institution or trust company in the name of the township, and keep distinct accounts of all sums received from taxes and other sources, which accounts shall at all times be open to the inspection of the commissioners and township auditor or controller. He shall annually state his accounts, and lay the same, together with the books and the vouchers, before the township auditor or controller for audit.

Section 804. Payment of Moneys on Orders. The township treasurer shall pay out the moneys coming into his hands, only on orders numbered in the order of their issue, signed by the president or vice-president and attested by the secretary or assistant secretary of the board, and designating the

appropriation out of which the orders shall be paid. Any township treasurer who shall pay out moneys in his hands, except upon such orders, or shall pay out moneys in excess of the appropriations shall be allowed no credit in the settlement of his accounts for the sum or sums so paid out, nor shall he have any claim or right of action against the township therefor.

Section 805. Powers as Tax Collector. The township treasurer, by virtue of his office as treasurer, shall be tax collector. He shall collect all county, township, school, poor, and other taxes, within such township, levied by authorities empowered to levy taxes. He shall in addition to the powers, duties, and responsibilities enumerated in this act, have all the powers, perform all the duties, and be subject to all the obligations and responsibilities as are now by law vested in conferred upon, or imposed upon, collectors of the several classes of taxes hereinbefore mentioned.

It is the purpose and intent of this section, that no local taxes shall be collected in any township, except by the treasurer of the township.

Section 806. Oath. Bond for County Taxes, Etc. The treasurer of every township shall, before he enters upon the duties of his office as collector of taxes for the county, take and subscribe an oath of office and file the same in the office of the court of quarter sessions, and shall annually enter into a bond to the Commonwealth, in not more than the amount of taxes charged and assessed in the county duplicates, with at least two sufficient sureties or one trust or bonding company. The bond shall be approved by the court of quarter sessions and shall be filed in the office of the clerk of said court. The condition of the bond shall be, that the treasurer shall well and truly pay over or account for the whole amount of taxes charged and assessed in the duplicates which shall be delivered to him. This bond does not cover the collection and payment over of township or school taxes.

Section 807. Special Funds. Penalty. Whenever any moneys are collected in any township, for any special purpose, and are paid into the hands of the treasurer of such township, it shall be unlawful for such treasurer to apply such money, or any part thereof, to any purpose other than that for which such moneys were collected. Every such misapplication shall be a misdemeanor. Upon conviction of such offense, the treasurer shall be punished by a fine of not less than the amount so misapplied, or by imprisonment for not less than three months and not more than one year.

Section 808. Depositories of Township Funds. Selection of Bonds. The board of commissioners shall from time to time, designate, by resolution, a depository or depositories for township funds. Such depository or depositories shall be banks, banking institutions or trust companies located in the Commonwealth.

Depositories so designated shall, upon receipt of notice of their selection as a depository of township funds, furnish a bond to secure payment of deposits and any interest to the township, with a proper warrant to confess judgment in favor of the township, secured by a surety company or individual sureties to be approved by the board of commissioners. Such bonds shall be in a sum to be fixed by ordinance or resolution, at least equal to the probable greatest amount of such deposit at any one time.

The township treasurer shall, upon the designation and qualification of such depository or depositories, immediately transfer thereto the township funds, and shall thereafter keep such deposits solely in such depository or depositories in the name of the township.

No township treasurer, complying with the provisions of this section, nor his surety or sureties, shall be chargeable with losses in township funds caused by the failure or negligence of such depository or depositories.

#### ARTICLE IX

##### TOWNSHIP SECRETARY

Section 801. Election of Secretary. Salary. The board of commissioners in townships shall elect a secretary, who must be a qualified voter of the township, and not a member of the board. He shall act as secretary of the board, shall be the official keeper of the minutes, and shall perform such other duties as are prescribed by ordinance or resolution of the board. He shall provide suitable books, the cost of which shall be paid out of the township funds, wherein he shall enter all matters



of which he is required to keep a record. His salary shall be fixed by ordinance or resolution.

Section 902. Duties. Penalty. The secretary of a township shall keep a record of the appropriations made by the township commissioners and the amounts chargeable thereto. He shall furnish to any person, so requesting, a statement showing the amount available for future charges against any appropriated fund. Any secretary who shall knowingly and willfully furnish an incorrect statement shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not more than five hundred dollars.

Section 903. Records Open to Inspection. The minute book and other records and documents of every township shall be open to the inspection of any taxpayer thereof, his, her, or its agent upon demand therefor.

## ARTICLE X AUDITOR

Section 1001. Appointment and Compensation of Auditor. General Duties. The court of common pleas of each county shall, annually on or before the first Monday of January of each and every year, appoint for each township of the first class, within such county not having a controller, an auditor, who shall be an individual or firm licensed as a certified public accountant in this Commonwealth, and who may or may not reside in the township for which appointed. The court shall also fix the compensation of such auditor, which shall be paid by the township. It shall be the duty of the auditor so appointed to audit, settle and adjust the accounts of the township commissioners, township treasurer, tax collector, secretary and other officers and persons receiving and disbursing or authorizing the disbursement of the moneys of the township during the preceding fiscal year. Upon the taking effect of this act the elected office of township auditor as now existing is abolished.

Section 1002. Subpoenas. Power to Administer Oaths. Penalty. The auditor of each township may issue subpoenas to obtain the attendance of the officers and persons whose accounts he is required to adjust, their executors and administrators, and of any persons whom it may be necessary to examine as witnesses, and to compel their attendance by attachment in like manner as any court of common pleas may in cases pending before them, and may also compel the production of all books, vouchers, and papers relative to such accounts. Such subpoena and attachment shall be issued by a justice of the peace and be served and executed by a constable or the township auditor.

The auditor of each township may administer oaths and armations to all persons brought or appearing before him, whether accountants, witnesses, or otherwise. All persons guilty of swearing or affirming falsely on such examination shall be guilty of perjury.

Section 1003. Surcharges. Publication and Filing of Statements. The auditor shall complete his audit, settlement, and adjustment within as short a time as possible. Any officer or person whose act or neglect has contributed to the financial loss of the township shall be surcharged by the auditor with the amount of such loss. He shall, within ten days thereafter, publish, by advertisement in at least one newspaper of general circulation, printed in the township or county, a concise itemized statement of the receipts and expenditures of the several officers for the preceding fiscal year. He shall also within ten days thereafter, file a copy of such statement with the clerk of the court of quarter sessions. When any two offices are exercised by the same person, only one statement shall be required.

Section 1004. Cancelling Orders. The auditor shall cancel all orders and vouchers presented to him, which he finds have been paid, by writing the word "audited" on the face thereof.

Section 1005. Penalty for Failure to Perform Duty. Any auditor neglecting or refusing to comply with the preceding provisions of this article shall pay a penalty of one hundred dollars, to be recovered by suit, instituted in the name of the township, upon the complaint of any taxpayer, in the same manner as debts of like amounts are recoverable. Any penalty recovered shall be paid into the treasury of the township.

Section 1006. Employment and Compensation of Attorney. The auditor, in case of a disagreement with the official or board of officials whose accounts he is required to audit, may employ an attorney. Such attorney shall not be employed, until reasonable effort to reach an agreement has been made, and only

after notice of his intention so to do has been given to said official or board of officials. The compensation for such attorney shall be fixed by the auditor, and shall not exceed the sum of ten dollars per day, nor total in any case more than thirty dollars, unless when an appeal is taken to the courts, in which case the court shall fix the additional compensation for the attorney. The compensation for said attorney shall be paid out of the fund, the settlement of which is in dispute, by a warrant drawn by the auditors upon the treasurer of such fund, immediately upon the final settlement of the account.

Section 1007. Balances Due to Be Entered as Judgments. Any balance, in any report of the auditor, against any officer of the township, shall constitute a surcharge against such officer, as fully as if expressly stated in said report to be a surcharge, and the amount of any balance, and of any express surcharge, shall be entered by the prothonotary as a judgment against such officer and in favor of the township. Unless an appeal is taken as hereinafter provided, the auditor shall direct the clerk of the court of quarter sessions to certify the amount of every balance or surcharge, contained in any such report, to the court of common pleas, for entry thereof by the prothonotary as a judgment.

Section 1008. Collection of Surcharges by Taxpayers. The auditor or any taxpayer of the township may enforce the collection thereof, for the benefit of the township, by action or execution, upon filing in the court of common pleas a bond, with one or more sureties, (in the case only of a taxpayer) conditioned to indemnify the township from all costs which may accrue in the proceedings undertaken by such taxpayer subject, however, to all rights of appeal from the report of the auditor granted by this act.

Section 1009. Appeals from Report. The township, or any taxpayer thereof on its behalf, or any officer or person whose account is settled or audited, by the township auditor, may appeal from any settlement or audit to the court of common pleas, within thirty days after the settlement has been filed in the court of quarter sessions.

Section 1010. Appeal Bond. No appeal by a taxpayer or officer shall be allowed unless the applicant shall enter into recognizance to prosecute the same with effect, and to pay all costs accruing thereon, in case, if the appellant be a taxpayer, he shall fail to obtain a final decision more favorable to the township than that awarded by the auditor, or, in case the appellant be an accounting officer, he shall fail to obtain a final decision more favorable to the officer than that awarded by the auditor.

Section 1011. Intervention by Taxpayers. Whenever an appeal has been taken from the report of the auditor by the township, or by any person charged in such report with any sum of money, any taxpayer of the township may intervene in such appeal, and either prosecute the same on its behalf, or defend it against the appeal of the person so charged. No taxpayer shall intervene unless he shall file in the court of common pleas a bond, with one or more sufficient securities, conditioned to indemnify the township against all costs accruing by reason of such intervention.

Section 1012. Consolidation of Appeals. When more than one appeal from the report of the auditor is taken, whether by the township, an officer or officers thereof, or by a taxpayer, the court shall, upon petition of any party interested, direct the several appeals to be disposed of in a single proceeding.

Section 1013. Testimony and Argument. Any person interested may order the appeal upon the argument list, and evidence may be taken before any person authorized to administer oaths, upon rule for that purpose served upon the opposite party.

Section 1014. Framed Issues. Whenever any matter of fact is in dispute the court of common pleas is authorized to frame an issue for the trial thereof.

Section 1015. Prima Facie Evidence. The accounts of the officer or officers in question may be investigated de novo. The figures and facts found and stated by the auditor in his report of audit shall be taken as prima facie correct, as against any such officer, and the burden shall be upon each officer whose accounts are in question to establish the validity of the credits which he claims.

Section 1016. Judgment. After hearing, the court shall file its findings of fact and law and enter judgment in accordance therewith, and the judgment so entered may be enforced by any appropriate proceedings by the party prevailing.



Section 1017. Costs. In all cases of appeal from the report or audit of the township auditor to the court of common pleas, the costs shall abide the event of the suit as in other cases.

Section 1018. Appeals. Any person interested may except to the rulings of the courts, and may appeal therefrom to the Superior or Supreme Courts, as in other cases.

Section 1019. Counsel Fees. When an appeal is taken from the township auditor's report or settlement of the accounts of any public officer, in accordance with the laws relating thereto, and such appeal results favorable to the appellants in such a manner that money is recovered for any township, the court hearing such appeal shall make an order to pay a counsel fee, which it deems just and reasonable, to the counsel representing such appeal, out of the funds so recovered.

This section shall apply to all such cases now pending or hereafter brought in any court of this Commonwealth.

## ARTICLE XI

### CONTROLLER

Section 1101. Oath and Bond of Controller. The township controller, where such office has been created, shall, before entering upon the duties of his office, take and subscribe the oath prescribed by this act for township officers, and shall give bond to the township, with two or more sureties, or with a surety company, to be approved by the board of commissioners, in the sum of twenty thousand dollars, conditioned for the faithful discharge of his duties, and to adequately protect the township from any illegal or unfaithful action by the controller. The cost of such bond shall be paid by the township.

The township controller may, at the instance of a taxpayer, and by rule upon him for that purpose, be compelled to justify his bond as to the amount thereof, and the responsibility of the sureties, before the court of common pleas.

Section 1102. Salary of Controller. The salary of the controller shall be fixed by ordinance. In townships having a population of fifty thousand or more, the salary of the controller shall not exceed four thousand dollars. In townships having a population of forty thousand or more, but less than fifty thousand inhabitants, the salary of the controller shall not exceed thirty-six hundred dollars. In townships having a population of thirty thousand or more, but less than forty thousand inhabitants, the salary of the controller shall not exceed twenty-four hundred dollars. In townships having a population of twenty thousand or more, but less than thirty thousand inhabitants, the salary of the controller shall not exceed one thousand, five hundred dollars. In townships having a population of fifteen thousand or more, but less than twenty thousand inhabitants, the salary of the controller shall not exceed twelve hundred dollars. In townships having a population of ten thousand or more, but less than fifteen thousand inhabitants, the salary of the controller shall not exceed nine hundred dollars. In townships having a population of less than ten thousand and not less than five thousand, the salary of the controller shall not exceed seven hundred and fifty dollars. In townships having a population of less than five thousand and not less than twenty-five hundred, the salary of the controller shall not exceed five hundred dollars. In townships having a population of less than two thousand, five hundred, the salary of the controller shall not exceed three hundred dollars.

Section 1103. General Powers and Duties of Controller; May Require Attendance of Witnesses; Penalty. The township controller shall superintend the fiscal affairs of the township. He shall examine, audit and settle all accounts whatsoever in which the township is concerned, either as debtor or creditor, where provisions for the settlement thereof are made by law, and where no such provisions or any insufficient provision, has been made, he shall examine such accounts and report to the board of commissioner the facts relating thereto, with his opinion thereon.

The controller in addition to the above audits, shall annually audit, settle, and adjust the accounts for the immediately preceding fiscal year in which the township is concerned, and for any preceding fiscal year of any officer which have not previously been audited, settled and adjusted. He shall finish said audit, settlement and adjustment and file in the office of the clerk of the courts of the county in which such township may be situated a report thereof, within sixty days after the beginning of the current fiscal year, setting forth an itemized statement of the charges against and credits

of said officers and any balance or surcharge against them. The amount of any balance or shortage, or of any expenditure of a kind or made in a manner prohibited or not authorized by statute, or which causes a financial loss to the township, shall be surcharged against any officer against whom such balance or shortage shall appear, or who, by vote, act or neglect, has made, approved or permitted such expenditure. Any balance or surcharge against any such officer shall by direction of the controller be certified by the clerk of the courts to the prothonotary who shall enter the same as a judgment against such officer unless he shall appeal from such report as hereinafter provided.

The township controller shall have supervision and control of the accounts of all departments, bureaus, and officers of the township, authorized to collect, receive or disburse the public moneys, or who are charged with the management or custody thereof. He shall audit their respective accounts and may at any time require from any of them a statement in writing of any moneys or property of the township in their hands or under their control, and he shall, immediately upon the discovery of any default, irregularity or delinquency, report the same to the board of commissioners. He shall also audit and report upon the account of any such officer upon the death, resignation, removal or expiration of the term of the said officer.

In the making of any audit or settlement, and in the authentication of any account or claim or demand against the township, the controller of any township shall have the same power and authority to obtain the attendance before him of parties and witnesses, and the production of books and papers, and to administer oaths and affirmations as are given by law to county and township auditors. All persons guilty of swearing or affirming falsely before him shall be liable to the penalty for perjury.

Section 1104. Controller to Countersign Warrants. The township controller shall countersign all warrants upon the township treasurer, the form thereof to be prescribed by the board of commissioners, but no warrant shall be countersigned unless there is sufficient unencumbered money in the respective appropriation item to pay the same. Whenever a warrant on the treasurer shall be presented to the controller to be countersigned, the person presenting the same shall, if the controller require, produce evidence:

1. That the amount expressed in the warrant is due to the person in whose favor it is drawn.

2. That the supplies or services for payment of which the warrant is drawn have been furnished or performed according to law, and the terms of the contract.

Section 1105. Controller to Prevent Appropriation Over Drafts. The township controller shall not permit any appropriation made by the board of township commissioners to be overdrawn. Whenever an appropriation is exhausted, the object of which is not complete, he shall immediately report the fact to the board of commissioners, and accompany such report with a statement of the moneys which have been drawn on such appropriation and the particular purpose for which they are drawn.

Section 1106. Amount of Contracts to Be Charged Against Appropriations. Every contract involving appropriation of money shall designate the item of appropriation on which it is founded, and the estimated amount of the expenditure thereunder shall be charged against such item and so certified by the township controller on the contract before it shall take effect as a contract, and the payment required by such contract shall be made from the fund appropriated therefor. If the controller shall certify any contract in excess of the appropriation made therefor, the township shall not be liable for such excess, but the controller and his sureties shall be liable for the same, which may be recovered in an action at law by the contracting party aggrieved. It shall be the duty of the controller to certify contracts for the payments of which sufficient appropriations have been made.

Section 1107. Controller's Report. The township controller shall, as often as he may deem expedient or the board of commissioners shall direct, suggest plans to the board of commissioners for the management and improvement of the township finances; and he shall make a report, verified by oath or affirmation, to the board of commissioners, at the first stated meeting in January in each year, of the public account of the township, and of the trusts in its care, exhibiting all the expenditures, thereof respectively, the sources from which the



revenue and funds are derived, and the manner in which the same have been disbursed. Each account shall be accompanied by a detailed statement of the several appropriations made by the board of commissioners, the amount drawn on each appropriation, and the balance standing to the debit or credit of such appropriation. The report shall be published, at the expense of the township, once a week for two weeks in a newspaper circulating generally in the township.

Section 1108. Books to Be Kept by Controller. The township controller shall keep a regular set of books, in which shall be opened and kept as many accounts, under appropriate titles, as may be necessary to show separately and distinctly all the estates and property whatsoever, real and personal, vested in the township, all trusts in the care of the same, all debts due and owing the township, all receipts and expenditures of the various departments of the township government, and all appropriations made by the board of commissioners and the sums under the same respectively.

Section 1109. Appeals from Controller's Report; Bond; Procedure on Appeal. It shall be lawful for the township, or any taxpayer thereof on its behalf, or any officer against whom any sum shall be charged in the report of audit by the controller as filed in the office of the clerk of the court, to appeal therefrom to the court of common pleas within thirty days after the same shall be filed in the prothonotary's office. The appeal shall be filed in the same number and term in which the report has been filed. If the appellant is a taxpayer, or any officer charged as aforesaid, he shall file a bond with one or more sufficient securities, conditioned to pay all costs thereafter accruing in case a decision more favorable to the party on whose behalf the appeal shall be taken than that contained in the report of audit, shall not be obtained.

In case any appeal shall be taken as aforesaid, the same may be placed upon the argument list of said court by either party. Testimony and evidence as to the accounts of any such officer may be taken before said court, or by depositions, as the court may direct, in the course of which the said accounts may be investigated de novo, and the burden shall be upon each officer, whose accounts are involved in the appeal, of establishing, by evidence from original sources, his right to credits, claimed by him, but the opposing party in such appeal may use any facts, figures or findings of the report of audit as prima facie evidence against any officer.

Section 1110. Court to File Conclusions of Fact and Law; Judgment; Appeals. After argument of said appeal, the court shall file its conclusions of fact and law, and answers to any requests, and enter judgment in accordance therewith in favor of and against the proper parties. After argument, the court may direct an issue to be tried by a jury as to any specific disputed questions of fact. Appeals may be taken by any person interested to the Superior or Supreme Court from any such judgment of the court of common pleas, in the same way that appeals are now authorized by law to be taken.

Section 1111. Intervention of Taxpayers. When any appeal to the court of common pleas shall be taken, as aforesaid, by the township or any officers charged in said report with any sum of money, any taxpayer may come into court and intervene in said appeal, and on behalf of the township may cause the same to be prosecuted to final judgment in the same manner and with the same effect as the township authorities could do. Such taxpayer shall, at the time of intervening, file in said court a bond, with one or more sufficient sureties, conditioned to indemnify the township from all costs that may accrue by reason of such intervention subsequently thereto.

Collection of any judgment against any township officer, entered by virtue of a controller's report of audit, or in the course of an appeal therefrom may be enforced against such officer and his sureties by the township, or any taxpayer thereof on its behalf by any appropriate proceedings executory or otherwise.

Section 1112. Consolidation of Appeals. When more than one appeal from a controller's report of audit shall have been taken whether by the township, a township officer or officers, or a taxpayer, or any or all of them, the court of common pleas shall, upon petition of any party interested, direct the several appeals to be disposed of in a single proceeding.

Section 1113. Controller to Retain Books, Documents, Et Cetera, Pending Appeals. Every township controller shall retain in his possession, during the thirty days' period elapsing between the date of filing his report and the expiration of the time for filing the appeal therefrom, all books, documents,

vouchers, checks and other papers which have been procured before him in the course of his audit of the accounts of township officers, and, if any appeal shall be taken, shall continue to hold the same for production in the proceeding to determine the appeal.

## ARTICLE XII

### TOWNSHIP SOLICITOR

Section 1201. Election. Vacancies. The board of commissioners, on the first Monday of January in any even-numbered year, or as soon thereafter as practicable, may elect, by a majority of the members, one person learned in the law, who shall be styled the township solicitor, and who shall serve for the term of two years from the first Monday of January of the even-numbered year in or succeeding which he was elected, and until his successor qualifies. The compensation of the solicitor shall be fixed by the board of commissioners and shall not exceed five thousand dollars per annum. Vacancies in the office of township solicitor shall be filled by the board of commissioners for the unexpired term.

Section 1202. Bond. The township solicitor shall give a bond to the township, with two or more sureties, or one trust or bonding company, to be approved by the board of commissioners, in such sum as it shall by ordinance direct, conditioned for the faithful performance of his duty.

Section 1203. Solicitor to Have Control of Law Matters. The law matters of the township shall be under the superintendence, discretion, and control of the township solicitor, and no official or official body of the township, except as herein otherwise provided, shall employ an additional counsel without the assent or ratification of the board of commissioners.

Section 1204. Duties of Solicitor. The township solicitor shall prepare such bonds, obligations, contracts, leases, conveyances, and assurances to which the township or any department thereof may be a party, as may be directed by ordinance or resolution; he shall commence and prosecute all actions brought by the township for or on account of any of the estates, rights, trusts, privileges, claims, or demands, as well as defend all actions or suits against the township, or any officer thereof, wherein or whereby any of the estates, rights, privileges, trusts, ordinances, or accounts, of the township, may be brought in question before any court in the Commonwealth; and shall do every professional act incident to the office which he may be authorized or required to do by the board of commissioners or by any ordinance or resolution. He shall, whenever required, furnish the board of commissioners, and the committees thereof, with his opinion in writing upon any question of law which may be submitted by any of them in their official capacities.

## ARTICLE XIII

### TOWNSHIP ENGINEER

#### (a) General Provisions

Section 1301. Election of Township Engineer. Term. Filling of Vacancies. The board of commissioners on the first Monday of January in any even-numbered year, or as soon thereafter as may be practicable, may elect, by a vote of a majority of the members, one person as township engineer who shall be a registered civil engineer. He shall serve for a term of two years from the first Monday of January of the even-numbered year in or succeeding which he was elected, and until his successor qualifies. The board of commissioners shall fix the compensation of the engineer. Vacancies in the office of township engineer shall be filled by the board of commissioners for the unexpired term.

Section 1302. Bond. The township engineer shall give a bond to the township, with two or more sureties, or one trust or bonding company, to be approved by the board of commissioners, in such sum as it shall by ordinance direct, conditioned for the faithful performance of his duty.

Section 1303. Control of Engineering Matters. The township engineer shall have the superintendence, direction and control of the engineering matters of the township, and no department of the township shall employ or retain any additional engineer, except with the consent and ratification of the board of commissioners.

Section 1304. Duties. Preparation of Plans. The township engineer shall perform such duties as the board of commis-



sioners shall prescribe as to the construction, reconstruction, maintenance and repair of all streets, roads, pavements, sewers, bridges, culverts and other engineering work. He shall prepare plans, specifications and estimates of all such work undertaken by such township, and shall, whenever required, furnish the board of commissioners, and the committees thereof, with reports, information or estimates on any township engineering work, or on questions submitted by any of them in their official capacity.

Section 1305. Certificate of Commencement and of Completion of Municipal Improvements. The township engineer shall, immediately after the completion of any municipal improvement, the cost of which, in whole or in part, is to be paid by the owner of the abutting property, make certificate in which he shall state the day or time on which the particular improvement was completed, and shall file the same with the township secretary, who shall enter the said day or time of completion of the work in a book to be kept by him for said purpose; and the said day or time mentioned in said certificate shall be conclusive on all parties as to the time the said work was completed. The time of completion of the work, referred to in this section and in other parts of this act, shall be taken to mean the time of the completion of the whole contract for the improvement. He shall also furnish to the township secretary a certificate showing the time at which any such particular improvement was commenced, and such certificate shall be conclusive evidence of the time when the said improvement was begun; and an entry of such date shall be made by said secretary in the book aforesaid.

Section 1306. Surveys. The township engineer shall have the charge and direction of all surveys and regulations authorized by any act of assembly, or ordinance of such township.

#### (b) Real Estate Registry

Section 13010. Provisions for Registration of Real Estate. For the purpose of procuring accurate information in reference to the ownership of all real estate, the board of township commissioners may provide, by ordinance, for the registry thereof in the manner following.

Section 1311. Preparation of Books, Plans and Maps. The township engineer of any township in which such registry shall be established as aforesaid, shall cause to be made all such necessary books, maps and plans as will show the situation and dimensions of each property therein, which books, maps, or plans shall be so prepared as to show the house number, if any, the name of the owner or owners thereof, with blank spaces for the owner of each lot, with provision for the names of future owners, and dates of future transfer of title. For such purpose the township engineer shall have free access, without charge, to any of the public records wherein the necessary information may be obtainable therefor. He may also cause search to be made in any other place for any muniments or evidence of title, not reported to him as hereinafter provided, and requisite for the completion of such books, maps or plans.

Section 1312. Preservation of Records. The said books, maps and plans shall be carefully preserved in the office of the engineer of said township; and shall be so kept, by additions from time to time, or otherwise, as to show the ownership of every lot or piece of real estate, or subdivision thereof, within the township limits, with the successive transmissions of title, from the date of the commencement of such plans; but nothing therein or in this article shall invalidate any municipal or tax claim by reason of the fact that the same is not assessed or levied against the registered owner.

Section 1313. Certified Copies of Entries Admissible as Evidence. Certified copies, under the hand of the said engineer, of any of the entries in said books, or upon said maps or plans, shall be received in evidence in the same manner as the books, maps and plans themselves might be admissible for such purposes; and may be also furnished to any person desiring the same, for such fee or compensation for the use of the township as may be fixed by ordinance.

Section 1314. Duties Imposed on Owners of Real Estate When Registry Established. Penalty. All owners of unregistered real estate within the township limits, within one month from the date of the approval of the ordinance establishing such registry, and every subsequent purchaser, and every devisee or person acquiring title by partition or otherwise, to any real estate therein, within one month after acquiring such title, shall furnish to the said engineer, at his office descrip-

tions of their respective properties, upon blanks furnished by the township, and at the same time, present their conveyance to be stamped by said engineer, without charge, as evidence of the registration thereof. Any person or persons neglecting or refusing to comply with the provisions of this section, for a period of thirty days after public notice of the requirements thereof, shall be liable to a penalty of five dollars, to be recovered, with costs of suit, in the name and for the use of the township, as penalties for the violation of township ordinances are recoverable: Provided, however, That such registration may, within said thirty day period, be also effected by the Recorder of Deeds of the county in accordance with existing law.

Section 1315. Registry of Properties Sold at Judicial Sales. Duty of County Officers. Penalty. The sheriffs of the respective counties in which such townships are situated shall present for registry the deeds of all properties within the township limits sold by them at judicial sales, whether by execution, or in partition or otherwise.

## ARTICLE XIV

### POLICE

Section 1401. Appointment and Compensation of Policemen. The board of township commissioners shall fix, by ordinance or resolution, the number, rank and compensation of the members of the township police force. No policeman shall at the same time hold any public office other than constable and health officer. The board of commissioners shall prescribe all necessary rules and regulations for the organization of the police force.

Section 1402. Chief of Police and Other Officers. The board of commissioners may designate the superintendent or the chief of police and other officers, who shall serve until their successors are duly designated and qualified.

Section 1403. Powers of Policemen. Policemen shall be ex-officio constables of the township and may, without warrant and on view, arrest and commit for hearing any and all persons guilty of a breach of the peace, vagrancy, riotous or disorderly conduct or drunkenness, or who may be engaged in the commission of any unlawful act tending to imperil the personal security or endanger the property of the citizens, or violating any of the ordinances of the township for the violation of which a fine or penalty is imposed.

Section 1404. Service of Process. Fees. Policemen shall have authority to serve and execute all criminal process for the violation of the township ordinances, which may be issued by any justice of the peace of the township, and shall charge the same fees and costs as pertain by law to constables for similar services; but such fees and costs shall be paid to the township treasurer for the use of the township.

Section 1405. Supervision of Police. The chief of police and policemen shall obey the orders of the board of township commissioners or such other person or committee as may be designated by ordinance or resolution of the board for such purposes.

Section 1406. Keepers to Receive Prisoners. The keepers of jails, lockups and station-houses shall receive all persons arrested by policemen for the commission of any offense against the laws of the Commonwealth or the ordinances of the township.

Section 1407. Badge. The police, when on duty, shall wear a badge or shield with the words "Township Police" and the name of the township inscribed thereon.

Section 1408. Not to Receive Fees. Townships employing policemen shall pay to all such policemen a fixed or stipulated salary. It shall not be lawful for any such policemen to charge or accept any fee or other compensation, in addition to his salary, for any service rendered or performed by him of any kind or nature whatsoever pertaining to his office or duties as a policeman, except public rewards and the expenses incurred in the discharge of his duties.

Section 1409. Establishment of Police Pension Fund. Management. Townships may, by ordinance, establish a police pension fund to be maintained by an equal percentage charge against each member of the police force, not exceeding annually four per centum of the pay of such member. The fund shall be under the direction of the township commissioners or such committee as they may designate and shall be applied under such regulations as the commissioners may by ordinance prescribe for the benefit of such members of the



police force as shall receive honorable discharge therefrom by reason of age or disability and the families of such as may be injured or killed in the service. Any allowances made to those who are retired by reason of disability or age shall be in conformity with a uniform scale.

Section 1410. Minimum Service for Retirement. The ordinance, establishing the police pension fund, may prescribe a minimum period of continuous service, not less than twenty years and an age limit, after which members of the force may be retired from active duty, and may be entitled to benefits of such fund. Policemen so retired shall be subject to service as police reserves until unfitted for such service by reason of age or disability, when they may be finally discharged.

Section 1411. Retirement Allowance. The basis of the apportionment of the pension shall be determined by the rate of monthly pay of the member at the date of death, honorable discharge, or retirement, and shall not in any case exceed in any year one-half the annual pay of such member, computed at such monthly rate.

Section 1412. General Funds of Township not Liable. Payments made for retirement allowances shall be a charge on no other fund in the treasury of the township or under its control other than the police pension fund.

Section 1413. Township Appropriations. Gifts. Management. Any township may make contributions to the police pension fund and may take by gift, grant, devise, or bequest any money or property, real, personal or mixed in trust for the benefit of such police pension fund. The care, management, investment, and disposal of such trust funds or property shall be vested in such officers as the township commissioners shall by ordinance, direct and shall be governed by such officers, subject to any directions not inconsistent therewith, as the donors of such funds and property may prescribe. Any township may also make contributions to any incorporated police pension fund extending retirement benefits to police officers of the township, subject to such conditions as the township commissioners may impose.

Section 1414. Reasons for Denying Retirement Allowance. No person participating in such police pension fund established by ordinance, and becoming entitled to receive a benefit therefrom, shall be deprived of his rights, except for failing to comply with some general regulation relating to the management of such fund which may be made by ordinance and which provides that a failure to comply therewith shall terminate the right to participate in the pension fund, after such notice and hearing as it shall prescribe.

## ARTICLE XV

### CORPORATE POWERS

Section 1501. Suits. Property, Townships of the first class may—

I. Sue and be sued by the name of the township of .....

II. Acquire, hold, lease, let and convey such real and personal estate as the purpose of the township shall require. Such real and personal estate shall be taken and held only for the benefit of the inhabitants of the township, and for such objects and purposes as township rates and levies are authorized by law to be laid for.

Section 1502. The corporate power of a township of the first class shall be vested in the board of township commissioners. The board shall have power—

I. Ordinances and Resolutions. To adopt resolutions and ordinances prescribing the manner in which the powers of the township shall be carried out, and generally regulating the affairs of the township. All such ordinances, unless otherwise provided by law, shall be published at least once in one newspaper of general circulation in the township. Such ordinance shall not become effective until ten days after the publication aforesaid. In any case in which maps, plans or drawings of any kind are adopted as part of an ordinance, the commissioners may, instead of publishing the same as part of the ordinance, refer in publishing the ordinance to the place where such maps, plans or drawings are on file and may be examined.

II. Fines for Violation of Ordinances. To prescribe fines and penalties not exceeding three hundred dollars in any instance, for the violation of township ordinances, which fines and penalties may be collected by suit brought in the name of the township before any justice of the peace, in like manner as debts of like amount may be sued for by existing laws.

III. Officers, Positions and Departments. To create any office, position or department which may be deemed necessary for the good government and interests of the township; to fix the compensation of persons appointed thereto; and to employ the township assessor and any assistant township assessor to perform work for the township in connection with the assessment and valuation of property and occupations for taxation purposes, or to perform other work when not engaged for the county, and to fix their compensation payable by the township.

IV. Township Manager. To create, by ordinance, the office of township manager, and in like manner to abolish the same.

The powers, duties, term of office, and compensation of the township manager shall be regulated by ordinance. The commissioners may delegate, subject to recall, any of their respective non-legislative and non-judicial powers and duties to the township manager. He shall give a bond to the township, with one or more sureties, or one bonding company, to be approved by the commissioners, in such sum as it shall, by ordinance, direct, conditioned for the faithful performance of his duties.

V. Police Force. To establish, equip, and maintain a police force, and to define the duties of the same.

VI. Lockups and Commitments. To provide for the erection or purchase of lockups in the township for the detention and confinement of vagrants and persons arrested by the police officers, until the persons so arrested can be taken before a justice of the peace for hearing; but no person shall be detained therein for a longer time than twenty-four hours (Sunday excepted) except upon order of a justice of the peace legally authorized, who may commit any such person for further hearing.

VII. Committing Magistrate. To designate from time to time one of the justices of the peace to sit at the police station or town hall as a committing magistrate.

VIII. Vagrants. To arrest and confine, and to set to work on the roads or elsewhere, all vagrants found in the township.

IX. Disorderly Practices. To define and prohibit disorderly practices within the limits of the township.

X. Public Safety. To take all needful means for securing the safety of persons or property within the township.

XI. Road Implements. To purchase tools, implements, machinery, timber, and materials necessary for the making, paving, and repairing of streets, highways, side-walks and other public work; to employ sufficient number of laborers to make and repair the same and to lease or lend such tools, implements, and machinery to other townships, boroughs, or cities.

XII. Lights. To establish lights along the highways, including State and county highways, wherever deemed expedient, and on and along State highways and county highways, running through such townships. No such lights shall be established upon State highways until a permit has first been obtained from the State Department of Highways, or upon county highways until a permit has first been obtained from the county commissioners.

XIII. Lighting Tax. On the petition of the owners of a majority of the lineal feet frontage along any highway or portion thereof in any village within the township, to enter into contracts with electric, gas or other lighting companies to light and illuminate the streets, highways, and other public places in said village with electric light, gas light, or other illuminant.

The township commissioners may levy for the maintenance of said lights an annual special tax upon all the property, including factories and places of business, abutting upon said highways, based upon the assessment for county purposes. Such tax shall be collected in the same manner as other taxes. The township treasurer shall receive the same commission as on other township taxes. No such tax shall be levied against any farm land, but vacant lots between built-up sections, whether tilled or untilled, shall not be deemed to be farm lands. The township treasurer shall keep all such taxes collected for lighting the highways in a separate account and pay out the same only upon orders signed by the president or vice-president of the township commissioners, attested by the secretary or assistant secretary. The treasurer shall make a report to the auditor or controller of the township annually.

XIV. Water Supplies. To enter into contracts with any person or corporation to supply water for fire protection and other purposes for a period not exceeding twenty years. No



such contract shall be exclusive as against the right of any other water company, nor interfere with the right of such township to erect, maintain, and operate its own waterworks.

XV. Fire and Water Districts. Bond Issues and Taxes. To create by ordinance, fire and water districts in any portion or portions of townships when, in their opinion, the same is necessary for the safety and convenience of the inhabitants of said township, to issue bonds restricted to the districts so created, for the purpose of procuring and maintaining the necessary supply of water to said district, and to levy such special tax restricted to said district as may be necessary to redeem any bonds so issued. In lieu of the foregoing, provisions relating to the issue of bonds the township commissioners may charge for any such water supply by an assessment of a special water tax on all properties located in the water district, which tax shall be based on the assessment for county purposes as established for general taxation. Such tax may be levied for a single year or for a term of years as the township commissioners may determine, and shall be collected in the same manner as other taxes.

XVI. Fire Regulations. To make regulations as may be deemed proper relative to the cause and management of fires and the prevention thereof; to take measures for the extinguishment of fires, either by making annual appropriations towards the maintenance of fire companies or in such other manner as said board of commissioners may deem proper; to ordain rules and regulations for the government of such fire companies and their officers, and to regulate the method to be followed in the extinguishment of fires; to purchase and maintain apparatus for the extinguishment of fires; and to make rules and regulations for the management of same.

XVII. Fire Houses. To provide and maintain suitable places for the housing of engines, hose carts, and other apparatus for the extinguishment of fires. No such building shall be erected or maintained without obtaining the assent of the electors thereof, expressed at an election to be held at the place, time, and under the same regulations, as provided by law for holding of municipal elections. At such election the judges, inspectors, and clerks shall receive ballots from the electors, which shall be prepared in the manner prescribed by the general election law. In receiving and counting and in making returns of the votes cast the inspectors, judges, and clerks of said election shall be governed by the laws of this Commonwealth regulating municipal elections, and the vote shall be counted by the court as is now provided by laws for municipal elections. The constables of the township, by direction of the board of township commissioners, shall issue proclamation, ten days prior to date of the municipal election, stating that the qualified electors will vote "For or against a fire-engine house."

XVIII. Building Regulations. To make regulations for the construction of new buildings and the alteration and repair of old ones, and to require that before the work begins municipal approval of the plans and specifications therefor be secured; to classify buildings or parts of buildings according to the use to be made of them; to specify the mode of construction of such different classes of buildings; and to require that before any use of occupancy be changed from any classification to a different classification as to which more stringent regulations are prescribed under the provisions of any ordinance relating thereto, municipal approval of the plans and specifications therefor be secured.

Building Sanitation Regulations. In addition to other remedies provided by law, and in order to promote the public health, safety, morals, and the general welfare, to enact and enforce suitable ordinances to govern and regulate the construction, alteration, repairs, occupation, maintenance, sanitation, lighting, ventilation, water supply, toilet facilities, drainage, use and inspection of all buildings or parts of buildings constructed, erected, altered, designed, or used in whole or in part for human habitation, and of the sanitation and inspection of land appurtenant thereto. In case any building or structure is constructed, reconstructed, altered, repaired, converted, or maintained, or any building or land is used, in violation of any ordinance enacted under authority conferred hereby, the corporate authorities of the township in addition to the penalties provided by ordinances enacted herewithin, may institute appropriate actions or proceedings at law or in equity to prevent and restrain such unlawful construction, reconstruction, alteration, repairs, conversion, maintenance, or use, and to restrain, correct, or abate such violation and to prevent

the occupancy of said building or structure. The ordinances enacted pursuant to this clause shall not be inconsistent with the provisions of any statute governing the same matter; but all regulations prescribed by such ordinances, which are additional or supplementary to the statute law and not inconsistent therewith, or enacted for the purpose of carrying into effect the provisions of the statute law, shall be valid and binding.

XX. Building Inspectors. To provide for the inspection of the construction and repair of buildings, including the appointment of one or more building inspectors; to prescribe limits wherein none but buildings of noncombustible material and fireproof roofs shall be erected or substantially reconstructed or removed thereinto; to provide penalties for the violation of such regulations. Any building erected, reconstructed, or removed contrary to the provisions of any ordinance passed for any of the purposes herein specified, is declared to be a public nuisance and abatable as such.

XXI. Building Lines. To establish, by ordinance, and maintain uniform building lines upon any or all public streets, roads, highways, lanes and alleys of the township.

XXII. Numbering Buildings. To provide for and regulate the naming of streets, courts and public squares; and to require and regulate the numbering of buildings.

XXIII. Insurance. To make contracts with any fire insurance company, including mutual companies, insuring any building or property of the township; to make contracts with any insurance company insuring any public liability of the township; to expend public funds to secure workmen's compensation insurance for the benefit of its employees, including volunteer firemen killed or injured while going to or returning from or attending fires within the township or territory adjacent thereto; and to enter into contracts of group insurance for the benefit of its employees.

XXIV. Markets, Market Houses and Peddling. To provide and enforce regulations for markets and market houses, whether for individual use or for sale or resale; and to acquire and own ground for and to erect, establish and maintain market houses and market places, for which latter purposes, parts of any streets or sidewalks may be temporarily used as specified by the township commissioners; to contract with any person, firm or corporation for the erection, maintenance and regulation of market houses and market places on such terms and conditions, and in such manner as the board of commissioners may prescribe; to provide for the payment of the cost and expense of providing markets and market houses, either in whole or in part from township funds; and to levy and collect a license tax from every person who may be authorized to occupy any portion of said market houses or places.

XXV. Milk Inspection. To provide for the inspection of milk and milk products; and to make regulations concerning the character and kind of milk which may be sold.

XXVI. Nuisances. To make regulations, respecting pigpens, slaughterhouses, manure pits, drains, dumps, cesspools, and similar conditions, and to prohibit and remove any noxious or offensive manufacture, art or business or dangerous structure or weeds or any other nuisance whatsoever on public or private grounds, prejudicial to the public health or safety, or to require the removal of the same by the owner or occupier of such grounds, in default of which the township may cause the same to be done and collect the cost thereof, together with a penalty of twenty per centum of such cost in the manner provided by law for the collection of municipal claims, or by action of assumpsit without the filing of a claim.

XXVII. Garbage and Rubbish. To prohibit accumulations of garbage and rubbish upon private properties; and to provide, by contract or otherwise, for the collection, removal and disposition, through incinerating works, garbage plants or otherwise, of ashes, garbage, and rubbish. Any such contract may be made for a period not exceeding three years.

XXVIII. Inflammable and Explosive Articles. To prohibit the manufacture, sale or exposure of fireworks and other inflammable and explosive articles; to prescribe the quantities of inflammable and explosive articles that may be kept in any place; and to prescribe such other safeguards as may be deemed necessary.

XXIX. Smoke Regulations. To regulate the emission of smoke from chimneys, smokestacks and other sources, except locomotive smokestacks.

XXX. Animals. To prohibit or regulate the running at large of animals.

XXXI. Amusements. To regulate, license and prohibit shows, circuses, sports and amusements of all sorts.

XXXII. Party Walls and Fence Regulations. To make regulations respecting foundations, party walls and partition fences; and to prescribe reasonable fees for the services of its officers and agents in the adjustment of party walls, partition fences and the like, and to enforce payment of the same.

XXXIII. Watering Troughs. To erect watering troughs along the highways, at an expense not exceeding twenty dollars each, and to keep the same in repair.

XXXIV. Motor Ambulances. To acquire and to operate and maintain a motor ambulance for the purpose of conveying sick and injured persons of such municipality and the vicinity to and from hospitals, and, for such purposes, to appropriate and expend moneys of the township.

XXXV. Display of Flags. To display the flag of the United States, of the Commonwealth of Pennsylvania, and of any county, city, borough or township on the public buildings or any property of the township.

XXXVI. Memorial Day Appropriations. To appropriate moneys for the expenses of Memorial Day services.

XXXVII. Care of Memorials. To maintain and keep in good order and repair at the expense of the township, and it shall be their duty so to do, any soldiers' monument, gun, or carriage or other similar memorial when there is not in existence any person, body or organization to care for and maintain the same, and when such memorials were not erected by the government of the United States, the Commonwealth of Pennsylvania, any other state, or by the commissioners of any county; and to receive from persons or organizations, funds for such purposes.

XXXVIII. Soldiers' Cemeteries. To purchase plots of ground in any cemetery or burial ground, for the interment of such deceased service men, who shall hereafter die within such township, or shall die beyond such township and shall have a legal residence within such township at the time of their death, and whose bodies are entitled to be buried by the county under the provisions of existing laws. Such plots of ground shall be paid for out of the treasury of such township.

XXXIX. Appropriations to Civic Associations. To annually appropriate a sum not exceeding two hundred dollars for the support of any voluntary association composed of electors of the several townships within such county, or any of them, which association is formed for the study and investigation of the welfare, economics, management, and government of townships, and for the protection and safeguarding of the rights and franchises of townships, and for the purpose of recommending legislation beneficial to townships, or any one or more of such purposes.

XL. Armory Buildings. To appropriate moneys or convey land, either independently or in connection with any county, city, town, borough, or township to the Commonwealth of Pennsylvania, for the purpose of assisting the Armory Board of the Commonwealth in the erection of armories for the use of the National Guard, and to furnish water, light, or fuel, free of cost to the Commonwealth for use in any armory, and to do all things necessary to accomplish the purpose of this clause.

XLI. Land for Armories. To take by right of eminent domain, for the purpose of appropriating to themselves, for the use of the National Guard of Pennsylvania, such public lands, easements, and public property as may be in their possession or control, and used or held by them for any other purpose. Such right, however, shall not be exercised as to any street or highway or wharf, but all other public easements and property may be appropriated and used for the purpose herein provided, any limitation of the use thereof by the township, either by donation, dedication, appropriation, statue, or otherwise, to the contrary notwithstanding.

XLII. Land for Armory Purposes. To acquire, by purchase or by gift or by the right of eminent domain, any land for the use of the National Guard of Pennsylvania, and to convey such lands so acquired to the Commonwealth of Pennsylvania to assist the Armory Board in the erection of armories. The proceedings for the condemnation of lands under the provisions of this act, and for the assessment of damages for property taken, injured, or destroyed shall be taken in the same manner as is now provided by this act for the condemnation of lands. The power conferred by this clause shall not be exercised to take any church property, graveyard, cemetery, or any

dwelling house, or the curtilage of the same, in the actual occupancy of the owner.

XLIII. Junk Dealers, Pawnbrokers, Auctions, Etc. To regulate and license junk dealers, pawnbrokers, hucksters, peddlers, vendors, and public auctions and auctioneers.

XLIV. Fire Prevention. To take measures for the prevention of fires by inspecting, regulating, and abating fire hazards.

XLV. Comfort and Waiting Stations and Drinking Fountains. To acquire property for the purposes of providing, maintaining and operating thereon comfort and waiting stations and drinking fountains; and to construct and maintain such stations and fountains in any of the highways of the township.

## ARTICLE XVI

### PUBLIC HEALTH

#### (a) Boards of Health

Section 1601. Appointment of Boards of Health and Health Officers. The administration of the health laws in townships shall be enforced by a board of health, or by a health officer or officers, as the case may be, appointed by the township commissioners.

Where township commissioners elect to appoint a health officer or officers, the said health officer or officers shall have the same powers and duties, and exercise the same authority, as is now prescribed for boards of health in townships. All health officers, whether appointed by boards of health or township commissioners, shall have had some experience or training in public health work in accordance with rules and regulations established by the advisory health board of the State Department of Health. Such health officers shall not enter upon the performance of their duties until they are certified so to do by the Secretary of Health of the State Department of Health.

Section 1602. Members of Board. Terms. Secretary. Where the township commissioners decide to appoint a board of health said board shall be composed of five members, at least one of whom shall be a reputable physician of not less than two years' experience in the practice of his profession; one resides within the township. The members of the board shall be appointed by the township commissioners. At the first appointment, one member shall be appointed to serve for one year, one for two years, one for three years, one for four years, and one for five years; and thereafter one member shall, in like manner, be appointed each year, to serve for five years. The members of the board of health shall serve without compensation: Provided, however, if any member of the board shall be elected to the office of secretary, he shall be entitled to receive a salary, fixed by the board for that office.

Section 1603. Organization of Board. Salary of Secretary. Bonds of Members. Fees and Penalties. Power to Administer Oaths. The members of the board shall, severally, take and subscribe to the oath prescribed for township officers; and shall annually organize by electing a president from among the members of the board, a secretary who may or may not be a member of the board, and a health officer who shall not be a member of the board. The secretary and the health officer shall receive such salary as may be fixed by the board, and ratified by the board of commissioners of the township, and shall serve for a period of one year, or until such time thereafter as their successors may be elected and qualified. They shall severally give bond to the township, in such sums as may be fixed by ordinance, for the faithful discharge of their duties, and shall also take and subscribe to the oath required by members of the board.

All fees which shall be collected or received by the board or by any officer thereof in his official capacity, shall be paid over into the township treasury monthly, together with all penalties which shall be recovered for the violation of any regulation of the board. The president and secretary shall have full power to administer oaths or affirmations in any proceeding or investigation touching the regulations of the board, but shall not be entitled to receive any fee therefor.

Section 1604. Duties of Secretary. The secretary of the board shall keep the minutes of their proceedings; shall keep accurate accounts of the expenditures of the board; shall transmit all bills to the board of township commissioners for payment in the same manner as other bills of the township are paid; shall render statements of the expenditures of the board at each stated meeting or as frequently as they may re-



quire; shall prepare, under the directions of the board, the annual report to the township commissioners, together with the estimate of appropriation needed for the ensuing year; shall report to the State Department of Health at the end of each week, and for the fraction of each week occurring at the end of each month, the cases of communicable disease reported to the board of health, on the form provided for that purpose by the State Department of Health; shall also make an annual report to the State Department of Health; and shall make such other reports and perform such other duties as the board of health may require.

Section 1605. Duties of Health Officer. It shall be the duty of the health officer to attend all stated and special meetings of the board of health, and at all times be ready and available for the prompt performance of his official duties. He shall placard and quarantine all premises upon which cases of communicable disease exist, which have been reported to the board of health or of which he or the board of health may have knowledge, which are required, by law, or by regulation of the State Department of Health or of the local board of health, to be placarded and quarantined; and shall disinfect such premises upon the expiration of the quarantine period, and the recovery of the last person therein suffering from such disease. He shall serve written notice on teachers and persons in charge of public, parochial, Sunday, and other schools, requiring the exclusion from school of children who are suffering from or who reside in the same premises with other persons who are suffering from communicable diseases; shall make sanitary inspection; shall execute the orders of the board of health; and shall in the performance of his duties have the power and authority of a policeman.

Section 1606. Powers of Board of Health. The said board of health shall have the power, and it shall be their duty, to enforce the laws of the Commonwealth, the regulations of the State Department of Health, and any ordinances of the township relating to health work, and to make and enforce such additional rules and regulations to prevent the introduction and spread of infectious or contagious diseases, by the regulation of intercourse with infected places, by the separation of infected persons, and persons who shall have been exposed to any infectious or contagious disease, and by abating and removing all nuisances which it shall deem prejudicial to the public health; to mark infected houses or places, to prescribe rules for the construction and maintenance of house drains, wash pipes, soil pipes and cesspools; and make all such other rules and regulations as they shall deem necessary for the preservation of the public health, and such other powers relating to health work as may be delegated by the township commissioners. The board shall also have power, with the consent of the township commissioners, in case of a prevalence or apprehended prevalence of any contagious or infectious diseases in its township, to establish one or more emergency hospitals, and to make provisions and regulations for the maintenance and management of the same.

The board shall also have the power to make, enforce, and cause to be published, all necessary rules and regulations for carrying into effect the powers and functions with which they are invested by law, and the power and authority relating to the public health conferred on townships. Such rules and regulations, when approved by the township commissioners, and when advertised in the same manner as other ordinances, shall have the force of ordinances of the township. All penalties or punishments prescribed for the violation thereof, as well as the expenses actually and necessarily incurred in carrying such rules and regulations into effect, shall be recoverable, for the use of the township in the same manner as penalties for violation of the ordinances of the township, and subject to the like limitations as to the amount thereof.

Section 1607. Entry of Premises. The board of health shall have the power, as a body or by committee, as well as the health officer, together with their assistants, subordinates, and workmen, under and by order of the said board, to enter at any time upon any premises in the township upon which there is suspected to be any infectious or contagious disease, or nuisance detrimental to the public health, for the purpose of examining and abating the same, and for any other purpose arising in connection with or in the performance of their duties.

Section 1608. Inspections. The board of health may inspect house drains, waste and soil pipes, cesspools, water-closets, slaughterhouses, hogpens, stables, stable yards, and any condi-

tions or places whatsoever, in the township, which may constitute a nuisance or a menace to public health. Whenever any condition or place in the township is found by them to be a nuisance or a menace to the health of the people of the township, they shall issue a written order of abatement, directed to the owner, or agent of the owner of the premises, or to the occupant thereof, stating that the conditions specified therein constitute a nuisance or a menace to health, and ordering an abatement thereof within such time as may be specified by them in such order. In case such order of abatement is not obeyed within the time specified therein they shall thereupon issue a further written order to the health officer, directing him to remove or abate the same; which order shall be executed by him and his subordinates and workmen, and the expense thereof shall be recoverable from the owner of the premises upon or from which the nuisance or menace to health is abated or removed, in the same manner as debts of like character are now collected by law; or the said board of health may proceed to enforce such other remedy, or inflict such penalty, as may by ordinance of the township, be provided.

Section 1609. Budget. Appropriations. It shall be the duty of the board of health or appointed health officer or officers to submit annually, to the township commissioners, before the commencement of the fiscal year, an estimate of the probable expenditures of the board during the ensuing year; and the township commissioners shall then proceed to make such appropriations as may be deemed necessary; and the said board of health, health officer or officers, shall, in the month of January of each year, submit a report, in writing, to the township commissioners, of its appropriation and expenditures for the preceding year, together with such other information on subjects relative to the sanitary conditions or requirements of the township as may be necessary, and council or township commissioners shall publish the same in their official journal.

Section 1610. Co-operation in Health Work. Any township may co-operate with the county, or with any city, borough, township or school district, as well as with the State Department of Health, in the administration and enforcement of health laws.

Section 1611. Powers of Secretary of Health. Whenever, in the opinion of the Secretary of Health of the Commonwealth, conditions found by him to exist in any township shall constitute a menace to the lives and health of people living outside the corporate limits of such township, or if it be known to him that any township is without an existing or efficient board of health, or health officer or officers, the Secretary of Health may enter, and take full charge of, and administer the health laws, regulations, and ordinances in such township, and may continue in charge thereof until he shall decide that a competent and efficient board of health, or health officer or officers, has been appointed and qualified for such township, and is ready, able and willing to assume and carry into effect the duties imposed upon it by law.

Section 1612. Expenses Incurred by Board or Secretary of Health. All expenses incurred by any local board of health, its officers or employees, in the performance of the duties imposed upon it by law, and all expenses incurred by the Secretary of Health in accordance with the provisions of the preceding section, shall be paid by the township wherein such duties are performed, in the same manner as other expenses of such township are paid.

Section 1613. Suits by State Secretary of Health to Recover Expenses. Whenever expenses incurred by the State Secretary of Health in the administration of health laws in any township, in accordance with the provisions of this act, shall remain unpaid by said township for a period of more than three months after a statement of such expense has been rendered by him to such township, and demand for payment by him made, he shall, with the approval of the Governor, institute, in the name of the Commonwealth as plaintiff, an action of assumpsit against such township, for the collection of such expense from the township, in the same manner as debts of like amount are collected by law. Provided, however, That, upon the trial of any such action of assumpsit, the reasonableness of the expenditures made by the Secretary of Health shall be submitted to the jury for its determination.

Section 1614. Payment of Expenses Recovered Into State Treasury. All expenses incurred by the State Secretary of Health in the administration of health laws in any township, when paid to him by such township, or when collected by



him, shall be returned by him to the State Treasurer, who shall credit the amount so received to the appropriation made to the Department of Health.

(b) Vacation of Lanes and Alleys Declared Nuisances by Board of Health

Section 1620. Petitions to Vacate Nuisances. Whenever the board of health shall declare as a nuisance any public alley, lane, or passageway, any two or more owners of property adjacent or abutting upon the same may present their petition, verified by oath or affirmation, to the court of quarter sessions, setting forth the facts regarding such nuisance and praying that said alley, lane, or passageway may be vacated. Such petition shall be accompanied by a certificate of the board of health, setting forth that they have declared such alley, lane, or passageway to be a public nuisance.

Section 1621. Jury of View. The court shall thereupon appoint a jury of view of three men of the county. The jury, being sworn or affirmed to faithfully perform its duties, shall give notice to all parties likely to be affected by the proceedings, of the time and place of the first meeting, in such manner as the court shall direct.

Section 1622. Hearings and Report. After the first meeting, the jury shall proceed to view the premises, hear all parties, interested and their witnesses, and shall prepare a report of finding and recommendations as to whether or not such alley, lane, or passageway, or part thereof, should be vacated; and in such report shall award damages and assess benefits to the property affected.

Section 1623. Notice of Filing Report. The jury shall give notice, in writing, to all parties affected by their report, at least ten days before the same is filed in court. The notice shall state the time and place where such report will be open to inspection.

Section 1624. Exceptions to Report. Any person aggrieved by such report may file exceptions thereto with the jury, whereupon the jury shall reconsider their report, with the exceptions, and change the same as justice may require. The report as finally prepared shall be filed in court.

Section 1625. Appeals From Report. Any person affected by the report shall have the right of an appeal to the court of common pleas, within thirty days after the report is filed, and the procedure on such appeal shall be the same as in actions of trespass.

Section 1626. Confirmation of Report. At the end of the period allowed for an appeal, the report shall be absolutely confirmed by the court as to such awards or assessments from which no appeals have been taken.

Section 1627. When Vacation Proceedings Not To Be Had. No alley, lane, or passageway shall be vacated in any case where the vacating deprives any lot abutting thereon of the sole means of ingress or egress, otherwise than to or from the front line thereof; nor where it was created by grant or contract and not theretofore accepted by the public.

## ARTICLE XVII

### FINANCE AND TAXATION

Section 1701. Budget. The board of township commissioners of townships shall each year, within sixty days after the first Monday of January, estimate the several amounts of money which will be required for the several specific purposes of township government and expenses during the current fiscal year, and by ordinance appropriate, out of the revenues available for the year, the specific sums required. The tax levied by the township authorities shall be fixed at such figure, within the limit fixed by law, as, with all other sources of revenue, will meet and cover said appropriations. The total appropriation shall not exceed the revenues available for the fiscal year. If the funds available from taxation and other sources shall be estimated to be in excess of the requirements of the current fiscal year, and appropriation may be made for the payment of township orders or indebtedness of the previous years.

Section 1702. Appropriations Not To Be Exceeded. Changes in Appropriations. No work shall be hired to be done, no materials purchased, no contracts made, and no orders issued for the payment of any moneys, by the authorities of any township, in any amount which will cause the sums appropriated to specific purposes to be exceeded. No change in the purpose of the appropriations shall be made, unless by an ordinance, which shall set out the reasons for and character of such change. If any work shall be done for, or materials

furnished to any township contrary to the provisions of this section, the township commissioners are hereby prohibited from authorizing payment therefor as a moral obligation or otherwise, unless ordered or directed so to do by the court of common pleas or the court of quarter sessions of the county in which such township is situate.

Section 1703. Certain Contracts, Etc., Invalid. No contracts, hirings, or purchases made, or orders or warrants issued, not provided for by an appropriation by the township commissioners as is required by law, or which would cause any appropriation to be exceeded, shall be valid.

Section 1704. Power to Create Indebtedness. Sinking Fund. Temporary Indebtedness. The board of township commissioners may, by ordinance, borrow money and issue evidences of indebtedness therefor to the extent, and in the manner, in which municipal districts are now authorized to incur or increase the same, for the purpose of permanent improvements, but the total indebtedness so created shall not exceed two per centum of the county valuation of the property within the township without the assent of the electors of the township. The rate of interest on such indebtedness shall not exceed six per centum. In authorizing the issue of obligations or securities for such loans, the township commissioners shall provide that moneys subsequently derived from assessments upon parties benefited by such improvements shall be deposited in the sinking fund for the payment of the principal and interest of said obligations or securities.

Whenever the township funds have been exhausted the township commissioners may borrow, on the credit of the township, money in anticipation of taxes levied and to be collected for the current fiscal year and issue a certificate of indebtedness payable on a certain date not exceeding one year from the date of issue, to the end that work may be performed in proper season.

Section 1705. Sinking Fund. Regulations and Investments. It shall be the duty of the board of commissioners to cause accounts of the sinking fund and other accounts relating to the indebtedness of the township to be kept; and to see to the proper application and superintend the investment of moneys therein in accordance with law. The commissioners shall meet as often as may be necessary, and keep a record of the proceedings. The board of commissioners shall not direct the investment of any moneys to the credit of the sinking fund, except in loans of the township, the loans of the Commonwealth, or the loans of the United States, and the income derived from such investments or on any bank balances credited to the sinking fund shall be credited and applied only to the sinking fund.

Section 1706. Indebtedness and Orders of Previous Years. No orders or indebtedness of any previous years shall be paid out of the funds of any fiscal year, unless the funds available from taxation and other sources shall be estimated to be in excess of requirements for the current fiscal year, in which case an appropriation may be made for such purpose to the extent of such excess, or unless after the close of the fiscal year, it shall be ascertained that the funds appropriated and available therefor are in excess of the amount required, in which case, such surplus may be applied to such former orders of indebtedness.

Section 1707. Sale of Securities. When any township shall borrow money and issue bonds or other securities therefor, except in the case of the giving of notes for temporary loans as may be authorized by law, the commissioners shall sell the same to the highest bidder after public notice by advertisement once a week for three weeks, in at least one newspaper of general circulation published in the county in which such township shall be situated. No bid for such bonds or securities at less than their par value shall be accepted. Where bonds and securities shall be advertised for sale, as provided in this section, and no bids have been received, then it shall be lawful for such township to sell the same at private sale for not less than par and accrued interest.

Section 1708. Disbursements to Pay Indebtedness. All disbursements in discharge of township indebtedness duly incurred shall be made by the township treasurer or his deputy, by virtue of warrants or orders drawn on him by the order of the board of township commissioners, signed by the president or vice-president and attested to by the secretary or assistant secretary of the board. The board shall prescribe by ordinance the manner in which bills for township indebtedness shall be approved for payment.



Section 1709. Tax Levies. The board of township commissioners may levy taxes upon all property and upon all occupations within the township made taxable for township purposes, as ascertained by the valuation for county purposes made by the assessors of the several counties of this Commonwealth for the year for which the township taxes are levied, for the purposes and at the rate hereinafter specified: Provided, however, That such valuation shall be subject to correction by the county commissioners of the several counties, and to appeal by the taxable persons in accordance with existing laws.

One. An annual tax for general township purposes, not exceeding ten mills, unless the board of township commissioners by majority action shall, upon due cause shown by resolution, petition the court of quarter sessions, in which case the court may order a rate of not more than five mills additional to be levied: Further provided, That if, at the hearing before the court of quarter sessions upon said petition, of which notice shall be given as the court may direct which hearing shall be held not less than ten nor more than fifteen days after said petition shall be presented, the owners of real estate having assessed valuation of fifty per centum of the total assessed valuation of real estate in said township shall, by petition, object to the making of an order for any additional tax levy, the court shall thereupon deny the prayer of said petition.

Two. A tax for the purpose of building and maintaining suitable places for the housing of fire apparatus; the receipts from said tax for maintenance to be divided among the places maintained.

Three. An annual tax, not exceeding one-tenth of one mill, for the purpose of caring for trees planted under the supervision of the shade-tree commission, and for the purpose of publishing notices of meetings to consider the planting, removing, or changing of trees. In lieu of the tax provided for in this clause, the township commissioners may, by specific appropriation, provide for the maintenance of such trees from the general funds of the township.

Four. An annual tax so long as necessary not exceeding fifty per centum of the rate of assessment for township purposes, for the purpose of procuring a lot and/or erecting a building thereon for a townhouse, and for the payment of indebtedness incurred in connection therewith: Provided. The total indebtedness for the payment of which any such tax shall be levied shall not exceed one-half of one per centum of the assessed value of real estate in the township.

Five. An annual tax sufficient to pay interest on indebtedness and sinking fund charges.

This section does not include the levy of any taxes upon particular districts, or parts of any township for particular purposes, nor special levies otherwise provided for in this act.

Section 1710. Tax Rates to be Expressed in Dollars and Cents. Whenever the commissioners of any township shall, by ordinance, fix the rate of taxation for any year at a mill rate, such ordinance shall also include a statement expressing the rate of taxation in dollars and cents on each one hundred dollars of assessed valuation of taxable property.

Section 1711. Special Levies to Pay Indebtedness. In addition to the levies hereinbefore provided for, when it is shown to the court of quarter sessions that the debts due by any township exceed the amount which the township commissioners may collect in any year by taxation, the court, after ascertaining the amount of indebtedness of any such township, may by a writ of mandamus direct the township commissioners, by special taxation, to collect an amount sufficient to pay the same. If the amount of such indebtedness is so large as to render it unadvisable to collect the same in any one year, taking into consideration other necessary taxation, the court may direct the same to be levied and collected by annual instalments, and may order such special taxes to be levied and collected during such successive years as may be required for payment of the same.

Section 1712. Delivery of Duplicates. As soon as possible after the receipt of the duplicate from the county commissioners, the board of township commissioners shall deliver a duplicate of the assessment of township taxes to the township treasurer, together with their warrant for the collection of the same.

Section 1713. Public Notice of Delivery of Duplicate. As soon as possible after the receipt of the duplicate, the treasurer shall give public notice thereof by at least ten written

printed notices, to be posted in public places in the township, and by advertisement in a newspaper of general circulation in the township, if any such there be, that the duplicate has been issued and delivered to him.

Section 1714. Tax Notices. Duties of Treasurer. The township treasurer, within thirty days after receiving the tax duplicate, shall notify every taxable whose name appears on such duplicate. Such notice shall contain the rate of taxation, the valuation of the property of such taxable, the occupation of such taxable, and the full amount of taxes for which said taxable is liable for the current year. Such notice shall further state that such taxes are payable, designate a place and time when they shall be paid, and when an additional percentage will be added as penalty. Such notice shall be mailed to the last known post office address on each taxable.

Before any allowance is made by the township auditor or controller for commissions due to the township treasurer for taxes collected, the treasurer shall make an affidavit setting forth that he has sent such notice to each taxpayer.

Section 1715. Penalties. All persons who fail to make payment of any tax charged against them in the duplicate within the period of sixty days from the date of notice thereof by the township treasurer, shall be charged with a penalty of two per centum additional on the amount of tax and thereafter an additional penalty of one per centum for each month, or fractional part thereof, during the remainder of the fiscal year for which the tax is levied, which penalties shall be added to the tax by the treasurer, and collected by him or his deputy.

Section 1716. Collection of Taxes. The treasurer shall proceed to collect all taxes from the taxpayers, and to that end may appoint one or more deputy collectors. The treasurer and his deputies shall have and exercise all powers conferred by existing laws on collectors of county and township taxes.

Section 1717. Expenses of Collector. The township treasurer may retain, out of the taxes collected, such actual printing and postage expenses as shall be incurred in performing the duties prescribed in this article. Such amounts shall be adjusted by the township auditor or controller, as the case may be, at the time of auditing the treasurer's accounts.

Section 1718. Exonerations. The township commissioners shall at all times make abatements or exonerations for occupation taxes, mistakes, indigent persons, unseated lands, deaths, removals, et cetera, as to them shall appear just and reasonable. The township secretary shall enter in a book or books, to be kept for that purpose, the names of all persons abated or exonerated, together with the reason why, the amount of the tax, and date when levied, and give to the treasurer a certificate stating the nature of the tax and the amount exonerated.

Section 1719. Audit of Collectors' Accounts. The accounts of collectors of taxes shall be audited by the township auditors or controller, as the case may be. The treasurer shall state a separate account for each different tax collected by him.

## ARTICLE XVIII

### CONTRACTS

Section 1801. Power to Make Contracts. Townships shall have power to make such contracts as may be necessary for carrying into execution the provisions of this act and the laws of the Commonwealth.

Section 1802. General Regulations Concerning Contracts. All contracts or purchases made by any township, involving the expenditure of over five hundred dollars, shall be in writing, and shall be made only after notice by the secretary, published once a week for two weeks in one or more newspapers of the county circulating in the township. All plans and specifications shall be on file at least fifteen days in advance of opening bids. This section shall not apply in the case of any township repairing its public highways, except as to any purchases of materials or equipment for the purpose of such repairs.

In every instance in which any contract for any public work, construction, materials, supplies, or other matters or things, for any township, shall be awarded upon competitive bids, it shall be the duty of the authorities authorizing the same to award said contract to the lowest responsible bidder. Any published notice for bids shall contain full plans and specifications, or refer to the places where copies thereof can be obtained, and give the time and place of meeting of the township commissioners at which meeting bids shall be



publicly opened and read. If, through lack of a quorum or other reason, no meeting shall be held at such time and place, notice of the same kind shall be repeated once at least six days before the meeting of the subsequent time and place fixed, and the foregoing provisions as to bids shall apply. The same course shall be pursued until a meeting shall actually be held for receiving and opening bids. Any contract made in violation of the provisions hereof shall be void.

Section 1803. Patented Articles. The authorities of townships shall not be required to prepare specifications and advertise for the purchase of articles or parts thereof which are patented products, apparatus or appliances nor in such cases shall they be required to exact a bond; Provided, That this section shall not apply to road materials.

Section 1804. Contracts for Protection of Labor and Materialmen. It shall be the duty of all townships, in the erection, construction and/or repair of any public work or improvement of any kind whatsoever to require of the contractor or contractors, employed in or about said works or improvements, and additional bond, with sufficient surety or sureties, providing for the payment of all labor and material entering into the said works or improvements.

The labor and materialmen furnishing labor and material in and for said works or improvements, upon the contract of said contractor, shall have the right according to law to sue in an action of assumpsit, in the name of the obligee for his or their use, upon said bond, upon proof of said contractor's failure to pay for said labor or material.

Section 1805. Separate Specifications for Branches of Work. In the preparation of specifications for the erection or alteration of any public building, when the entire cost of such work exceeds one thousand dollars, the architect, engineer, or person preparing such specifications shall prepare separate specifications for the plumbing, heating, ventilating, and electrical work, and the township shall receive separate bids upon each of such branches of work, and award the contract for the same to the lowest responsible bidder.

Section 1806. Workmen's Compensation Insurance. All contracts executed by any township, which involve the construction or doing of any work involving the employment of labor, shall contain a provision that the contractor shall accept, in so far as the work covered by any such contract is concerned, the provisions of the Workmen's Compensation Act of 1915, and any supplements or amendments thereto, and that the said contractor will insure his liability thereunder, or file with the township, with which the contract is made, a certificate of exemption from insurance from the Bureau of Workmen's Compensation of the Department of Labor and Industry.

Every officer of any township who shall sign, on behalf of the township, any contract requiring in its performance the employment of labor, shall require, before the said contract shall be signed, proof that the said contractor with whom the contract is made shall have accepted the Workmen's Compensation Act of 1915, and any supplements or amendments thereto, and proof that the said contractor has insured his liability thereunder in accordance with the terms of the said act, or that the said contractor has had issued to him a certificate of exemption from insurance by the Bureau of Workmen's Compensation of the Department of Labor and Industry.

Any contract executed in violation of the provisions of this act shall be null and void.

Section 1807. Engineers and Architects Not to Be Interested in Contracts. It shall be unlawful for any architect or engineer, in the employ of a township, and engaged in the preparation of plans, specifications or estimates, or for any officer or employe of the township directly or indirectly, to bid on any public work at any letting of such work in such township.

It shall be unlawful for the officers of a township, charged with the duty of letting any public work, to award a contract to any such architect, engineer, officer or employe in the employ of the township.

It shall be unlawful for any architect, engineer, officer or employe, in the employ of any township, to be in any wise interested in any contract for public work in such township or to receive any remuneration or gratuity from any person interested in such contract.

Any person or persons violating these provisions, or any one of them, shall forfeit his office, and shall be guilty of a misdemeanor, and, on conviction thereof, shall be sentenced to

pay a fine not exceeding five hundred dollars, or to undergo imprisonment of not less than six months, or both, in the discretion of the court.

## ARTICLE XIX

### EMINENT DOMAIN; ASSESSMENT OF DAMAGES AND BENEFITS

#### (a) General Provisions Relating to Eminent Domain

Section 1901. Scope of Article. Whenever, under the provisions of this act, the right of eminent domain and/or the ascertainment and assessment of damages and benefits in viewer proceedings is provided for, the proceedings shall be as set forth in this article.

Section 1902. Restrictions as to Certain Property. In addition to the restrictions made by other provisions of this act in particular cases, no township shall exercise right of eminent domain as against land now occupied by any building which was used during the Colonial or Revolutionary period as a place of Assembly by the Council of the Colony of Pennsylvania, the Supreme Executive Council of the Commonwealth of Pennsylvania, or the Congress of the United States; or as against the land occupied by any fort, redoubt, or blockhouse, erected during the Colonial or Revolutionary period, or any building used as headquarters by the Commander-in-Chief of the Continental Army; or as against the site of any building, fort, redoubt, blockhouse, or headquarters, which are preserved for their historic associations and not for private profit. The Colonial and Revolutionary period shall be taken as ended on the third day of September, one thousand seven hundred and eighty-three.

Section 1903. Possession of Property Upon Tender of Bond. Whenever, in any condemnation proceeding, any township has tendered a bond to secure the payment of damages, and the same has been filed in, and approved by the court, the township shall have the right to immediate possession of the property.

Section 1904. Notice to Quit; Possession; Procedure. If the owner, lessee, or occupier shall refuse to remove his personal property or give up possession, the township may serve written notice upon such owner, lessee, or his agent, or the occupier to remove his personal property and give up, possession of such property, within sixty days from the date of the service of such notice.

If the owner, lessee, or occupier shall refuse to remove his personal property and give possession, upon proof of the service of the notice, a writ of habere facias possessionem shall forthwith issue, directing the sheriff to give to the township possession.

Section 1905. Bond of Township Without Surety Sufficient. Whenever any court shall order any township to enter security for the payment of damages for the taking, injury, or destruction of land, property or materials by right of eminent domain, the bond of the township shall be taken without sureties.

Section 1906. Value of Land not to be Assessed as Benefits; Exceptions. In all cases of the appropriation of land for public use, other than for roads or streets, it shall not be lawful to assess any portion of the damage done to or value of the land so appropriated, against the other property adjoining or in the vicinity of the land so appropriated.

Section 1907. Right to Damages. The right to damages against townships is given to all owners or tenants of lands, property, or material abutting on, or through which pass, roads, streets, lanes, or alleys, injured by the laying out, opening, widening, vacating, extending, or grading of such roads, streets, lands, or alleys, or the changing of the grades or lines thereof, by such townships; the construction and the vacation by such townships of bridges and piers, abutments, and approaches therefor, and the construction by such townships of sewers over, upon or through such lands or property.

Section 1908. Viewers' Report. Viewers or juries of view appointed by any court to assess damages and benefits, due to the taking, injury, or destruction of private property in and by the construction or enlargement of any public work, highway, or improvement shall make their reports within a time which the court shall fix when appointing them, but, if any of the viewers or juries of view shall, for any reason appearing sufficient to the court, be unable to file its report within the period so fixed, the court may, either before or after the expiration of the time fixed, extend the time for the filing of such report.



Section 1909. Plans of Properties Condemned to be Furnished to Viewers. In all proceedings to assess damages for the taking, injury, or destruction of private property for public use, the township taking, injuring, or destroying property for said purpose, shall furnish the board of viewers with a correct plan of all properties affected, showing all buildings or other structures thereon, their width, length, elevation, and cubical contents, names of all owners, tenants, or occupiers thereof, the topography of the land, and the grades and widths of all highways running through or abutting on said properties, and all other data necessary for a proper determination of the amount of damages caused by the taking, injury, or destruction of said private property.

Said plans shall be prepared and ready for use of the viewers at their first meeting, and copies thereof shall be furnished to all owners, tenants, and occupiers of the property and all other parties affected thereby, without charge.

Section 1910. Condemnation Petition to Specify Liens; Exception. In all proceedings instituted for the condemnation and appropriation of land and property by the exercise of the right of eminent domain, excepting proceedings to ascertain damages and benefits by reason of township street or sewer improvements, the petition for the appointment of viewers therein shall contain allegations specifying any judgments, mortgages, or other claims (herein designated "liens") which are liens upon the land and property sought to be appropriated or condemned as aforesaid.

Section 1911. Findings of Facts as to Liens. Testimony shall be taken in said proceedings to ascertain the amounts of said liens and the dates of the entry of the same, and the amounts of said liens and the dates of entry thereof shall be found as facts by the viewers in said proceedings. Certified lists of liens, from the courts of the Commonwealth and the United States, shall be prima facie evidence of the existence, dates, amounts, dates of entry, and places of record, of said liens, and, unless modified or overcome by oral or documentary evidence, shall be conclusive upon the parties thereto as to item just specified.

Section 1912. Reports of Viewers as to Liens; Appeals; Distribution to Lien Creditors; Discharge of Liens. Where it appears that liens exist as aforesaid, which are liens upon property sought to be condemned and appropriated as aforesaid, a report of the facts found as aforesaid shall be made to the court having jurisdiction of the proceeding, which report shall be subject to exceptions in manner to be regulated by the Supreme Court, by general rule prescribed, amended, and published from time to time, and, upon the findings in relation to said liens being finally found by said court having jurisdiction of said proceedings, said court shall make an order directing the payment and distribution of the amount found to be payable as compensation to the parties entitled thereto, first to the owners of said liens, then to the owners of the property appropriated as aforesaid: Provided, however, That the parties interested shall have the right of appeal from said order of distribution to the Superior or Supreme Courts of the Commonwealth, as shall be determined by the amount distributed to said parties respectively, in manner now provided by law. Payment in accordance with said order of distribution shall absolutely discharge the party making said payment from all claims of whatsoever nature by any person, firm, corporation, or claimant, as against said property, when the payment thereof shall be evidenced by a receipt of record in said proceedings; and, in said receipt and on the record thereof, any claimant may reserve the right to pursue the owner of said property for any balance due upon his lien against any other property or assets of the said owner.

Section 1913. Vesting Title. Upon payment of the compensation for land or property appropriated as aforesaid, in accordance with said order of distribution, title to the land of property appropriated shall vest in the taker thereof in accordance with provisions of the law under which such appropriation is made, and all claims for compensation shall be deemed paid and satisfied as herein provided.

Section 1914. Competency of Evidence as to Market Value of Property. In all proceedings arising from the exercise of the right of eminent domain, it shall be competent for all witnesses called, when duly qualified, to state their opinion as to the market value of the property before the exercise of the right of eminent domain and as unaffected by it, and its market value immediately after the exercise of the right of eminent domain and as affected thereby.

(a) To state, in detail and costs, all the elements of benefit or damage which they have taken into consideration in arriving at their opinion;

(b) In arriving at their opinion as to the market value immediately after the exercise of the right of eminent domain, to add to their opinion of the market value before such exercise, the cost or value of all the element of benefit or advantage, and to deduct therefrom all disadvantage or damage in order to arrive at the market value after such exercise of the right of eminent domain and as affected thereby.

(c) In all proceedings to assess damages or benefits for the opening of any street, alley, or other highway, to take into consideration as one of the elements of advantage or disadvantage, the cost of street improvement.

In all claims for damages against a township, arising from the exercise of the right of eminent domain, it shall be competent for the party or parties claiming damages to offer in evidence, as a declaration against interest, the value of the property affected as assessed for the purpose of taxation.

Section 1915. Proceedings Where Assessments by Viewers Waived. In any proceeding to ascertain the damage caused to any owner of lands, by reason of the appropriation of a right of way or easement by any township, where the owner and township cannot agree upon the amount of damage done, the parties may, by agreement, waive the right to have such damages assessed, and the owner may file his claim in the court of common pleas of the county, and rule the defendant to plead thereto within fifteen days from the service of such rule upon the township, and the suit shall be proceeded with as if an award of viewers had been filed and an appeal had been taken therefrom.

Either party to such an action may, on motion, have the jury visit and view the premises over or through which the proposed right of way or easement may extend.

Section 1916. Appeals in Eminent Domain Proceedings; Payment of Money Into Court. In all cases of damages assessed against any township for property taken, injured, or destroyed by the construction or enlargement of their works, highways, or improvements, whether such assessment shall have been made by viewers, or otherwise than upon trial in court and an appeal is not provided for, an appeal may be taken by either party to the court of common pleas of the county within thirty days from the filing of the report.

Any such appeal taken shall be signed by the party taking the same or by his agent or attorney, and shall be accompanied by an affidavit of the party appellant, or of the agent or attorney, that the same is not for the purpose of delay, but because the affiant firmly believes that injustice has been done.

When no such appeal is taken and judgment is entered, and the party to whom damages have been awarded refuses to accept payment of such award or judgment, then it shall be lawful for such township, upon petition to the court after notice as ordered by court, to pay the amount of the award and costs into the court. The court, upon such payment, shall order the satisfaction of the award or judgment.

(b) Procedure for the Exercise of Eminent Domain and for the

#### Assessment of Damages and Benefits

Section 1920. Petition for Viewers; Time of Meeting. Except as in this act otherwise provided, in case the compensation for damages or benefits accruing from the exercise of the right of eminent domain and/or from the erection and construction of public improvements have not been agreed upon, the court of common pleas, or any law judge thereof in vacation, on application thereto by petition by the township or any person interested, shall appoint three viewers, from the board of viewers of the county, and appoint a time, not less than twenty nor more than thirty days thereafter, when the viewers shall meet upon the line of the improvement and view the same and the premises affected thereby.

Section 1921. When Viewers May be Appointed. The viewers provided for in the preceding section may be appointed before or after the entry, appropriation, or injury of any property or materials for constructing such improvements.

Section 1922. Notice of Meeting of Viewers. Except when otherwise in this act provided, the viewers shall give at least ten days' notice of the time of their first meeting, by publication in one or more newspapers of general circulation in the township, and by handbills posted upon the premises, or otherwise as the court shall direct.

Section 1923. Swearing Viewers; Hearings; Schedules of Damages and Benefits. The viewers, having been sworn or



affirmed faithfully, justly and impartially to decide and a true report to make concerning all matters to be submitted to them and in relation to which they are authorized to inquire, and having viewed the premises and examined the property, shall hear all parties interested and their witnesses and shall determine the damages for property taken, injured, or destroyed, if any, and to whom the same is payable, and having determined the damages, together with the benefits, they shall prepare a schedule thereof.

Section 1924. Assessment of Damages and Benefits. The damages may be paid in whole or in part by the township, or may be assessed in whole or in part upon the property benefited. In the latter case, the viewers, having first determined the damages apart from the benefits, shall assess the total cost of the improvement, or so much thereof as may be just and reasonable, upon the properties peculiarly benefited, including in the assessment all parties for which damages have been allowed, and shall report the same to the court. The total assessments for benefits shall not exceed the total damages awarded or agreed upon.

Section 1925. Assessment Awards. In proceedings to assess damages and benefits, if the property is both benefited and damaged by such improvements, the excess of damages over benefits, or the excess of benefits over damages, or nothing in case the benefits and damages are equal, shall be awarded to or against against the several owners of property affected thereby.

Section 1926. Separate Reports of Damages and Benefits. The proceeding section shall not prevent the viewers from a separate report of the damages and benefits, respectively. In such event, if the damages to the property of any person be greater than the benefits, or if the benefits be greater than the damages, or if the damages and benefits be equal, in either case the viewers shall strike a balance and carry the difference forward to another column, so that the assessment shall show what amount is to be received or paid by the property owner and the difference only shall be collectible of or paid to such property owner. Appeals taken from the report of the board of viewers shall be from such net amounts only.

Section 1927. Notice When Schedules Will be Exhibited. The viewers shall give notice to all parties to whom damages are allowed, or upon whom assessments for benefits are made, of a time not less than ten days thereafter, and of place where the viewers will meet and exhibit their schedule and hear all exceptions thereto.

Section 1928. Service of Notices. Such notice shall be given, in the manner provided by law for the service of a summons in a personal action, if the parties can be found in the township; or upon an adult person residing upon the property affected by the assessment, in case the owner or reputed owner cannot be found; and to all others by publication in the newspaper or newspapers in which the first notices of the view was published, and by posting conspicuously on the premises. The board of commissioners may, by ordinance, provide by whom the notice shall be served and posted and fix the compensation for such service.

Section 1929. Report of Viewers; Plan of Improvements. After making whatever changes are necessary, the viewers or a majority thereof shall report to the court, showing the damages and/or benefits allowed and assessed in each case, and file therewith a plan, to be secured or prepared by the viewers, showing the improvement, the properties taken, injured, or destroyed, and properties benefited.

Section 1930. Notice of Filing of Report. When the report is filed, notice thereof shall immediately be given by publication once in the newspapers publishing the notice provided for in this article. Such notice shall state the date of filing of the report, contain a schedule of the damages allowed and benefits assessed, and shall state that, unless exceptions be filed thereto or an appeal to the court of common pleas is taken therefrom within thirty days from the date of filing, the report will be confirmed absolutely.

Section 1931. Township to Pay Costs of Proceedings. The cost of the proceedings, including court costs, except the compensation of the viewers, shall be paid by the township.

Section 1932. Bond of Township. Except when in this act otherwise provided, in all cases where the parties have not agreed upon the damages claimed, or where, by reason of the absence or legal incapacity of the owner, no such agreement can be made, the township may tender sufficient security to the party entitled to damages, or to the attorney or agent of

any persons absent, or to the agent or officer of a corporation, or to the guardian or committee of any one under legal incapacity.

Section 1933. Condition of Bond; Notice of Filing in Court. The condition of the security shall be that the township shall pay or cause to be paid such amount of damages as the party shall be entitled to receive, after the same shall have been agreed upon by the parties or assessed in the manner provided for by this article. In case the party claiming damages refuses to accept the security tendered, the township shall give the party or his agent, attorney, guardian, or committee, a written notice of the time when the same will be presented in court.

Section 1934. Filing Bond; Recovery Thereon. If approved by the court, the security shall be filed for the benefit of those interested, and recovery may be had thereon for the amount of damages assessed. If the damages be not paid, they may be collected by execution on the judgment in the issue framed to try the question. Upon the approval of the security, the township may proceed with the improvement.

Section 1935. Exceptions to Report of Viewers. Within thirty days after the filing any report, any party interested may file exceptions to the same; and the court shall confirm, modify, or change the same, or change the assessments made therein or refer it back to the same or new viewers.

Section 1936. Confirmation of Report of Viewers. When the report is filed, the prothonotary shall mark it confirmed nisi. In case no exceptions are filed thereto, he shall enter a decree that the report is confirmed absolutely.

Section 1937. Effect of Exceptions on Confirmation of Report. When exceptions are filed which affect the entire report, the same shall not be confirmed absolutely as to any part thereof until the exceptions have been finally disposed of; when the exceptions do not affect the entire report, the court shall confirm the assessments to which exceptions have not been taken.

Section 1938. Appeals from Confirmations after Exceptions. Within three months after the confirmation of any report, following the filing of exceptions thereto, any party interested may appeal from the decree of the court below to the Superior or Supreme Court, as the case may be.

Section 1939. Effect of Appeals. When any appeal is taken from the action of the court confirming any viewers' report or part thereof, if the appeal affects the entire report, it shall have the effect of suspending the absolute confirmation thereof until the appeal is finally disposed of; but where the appeal is to matters which do not affect the entire report, or any other assessment, such appeal shall affect only the particular assessment for which the appeal is taken.

Section 1940. Filing Assignments of Errors, Et Cetera. In order to determine whether any appeal affects the entire report, or any particular assessment, the appellant shall file in the court below, before or at the time of filing his writ of certiorari, a copy of his specifications or assignments of error or grounds of appeal. Upon failure so to do, the township or any party interested may, by notice or rule upon the appellant, cause such specifications, assignments of error, or grounds of appeal to be filed.

Section 1941. Certificate of Judge of the Court Below. Upon the request of the township, or any party interested, the court below or and judge thereof in vacation, shall certify whether the appeal affects the entire report, and said certificate shall be conclusive. Where the court or judge certifies that the appeal will affect the entire report, no further proceedings shall be taken in the court below until after the final action of the appellate court; but where the court or judge certifies that the appeal will affect only a particular assessment, then the confirmation of all other assessments shall be final.

Section 1942. Effect of Affirmation of Decree of Court Below. If, on any appeal, the action of the court below is affirmed, the date of the decree or judgment of the appellate court shall be taken as the day on which the report was finally confirmed.

Section 1943. Consolidation of Appeals. Where any appeal is taken to the Supreme Court, and an appeal is also taken to the Superior Court, and the appeals in both cases are substantially the same, the Superior Court may certify such appeal to the Supreme Court to be heard with the other appeals from the same report.

The Supreme Court shall consolidate all such appeals and hear them as one case. Where several appeals are taken from the confirmation of the same report, either to the Superior



or Supreme Court and the grounds of appeal are similar, the appellate court may consolidate the appeals.

Section 1944. Appellants May Unite in Appeals; Effect Thereof. Several parties may unite in a single appeal, either to the Superior or Supreme Court, where the grounds of appeal are similar, but the uniting of the appellants shall not unite the amounts or change the jurisdiction. When the appeal, if taken by each appellant singly, would be to the Superior Court, then the appeal shall be to that Court, but, if the appeal of any one appellant would be to the Supreme Court, then the joint appeal shall be to that court. If an appeal has been taken to the Supreme Court, any other party without regard to the amount involved, if the grounds of appeal are similar, may appeal to the same court and join in such appeal.

Section 1945. Appeals from Reports of Viewers for Jury Trial. Within thirty days after any report of viewers is filed in court, any party whose property is taken, injured, or destroyed, or who is assessed benefits, may appeal to the court of common pleas and demand a trial by jury. Where an appeal is taken as to a portion of the report, the portion not appealed from shall be confirmed absolutely, at the expiration of thirty days after the report is filed in court.

Section 1946. Reasons for Appeals to be Stated. The appeal, as provided in the last preceding section, shall state the grounds upon which it is taken, and shall be signed by the appellant, or by his agent or attorney; and shall be accompanied by an affidavit that it is not taken for the purpose of delay, but because the appellant believes that injustice has been done.

Section 1947. Costs. Upon the trial of any such appeal, in case the party appellant does not obtain a verdict more favorably than was the report of the viewers as finally confirmed, the appellant shall not recover any costs.

Section 1948. Notices. Appeals from the Court Below. The court of common pleas shall order what notices shall be given in connection with such proceedings, and may, by rule or otherwise, prescribe the form of pleadings. After verdict and final judgment, either party may, within three months, appeal to the Superior or Supreme Court.

Section 1949. Appeals to the Wrong Court. Should any appeal under this article be made to the wrong court, such court shall certify the appeal to the court to which it should have been taken.

Section 1950. Appeals not to Prevent Filing Liens. No appeal taken under this article shall prevent the filing of liens by any township for any assessment made by any such report, but, upon the final termination of the issue, the court shall make such order as to the lien filed as shall appear right and proper.

Section 1951. Discontinuance of Proceedings. If any township shall repeal any ordinance, or discontinue any proceeding, providing for any improvements, prior to the entry upon, taking, or injury to any property or materials, the township shall not be liable to pay any damages which have been assessed, but all costs upon any such proceeding shall be paid by the township, together with any actual damage sustained by reason of such proceeding.

Section 1952. Assessments to Bear Interest. All assessments for benefits, costs, and expenses shall bear interest at the expiration of thirty days after they shall have been finally ascertained, and shall be payable to the treasurer of the township.

Section 1953. Damages to Bear Interest. The amount of damages allowed in a report of viewers for the taking, injury or destruction of property by the exercise of the right of eminent domain shall, as finally confirmed, bear interest at the rate of six per centum per annum from the date of the confirmation nisi of the report.

## ARTICLE XX

### ROADS, STREETS AND HIGHWAYS

#### (a) Plans of Streets

Section 2001. Every township shall have a general plan of its streets and alleys, including those which have been or may be laid out, but not opened. Such plan shall be filed in the office of the engineer or other proper officer of the township, and all subdivisions of property thereafter made shall conform thereto. No streets or alleys, or parts thereof, laid out or accepted and confirmed on such plan, shall afterwards be altered without the consent of the commissioners of the township. No person shall be entitled to recover any damages for any improvements placed or constructed within the lines of

any street or alley after the same has been located or ordained on the plan provided for by this section.

(b) Laying Out, Opening, Widening, Straightening, Vacating and Relaying Out Roads, Et Cetera. Repairs and Detours

Section 2005. Power to Lay Out, Open, Widen, Vacate, Et Cetera. The board of township commissioners may enact, ordain, survey, lay out, open, widen, straighten, vacate, and relay all roads, streets, lanes and alleys and parts thereof which are wholly within the township, upon the petition of a majority in interest of the owners of property or properties through whose land such road, street, lane or alley passes, or upon whose land it abuts, or without petition of the owners of abutting property if in the judgment of the board of commissioners it is necessary for the public convenience. Such power shall include authority to vacate in whole or in part roads, streets, lanes and alleys laid out by the Commonwealth where the same have remained unopened for a period of thirty years; and also the authority to lay out and open a public road which will be a continuation or extension of a street already opened by an adjacent city or borough.

Section 2006. Burial Grounds, Et Cetera, Saved. No such roads, street, lane, or alley shall be laid out and opened through any burial ground or cemetery, nor through any grounds occupied by a building used as a place for public worship, or as a public or parochial school or educational or charitable institution or seminary, unless the consent of the owner or corporation or person controlling the premises is first secured.

Section 2007. Notice of Hearing. The board of commissioners shall give ten days' notice to the property owners affected thereby of the time and place when and where all parties interested may meet and be heard. Witnesses may be summoned and examined by the board and by the parties interested, at such meeting or any adjournment thereof.

Section 2008. Draft. Report. After such hearing and a consideration of the matter, should the board of commissioners, or a majority thereof, decide in favor of exercising the power so conferred, they shall make written report, together with a draft or survey of the road, street, lane, or alley, fixing the width thereof, and noting the improvements along the line thereof and the names of the owners of property through which the same shall pass or whereon it shall abut. Such report and draft shall be filed in the office of the clerk of the court of quarter sessions.

Section 2009. Exceptions to Report. Any citizen or freeholder of the township may, within thirty days after the filing of the report of the board of commissioners, upon entering in the court sufficient surety to indemnify the board for all costs incurred in the proceedings, file exceptions to the report, together with a petition for a review.

Section 2010. Appointment of Viewers. Upon favorable action on such matter by the board of commissioners, and after the expiration of the term allowed for filing exceptions, or upon the order of the court, upon the disposition of any exceptions, if in either case the compensation for the damages or benefits accruing therefrom have not been agreed upon the court of common pleas or any law judge thereof in vacation, on application by petition by the board of commissioners or any person interested, shall appoint three viewers from the county board of viewers, to assess the damages and benefits occasioned by the proceeding in the manner provided by this act for such proceedings.

Section 2011. Notices to be Posted Along Improvement. After the passage or approval of any ordinance by the board of commissioners, for the opening, widening, straightening, extending, or vacating any road, street, or alley, notice shall within ten days thereafter be given by handbills posted in conspicuous places along the line of the proposed improvement. Such notice shall state the fact of the passage or approval of the ordinance, and the date of the passage or approval.

Section 2012. Width of Public Roads. The width of a public road in townships of the first class shall not be less than thirty-three feet or more than one hundred and twenty feet: Provided, That the limits of width shall not be construed to include the width required for necessary slopes in cuts or fills, when the limits of the road and the extra width required for such slopes exceed the limits of widths herein specified.

Section 2013. Opening and Repairing Roads. Public roads or highways laid out by lawful authority in townships, shall as soon as may be practicable, be effectually opened and con-

stantly kept in repair. All public roads or highways shall at all seasons be kept reasonably clear of all impediments to easy and convenient traveling, at the expense of the township.

Whenever proceedings have been heretofore or may hereafter be begun for the opening and laying out of any public road in any township, such public road shall be physically opened upon the ground for use by the public within the period of five years next after the completion of such proceedings, and if not so opened, then such proceedings shall be deemed to be void and of no effect, and the land proposed to be taken shall revert to the owners of the land, as in the case of the vacation of a public road free of any easement or right of the public to use the same.

Section 2014. Detours. Except in the case of emergencies wherein the safety of the public would be endangered, no public road or highway in any township shall be closed to vehicular traffic, except upon order of the authorities having charge of the maintenance of such highways, nor for a longer period than is necessary for the purpose for which such order is issued: Provided, however, That no public road or highway shall be closed to vehicular traffic when the same has been designated as a detour by the State Department of Highways, unless the written consent of the Department of Highways has first been obtained, or unless the authorities having jurisdiction over said road or highway shall, by resolution duly recorded on their minutes, declare such closing necessary for the protection of the public safety.

When any public road or highway shall be closed, as heretofore provided, it shall be the duty of the authorities authorizing the closing to immediately designate or lay out a detour, on which they shall erect or cause to be erected and maintained while such detour is in use, legible signs at each public road intersection throughout its entire length, indicating the direction to the main highway. During the period when such detour is in use, it shall be the duty of the authorities closing the main highway to maintain such detour in safe and passable condition. It shall also be the duty of the authorities closing the main highway and maintaining the detour to immediately remove all detour signs when the highway originally closed is opened for traffic. Said authorities shall, as soon as possible, repair the road designated as a detour, and place same in a condition at least equal to its condition when designated as a detour. Whenever necessary in the creation of a detour, as aforesaid, the authorities responsible for laying out the detour may enter into agreement with the owners of private lands, covering the acquisition of right-of-way privileges over private property for the period when the main highway shall be closed to traffic. In the exercise of the rights conferred by this section, the authorities responsible are hereby empowered to pay for the necessary maintenance, subsequent repair, and land rental, out of such funds as are available for the construction and/or maintenance of the highways in their charge.

Any person who shall wilfully remove, deface, destroy or disregard any barricade, light, danger sign, detour sign, or warning of any other character whatsoever, erected or placed under authority of this section, or who shall drive on, over or across any highway which has been closed by proper authority, shall, upon conviction thereof in a summary proceeding before a magistrate, alderman or justice of the peace, be sentenced to pay a fine of not less than twenty-five dollars nor more than one hundred dollars, and the costs of prosecution, and, in default of the payment thereof, shall be imprisoned one day for each dollar of fine and costs unpaid: Provided, however, That persons who have no outlet due to the closing of a highway may drive on, over or across such highway, with the consent in writing of, and subject to such conditions as may be prescribed by, the authorities responsible for the closing, or their agents or contractors, without being subject to the penalties imposed by this section.

In addition to the penalties herein provided, the authorities responsible for the maintenance of a highway which has been closed to vehicular traffic, or their agents or contractors, may, in an action at law, recover damages from any person or persons who have damaged a highway by driving on, over or across same when it is closed to vehicular traffic in accordance with the provisions of this act.

All fines collected under the provision of this section shall be paid by the officer receiving the same to the treasurer of the township in which the offense was committed.

The commissioners of any township may temporarily close any township road, when in their opinion excessive or unusual conditions have rendered such road unfit or unsafe for travel, and immediate repair, because of the time of year or other conditions, is impracticable. The road or portion of road so closed shall be properly marked at its extremities, and a means of passage for the customary users of such road shall, whenever possible, be provided.

Anyone using such road or portion thereof after the same has been properly closed and marked, without a permit from the commissioners, shall be subject to a penalty of not more than one hundred dollars, to be recovered in a summary proceeding. The penalties so recovered shall be payable to the treasurer of the township wherein the offense was committed.

Section 2015. Laying out Roads Under the General Road Law. All roads partly within townships of the first class, where one of the termini of such roads is without the township, shall be laid out, widened, changed, or vacated only by the courts of quarter sessions, as heretofore, in the manner provided by the general road law and the amendments, additions, and supplements thereto. But no such road shall be opened, changed, widened, altered, or vacated unless and until the board of commissioners of the township shall have passed a resolution consenting and approving thereto, and shall have filed with the clerk of said court, a copy of such resolution duly certified by the township secretary. All damages and benefits occasioned by such laying out and the subsequent opening thereof, or by any such widening, changing, or vacation, shall be assessed, collected, and paid in the manner provided by the general road law and the amendments, additions, and supplements thereto: Provided, That all damages occasioned by such laying out, and the opening thereof, or by the widening, changing, or vacating of all roads within townships of the first class shall be assessed, collected, and paid by such townships of the first class.

#### (c) Dedicated Roads, Streets, Lanes, Alleys and Drainage Facilities

Section 2020. Plans of Dedicated Roads and Streets. No person shall construct, open, or dedicate any road, street, lane, or alley, or any drainage facilities in connection therewith, for public use or travel in any township, without first submitting plans thereof to the township commissioners for their approval. Such plans shall be prepared in duplicate in accordance with such rules and regulations as may be prescribed by the commissioners and shall show the profiles of such roads, streets, lanes, or alleys, the course, structure, and capacity of any drainage facilities, and the method of drainage of the adjacent or contiguous territory, and also any other or further details that may be required under the rules and regulations adopted by the township commissioners. Before acting upon any such plans, the commissioners may, in their discretion, arrange for a public hearing, after giving such notice as they may deem desirable in each case. The township commissioners are authorized to alter such plans, or order the same to be altered, and to specify any changes or modifications of any kind which they, in their discretion, may deem necessary with respect thereto, and may make their approval of such plans subject to any such alterations, changes or modifications, but no plans shall be approved until there is a solicitor's report as to municipal liens. Any plans when so approved shall be signed, in duplicate, on behalf of the township by such officer as the commissioners may designate and an approved duplicate copy shall be filed in the township engineer's office or other proper office, where the same shall be available to public inspection. No road, street, lane, or alley, or any drainage facilities in connection therewith, shall be opened, constructed, or dedicated for public use or travel except in strict accordance with plans so approved by the commissioners, or with further plans subsequently approved by them in the same manner, nor until such plan, and the approval thereof, has been recorded as hereinafter provided.

Section 2021. Appeals Where Commissioners Refuse Approval. In any case where the township commissioners shall refuse to approve any plans submitted to them in accordance with this act, any person aggrieved by the action of the commissioners may, within thirty days after such action, appeal therefrom by petition to the court of quarter sessions of the county, which court shall hear the matter de novo, and, after hearing, may enter a decree affirming, reversing, or modifying the action of the commissioners as may appear just in the premises. The court shall designate the manner in which



notices of the hearing of any such appeal shall be given to all parties interested. The decision of the court shall be final.

The action of the township commissioners, or of the court on appeal, in approving any such plans, and an approval duplicate copy of such plans shall be recorded by the person applying for such approval in the office of the recorder of deeds of the county.

**Section 2022. No Responsibility on Township Where Plans Not Approved.** If any road, street, lane, or alley, or any drainage facilities in connection therewith, shall be opened, constructed, or dedicated for public use or travel, except in strict accordance with plans approved, as provided in this subdivision, neither the township commissioners nor any public authorities shall place, construct, or operate any sewer, drain, water pipe, or other facilities, or do any work of any kind, in or upon such road, street, lane, or alley; and neither the township commissioners, nor any other public authorities, shall have any responsibility of any kind with respect to any such road, street, lane, alley, or drainage facilities, notwithstanding any use of the same by the public, unless such road, street, lane, alley, or drainage facilities are accepted by ordinance: Provided, however, That nothing herein contained shall prevent the laying of trunk sewers, drains, water or gas mains, if required, by engineering necessity for the accommodation of other territory.

**Section 2023. Entry of Lands.** The township commissioners and their representatives and workmen may enter upon any land and property, and maintain marks and monuments, so far as the commissioners deem necessary in carrying out their powers and duties of this subdivision.

**Section 2024. Penalty.** Any person copartnership, or corporation who or which shall construct, open, or dedicate any road, street, lane, or alley, or any drainage facilities in connection therewith, for public use or travel in any township, without having first complied with the provisions of this subdivision, and of any ordinances or resolutions of the township authorities adopted pursuant hereto, shall be guilty of a misdemeanor, and, upon conviction thereof, such person or the members of such copartnership or the officers of such corporation responsible for such violation, shall be sentenced to suffer imprisonment not exceeding two years, or pay a fine not exceeding one thousand dollars, or both, in the discretion of the court.

**Section 2025. Powers of State and Counties Preserved.** Nothing contained in this subdivision shall be held to restrict or limit the State Department of Highways, or any county, in the exercise of any of its duties, powers, and functions under the provisions of any act of Assembly now in force or hereafter to be enacted.

**(d) Relocation, Alteration and Vacation of Roads in or Near State Parks**

**Section 2030. Agreements to Relocate, Alter and Vacate Roads.** Whenever a public road or highway within a park or public ground, title to which park or public grounds is vested in the State of Pennsylvania, is laid out, located, relocated, altered, or vacated, in such manner that a public road or highway, approaching, leading into, or contiguous to such park or public grounds, shall become either useless, inconvenient, or burdensome, such public road or highway, approaching, leading into, or contiguous to such park or public grounds, may be altered, relocated, or vacated, by the township commissioners, charged with the duty of maintaining such roads or highways, in whole or in part for the purpose of making it convenient and suitable as an approach to the roads and highways within said park or public grounds, upon the consent and agreement of: (a) the commissioners or officials charged with the care and management of said park or public grounds; (b) the township commissioners charged with the duty of maintaining said roads or highways, approaching, leading into or contiguous to said park or public grounds; and (c) the property owners owning the majority of the frontage of land abutting upon the relocated portion of the roads or highway approaching, leading into, or contiguous to said park or public grounds.

**Section 2031. Agreement to be Filed in Court. Effect of Filing.** The filing of the consent and agreement of commissioners or officials charged with the care and management of such park or public grounds, the township commissioners charged with the maintenance of said roads and highways, and of the property owners, provided for in the preceding section, in the court of quarter sessions of the county or

counties in which the altered, relocated, or vacated road or highway is situate, shall have the same force and effect as the filing and the approval and absolute confirmation by the court of quarter sessions of a report of viewers appointed in accordance with the general road law, and shall have the same force and effect as though said viewers had laid out, located, relocated, altered, or vacated such road or highway in accordance with the agreement filed as aforesaid, and the report of said viewers had been filed, approved and absolutely confirmed by the court.

The filing of said agreement in the court of quarter sessions shall be conclusive as to the question of the necessity for the laying out, location, relocation, alteration, or vacation of said roads or highways, as contained in the said agreement, and that the portion or portions of said road or highway abandoned or vacated were useless, inconvenient and burdensome.

**Section 2032. Altered and Relocated Roads Declared Township Roads.** Such road or highway, when altered or relocated, shall be maintained and repaired in the same manner as other township roads are maintained and repaired.

**Section 2033. Assessment of Damages.** The owner of any land through which any public road or highway may be so relocated, may apply by petition to the court of quarter sessions of the proper county, setting forth the injury which he or she may have sustained by reason of the relocation of the said public road or highway, and the proceedings relative to the assessment and payment of damages of said land owner shall be in accordance with the provisions of this act for proceedings for the assessment of damages and benefits.

**(e) Elimination of Curves**

**Section 2035.** Any township may acquire, by purchase or by the right of eminent domain, such property and lands situate along or adjacent to any township highway, as in the opinion of the commissioners of such township may be necessary to eliminate dangerous curves.

Upon any such purchase or condemnation the township commissioners may, from time to time, abate or remove, or cause to be abated or removed, any such dangerous curve or curves to the extent of the property and land so acquired.

The proceedings for the condemnation of such property and lands under the provisions of this section, and for the assessment of damages for property taken, injured, or destroyed, shall be taken in the same manner as is provided by this act for the condemnation of land by townships.

**(f) Acquisition of Unobstructed Views at Curves and Intersections**

**Section 2040.** Any township may acquire, by purchase or by the right of eminent domain, a free and unobstructed view down and across such lands located at or near the intersection of any two highways, or a highway and a railroad or railway, or at any curve in any highway, as may be necessary to assure a free and unobstructed view in all directions at such crossings, and to so prevent the use of such lands for any purpose or in any manner which may interfere with or obstruct the vision of any person or persons traveling upon any such highway.

Upon any such condemnation the township commissioners having had such view condemned, may, from time to time, abate or remove or cause to be abated or removed, any obstruction to such view over and across such lands.

The proceedings for the condemnation of such view over and across such lands under the provisions of this act, and for the assessment of damages for property taken, injured, or destroyed, shall be taken in the same manner as is provided in this act for the condemnation of land by townships.

Upon the condemnation of a view over and across any such lands, the owner of such lands may make every such use thereof as will not interfere with a free and unobstructed view at such dangerous crossing or curve, and unless specially provided for in such condemnation proceedings, such condemnation shall not be construed to prevent the owner thereof from using such land for pasture or the growing of grass, oats, wheat, or other crops which will not obstruct the vision more than wheat.

**(g) Changing or Altering Roads by Agreement with Property Owners**

**Section 2045.** Whenever the commissioners of any township deem it advisable to construct, change, or alter any part of any public road under their supervision, and can agree with the property owners affected by such change as to damages, they may, upon payment of damages agreed upon, change or



alter such part of such public road as contemplated in such agreement without the formality of a view.

No such change or alteration of any part of any public road shall be made, the costs and expenses of which, to such township, including damages, shall exceed three hundred dollars. A petition setting forth the facts, accompanied by a map or draft of such proposed change, shall be presented to the court of quarters sessions for approval before such actual change is made; whereupon the new location, approved by the court, shall be taken to be the public road and the old location shall be vacated.

Nothing contained in this section shall be construed to prohibit a township from paying for curbs, gutters, sidewalks and retaining walls necessitated by such construction, change, alteration or widening in cases where the land necessary therefor is dedicated to the township for public use.

(h) Grading, Draining, Curbing, Paving, Macadamizing Roads or Streets on Petition and Assessment of Benefits by Viewers.

Section 2050. Proceedings on Petition. Upon the petition of a majority of property owners in interest or number, abutting on the line of any proposed improvement, to be verified by the affidavit of at least one of the petitioners, a majority in interest of owners of undivided interests in any piece of property to be treated as one person, a township may grade, curb, pave, or macadamize, or otherwise improve any road, street or alley, or part thereof, or which may be, in whole or in part, boundaries thereof, and provide for the necessary drainage thereof; and may also provide for the improvement of any street, road, lane, or alley, and any sections or parts thereof, in length, in the space between the curb, gutter, or actual carriage-way line and the property line, either by an original work or improvement thereon, or by a change, repair, renewal, or alteration in the said highway, curb, parking spaces, or shade trees, or by changing, altering, renewing, replanting, pruning, or otherwise improving the same, in any or all of said particulars. The majority in interest or number required for such petitions shall be fixed as of the date of such petition.

Section 2051. Grading Restrictions. In grading a road, street, lane or alley, it shall be unlawful to raise the highway above the ordinary grade when a drain or culvert is constructed under such highway, or where a highway is constructed over such drain or culvert.

Section 2052. Notice. After the passage of any ordinance for the grading, curbing, paving, or macadamizing, or otherwise improving any street or alley, notice shall be given, within ten days thereafter, by handbills posted in conspicuous places along the line of the proposed improvement.

Section 2053. Contents of Notice. The notice shall state the fact and the date of the passage of such ordinance, that the petition for the improvement was signed by a majority in interest and number of owners of property abutting on the line of the proposed improvement, and that any person interested, denying the fact that said petition was so signed, may appeal to the court of common pleas of the county within thirty days from the passage of the ordinance.

Section 2054. Appeals from Ordinance. Any person interested may, within thirty days from the passage of such ordinance, present a petition to the court of common pleas of the county, setting forth the facts; whereupon the court shall determine whether such improvement was petitioned for by the requisite majority. If the court shall find that it was not so petitioned for, it shall quash the ordinance; but if it shall find that it was so petitioned for, it shall approve the same. If no appeal shall be taken, or if the court, on appeal, shall approve the ordinance, the township may proceed with the improvement, and thereafter all parties shall be estopped from denying the fact that such petition was properly signed.

Section 2055. Assessment of Damages and Benefits by Viewers. On petition, viewers shall be appointed, as provided in this act, who shall assess the damages, costs, and expenses of such grading, curbing, paving, or macadamizing, or parking, shade tree planting, or changing or altering, renewing, replanting, pruning or improving, including the expenses for necessary drainage, upon the property benefited, according to benefits, if sufficient can be found; but, if not, the deficiency, when ascertained, shall be paid by the township. The proceedings of the viewers and the proceedings on their report shall be as provided in this act for such proceedings.

Section 2056. Assessments to Bear Interest. Collection. All such assessments for benefits if not paid within thirty days

shall bear interest as provided by the act in such cases; and if any such assessment remains unpaid it shall be the duty of the township solicitor to collect the same with interest, by action of assumpsit, or by a lien to be filed and collected in the manner provided by law for the filing and collection of municipal claims. When an owner has two or more lots against which there is an assessment for the same improvement, all of such lots may be embraced in one claim.

(i) Grading, Draining, Curbing, Paving or Macadamizing Streets and Collection of Cost by Foot Front Rule

Section 2060. Proceedings With or Without Petition. Townships, with petition or without petition, may grade, curb, gutter, pave, macadamize, or otherwise improve, roads, streets, lanes, and alleys, or parts thereof, or a particular width or additional widths thereof, with or without the assistance or contribution of the State, county, or a corporation occupying the thoroughfare, and may assess and collect the whole cost thereof, or the whole cost not thus aided or contributed, or any part thereof, from the owners of real estate abutting on the improvement, by an equal assessment on the foot-front, including the expense of the necessary drainage. Such power may be exercised as to any township road, street, lane, or alley or any State or State-aid highway or county road or highway. The board of commissioners may make equitable adjustments for corner lots, or lost of irregular shape, where an assessment for full frontage would be unjust. Property not otherwise assessable shall become assessable by the petition of the owner or the owner's representative. In all cases where the whole width of the highway is being paved, without State or county aid, and more than two-thirds of the total cost is proposed to be assessed on abutters, the township shall, for this purpose, be considered as owner of non-assessable property, of street and alley intersections, and of the deducted frontage on equitable adjustments. On petition of owners representing two-thirds of the number of feet of assessable properties abutting on the proposed improvement, the total cost of the improvement, or a lesser amount if the township desires, may be assessed on the assessable properties abutting, without any deduction for non-assessable property, or street and alley intersections, or for the equitable adjustments aforesaid: Provided, That the petition states that the total cost may be assessed on the abutters.

Section 2061. Grading Restrictions. In grading a road, street, lane or alley, it shall be unlawful to raise the highway above the ordinary grade when a drain or culvert is constructed under such highway, or where a highway is constructed over such drain or culvert.

Section 2062. Notices of Assessments. The secretary of the township shall cause thirty days' notice of the assessment to be given to each party assessed, either by service on the owner or his agent, or left on the assessed premises.

Section 2063. Collection of Assessments. If any assessment shall remain unpaid at the expiration of the notice, it shall be the duty of the township solicitor to collect the same, with interest from the time of completion of the improvement, by action of assumpsit, or by a lien to be filed and collected in the same manner as municipal claims. When an owner has two or more lots, against which there is an assessment for the same improvement, all of such lots shall be embraced in one claim.

(j) Road Material, Ditches, Drains and Watercourses

Section 2065. Power to Enter Lands. When road material cannot be conveniently obtained by contract at reasonable prices, the commissioners of townships may enter upon any land or enclosure within their township, lying near the road, and dig, gather, and carry upon the road any stones, sand, or gravel which they think necessary to make, maintain, or repair the road. In exercising such right they shall do no unnecessary damage to the owners of the land, and shall repair any breaches of fences which they make.

Section 2066. Viewers to Fix Damages. Whenever the commissioners and the owners of any such materials cannot agree upon the price to be paid therefor, the value of such materials shall be assessed by viewers to be appointed and to make report as provided in this act in the case of eminent domain proceedings.

Section 2067. Ditches, Drains and Watercourses. Approval of Plans. No person shall stop, fill up, confine, pave or otherwise interfere with any drain, ditch, watercourse, or drainage facilities, in a township without first submitting suitable plans



thereof to the township commissioners for their approval. Such plans shall be prepared in accordance with such rules and regulations as may be prescribed by the commissioners, and shall show the exact nature of the work to be performed. Before acting upon any such plan, the commissioners may, in their discretion, arrange for a public hearing, after giving such notice as they may deem desirable in each case. The commissioners are authorized to alter such plans, and to specify any changes or modifications of any kind which they, in their discretion, may deem necessary with respect thereto, and may make their approval of such plans, subject to any alterations, changes or modifications. Any plans, when so approved, shall be signed on behalf of the township by such officer as the commissioners may designate, and shall be filed in the township offices where the same shall be available for public inspection. No drain, ditch, watercourse, or drainage facilities, shall be constructed, altered, stopped, filled up, confined, paved, or otherwise interfered with, except in strict accordance with plans so approved by the Commission, or with further plans subsequently approved by them in the same manner. No township shall have any responsibility with respect to conditions arising as a result of the failure on the part of any person to comply with the requirements of this act.

The township commissioners may enter upon any lands or enclosures and cut, open, maintain, and repair such drains or ditches through the same as, in their judgment, are necessary to carry the water from the roads, streets, lanes or alleys.

If any person shall stop, fill up, or confine, pave, or otherwise interfere with any such drain or ditch, watercourse, or drainage facilities, or shall divert or change the course thereof without the approval of the commissioners as herein provided, such person shall be guilty of a misdemeanor and, upon conviction thereof, shall be sentenced to pay a fine not exceeding one thousand dollars, or suffer imprisonment not exceeding two years, or both, in the discretion of the court.

Nothing contained in this section shall be held to restrict or limit the State Department of Highways or any county in the exercise of any of its powers and duties under the provisions of any law of this Commonwealth.

#### (k) Trees and Shrubbery Within Limits of Highways

Section 2070. Saving Trees and Shrubbery. Where any highway passes through or along forested lands, wild lands, or uncultivated lands, no trees growing within the limits of such highway at a distance beyond fifteen feet on either side of the center line thereof, and which measure four inches or over in diameter at a point two feet from the surface of the ground, shall be cut down or destroyed by the commissioners or persons employed by them or any other person, without first obtaining the consent of the abutting owners.

Whenever any highway, running through improved or cultivated lands, has been opened, and there are growing, along the roadsides and within the road limits, shrubs or trees not interfering with public travel, no commissioners or other persons in their employ, shall remove, cut, injure, or destroy, or in any other manner interfere with such shrubs or trees. If such removal or cutting is absolutely necessary for the purpose of maintaining the highway at its highest efficiency the commissioners or other persons in their employ, may so cut or remove such shrubs or trees, after notifying the abutting property owners and entering into an agreement with them relating to the removal, cutting or interference with said shrubs or trees.

Section 2071. Court Orders for Removals. In either of the cases set forth in the preceding section, if the consent or agreement of the abutting property owners cannot be obtained, the board of commissioners may appeal to a judge of the court of common pleas. The judge shall inquire into the facts of the case, and after hearing all parties in interest, shall make such order as seems just, having due regard for the demand for road improvement as well as for the preservation of the trees or shrubs. From such order there shall be no appeal.

Section 2072. Logs and Cordwood Property of Owner. All logs, cordwood, branch wood, or other forms of wood which shall be derived from the destruction or removal of any trees growing along the highways, shall be surrendered to and remain the property of the abutting owners.

Section 2073. Brush and Refuse. The commissioners may clear out brush and other refuse from along the sides of the road to the legal width thereof. All such clearing and removal of brush and refuse shall be confined to growth that is within

the limits hereinbefore described, and to the removal of branches that in any way interfere with public travel. No other injury, by fire, cutting, abrasion, or otherwise, shall be done to the standing timber.

Section 2074. Penalty. If any commissioner, or person in their employ, or any other person, shall cut down, kill, or injure any living tree, growing as aforesaid, and of a size four inches in diameter or greater at a point two feet from the surface of the ground, or shall violate any other provisions of the preceding sections of this subdivision, he shall, upon conviction thereof in a summary proceeding, be subject to a penalty of not more than five dollars for every tree so cut, injured, or destroyed, with costs of suit. Such penalty shall be paid to the township treasurer. If any defendant, upon conviction for any offense, fails or refuses to pay the fine and costs imposed, or does not give bond with approved surety to pay the same within ten days, he shall be committed to the county jail for not more than thirty days or until he has paid the fine and costs in full.

Section 2075. Removal of Obstruction. Nothing in this subdivision of this act shall be so construed as to prevent the commissioners, or other persons in their employ, from removing such roadside trees which may be thrown down by the wind or lodged in such position as to be a menace to public travel, or which by reason of any other cause become a source of danger to the public. Every such act of removal shall be made with due regard to the circumstances of the case, so as to preserve the true intent and purpose of this subdivision.

#### (l) Protection of Highways from Snowdrifts

Section 2078. Whenever any roads, streets or highways, in townships, are so located as to render them liable, on account of high wind during the winter season, to be filled with snow as to make them impassable, and in the judgment of the commissioners, such drifts of snow can be avoided by the removal of any fence erected along either side of such road, street or highway and replacing the same by a fence constructed of posts, wire and boards, or rail, combined, such commissioners may agree with the owners of such fences upon a plan for the erection of a fence constructed of posts, wire and board, or rail, combined. The township may pay the owners of such fences a sum not to exceed the first cost of the wire used in the construction of such fences. The wire used in the construction of such fences shall be without barbs. This section shall not apply to any stone wall, hedge, or ornamental fence.

Any township which is responsible for the maintenance of any public road or highway, shall have authority to enter upon private property adjacent to such public road or highway, and place thereon a snow fence, at any point as may be deemed necessary, to within a limit of one hundred (100) feet from the right-of-way line of such public road or highway, in order to eliminate snow drifting on the traveled portion of the public road or highway.

No such snow fence authorized shall be placed prior to November first, nor shall the same remain in place after April first of the succeeding year, unless the written consent of the owner of the adjacent property is obtained, agreeing to an extension of time for the removal of said snow fence.

If the township shall not be able to enter into an agreement with the owner of adjacent property occupied by such snow fence as to the amount of damages sustained as a result of said fence being placed and removed, the owner may petition the court of common pleas of the county for the appointment of viewers to ascertain the amount of damage incurred in such case, in the manner provided in this act for eminent domain proceedings. Such damages, if any, when ascertained, shall be paid by the township. Any funds available for the construction and maintenance of public roads or highways shall be available for the payment of such damages.

#### (m) Guideposts and Index Boards

Section 2080. Duty to Erect. The commissioners of townships shall erect posts at the intersection of all public roads, and at one of the angles where any public road crosses another public road, and shall firmly fix thereon boards or metal signs, with index hands pointing to the direction of such roads, providing that if a tree, trolley pole, telephone pole, telegraph pole or building is so erected that it can be used in place of a post and permission has been secured from the owner thereof, such tree, pole, or building may be used in place of a post.

On such boards and signs shall be inscribed, in large and legible characters, the name of the town, village, or place to which such roads lead, and the distance thereto computed in miles: Provided, That where any public highway intersects or crosses a State highway, application for a permit shall be made by the commissioners to the State Department of Highways for the erecting of such signs.

Section 2031. Penalty for Destroying. It shall be unlawful for any person to wilfully destroy, remove, injure, or deface any guide post or sign or index board erected upon or near any public street, road, or bridge by the authorities of any township, or erected, with the consent of the authorities having jurisdiction over such street, road, or bridge, by any club, association, or other organized body for the direction, guidance or safety of travelers. Any person violating any of the provisions of this section shall upon conviction, in a summary proceeding, be sentenced to pay a fine of not less than ten dollars and not more than twenty-five dollars, with all costs of prosecution, together with the value of such sign so destroyed, removed, or defaced. Fines and moneys so collected shall be paid to the township treasurer. In default of payment of said fine, costs, and expenses, he shall undergo an imprisonment in the county jail for not less than five nor more than sixty days.

(n) Highways Crossing Railroads. Special Uses of Highways.

Section 2083. Railroad Crossings. Every township constructing a highway across a railroad shall construct the same above or below the grade thereof, unless permitted by the Public Service Commission to construct the same at grade.

Any such crossing of a railroad by a highway, or any vacation of any highway crossing a railroad, shall be constructed only in the manner prescribed by and under the jurisdiction of the Public Service Commission. The compensation for damages to the owners of adjacent property, taken, injured, or destroyed, shall be ascertained, fixed, and paid in the manner prescribed in the Public Service Company Law.

Section 2084. Highway Permits. No railroad or street railway shall hereafter be constructed upon any township highway, nor shall any railroad or street railway crossings, nor any gas pipe, water pipe, electric conduits, or other piping be laid upon or in, nor shall any telephone, telegraph or electric light or power poles or any coal tipples, or any other obstructions, be erected upon or in, any portion of a township highway, except under such conditions, restrictions and regulations, and subject to the payment of such fees for permits as may be prescribed and required by the board of township commissioners, not exceeding the reasonable cost of issuing the permit and expense of inspecting the work authorized by such permit upon completion thereof. All fees so collected for permits shall be paid into the township treasury.

(o) County-aid in the Improvement of Township Roads

Section 2086. Whenever the owners of the majority of the assessed valuation of real property within any township desire any principal road or highway within the township to be improved and maintained at the joint expense of the county and township, they may petition the commissioners of the township for said improvement and require them to make application to the county commissioners for such improvement and maintenance in accordance with the provisions of existing law.

In all cases where the township commissioners refuse to act upon, or unduly delay action on, any petition for the improvement and maintenance of any road or highway, any citizen taxpayer of the township or county may, by petition, present the facts of the matter to the court of quarter sessions, requesting the court to order such action thereon as the case may require. If after due hearing had before said court it shall appear that the truth of the matters alleged in the petition are sustained, the court shall make an order directing the township commissioners to forthwith act upon said application or applications, and that the said application or petition for the improvement be forthwith forwarded to the county commissioners.

(p) Penal Provisions

Section 2088. If any person working upon any road or highway in any township, or if any one in company with such person, shall ask money or reward, or by any means whatever shall extort or endeavor to extort any money, intoxicating drink, or other thing, from any person traveling upon or near

such road or highway, the person so offending shall for every such offense forfeit and pay a sum not exceeding five dollars.

If any township commissioner shall connive with any person so asking, demanding, or contriving to extort money, intoxicating drink, or any other thing from any person traveling as aforesaid, such commissioner shall, for every such offense, forfeit and pay a sum not exceeding ten dollars.

If any person shall stop or obstruct any public road or highway in any township, or shall commit any nuisance thereon by felling trees, making fences, turning the road, or in any other way, and shall not on notice given by the township commissioners, forthwith remove the obstruction or nuisance and repair the damages done to such road, such person shall, for every such offense, forfeit and pay a sum not more than twenty-five dollars. Nothing in this section shall debar an indictment for any such nuisance, as in case of misdemeanor at common law.

All penalties provided for in this section shall be recovered by summary proceeding for the use of the township.

(q) Opening, Making, Amending, and Repairing Highways and Bridges by Contracts with Taxpayers

Section 2090. Taxpayers' Rights. Any one or more taxpayers of any township may acquire the right to furnish all the materials and labor necessary for opening, making, amending, and repairing the public highways and bridges of such township, in the manner and under the conditions set forth in this subdivision of this act.

Section 2091. Petition to Court. To acquire such right such taxpayers shall, before the beginning of the township fiscal year, present to the court of quarter sessions a petition setting forth that he, she, it or they, are the owners of property assessed and taxed for road purposes in such township, the approximate number of miles of public road in such township, and the ability of the petitioner or petitioners to lay out, open, make, amend, and repair the public highways and bridges of such township wholly at his, her, its, or their own expense, for the ensuing township fiscal year, and to pay the other expenses of such township as hereinafter provided, without any right against or claim upon such township for or by reason of the materials, labor, or moneys so furnished.

Section 2092. Bond of Petitioners. The petitioners shall, with the petition, present a bond to the township, in a sum equal to five hundred dollars for each mile of public road in the township, with one or more sufficient sureties, to be approved by the court, conditioned for the faithful performance by said petitioner or petitioners of his, her, its, or their duty, and to save the township harmless from any loss or claim by reason of failure so to perform said duty.

Section 2093. Notice to Commissioners and Auditors. Notice of the intention of presenting the petition and bond, and of the time when said petition and bond will be presented to the court, shall be given to the commissioners and auditor or controller of the township, at least ten days before the same are presented.

Section 2094. Contracts. Stipulations. When the petition, bond, and proof of the notice required in the preceding section, are presented to the court, the same shall be ordered filed; and the court being satisfied of the good faith of the petitioners and the sufficiency of the petition, bond, and notice, shall order and direct the commissioners, on behalf of the township, to enter into a contract with the petitioner or petitioners. In such contract the petitioner or petitioners shall bind him, her, or itself or themselves:

First. To open, make, amend, and repair the public highways and bridges of the township for the ensuing fiscal year in a lawful and workmanlike manner, wholly at the expense of the petitioner or petitioners, and without creating thereby any claim upon or right against the township for or by reason of the materials, labor, or money for persons employed.

Second. To indemnify and save harmless the township from all claim, damage, cost, or expense of whatever kind, for or by reason of any act of omission of said petitioner or petitioners whereby any claim, suit, or other demand may be set up or recovered against the township.

Third. To pay, within sixty days from the beginning of the fiscal year to the following officers of such township, the following sums, to be received by said officers in full for all demands against such township for their respective services as such officers of the township for the fiscal years for which the said contract is made, which shall be in lieu of the compensation otherwise in this act provided for such officers:



namely—To each township secretary, the sum of fifty dollars; to the auditor or controller of such township, the sum of twenty-five dollars; to an attorney, to be elected by such commissioners as counsel for the township, the sum of fifty dollars; to each commissioner, the sum of one hundred dollars.

Section 2095. No Road Tax to be Levied. In consideration of the obligations set out in the preceding section to be assumed and performed by the petitioner or petitioners, the commissioners, on behalf of such township, shall stipulate that the township will not assess, levy, or collect any tax for road purposes during the fiscal year for which such contract is made.

Section 2096. Inspection. The commissioners shall view and inspect the making and repairing of the roads in such townships, at least once during every month, and satisfy themselves that the petitioners have fully complied with their contract, before final settlement and expiration of contract. If, at any time, the commissioners shall see that any portion of the roads need repair, they shall notify the petitioners to repair the same. In case said petitioners fail to repair said road within five days after notice, the commissioners are empowered to purchase such materials and employ such men as may be necessary to repair such road, and charge the same to the petitioners.

## ARTICLE XXI

### BOUNDARY ROADS AND HIGHWAYS

#### (a) Opening, Repairing and Improving on Division Line of Townships

Section 2101. Roads or highways laid out on a line which divides two townships shall be opened, made, kept clear and in repair, at the joint and equal charge of such townships. Any township necessarily incurring more than its due proportion of such charge may recover the excess so incurred from the other township.

When any public road is laid on the line of two townships, if the commissioners or supervisors of either township neglect or refuse to join with the commissioners or supervisors of the other township in opening or repairing such road, the commissioners or supervisors of the other township shall open, amend, and repair the road, and are authorized to collect a just proportion of the cost of the opening and repairing of such road from the township so neglecting or refusing to join in such opening or repairing. The commissioners or supervisors so neglecting or refusing shall be liable to a penalty of not less than four dollars and not exceeding fifty, to be recovered in a summary proceeding. All such penalties when recovered shall be paid into the township road fund.

#### (b) Maintenance of Roads Between Township and Cities or Boroughs

Section 2105. Whenever any road or street is on the boundary line between any township and any city or borough, such road or street shall be maintained jointly by the city or borough and the township. For the purpose of maintaining any such road or street, the authorities of any such township are hereby directed to enter into agreements with such city or borough, providing the manner in which the same shall be maintained, and providing for the division of the cost of maintenance between the city or borough and township. If any such city or borough and township shall fail or refuse to enter into any such contract, or if the city or borough and township cannot agree, any taxpayer of the corporate authorities of the township may present a petition to the court of quarter sessions of the county, setting forth the facts, and the court, after hearing, of which such notice shall be given to all parties interested, as the court may direct, shall make an order directing the manner of such maintenance and the division of the cost of maintenance between the city or borough and the township. The action of the court shall be final.

#### (c) Highway, the Centre Line of Which Is the Dividing Line Between Townships and Boroughs or Cities in the Same County.

Section 2110. Whenever the centre line of any highway constitutes the dividing line between a township and any city or borough located in the same county, the commissioners of the township, may, jointly with the county, enter into a contract with the city or borough providing for the grading, curbing, and macadamizing or paving of such highway.

Such alterations or improvement shall be constructed, and subsequent repairs shall be made, under the supervision of the proper authorities of the city or borough, in compliance with the laws governing the construction of such alterations or improvements in such city or borough, and with plans and specifications to be agreed upon in writing between the commissioners of the township and the city or borough and the commissioners of the county.

The cost of any alteration or improvement shall be borne one-half by the city or borough and one-half by the county and township in equal portions.

The cost of repairs shall be borne one-half by the city or borough and one-half by the township, or by the county and township in equal portions, or such other proportions as are agreed upon in the joint contract of the township with the county.

#### (d) Highway, the Centre Line of Which Is the Dividing Line Between Townships and Cities in an Adjacent County

Section 2115. Whenever the centre line of any highway constitutes a dividing line between a township and a city located in an adjacent county, it shall be lawful for the township commissioners, to enter into a contract with the county in which it is located, and with the city, providing for the grading, curbing, macadamizing, or paving of the roadway of said highway, the cost thereof to be borne one-half by the city, and one-half by the township and the county in which such township shall be situated in equal portions.

The said alteration or improvement shall be constructed, and subsequent repairs shall be made, under the supervision of the proper authorities of the said city, in compliance with existing laws governing such construction or improvement of such city, and in further compliance with plans and specifications to be agreed upon in writing between such city and the commissioners of the county and the township commissioners of the said township. The cost of repairs shall be borne one-half by the city and one-half by the township or by the county and township in equal portions or such other proportions as may be agreed upon by the county and township.

In all cases in which it shall be found impossible to enter into such contract or agreement as is provided for in this section, or where either the city or the township or the county in which such township is situated shall refuse to enter into such contract or agreement, it shall be lawful for the township to present its petition to the court of common pleas of either county, setting forth the facts and the circumstances, including the condition of the highway from which the necessity or desirability for the grading, curbing, macadamizing, or paving of the roadway appears, and the estimated cost thereof, and that the terms of the said contract as provided for in this section cannot be agreed upon by the said city and the county or township, or either or any of them or that the county or township, or either or any of them or that either such city or the county or township, or any or either of them refuses to enter into such contract. Such petition may pray that such court may, after hearing all the parties concerned, make its order or decree, defining the nature and character of the improvement reasonably necessary or desirable to be made to the roadway, and requiring the parties hereinabove specified to enter into a contract or contracts for the making and constructing of the same as herein provided for. A copy of the said petition, duly certified, shall be served upon the city or the county and township concerned, other than the petitioner, with notice of such day as may be fixed by the court for the hearing. Thereupon either or both of the parties served with such notice shall be entitled, on or before such date, to file in the said court its answer to the said petition, setting forth its version of the facts or such other matters in relation thereto as may be deemed necessary or proper by it. The said court, upon the date so fixed or at such other time as it may appoint, shall hear the evidence of the parties, or it may refer the matter to a master, who shall hear the testimony of the parties and report his findings, in the same manner and under the same procedure as provided by the rules in equity in similar cases, to the said court, which may reject, confirm, or modify the same, and may make its decree or order directing the making of such alterations or improvements to the roadway as may be deemed reasonably necessary or desirable and providing for the sharing of the cost of such improvements, one-half by the city, and one-half by the county and township in equal

portions. The said order or decree may further provide that the repairs to such alterations and improvements subsequently required shall be borne one-half by the city, and one-half by the county or township in equal portions or such other proportions as between the county and the township as such court may find to be legal and proper; and thereupon the said grading, curbing, macadamizing, or paving of the roadway of such highway shall proceed in accordance with the decree or order of the said court in the same manner as if the contract or agreement provided for in this section had been entered into and duly executed.

(e) Improvements of Street Where More Than One-Half of Width is in Township. Assessment of Property Outside Limits

Section 2120. Whenever any street, alley, or highway more than one-half the width of which it within the limits of any township shall divide the said township from any other municipality or township located within the same county, such street, alley, or highway may be improved by the township within which the greater width is located in the same manner as if the said street, alley, or highway were entirely located within the limits of said township.

The property abutting on the side of said street, alley, or highway which is located outside the limits of the township making such improvements shall, for a depth of one hundred and fifty feet plus one-half the width of said street, alley, or highway from its centre line be assessed for any and all municipal improvements to or on the said street, alley, or highway in the same manner as such property would be assessed under this act if it were entirely located within the limits of such township.

(f) Assessment of Property Outside Limits of Township for Street Improvements

Section 2125. Whenever any street or alley, entirely within the limits of any township, shall divide such township from any other municipality or township located in the same county, the property on the side of the street or alley, opposite the line of such township shall, for a depth of one hundred and fifty feet, be assessed for municipal improvements on such streets or alleys on which property shall abut. Such assessment shall be made in the same manner and in the same proceeding as is used for the assessment of property within such township for such improvement.

(g) Grading, Curbing, Paving, Macadamizing Boundary Street, Et Cetera

Section 2130. Townships may enter into agreements with adjoining boroughs for the grading, paving and curbing, or macadamizing of streets and alleys which may be boundaries between such townships and boroughs; and may provide in such contract that the damages, costs, and expenses of such improvement shall be divided between such townships and boroughs in proportions agreed upon.

In grading, paving and curbing, or macadamizing any such streets or alleys, townships shall exercise such power only upon petition of the majority of the property owners in interest and number, abutting the line of the proposed improvement within the township limits, to be verified by the affidavit of one of the petitioners; a majority in interest of owners of undivided interest in any piece of property to be treated as one person asking that such improvement be made.

The portion of the damages, costs, and expenses agreed to be paid by any township shall be ascertained, and the benefits incident thereto shall be assessed and collected, in the manner provided in this act for the assessment of damages and benefits by viewers.

## ARTICLE XXII

### BRIDGES AND VIADUCTS

(a) As Part of Road, Street, Highway, Lane, or Alley

Section 2201. Whenever, in the opening, grading, or improving of any road, street, highway, lane, or alley, in any township, it is necessary to erect or construct any bridge and the piers, abutments and approaches therefor, the same may be erected and constructed by the township as part of such road, street, highway, lane, or alley. In any such erection or construction, the township may take, use and occupy private property. All damages shall be awarded and benefits assessed as part of the proceeding to open, grade, or

improve the road, street, highway, lane, or alley of which the bridge is a part.

(b) Over Railroads

Section 2205. Power to Construct. Townships may build or purchase existing bridges or viaducts over railroads, rivers, creeks, streams, and private property, or over railroads and any of them, or over railroads only, whether the bridge or viaducts are wholly or partly within the township limits, for the purpose of uniting two or more streets or highways or separate portions of the same street or highway. Such bridges and viaducts must in all cases cross railroads. Such bridges and viaducts and the approaches thereto shall be constructed and the damages in connection therewith paid as provided by the Public Service Company Law.

Section 2206. Maintenance. Such viaduct or bridge shall be maintained as a township structure, and the township is authorized to contract with any party interested, except the county, for the maintenance of the same.

(c) Over Marshy or Swampy Grounds, Creeks, Rivulets, Gullies, Canals and Railroads

Section 2210. Power to Make and Maintain. The commissioners of townships, in making and repairing the roads, shall make and maintain within their township sufficient bridges over all small creeks, rivulets, deep gullies, canals, and railroads, where the same is necessary for the ease and safety of travelers.

Such bridges over canals or railroads shall not obstruct the railroad or canal over which it is built. Nothing in this section shall release railroad or other companies or the Commonwealth from the requirements of existing laws.

Section 2211. Damages. In the construction and maintenance of such bridges, all damages shall be awarded and benefits assessed as part of the proceeding to lay out, open, make or repair the road of which the bridge is a part.

(d) Over Streams, Railroads, and Canals on Township Boundaries

Section 2220. Bridges on Division Line of Townships. Where a small creek or a railroad or canal, over which a bridge is necessary is on the boundary line of two townships, the bridge shall be built and maintained at the joint and equal expense of the townships, by their respective commissioners or supervisors, in the manner directed by this act in the case of public roads which may be the division line of townships.

Section 2221. Bridges Between Townships and Municipalities. Whenever a creek, railroad, or canal, over which a bridge is necessary, is on the division line of a township and a municipality, the township shall unite with such municipality in the construction and maintenance of such bridge and pay an equal share of the expenses incident thereto.

Section 2222. Bridges Over Railroad or Canal. If a bridge is built over such boundary railroad or canal by virtue of the provisions of the preceding section of this act, such bridge shall not obstruct the railroad or canal over which it is built. Nothing in said sections shall release railroad or other companies or the Commonwealth from the requirements of existing laws.

(e) Maintenance, Repair, and Rebuilding of Bridges Built by County

Section 2225. Whenever a bridge or part thereof has been built by the county, or the whole or part of the money necessary to build it has been furnished by the county, and the bridge has not been entered on record as a county bridge, such bridge shall be maintained, kept in repair, and rebuilt, when necessary, by the township or townships in which, or on the boundary line of which, it is located, without rendering the county liable for the same.

## ARTICLE XXIII

### SIDEWALKS

Section 2301. Power to Lay Out, Ordain and Establish Grades. Townships may lay out, ordain and establish sidewalks upon any of the roads, streets, lanes and alleys of the township and may establish grades for such sidewalks, which grades may be separate and apart from the grade established for the highway.

Section 2302. Width. The width of any sidewalk shall be fixed by the township commissioners by ordinance.



Section 2303. Paving and Curbing Sidewalks. Townships may, upon such notice as may be provided by ordinance, require owners of property abutting on any public road, street, lane, or alley, including State and State-aid highways and county roads, to construct, pave, curb, repave, and recurb the sidewalks along such property with such materials, at such grades and under such regulations as may be prescribed by ordinance, and upon failure of such owners to comply with such notice, or without notice to the property owners as above provided, the townships shall in either case have power to cause the same to be done by the township, and to levy and collect the cost thereof from such owners of property abutting such sidewalk.

The cost of any such grading, paving, curbing, repaving and recurbing shall be a lien upon the premises from the time of the commencement of the work, which date shall be fixed by the township engineer and shall be filed with the township secretary. Any such lien may be collected by action in assumpsit or by lien filed in the manner provided by law for the filing and collection of municipal claims.

The cost of any such paving, curbing, repaving and recurbing may, in any case, be borne in whole or in part by the township.

No sidewalks shall be established and constructed upon any State highway without the consent of the State Department of Highways, or upon any county road without the consent of the county commissioners.

Section 2304. Repair of Sidewalks. The owner of the abutting property shall keep the sidewalk, together with any portion of his property paved and used as a sidewalk or public walk, immediately in front of his property, in good order and repair, and at all times free and clear of all obstruction to safe and convenient passage, and free of any merchandise placed there for display, if the removal thereof is ordered by the township commissioners. If the owner of any property neglects to perform the duty so required of him, the township commissioners may serve written notice upon him requiring him to do what is necessary. If such property owner fails to comply with the requirements of such notice within thirty days from date of its service, the township commissioners may make the necessary repairs or remove any obstruction. The cost of the same, together with a penalty of ten per centum, shall be paid by the delinquent property owner, and may be collected by action of assumpsit, or the township commissioners may file a municipal lien against the property. The notice provided for in this section may be served on the property owner by leaving the same at his place of residence, or, if he has no residence in the township, then by posting the same on the premises and mailing a copy thereof to the owner at his last known address.

## ARTICLE XXIV

### SEWERS AND DRAINS

#### (a) Establishing and Constructing Sewer and Drainage Systems, Sewer Connections, and Rates; Disposal of Sewage; Assessment of Cost of Construction

Section 2401. Power to Establish and Construct Sewers and Drains. Sewer Rentals. Townships may establish and construct a system of sewers and drainage, locating the same, as far as practicable, along and within the lines of the public roads of the township, as seem advisable to the commissioners. The township commissioners may permit, and, where necessary for the public health, require, adjoining and adjacent property owners to connect with and use the same. All persons so connecting may be required to pay, in addition to the cost of making such connections, a monthly or annual rate prescribed by ordinance. Such monthly or annual rate shall constitute a lien, until paid, against the property so connecting with such system, and the amount thereof may be recovered by due process of law.

Nothing in this section shall be construed to repeal or modify any of the provisions of the Public Service Company Law.

Section 2402. Location of Sewers on Private Property. Where it is reasonably impracticable, in the judgment of the commissioners, in any part of such system, to carry such sewers or drains along the lines of public roads, the commissioners may locate and construct so much of the same as is necessary through private lands.

Section 2403. Treatment Works and Facilities Therefor. The commissioners shall make the necessary provision for the disposition of the sewage and drainage within, or for carrying the

same beyond, the limits of the township; and, to this end, they are hereby authorized to enter into contracts with other municipalities and other corporations or persons, to purchase, acquire, enter upon, take, appropriate, occupy, and use such lands, rights, and interests therein, within the corporate limits of other townships or boroughs, as shall be necessary for the proper location, construction, maintenance, use and operation of sewer, main drains or disposal plants, including such lands, rights, and interests therein as shall be necessary for future additions to and enlargements of such sewage facilities, and as may be necessary to carry out the plans and specifications upon which a permit has been issued by the Secretary of Health, in accordance with the provisions of the act of April twenty-second, one thousand nine hundred and five, entitled "An act to preserve the purity of the waters of the State for the protection of the public health," and of "The Administrative Code."

Section 2404. Entry on Lands to Mark Sewer Routes. Damages. In the event of inability to agree with the owners, either for the land necessary for so much of the line of sewers and drains as are not located upon public roads, or for so much land as is required for the disposition of the sewage, the commissioners may enter upon said land and mark thereon the route and width necessary for the construction of the line of sewers or drains, or the boundaries of so much land as is necessary for disposition of such sewage, and occupy the said land for such purposes. For all damage done or suffered, or which accrues to the owner or owners of such land, by reason of the taking of the same, the funds of the township raised by taxation shall be pledged and deemed as security. Such damages shall be determined by viewers in the manner provided in this act for eminent domain proceedings.

Section 2405. Enforcement of Judgment for Damages. The damages as awarded when the report of viewers is finally confirmed shall be entered as a judgment, and if the same is not paid within thirty days after the entry thereof, execution to enforce the collection thereof may be issued, as in other cases of judgment against townships.

Section 2406. Cost of Construction. How Paid. The cost of construction of any system of sewers or drains constructed by the authority of this subdivision of this act shall be charged upon the properties accommodated or benefited thereby to the extent of such benefits. Any amount not legally chargeable upon properties benefited shall be paid out of the general township fund.

Section 2407. Sewer Districts. Whenever a sewer system is constructed by a township for the accommodation of a certain portion only of the township, the commissioners of such township may constitute the territory accommodated into a sewer district or divide it into several sewer districts. In every such case of division into several districts, the commissioners shall make an estimate of the proportion of the cost of the sewer system which should equitably be charged on each of said districts, and declare and establish such apportionment by ordinance. No district shall be charged with more than its due proportion of the cost of the main sewers, pumping stations, et cetera, used jointly by more than one district. The aggregate amount charged on property in any such district shall not exceed the amount of such estimate. Where the whole of the township is accommodated by the system, it may also be treated as a single district or divided into districts, and be subject to the foregoing provisions.

Section 2408. Manner of Assessment. The charge for any such sewer construction in any township shall be assessed upon the properties accommodated or benefited in either of the following methods:

(a) By an assessment, pursuant to township ordinance, of each lot or piece of land in proportion to its frontage abutting on the sewer, allowing such reduction in the case of properties abutting on more than one sewer as the ordinance may specify. No assessment by frontage shall be made on properties of such a character as not to be lawfully subject to such manner of assessment, and each abutting property shall be assessed with not less than the whole amount of the benefit accruing to it and legally assessable.

(b) By an assessment upon the several properties abutting on the sewer in proportion to benefits. The amount of the charge on each property shall be ascertained as provided in this act for the assessment of benefits.

When a township is divided into sewer districts, the assessment in each district may be by different methods.

Section 2409. Procedure for Assessment of Benefits. In all cases where the township commissioners shall select the method provided by subdivision (b) of the foregoing section, they shall petition the court of common pleas for appointment of viewers to assess benefits. In all cases where they shall neglect for a period of three months after the completion of the sewer system to either ordain assessments by frontage or present petition for appointment of viewers, taxpayers of the township, whose property valuation as assessed for taxable purposes within the township shall amount to fifty per centum of the total property valuation as assessed for taxable purposes within the township, may present a petition to the court of common pleas of the proper county for the appointment of viewers to assess benefits; and in all cases where such taxpayers shall, within three months of the adoption of any ordinance levying an assessment under the method provided by subsection (a) of said section, by petition state to said court that such assessment insufficiently represents the benefits accruing to abutting properties, they may include in such petition a prayer for the appointment of viewers to assess benefits. In either case the said court shall thereupon appoint three disinterested persons from the board of county viewers, neither of whom shall be a resident of that portion of the township which is accommodated by the sewer in question, and the viewers so appointed shall proceed as provided in this act for proceedings for the assessment of damages and benefits by viewers. The aggregate of the assessments in any sewer district shall not exceed the amount charged in such district for its share of the cost of sewer construction, unless the same shall, by petition of taxpayers whose property valuation as aforesaid shall amount to fifty per centum of the total property valuation as assessed for taxable purposes within the township, presented within three months after the adoption of an ordinance providing for an assessment by frontage, be stated to insufficiently represent the amount of benefits to such properties, in which case the proceedings by taxpayers authorized shall be applicable. Upon the filing of such a petition, by taxpayers as aforesaid, for appointment of viewers, any assessment made by the commissioners and any proceedings thereunder shall be null and void.

Section 2410. Lien for Assessments. Cost of Proceedings. After the amount of the assessment charged upon the several properties has been established, either by ordinance making assessments according to frontage or by confirmation of any report of viewers in whole or in part, it shall be the duty of the township commissioners to file municipal liens for the assessments covered by such ordinance or confirmation within the time and in the manner provided by law; the same to be subject in all respects to the general law providing for the filing and recovery of municipal liens. The amounts of all assessments shall be payable to the township treasurer for the use of the township. The commissioners shall also make out bills for the amount charged against each property, which shall be forthwith sent to all property owners residing in the township, and mailed to all such owners residing elsewhere whose address is known. The cost of publication of notices in proceedings before viewers shall be paid by the township, upon presentation of bills approved by the court.

(b) Acquisition of Sewer System from Private Interests.  
Distribution of Costs

Section 2415. Any township in which any person, firm, or corporation is maintaining sewers and culverts, with the necessary inlet and appliances for surface and under-surface and sewage drainage, may become the owner of such sewers, culverts, inlet, and appliances, by paying therefor the actual value of the same at the time of the taking by the township.

In case the commissioners of the township cannot agree with the owners of such sewers as to the price to be paid therefor, the commissioners may enter upon and take possession of such sewers, culverts, inlets and appliances. For all damages done or suffered, or which accrues to the owner or owners of such sewer by reason of the taking of the same, the funds of the township, raised by taxation, shall be pledged and deemed as security, such damages to be determined by viewers in the manner provided by this act for eminent domain proceedings. If any sewer or sewer system is acquired by purchase, under the provisions of this section, the cost of such acquisition may be distributed or assessed in the same manner as if such sewer or sewer system had been constructed by such township under the provisions of this act.

(c) Contracts With Individuals or Corporations for Construction and Maintenance of Sewer and Drainage Systems

Section 2420. In any case where, under the authority of section two thousand four hundred and one of this act, a system of sewage and drainage covering any township in whole or in part shall have been approved and authorized by ordinance, the commissioners may enter into a contract with any responsible individual or individuals, or corporation, for the construction of such system of sewage or drainage, at the expense of such individual or individuals, or corporation. He, they, or it shall be entitled, under such contract, to exercise all the powers of the township in the construction, maintenance, and operation of such system of sewage or drainage with the right to collect such charges in connection therewith as the commissioners prescribe, in as full manner as the same might have been collected by the township or the commissioners. In such contract the commissioners shall reserve to the township the right at any time, or after a prescribed time, to itself take possession of such system of sewage and drainage and its appurtenances, at a price and upon terms to be fixed in the contract.

Nothing in this section shall be construed to repeal or modify any of the provisions of the Public Service Company Law.

(d) Sewers and Drains in Streets or Alleys, or Over Private Property; Assessment of Costs of Construction According to Benefits

Section 2425. Townships may construct sewers and drains in any street or alley, or through or on or over private property. The costs, damages, and expenses of the construction of any such sewers or drains shall be assessed upon the properties accommodated or benefited in either of the following methods:

(a) By an assessment, pursuant to township ordinance, of each lot or piece of land in proportion to its frontage abutting on the sewer allowing such reduction in the case of properties abutting on more than one sewer as the ordinance may specify. No assessment by frontage shall be made on properties of such a character as not to be lawfully subject to such manner of assessment, and each abutting property shall be assessed with not less than its proportion, aforesaid, of the entire cost and expense of such construction.

(b) By an assessment upon the several properties abutting on the sewer in proportion to benefits, the amount of the charge on which property shall be ascertained and the rights of taxpayers conferred in connection therewith as provided in this act for the assessment of damages and benefits by viewers.

(e) Sewers Under State and County Highways

Section 2430. Consent Necessary. Townships may construct sewers and drains in and under any county or state highway within the township boundaries. In case of the construction of sewers upon county highways, the consent of the county commissioners of the county shall first be obtained; and in case of the construction of sewers upon any state highway, the consent of the State Department of Highways shall first be obtained.

Section 2431. Assessment of Cost. Whenever sewers have been or shall be laid or constructed by any township in and under such highways, such township may ascertain, levy, and collect the costs and expenses of the construction thereof from the abutting property holders, by viewers in accordance with provisions of this act relating to the assessment of damages and benefits by viewers.

(f) Connecting With Sewer of Adjoining Municipality

Section 2435. Connection by Agreement or Petition. Appointment of Viewers. Whenever any township shall desire to connect with the existing sewer of any adjacent municipality, the two municipalities so joining may enter into an agreement for such purposes, or if no agreement has been reached between such township and the adjacent municipality, then such township shall proceed in the following manner:

An application shall be made by the board of commissioners to the court of quarter sessions, setting forth the desire of the township to connect with the sewer of the municipality. If the court shall be of the opinion that such connection can be made without impairing the usefulness of the existing sewer, it shall appoint three viewers, who shall view the premises, and investigate the facts of the case, and shall, in the manner provided by this act for such proceedings, assess the proportionate part of the expense of building the original sewer upon the



petitioning township, and shall fix the proportion of the expense for repairs which the municipality and such township shall thereafter bear and determine all other questions which are likely to arise in connection therewith.

Section 2436. Notice of Contemplated Construction. Protests by Property Owners. No sewer, system of sewers, or drain shall be constructed under the provisions of this subdivision, unless a resolution of the board of commissioners authorizing the same shall be published in a newspaper of general circulation published in the county in which the township is situated once a week for three successive weeks. If within twenty days after the last publication, or at any time during the period of publication, taxpayers of the township, whose property valuation within the township shall amount to fifty per centum of the total property valuation as assessed for taxable purposes within the township, shall sign, and file in the office of the prothonotary of the court of common pleas of the county in which the township is located, a written protest against the construction of such sewer, sewer system, or drain, then the construction authorized by such resolution shall not be undertaken or proceeded with.

#### (g) Joint Sewers and Drains

Section 2440. Agreements for Joint Sewers. Townships may enter into agreements with municipalities or other townships for the purpose of building sewers, including trunk-line sewers or drains and sewage-disposal plants. Such agreement shall provide for the joint maintenance of the same.

Section 2441. State Permit. No such sewer or plant shall be constructed until plans and specifications have been submitted to the State Department of Health and approved, in accordance with provisions of the act of April twenty-second, one thousand nine hundred and five (page two hundred and sixty), entitled "An act to preserve the purity of the waters of the State for the protection of the Public Health."

#### ARTICLE XXV

#### COLLECTION BY INSTALMENT OF THE COST OF STREET, CURB, SIDEWALK AND SEWER IMPROVEMENTS

Section 2501. Ordinances for Instalment Payments. When any township shall authorize the grading, subgrading, or the permanent paving and improvement, of any streets or alleys, or parts thereof, or the construction of curbs, sidewalks or sewers, and the entire cost, or any part thereof, shall be assessed against the properties abutting on such improvement, whether by the foot front rule or according to benefits, the board of commissioners may provide in the ordinance that the assessment or any of them may be paid in semi-annual or annual instalments. Such instalments shall bear interest, at a rate not exceeding six per centum, to be fixed by the board of commissioners in the ordinance, from the date of the commencement of the work or the construction of such improvement.

Section 2502. Issue of Bonds. In order to provide for the payment of the cost and expenses of such improvement, the board of commissioners may, from time to time, issue bonds, in sums equal to the amount of assessments. The bonds shall bear the name of the street or alley to be improved, or the curb, sidewalks or sewer constructed; and shall be payable at periods not exceeding ten years from the date of their issue, to be provided in the ordinance directing the improvement.

Section 2503. Sale of Bonds; Interest. The bonds shall bear interest at a rate not exceeding six per centum per annum, payable semi-annually or annually, as the ordinance shall direct; and shall be negotiated at not less than par, and the proceeds thereof applied solely to the payment of such improvement.

Section 2504. Entry of Liens. Liens to secure the assessments or any part thereof remaining due shall be entered in the prothonotary's office of the county, in the same form and collected in the same manner as municipal claims are filed and collected.

Section 2505. Assessments; Where Payable. Such assessments shall be payable at the office of the township treasurer, or such other place as the ordinance shall provide, in semi-annual or annual instalments, with interest at the rate provided from the date from which interest is computed on the amount of the assessments. The moneys so received by the township shall be applied to the payment of such bonds exclusively.

Section 2506. Default in Payment of Instalment. In case of default in the payment of any instalment and interest for a period of sixty days after the same shall become due, the entire assessment and accrued interest shall become due; and the township solicitor shall proceed to collect the same under the general laws relating to the collection of municipal claims.

Section 2507. Payments in Full; Subdivisions of Property. Any owner of property, against whom any such assessment has been made, may pay the same in full, at any time, with interest thereon to the next semi-annual or annual payment, and such payment shall discharge the lien. If any owner shall subdivide any property after the lien attaches, he may, in like manner, discharge the same upon any subdivided portion thereof by paying the amount for which such part would be liable.

#### ARTICLE XXVI

#### REVOLVING FUND FOR STREET AND SEWER IMPROVEMENTS

Section 2601. Special Tax. The several townships are hereby empowered to levy and collect annually a tax upon all property, taxable for township purposes, not to exceed five mills on the dollar in any one year, for the purpose of creating and maintaining a revolving fund, to be used by such township in making permanent street, sidewalk or sewer improvements, and to pay contract prices for permanent street, sidewalk or sewer improvements, prior to the collection of the cost and expense or any part thereof from the property owners adjoining or abutting thereon by such townships under existing laws.

Section 2602. Repayments Into Revolving Fund. When the cost and expense, or any part thereof, of the construction of any permanent street, sidewalk or sewer improvement, which has been made under existing laws, and which has been aided in its construction from the said revolving fund hereby provided for, shall have been assessed and collected from the owners of the property adjoining or abutting upon such improvement, it shall be applied to the credit of the said revolving fund, to the extent of the withdrawal therefrom for such purpose.

#### ARTICLE XXVII

#### WATER SUPPLY AND WATERWORKS

##### (a) Acquisition, Construction and Maintenance

Section 2701. Contract with Water Companies and Municipality. Townships may contract with any adjoining municipality, owning a waterworks, or with a private company, for a supply of water for public and private uses to be delivered into the lines of the township at or near or within the boundaries thereof.

This section does not authorize a contract between a township and a municipality, or a private company, for the supply of water in territory being supplied by any other private company.

Section 2702. State Permit. A township making such contract may, by ordinance, provide and regulate and protect a system of distribution of the water, after a certified copy of the plans and surveys for such system, with a description of the sources from which it is proposed to derive the supply, are filed in the Department of Health, and a written permit for the construction of such system obtained from the Secretary of Health in accordance with existing law.

Section 2703. Occupation of Highways. In providing for, regulating, and protecting and extending its system of distribution of water, the township may occupy public highways, and may take, injure, or destroy private property. No highway under the jurisdiction of the State Department of Highways shall be occupied until a permit therefor has been obtained from the State Department of Highways. Property belonging to or used as a cemetery or a place of public worship, or any public or parochial school, or other educational or charitable institution or seminary, shall not be taken, injured, or destroyed by virtue of this act.

Section 2704. Property Damages. Bond by Township. If the compensation and damages arising from such taking, injury, or destruction of private property cannot be agreed upon, the township may tender its bond as security to the party claiming or entitled to any damages, or to the attorney or agent of any absent person, or to the agent or other officer of a corporation, or to the guardian or committee of any person under legal incapacity. The condition of the bond shall be that the town-

ship shall pay or cause to be paid such amount of damages as the party shall be entitled to receive, after the same shall have been agreed upon or as assessed in the manner provided in the following sections of this article.

In case the party or parties claiming damages refuse or do not accept the security so tendered, the township shall give the party, his or their agent, attorney, guardian, or committee, at least ten days' written notice of the time when the same will be presented to the court of common pleas for approval.

Thereafter the township may present its bond to the court, and when approved the bond shall be filed in court for the benefit of those interested. Recovery may be had thereon for the amount of damages finally determined, if the same is not paid or cannot be collected by execution on the judgment in the issue formed to try the question. Upon the approval of such security the township may enter into possession.

Section 2705. Appointment of Viewers. In case the compensation for damages accruing from such taking, injury, or destruction has not been agreed upon by parties in interest, the court of common pleas, or any law judge thereof in vacation, on application thereto by the township or any person interested in the property, shall appoint three members of the board of viewers of the county who shall assess the damages as provided in this act for eminent domain proceedings.

(b) Construction, Acquisition, and Maintenance of Waterworks in Connection with Boroughs

Section 2710. Joint Maintenance of Works With A Borough. Any township may unite with a borough in the construction or acquisition and maintenance of works for the supply of water.

Section 2711. State Permit. The construction of waterworks, as provided for in the preceding section, shall be after plans for such waterworks have been filed with the Secretary of Health, and a permit issued in accordance with existing law.

Section 2712. Commission of Waterworks. Whenever any township unites with a borough in the construction or acquisition and maintenance of waterworks, the commissioners of such township, after the passage of an ordinance or resolution to that effect, may join with the councils of such boroughs, now authorized by section two thousand four hundred and sixty-two of the General Borough Act, approved the fourth day of May, one thousand nine hundred and twenty-seven, (P. L. 519), so to join and apply to the court of common pleas for the appointment of a commission of waterworks. Such commission shall be composed of citizens of each of the boroughs and townships so uniting.

## ARTICLE XXVIII

### PUBLIC BUILDINGS

Section 2801. Town Hall. The commissioners of townships may procure a suitable lot of ground, and/or erect a suitable building thereon for a townhouse in which to hold elections, store road machinery, hold meetings of township officers, and for other township uses. For the purpose of procuring a lot of ground and erecting a town hall, the commissioners may borrow money at a rate of interest not exceeding six per centum and issue bonds therefor.

Section 2802. Unloading and Warehouses. The commissioners may purchase or lease land adjacent to the tracks or right of way of any railroad or street railway, within or without the limits of such township, and erect thereon suitable unloaders, warehouses, or other buildings as may be necessary for unloading, handling, and storing road materials and supplies.

Section 2803. Appropriation of Property. Townships may enter upon and appropriate private property, and also land heretofore granted or dedicated to public or other use, within the limits of such township, and which is no longer used for the purpose for which the same was granted or dedicated, for the erection thereon of a town hall, fire house, lockup, and such other public buildings as are necessary for public purposes.

No land or property used for any cemetery, burying ground, public or parochial school, educational or charitable institution, seminary, or place of public worship shall be taken or appropriated by virtue of any power contained in the preceding section.

Section 2804. Ordinance of Commissioners. Whenever the commissioners desire to acquire, enter upon, take, use and ap-

propriate private property or lands for public buildings, they shall declare such intention by an ordinance duly enacted.

Section 2805. Assessment of Damages. The compensation and damages arising from such taking, using, and appropriating of private property for such purposes shall be considered, ascertained, determined, awarded, and paid in the manner provided in this act, for eminent domain proceedings.

Section 2806. Use of Public Lands Acquired for Other Purposes. Whenever the commissioners desire to take any lands heretofore granted or dedicated to a use or purpose for which they are no longer used, they shall pass an ordinance declaring such intention, and shall thereupon petition the court of common pleas for leave to file the bond of such township for the purpose of securing any person or persons who may be injured by the taking of such lands. The court shall thereupon direct notice to be given by publication in at least two newspapers of the county. If no exceptions are filed to the bond on or before the day fixed in the notice, the court shall approve the same. The court may increase the amount of the bond, and hear and determine all exceptions that are filed against the approval thereof. Upon the approval of such bond, the commissioners may enter upon and take such lands for the purposes of erecting public buildings. The bond, which shall be in the name of the Commonwealth, for the use of any person or persons who are entitled to damages by reason of the taking of the lands, shall remain on file for their use and benefit. In case the compensation for damages, accruing from any such appropriation, has not been agreed upon by the parties in interest, the same may be assessed by viewers in accordance with the provisions of this act for the assessment of damages in eminent domain proceedings.

## ARTICLE XXIX

### LICENSES AND LICENSE FEES

#### (a) Transient Retail Merchants

Section 2901. Every township shall have power, by ordinance, to regulate and license each and every transient, retail business within such township, for the sale of goods, wares and/or merchandise, and to prohibit the commencement or doing of any such business until or unless the license required by such ordinance has been procured from the proper authorities by the person, firm or corporation desiring to commence such transient retail business; and to enforce such ordinances by penalties not exceeding three hundred dollars and/or by other appropriate means. The amount of any such license shall not exceed two hundred dollars for each month or fractional part thereof, during which any such sale is continued.

Nothing contained in this section shall be construed to apply to farmers selling their own produce; or to the sale of goods, wares, and merchandise, donated by the owners thereof, the proceeds whereof are to be applied to any charitable or philanthropic purpose.

#### (b) Restrictions

Section 2910. Agents for Licensed Dealers Not to be Licensed. It shall be unlawful for any township to levy any license fee or mercantile tax upon any persons taking orders for merchandise, by sample, from dealers or merchants, for individuals or companies who pay a license or mercantile tax at their chief places of business. Nothing in this section shall authorize any person to sell by retail to other than dealers or merchants.

Section 2911. Insurance Agents and Brokers Not to be Licensed. It shall be unlawful for any township to impose or collect any license fee upon insurance companies or their agents, or insurance brokers, authorized to transact business under the Insurance Laws of this Commonwealth.

Section 2912. License Fees on Residents Not to Exceed Those on Nonresidents. It shall be unlawful for any township to impose by ordinance or exact or collect under the provisions of any ordinance heretofore or hereafter enacted any license tax or fee upon or from any manufacturer or the agent, representative, or employee of any manufacturer who is a resident of the Commonwealth for soliciting orders for, or for selling any goods, merchandise, or wares manufactured within this Commonwealth that is not or cannot legally be imposed upon or exacted from any manufacturer or dealer or the agent, representative, or employee of any manufacturer who is a nonresident of the Commonwealth for soliciting orders for or for selling any goods, merchandise, or wares manufactured without the Commonwealth.



## ARTICLE XXX

## PARKS, RECREATION CENTERS, SHADE TREES AND FORESTS

## (a) Public Parks, Playgrounds, and Recreation Centers

Section 3001. Right of Acquisition. Townships may dedicate and set apart lands not dedicated to other public uses or purposes and may enter upon, appropriate, and acquire, by gift, devise, purchase, lease, or otherwise, private property, for the purpose of making, enlarging, and maintaining public parks, parkways, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers and may borrow money and issue bonds for such purpose. The provisions of this section shall not authorize the appropriation of private property outside the township limits, nor the appropriation of any property belonging to or used as a cemetery or place of public worship, or any public or parochial school, or other educational or charitable institution or seminary.

Section 3002. Limitation of Expenditures. No appropriation, purchase, or lease shall be made, pursuant to the preceding section of this article, whereby any township shall obligate itself to raise, by taxation in the aggregate, any sum exceeding one-half mill annually on the dollar on the assessed valuation of all property, offices, professions, and persons in the township, without the consent of a majority of the electors obtained as hereinafter provided. Such limitation of obligation shall only apply to funds which it is necessary to raise by taxation, and not to funds unappropriated which may, at the time of the lease or purchase, be in the township treasury, either derived from taxes in previous years, or from gifts or donations.

Section 3003. Submission of Question to Voters. Whenever any township shall, by ordinance, provide for the appropriation, purchase, or leasing of private property, for the purposes aforesaid, and the amount required by taxation in any year shall exceed one-half mill on the dollar of valuation, as provided in the preceding section, the township commissioners shall cause the question of such appropriation, purchase, or leasing to be submitted to the electors of the township at the municipal or general election next occurring after the expiration of ninety days from the date of such ordinance.

Section 3004. Notice of Election. The township commissioners shall give notice of the proposed submission of such question by weekly advertisements, in not more than three newspapers of general circulation in the township, for a period of three weeks immediately preceding the day of election.

Section 3005. Form of Ballot. For the purpose of having such question appear upon the ballot, the township commissioners shall certify the question to the county commissioners at least twenty-one days before the day of the election. The question may be stated substantially as follows:

Shall the township of ..... acquire by purchase or condemnation, or both, at a price not exceeding ..... dollars (or by lease for not more than ..... years, at an annual rental of not more than ..... dollars), property for the purpose of making (or of enlarging) public parks, parkways, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers within the locality bounded by .....

The board of commissioners may, at their discretion, omit the designation of the locality.

Section 3006. Result of Election. Resubmission of Question Limited. The result of the vote on such question shall be ascertained and certified in the same manner as the vote on the election of officers of the township. No such question, determined negatively by the voters, shall be again submitted until one municipal or general election shall intervene.

Section 3007. Liability of Township for Property Taken. The appropriation of private property for the purpose of making, enlarging, and maintaining public parks, parkways, and playgrounds is declared to be the taking of private property for public use, and for all damage suffered by the owners of any property so taken the funds of the township raised by taxation shall be pledged as security.

Section 3008. Appointment of Viewers. Whenever any township appropriates private property under the provisions of this article, and is unable to agree with the owners or lessees for the amount of compensation, or whenever, by reason of the absence or legal incapacity of any owner or lessee, no

such compensation can be agreed upon, the courts of common pleas, or any law judge thereof in vacation, on application thereto by the township or any person interested, shall appoint three viewers from the county board of viewers, who shall proceed to assess the damages as provided in this act for eminent domain proceedings.

Section 3009. Power to Maintain Park and Recreation Boards. Township may improve, maintain, and regulate public parks, parkways, playgrounds, playfields, gymnasiums, public baths, swimming pools, and indoor recreation centers.

The authority to supervise and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers may be vested in any existing body or board or in a park board or recreation board, as the township commissioners may determine. The local authorities of any such township may equip, operate and maintain the parks, playgrounds, playfields, gymnasiums, swimming pools, public baths or indoor recreation centers as authorized by this act. Such local authorities may, for the purpose of carrying out the provisions of this act, employ play leaders, recreation directors, supervisors, superintendents, or any other officers or employees as they deem proper.

Section 3010. Park or Recreation Boards. Appointment and Personnel of. If the township commissioners shall determine that the power to equip, operate, and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or recreation centers shall be exercised by a park board or recreation board, they may establish in said township, such park board, or recreation board, which shall possess all the powers, and be subject to all the responsibilities of the respective local authorities under this act. Such boards, when established, shall consist of five persons. The members of such boards shall be appointed by the commissioners of such township, and shall serve for terms of five years or until their successors are appointed, except that the members of such board first appointed shall be appointed for such terms that the term of one member shall expire annually thereafter. Members of such board shall serve without pay. Women shall be eligible for appointment. Vacancies in such board, occurring otherwise than by expiration of term shall be for the unexpired term, and shall be filled in the same manner as original appointments.

Section 3011. Organization of Boards. The members of a park board or recreation board, established pursuant to this act, shall elect their own chairman and secretary and select all other necessary officers, to serve for a period of one year, and may employ such persons as may be needed as authorized by this act. Such boards shall have power to adopt rules and regulations for the conduct of all business within their jurisdiction.

Section 3012. Expenses of Operation and Maintenance. All expenses incurred in the operation of such parks, playgrounds, playfields, gymnasiums, swimming pools, public baths, and indoor recreation centers, established as herein provided, shall be payable from the treasury of such township. The township commissioners may cause to be raised by special taxation, such tax, not to exceed two mills on the dollar of the assessed valuation of taxable property in such township, for the purpose of maintaining and operating parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, and recreation centers.

Section 3013. Joint Acquisition and Maintenance of Public Parks, Playgrounds, Recreation Centers, Et Cetera. Townships may, jointly with cities, counties, boroughs, other townships of either class, or any combination or number of such units, acquire property for, operate and maintain, any parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers.

## (b) Shade Tree Commission

Section 3020. Right of Establishment. Townships may establish a commission to be known as the Shade Tree Commission of such township.

Section 3021. Personnel of Commission. Appointment. Terms. Vacancies. The commission shall be composed of three freeholders of the township, who shall be appointed by the township commissioners and shall serve without compensation.

Whenever a shade tree commission is established by any township, the township commissioners shall appoint three freeholders—one for a term of three years, one for a term of four years, and one for a term of five years.

On the expiration of the term of any shade tree commissioner, a successor shall be appointed by the township commissioners, to serve for a term of five years.

Vacancies in the office of shade tree commissioner shall be filled by the township commissioners, for the unexpired term.

Section 3022. Acceptance of Provisions of Act. Whenever, in any township, there exists a commission for the care of public parks, the township commissioners may, by a majority vote, accept the provisions of this act so far as they relate to the subject of the shade tree commission, and thereafter the park commission shall have all the powers and be subject to all the duties prescribed by this article for the shade tree commission.

Section 3023. General Powers of Commission. The commission shall have exclusive custody and control of the shade trees in the township, and is authorized to plant, remove, maintain, and protect shade trees on the public highways in the township.

Section 3024. Hiring of Employees. Legislative Power of Commission. The commission may, with the approval of the township commissioners, employ and pay such superintendents, engineers, foresters, tree wardens, or other assistants, as the proper performance of the duties devolving upon it shall require, and may make, publish and enforce regulations for the care and protection of the shade trees of the township. No such regulation shall be in force until it has been approved by the township commissioners and until it has been published at least twice in one or two newspapers of the township.

Section 3025. Report of Commission. The shade tree commission shall annually report in full to the township commissioners its transactions and expenses for the last fiscal year of the township. The park commission, in townships accepting this article, may incorporate such transactions and expenses in its regular report to the township commissioners.

Section 3026. Notice of Commission's Activities. Planting or Removal of Shade Trees. Whenever any shade tree commission or park commission in townships, accepting these provisions, proposes to plant, transplant, or remove shade trees on any highway, notice of the time and place of meeting at which such work is to be considered shall be given in one or more newspapers of general circulation in the township, once a week for two weeks, immediately preceding the time of the meeting. The notice shall specify in detail the highways or portions thereof, upon which trees are proposed to be so planted, replanted, or removed.

Section 3027. Landholders Liability for Costs. The cost of planting, transplanting, or removing any shade trees in the highways of the township, of the necessary and suitable guards, curbing, or grading for the protection thereof, and of the replacing of any pavement or sidewalk necessarily disturbed in the execution of such work, shall be paid by the owner of the real estate in front of whose property the work is done.

The amount each freeholder is to pay shall be ascertained and certified by the commission to the township commissioners and to the township treasurer.

Section 3028. Notice to and Collection of Costs from Property Holders. Upon the filing of the certificate with the township commissioners, the township secretary shall cause thirty days' written notice to be given to the persons against whose property an assessment has been made. The notice shall state the amount of the assessment and the time and place of payment, and shall be accompanied by a copy of the certificate.

The amount assessed against the real estate shall be a lien from the time of the filing of the certificate with the township commissioners, and, if not paid within the time designated in the notice, a claim may be filed and collected by the township, in the same manner as municipal claims are filed and collected.

Section 3029. Procedure Costs Paid by Township. Funds for. The cost and expenses of caring for such trees after having been planted, and the expense of publishing the notice provided in the preceding section, shall be paid by the township.

The needed amount shall each year be certified by the shade tree commissioners to the township commissioners, and shall be drawn against as required by the commission, in the same manner as money appropriated for township purposes.

The township commissioners, instead of levying the tax authorized under the general tax levying powers of this act, may provide for the expense of caring for trees already planted and of publishing the notice required by the preceding section,

by appropriation equal to the amount certified to be required by the shade tree commission.

Section 3030. Penalties. The commission may assess penalties for the violation of its regulations, and of this article so far as it relates to shade trees. Any penalty so assessed shall be a lien upon the real estate of the offender, and may be collected as municipal claims are collected.

Section 3031. Disposition of Penalties. All penalties or assessments imposed under this article shall be paid to the township treasurer, to be placed to the credit of the shade tree commission, subject to be drawn upon by the commission for the purposes of the preceding sections.

#### (c) Forests

Section 3040. Right of Acquisition of Forest Lands. Townships may acquire by purchase, gift, or lease, and hold, tracts of land covered with forest or tree growth, or suitable for the growth of trees, and administer the same under the direction of the township. Such tracts may be of any size suitable for practices and principles of scientific forestry, for the benefit of the township. Such tracts may be of any size suitable for the purpose, and may be located within or without the township limits.

Section 3041. Approval of Secretary of Forests and Waters. Before the passage of any ordinance for the acquisition of land to be used as township forests, the township commissioners shall submit to the Secretary of Forests and Waters, and secure his approval, of the area and location of such land.

Section 3042. Ordinance and Notice. Whenever the township commissioners deem it expedient to acquire any lands for forests they shall so declare in an ordinance, wherein shall be set forth all facts and conditions relating to the proposed action, which proposed ordinance shall be advertised once a week for three weeks prior to its passage.

Section 3043. Appropriation for Acquisition. All money necessary for the purchase of such tracts shall be appropriated in the same manner as appropriations for township purposes, and such funds may be provided from the current revenue or by the proceeds of a sale of bonds in accordance with existing law.

Section 3044. Control of Forests by Secretary of Forests and Waters. Upon the acquisition of any forests or lands suitable for forests, the township commissioners shall notify the Secretary of Forests and Waters, who shall make such rules for the government and proper administration of the same as may be necessary; and the secretary shall publish such rules, declare the uses of the forest in accordance with the intent of this article, and make such provision for its administration, maintenance, protection, and development as shall be necessary or expedient. The rules governing the administration of such forests shall have for their main purpose the producing of a continuing township revenue by the sale of forest products.

Section 3045. Appropriation for Maintenance. All moneys necessary to be expended for the administration, maintenance, protection, and development of such forests shall be appropriated and applied as is now done for township purposes. All revenue and emoluments arising from such forests shall be paid into the township treasury to be used for general township purposes.

Section 3046. Use of Township Forests as Outing Grounds. Township forests may be used by the public as general outing or recreation grounds, subject to the rules governing their administration.

Section 3047. Disposition of Township Forests. Procedure. Ordinance. Submission of Question. Whenever the township commissioners deem it expedient to alienate any forests, or part thereof, they shall so declare in an ordinance, wherein shall be set forth all the facts and conditions relating to the proposed action, which proposed ordinance shall be advertised once a week for three weeks prior to its passage. No ordinance shall be effective in legalizing such alienation until it has been approved by a majority vote of the people at the next ensuing election.

Section 3048. Appropriation of Moneys to Forestry Organizations. The commissioners of any township may appropriate moneys from their respective treasuries to any forest protection association co-operating in forest work with the State Department of Forests and Waters, or to be expended in direct co-operation with said Department of Forests and Waters in forest work.



## ARTICLE XXXI

## ZONING

Section 3101. Grant of Power. For the purpose of promoting health, safety, morals or the general welfare of townships, the boards of township commissioners, are hereby empowered to regulate and restrict the height, number of stories, and size of buildings and other structures, and percentage of lot that may be occupied, the size of yards, courts, and other open spaces, the density of population, and the location and use of buildings, structures, and land for trade, industry, residence, or other purpose; and may also establish and maintain building lines and set back building lines upon any or all public streets, roads, highways, lanes and alleys.

Section 3102. Districts. For any or all said purposes, the board of township commissioners, may divide the township into districts of such number, shape, and area as may be deemed best suited to carry out the purpose of this act; and, within such districts, it may regulate and restrict the erection, construction, reconstruction, alteration, repair, or use of buildings, structures, or land. All such regulations shall be uniform for each class or kind of buildings throughout each district, but the regulations in one district may differ from those in another district.

Section 3103. Purpose in View. Such regulations shall be made in accordance with a comprehensive plan, and designed to lessen congestion in the streets, to secure safety from fire panic and other dangers, to promote health and the general welfare, to provide adequate light and air and to prevent the overcrowding of land, to avoid undue concentration of population, to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. Such regulations shall be made with reasonable consideration, among other things, to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such township.

Section 3104. Method of Procedure. The board of township commissioners of such townships, shall provide, by ordinance, the manner in which such regulations and restrictions and the boundaries of such districts shall be determined, established, and enforced, and, from time to time, amended, supplemented, or changed. However, no such regulation, restriction, or boundary shall become effective until after a public hearing in relation thereto, at which parties in interest and citizens shall have an opportunity to be heard. At least fifteen days' notice of the time and place of such hearing shall be published in an official paper or a paper of general circulation in such township of the first class.

Section 3105. Changes. Such regulations, restrictions, and boundaries may, from time to time, be amended, supplemented, changed, modified, or repealed. In case, however, of a protest against such change, signed by the owners of twenty per centum or more, either of the area of the lots included in such proposed change, or of those immediately adjacent in the rear thereof extending one hundred feet therefrom, or of those directly opposite thereto extending one hundred feet from the street frontage of such opposite lots, such amendment shall not become effective except by the favorable vote of three-fourths of all the members of the board of township commissioners of such township. The provisions of the previous section relative to public hearings and official notice shall apply equally to all changes or amendments.

Section 3106. Zoning Commission. In order to avail itself of the powers conferred by this article, the board of township commissioners, shall appoint a commission of five citizens to be known as the Zoning Commission, to recommend the boundaries of the various original districts and appropriate regulations to be enforced therein. Such commission shall make a preliminary report and hold public hearings thereon before submitting its final report; and such board of township commissioners shall not hold its public hearings or take action until it has received the final report of such commission.

Section 3107. Board of Adjustment. Such board of township commissioners may appoint a board of adjustment, and, in the regulations and restrictions adopted pursuant to the authority of this article, may provide that said board of adjustment may, in appropriate cases and subject to appropriate conditions and safeguards, make special exceptions to the terms of the ordinance in harmony with its general purpose and intent

and in accordance with general or specific rules therein contained.

The board of adjustment shall consist of three members, one of whom shall be designated to serve until the first day of January following the adoption of the zoning ordinance one until the first day of the second January thereafter, and one until the first day of the third January thereafter. Their successors shall be appointed on the expiration of their respective terms, to serve three years. The members of the board shall be removable for cause, by the appointing authority, upon written charges and after public hearing. Vacancies shall be filled for the unexpired term of any member whose term becomes vacant.

The board shall adopt rules in accordance with the provisions of any ordinance adopted pursuant to this act. Meetings of the board shall be held at the call of the chairman, and at such other times as the board may determine. Such chairman, or in his absence, the acting chairman may administer oaths, and compel the attendance of witnesses. All meetings of the board shall be open to the public. The board shall keep minutes of its proceedings, showing the vote of each member upon each question, or if absent or failing to vote, indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the board and shall be a public record.

Appeals to the board of adjustment may be taken by any person aggrieved, or by any officer, department, board, or bureau of the township affected by any decision of the administrative officer. Such appeal shall be taken within a reasonable time, as provided by the rules of the board, by filing with the officer from whom the appeal is taken, and with the board of adjustment, a notice or appeal specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the board all the papers constituting the record upon which the action appealed from was taken.

An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certifies to the board of adjustment, after the notice of appeal shall have been filed, with him, that, by reason of facts stated in the certificate, a stay would, in his opinion, cause imminent peril to life and property. In such case proceedings shall not be stayed otherwise than by a restraining order which may be granted by the board of adjustment or by a court of record on application, on notice to the officer from whom the appeal is taken, and due cause shown.

The board of adjustment shall fix a reasonable time for the hearing of the appeal, give public notice thereof, as well as due notice to the parties in interest, and decide the same within a reasonable time. Upon the hearing any party may appear in person or by agent or by attorney.

The board of adjustment shall have the following powers:

(1) To hear and decide appeals where it is alleged there is error in any order, requirement, decision, or determination made by an administrative official in the enforcement of this act or of any ordinance adopted pursuant thereto;

(2) To hear and decide special exceptions to the terms of the ordinance upon which such board is required to pass under such ordinance;

(3) To authorize, upon appeal, in specific cases, such variance from the terms of the ordinance as will not be contrary to the public interest, where, owing to special conditions, a literal enforcement of the provisions of the ordinance will result in unnecessary hardship, and so that the spirit of the ordinance shall be observed and substantial justice done.

In exercising the above mentioned powers such board may, in conformity with the provisions of this article, reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from, and may make such order, requirement, decision, or determination as ought to be made, and, to that end, shall have all the powers of the officer from whom the appeal is taken.

Any person or persons, jointly or severally, aggrieved by any decision of the board of adjustment, or any taxpayer, or any officer, department, board, or bureau of the township, may present to the court of common pleas of the county a petition, duly verified, setting forth that such decision is illegal in whole or in part, specifying the grounds of the illegality. Such petition shall be presented to the court within thirty days after the filing of the decision in the office of the board.

Upon the presentation of such petition, the court may allow an appeal directed to the board of adjustment, to review such



decisions of the board of adjustment, and shall prescribe therein the time within which a return thereto must be made and served upon the relator's attorney, which shall not be less than ten days, and may be extended by the court. The allowance of the writ shall stay proceedings upon the decision appealed from, but the court may, on application, on notice to the board, and on due cause shown, grant a restraining order.

The board of adjustment shall not be required to return the original papers acted upon by it, but it shall be sufficient to return certified or sworn copies thereof, or of such portions thereof, as may be called for by such writ. The return shall concisely set forth such other facts as may be pertinent and material to show the grounds of the decision appealed from and shall be verified.

If, upon the hearing, it shall appear to the court that testimony is necessary for the proper disposition of the matter, it may take evidence, or appoint a referee to take such evidence as it may direct and report the same to the court with his findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which the determination of the court shall be made. The court may reverse or affirm, wholly or partly, or may modify the decision brought up for review.

Costs shall not be allowed against the board, unless it shall appear to the court that it acted with gross negligence or in bad faith or with malice in making the decision appealed from.

All issues in any proceedings under this section shall have preference over all other civil actions and proceedings.

Section 3108. Remedies. In case any building or structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained, or any building, structure, or land is used in violation of this article or of any ordinance or other regulation made under authority conferred hereby, the proper local authorities of the township, in addition to other remedies, may institute any appropriate action or proceedings to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance, or use, to restrain, correct, or abate such violation, to prevent the occupancy of said building, structure, or land, or to prevent any illegal act, conduct, business, or use in or about such premises.

Section 3109. Conflict With Other Laws. Whenever the regulations made under authority of this act require a greater width or size of yards, courts, or other open spaces, or require a lower height of buildings or less number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, the provisions of the regulations made under authority of this article shall govern. Wherever the provisions of any other statute or local ordinance or regulation require a greater width or size of yards, courts, or other open spaces, or require a lower height of building or a less number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required by the regulations made under authority of this article, the provisions of such statute or local ordinance or regulation shall govern.

Section 3110. Act Not to Apply to Certain Buildings of Public Service Corporations. This article shall not apply to any existing or proposed building, or extension thereof, used or to be used by public service corporations, if, upon petition of the corporation the Public Service Commission shall, after a public hearing, decide that the present or proposed situation of the building in question is reasonably necessary for the convenience or welfare of the public.

## ARTICLE XXXII

### TOWNSHIP PLANNING COMMISSION

Section 3201. Power to Create Planning Commission. Residence of Commissioners. Employees. Rules and Regulations. The township commissioners may create by ordinance and appoint a Planning Commission, consisting of five persons. In the first instance, one member of said commission shall be appointed for one year, one for two years, one for three years, one for four years, and one for five years, and annually thereafter a member of said commission shall be appointed for a term of five years. An appointment to fill a vacancy shall be for the unexpired portion of the term. All members of the commission shall reside within the zone of jurisdiction of said commission, as hereinafter defined. The Planning Commission may make and alter rules and regulations for their own

organization and procedure, consistent with the ordinance of the township and the laws of the Commonwealth. They shall serve without compensation, and make annually to the township commissioners a report of their transactions. The Planning Commission may, with the consent of the township commissioners, employ engineers and other persons, whose salaries and wages, and other necessary expenses of the commission, shall be provided for through proper appropriation by the township commissioners.

Section 3202. Commission to Receive Copies of Certain Ordinances. Action of Commission Thereon. The township secretary shall, upon introduction, furnish to the Planning Commission, for its consideration, a copy of all ordinances and bills, and all amendments thereto, relating to the location of any public building of the township; and to the location, extension, widening, narrowing, enlargement, ornamentation, and parking of any street, boulevard, parkway, park, playground, or other public ground; and to the relocation, vacation, curtailment, changes of use, or any other alteration of the township plan, with relation to any of the same; and to the location of any bridge, tunnel, and subway, or any surface, underground, or elevated railway. The said commission shall have the power to disapprove any of the said ordinances, bills, or amendments, which disapproval, however, must be communicated to the township commissioner in writing within ten days from the introduction of said ordinances; but such disapproval shall not operate as a veto.

Section 3203. Preparation of Maps and Recommendations. The Township Planning Commission may make or cause to be made, and lay before the township commissioners, and at its discretion cause to be published, maps of the township or any portion thereof, including territory extending three miles beyond the township limits, showing the streets, and highways and other natural and artificial features, and also locations proposed by it for any new public buildings, civic center, street, parkway, park, playground, or any other public ground or public improvement, or any widening, extension, or relocation of the same, or any change in the township plan by it deemed advisable, and it may make recommendations to the township commissioners, from time to time, concerning any such matters and things aforesaid, for action; and, in so doing, have regard for the present conditions and future needs and growth of the township and the distribution and relative location of all the principal and other streets and railways, waterways, and all other means of public travel and business communications, as well as the distribution and relative location of all public buildings, public grounds, and open spaces devoted to public use.

Section 3204. Recommendations of Commission. The Planning Commission may make recommendations to any public authorities, or any corporations or individuals in the township, with respect to the location of any buildings, structures, or works, to be erected or constructed by them.

Section 3205. Plans and Plots. Jurisdiction of Commission in Certain Cases. All plans, plots, or re-plots of lands laid out in building lots, and the streets, alleys, or other portions of the same intended to be dedicated to public use or for the use of purchasers or owners of lots fronting thereon or adjacent thereto, and located within the township limits, or for a distance of three miles outside thereof, shall be submitted to the Planning Commission and approval by it before it shall be recorded. It shall be unlawful to receive or record such plan in any public office unless the same shall bear thereon, by endorsement or otherwise, the approval of the Planning Commission. The disapproval of any such plan by the Planning Commission shall be deemed a refusal of the proposed dedication shown thereon. The approval of the commission shall be deemed an acceptance of the proposed dedication; but shall not impose any duty upon the township concerning the maintenance or improvement of any such dedicated parts, until the township commissioners shall have made actual appropriation of the same by entry, use, or improvement. No sewer, water, or gas main, or pipes, or other improvement, shall be voted or made within the area under the jurisdiction of said commission, for the use of any such purchasers or owners; nor shall any permit for connection with or other use of any such improvement existing, or for any other reason made, be given to any such purchasers or owners until such plan is so approved. Where the jurisdictional limit of three miles, outside of the township limits, as provided in this section, may conflict with the zone of similar character



connected with another township or city, the jurisdiction of said commission shall extend only to the point equidistant between the township and city.

Section 3208. Power to Confer Planning Commission Powers on Other Bodies. Eligibility of Members. It shall be proper for townships to provide, by ordinance, for the exercise of all rights and powers herein conferred upon the Planning Commission, by a park commission, or kindred municipal bureau or commission, authorized under existing laws. And no person holding office under the government of any of the townships, except the township commissioners, shall be ineligible to serve as a member of the Planning Commission.

#### ARTICLE XXXIII

##### ENFORCEMENT OF ORDINANCES

Section 3301. Proceedings for Violation of Township Ordinances. All proceedings for the violation of township ordinances, and for the collection of fines and penalties imposed thereby, may be commenced by warrant or by summons, at the discretion of the justice of the peace before whom the proceeding is begun. No warrant shall be issued except upon complaint, on oath or affirmation, specifying the ordinance for the violation of which the same is issued. All proceedings shall be directed to and be served by any policeman or constable of the township, who shall execute the same anywhere within the State as may be provided by law. Warrants shall be returnable forthwith, and, upon such return, like proceedings shall be had in all cases as in summary convictions, with the same right of appeal from any final judgment entered therein, except where otherwise provided by existing laws.

Section 3302. Arrests on View. Complaints. When any person is arrested on view, a complaint, on oath or affirmation, shall be immediately made, whereupon the like proceedings shall be had as upon a warrant issued.

Section 3303. Disposition of Fines and Penalties. All fines or penalties collected for the violation of township ordinances shall be paid over to the township treasurer.

Section 3304. Incarceration of Violators of Township Ordinances. Collection of Fines and Penalties. Any person arrested for the violation of a township ordinance may be committed to the township lockup pending a hearing or trial. In case there is no suitable lockup or place in which to detain prisoners, the person arrested may be committed to the county jail. No person shall be committed pending a hearing for a longer period than twenty-four hours except where Sunday intervenes. Upon judgment against any person by summary conviction or by proceedings by summons, on default of the payment of the fine or penalty imposed by said judgment and the costs, the defendant may be sentenced and committed to the township lockup for a period not exceeding five days, or to the county jail for a period not exceeding thirty days. No fine or penalty shall exceed three hundred dollars for any single violation of any ordinance. In case the defendant has goods or property of any kind whatsoever, out of which said judgment. Whenever it is deemed necessary the court may or other process, the plaintiff in the action may elect to proceed to collect the said judgment by such proceedings.

Section 3305. Township's Liability for Costs of Prisoners to County. When a prisoner is committed to any county jail or prison, either for the nonpayment of a fine or penalty imposed for the violation of any ordinance of a township, or while awaiting a hearing upon any charge for the violation of any ordinance of a township, the costs of proceedings and the expenses of maintaining such prisoner during his confinement by virtue of any such commitment shall be paid by the township whose ordinances were alleged to have been violated or to which any such fines or penalties are payable. The county shall not be liable to the sheriff for any maintenance or to any officer or person for any costs.

#### ARTICLE XXXIV

##### ACTIONS BY AND AGAINST TOWNSHIPS

Section 3401. Commissioners to Bring and Defend Suits. All suits by a township shall be brought and conducted by the township commissioners. In all suits against a township, process shall be served upon and defense made by the township commissioners.

Section 3402. Rights of Taxpayers to Inquire Into Judgments. Any taxpayer of any township may inquire into the

validity of any judgment, or defend the township in any suit or judgment, upon filing a petition with the court of common pleas of the county in which such suit is pending or judgment exists, accompanied by an affidavit that the taxpayer believes that injustice will be done to the township in such suit or judgment. Whenever it is deemed necessary the court may order such taxpayer to file a bond, with one or more sureties, to be approved by court, to save harmless the township from all costs that may accrue in such proceeding subsequent to the filing of such petition.

Section 3403. Appeals by Taxpayers. Whenever a judgment is rendered by any justice of the peace or alderman against any township, and a right of appeal is given to such township, and for ten days immediately after the rendition of such judgment the township officials neglect to perfect an appeal, any taxpayer of such township may take an appeal, in behalf of the township, from such judgment to the court of common pleas of the county within the time prescribed for the taking of such appeal.

Section 3404. Affidavit and Bill by Taxpayers. In taking the appeal, the taxpayer shall make affidavit that the same is not taken for the purpose of delay, but because he verily believes that injustice has been done. The taxpayer shall pay the costs of the appeal, and enter sufficient bail for the payment of all costs before the justice of the peace or alderman and all costs in the court of common pleas.

Section 3405. Taxpayers Parties to Suits. Upon the filing of such appeal in the court of common pleas of the county, the taxpayer shall be made a party to the suit and shall have the right to defend such township therein.

Section 3406. Recovery of Municipal Claims by Suit. In addition to the remedies provided by law for the filing of liens for the collection of municipal claims, townships may proceed for the recovery and collection of municipal claims by action of assumpsit against the person or persons who were the owner or owners of the property at the time of the completion of the improvement, notwithstanding the fact that there was a failure on the part of any such township or its agents, to enter any such municipal claim as a lien against the property assessed for the improvement, and for the recovery of which the action of assumpsit was brought. Any such action in assumpsit shall be commenced within three years after the completion of the improvement from which said claim arises.

This section shall extend to all municipal claims where the improvement was heretofore made, where the action of assumpsit has been instituted under the provisions of prior acts of Assembly, and where the claim is not barred by the statute of limitation affecting actions of debt or assumpsit.

#### ARTICLE XXV

##### REPEALS

Note: The specific acts and section to be cited for repeal are not printed, but will be attached to the bill introduced.

##### EXPOSITION SHOWING SOURCES OF THE VARIOUS PROVISIONS OF THE PROPOSED FIRST CLASS TOWNSHIP LAW

Note: The word 'Code' as used herein refers to the Township Code of July 14, 1917, P. L. 840.

Sec. 101 from Sec. 1, Code.

Sec. 102. New.

Sec. 103 from Sec. 2, Code.

Sec. 104 from Sec. 3, Code.

Sec. 105 from Sec. 4, Code.

Sec. 106 from Sec. 5, Code.

Sec. 107 from Sec. 6, Code.

Sec. 108 from Sec. 7, Code.

Sec. 109 from Sec. 9, Code.

Sec. 201 from Sec. 15, which came from Sec. 6, April 28, 1899, P. L. 104, as amended by May 11, 1901, P. L. 160; April 1, 1905, P. L. 97, and May 29, 1907, P. L. 305. The section has been redrafted since classification will not depend alone on population, but a change of classification requires also the consent of the electors.

Sec. 205 from Sec. 30, Code, which came from Sec. 2, April 28, 1899, P. L. 104, as amended by Sec. 1, March 24, 1902, P. L. 56.

Sec. 206 from Sec. 31, Code, which came from Sec. 2, April 28, 1899, P. L. 104, as amended by March 24, 1909, P. L. 53. This section was altered and Secs. 207 and 208 (new)

were added to change the existing law which makes the transition of a township the second class to a township of the first class mandatory upon the ascertainment of the fact of sufficient population. Under the terms of the proposed bill, the consent of the voters is required to make such transition.

Secs. 210 to 229, inclusive, provide uniform system for the creation of a new township of the first class by either (a) the division of a township of the first class into two townships; or (b) the consolidation of two or more townships of the first class located in the same county; and the adjustment of indebtedness and organization of townships affected.

The Code provided for three procedures:

(1) Designation of segregated township areas as townships of the first class; (2) division of townships; and (3) consolidation of townships. The first procedure, being very apparently a special enactment to meet a given situation and having apparently accomplished its purpose is omitted. The second and third are consolidated as already stated.

The existing law which is covered by the above sections is as follows:

Secs. 29a 29b and 29c of the Code as added by April 27, 1925, P. L. 303 (omitted); Secs. 40 and 41, of the Code, which came from April 15, 1834, P. L. 537, Sec. 42 of the Code which came from April 26, 1854, P. L. 489, Secs. 43, 45 and 46 of the Code which came from March 14, 1857, P. L. 93; Sec. 44 of the Code, which came from April 24, 1857, P. L. 304; Secs. 50, 51 and 52 of the Code, which came from April 22, 1905, P. L. 288; Sec. 55, Code, which came from Sec. 1, April 4, 1907, P. L. 44 and Sec. 1, May 8, 1876, P. L. 136; Sec. 60, Code, which came from April 12, 1866, P. L. 109; Sec. 65, Code, as amended by April 21, 1927, P. L. 336, Secs. 66, 67, 68 and 69, Code, as added by amendment of May 16, 1921, P. L. 573, Act of May 8, 1919, P. L. 130, Act of April 29, 1925, P. L. 359, Sec. 110, Code, as amended by April 26, 1921, P. L. 286, and April 20, 1921, P. L. 186, 115, Code, which came from April 28, 1899, P. L. 104. Sec. 235 is a consolidation of the Acts of May 8, 1919, P. L. 120 and April 1, 1925, P. L. 359.

Sec. 301 from Sec. 95, Code, which came from Sec. 1, May 24, 1887, P. L. 203.

Secs. 302 to 307 inclusive consolidate into one system the two systems provided for in the Code to (a) alter the lines of two or more adjoining townships (b) cause the lines or boundaries of townships to be ascertained and established, and (c) ascertain and establish disputed lines and boundaries between two or more townships or between townships and cities or boroughs. The Code sections superseded are as follows: Secs. 70 and 71 which came from April 15, 1834, P. L. 537; Sec. 72 which came from April 26, 1854, P. L. 489; Sec. 73 which came from May 1, 1861, P. L. 539; Secs. 80, 81, 82 and 83, which came from June 3, 1893, P. L. 284; Sec. 90 which came from Sec. 1, April 4, 1907, P. L. 44; sec. 1, May 8, 1876, P. L. 136, and Sec. 3, June 3, 1893, P. L. 284.

Secs. 401, 402, 403 and 405 from Code, Sec. 33, as added by April 20, 1921, P. L. 186, and amended by March 13, 1929, P. L. 22.

Secs. 405 and 406 from part of Sec. 34, Code, as added April 20, 1921, P. L. 186, and amended by March 13, 1929, P. L. 22.

Secs. 407 and 408, new and apparently necessary to provide adequate machinery for the election or appointment of township commissioners when (a) a township is first divided into wards, and (b) when new wards are created.

Sec. 409, new, drafted to cover provisions of the amendment to Code, Sec. 34, by March 13, 1929, P. L. 22, and to fit the penal provisions thereof into the general law.

Sec. 501, from Sec. 100, Code, which came from Sec. 84, April 15, 1834, P. L. 537.

Sec. 502, from Sec. 101, Code, which came from Sec. 4, April 28, 1899, P. L. 104.

Sec. 503, from Sec. 102, Code.

Secs. 504 and 505 from Sec. 110, Code, as amended by April 29, 1921, P. L. 186; April 26, 1921, P. L. 286 and April 30, 1925, P. L. 399; original Code section from April 28, 1899, P. L. 104, as amended by June 1, 1915, P. L. 684. The sections are redrafted in order to simplify the language. The provisions relating to elections when townships are created, have been incorporated in Article II.

Sec. 506 is new, and was necessitated by increasing the minimum number of commissioners from five to seven.

Sec. 507 from Sec. 111, Code, which came from Sec. 5, April 27, 1909, P. L. 187.

Secs. 510 and 511 from Sec. 115, Code, as amended by May 13, 1927, P. L. 1001. The Code material is from Sec. 4, April 28, 1899, P. L. 104, as amended by Sec. 1, May 13, 1915, P. L. 303. Matter referring to newly organized townships carried in Article II.

Sec. 515 from Sec. 120, Code, as amended by June 18, 1919, P. L. 501, Code material is from Sec. 5, April 28, 1899, P. L. 104. Redrafted to conform with existing office holders. The provisions of the Code section are most confusing.

Secs. 516 and 517, from Sec. 121, Code, which came from April 23, 1903, P. L. 284. Matter referring to newly organized townships transferred to Article II.

Secs. 525 and 526 from Sec. 126, Code, as added by amendment of May 1, 1929, P. L. 1194.

Sec. 530 from Sec. 130, Code, which was from Sec. 4, June 3, 1911, P. L. 628. The expiration of appointed officers in this and following section is altered.

Sec. 531 from Sec. 131, Code, which was from Sec. (3), June 3, 1911, P. L. 628. Provisions of section extended to include controller.

Sec. 532 from Sec. 133, Code.

Sec. 601 from Sec. 190, Code, which came from Sec. 86, April 15, 1834, P. L. 537.

Sec. 602 from Sec. 191, Code, which came from Sec. 1 May 25, 1907, P. L. 225. In accord with April 26, 1923, P. L. 105.

Sec. 603 from May 13, 1927, P. L. 992.

Sec. 604 from Secs. 192 and 193, Code, which came from March 22, 1907, P. L. 27.

Secs. 610 to 613 from Secs. 195 to 198, Code, as amended April 4, 1925, P. L. 125, June 29, 1923, P. L. 916, and April 28, 1927, P. L. 482. Code sections came from May 8, 1913, P. L. 159.

Secs. 620 to 623 from April 4, 1925, P. L. 126, as amended April 21, 1929, P. L. 339.

Secs. 701 and 702 from Secs. 210 and 211, Code, which came from Sec. 6, April 28, 1899, P. L. 104, as amended by Sec. 1, June 5, 1913, P. L. 424. To Sec. 701 has been added a clause to provide for the removal of township commissioners who refuse to organize.

Sec. 703 from Sec. 212, Code, which came from Sec. 4, April 28, 1899, P. L. 104, as amended by Sec. 1, June 1, 1915, P. L. 684.

Sec. 704 from Sec. 213, Code, which came from Sec. 10, April 28, 1899, P. L. 104.

Sec. 705 from Sec. 214, Code, as added by amendment of May 16, 1921, P. L. 564.

Sec. 801 from Sec. 270, Code, which came from Sec. 13, April 28, 1899, P. L. 104, and Sec. 5, April 27, 1909, P. L. 193. The amount of bond required is reduced one-half.

Sec. 802 from Sec. 271, Code, which came from Sec. 14, April 28, 1899, P. L. 104, as amended by Sec. 1, June 7, 1907, P. L. 452.

Sec. 803 from Sec. 272, Code, which came from Sec. 13, April 28, 1899, P. L. 104.

Sec. 804 from Sec. 273, Code, which came from Sec. 2, April 27, 1909, P. L. 198.

Sec. 805 from Sec. 274, Code, which came from Secs. 1 and 2, May 28, 1907, P. L. 273.

Sec. 806 from Sec. 275, Code, which came from Sec. 1, June 25, 1885, P. L. 187, as amended by Sec. 1, May 8, 1909, P. L. 474, and Sec. 1, June 6, 1893, P. L. 333.

Sec. 807 from Sec. 260, Code, which came from Sec. 1, May 16, 1857, P. L. 535.

Sec. 808, new. Requiring the Board of Commissioners to designate banking institutions as depository for township funds. Requiring bonds from such depositories. Requiring the township treasurer to keep township funds in such depositories and relieving the treasurer from certain responsibilities.

Sec. 901 from Sec. 300, Code, which came from Sec. 19, April 28, 1899, P. L. 104 and Sec. 100, April 15, 1834, P. L. 537.

Sec. 902 from Sec. 301, Code, which came from Sec. 1, June 3, 1911, P. L. 626.

Sec. 903 from Sec. 302, Code, which came from Sec. 3, June 3, 1911, P. L. 626, and Sec. 101, April 15, 1834, P. L. 537.

Sec. 1001, new. The section makes the township auditor an individual or firm licensed as a certified public accountant.



- and appointed by the court which shall also fix the compensation. The powers of such officer are practically the same as the elective officers under the Code. The following section conform with such changes.
- Sec. 1002 from Sec. 326, Code, which came from Secs. 50, 51 and 105, April 15, 1934, P. L. 537.
- Sec. 1003 from Sec. 327, Code, which came from Sec. 2, May 3, 1909, P. L. 392 and Sec. 2, June 9, 1911, P. L. 865, as amended by Sec. 3, May 20, 1913, P. L. 254. The right to surcharge township officers is new.
- Sec. 1004 from Sec. 328, Code, which came from Sec. 5, May 3, 1909, P. L. 392.
- Sec. 1005 from Sec. 329, Code, which came from Sec. 6, May 3, 1909, P. L. 392.
- Sec. 1006 from Sec. 330, Code, which came from Secs. 1 and 2, April 27, 1909, P. L. 261.
- Sec. 1007, new. Provides for entry of unappealed surcharges.
- Sec. 1008 from Sec. 331, Code, which came from Sec. 1, May 31, 1913, P. L. 394.
- Sec. 1009 from Sec. 332, Code, which came from Sec. 3, June 9, 1911, P. L. 865, as amended by Sec. 4, May 20, 1913, P. L. 254.
- Sec. 1010 from Sec. 333, Code, which came from Sec. 3, June 9, 1911, P. L. 865, as amended by Sec. 4, May 20, 1913, P. L. 254.
- Sec. 1011 from Sec. 334, Code, which came from Sec. 2, May 31, 1913, P. L. 394.
- Sec. 1012 from Sec. 335, Code, which came from Sec. 2, April 21, 1915, P. L. 162.
- Sec. 1013 from Sec. 336, Code, which came from Sec. 3, May 31, 1913, P. L. 394.
- Sec. 1014 from Sec. 337, Code, which came from Sec. 3, June 9, 1911, P. L. 865, as amended by Sec. 4, May 20, 1913, P. L. 254, and Sec. 3, May 31, 1913, P. L. 394.
- Sec. 1015 from Sec. 338, Code, which came from Sec. 1, April 21, 1915, P. L. 162.
- Sec. 1016 from Sec. 339, Code, which came from Sec. 3, May 31, 1913, P. L. 394.
- Sec. 1017 from Sec. 340, Code, which came from Sec. 6, May 6, 1844, P. L. 564.
- Sec. 1018 from Sec. 341, Code, which came from Sec. 4, June 9, 1911, P. L. 865.
- Sec. 1019 from April 22, 1929, P. L. 630.
- Secs. 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112 and 1113 from Secs. 342 to 354 inclusive, Code, as added by May 1, 1929, P. L. 1194. The requirements as to the bond of the controller and the amount of his salary are altered.
- Secs. 1201, 1202, 1203 and 1204 are new. The sections provide for the appointment, bond, powers, duties and compensation of a township solicitor. Patterned after similar provisions in the Borough Code.
- Secs. 1301, 1302, 1303, 1304, 1305 and 1306 are new. The sections provide for the qualification, appointment, bond, powers, duties and compensation of a township engineer. Patterned after similar provisions in the Act of June 27, 1913, P. L. 568, Third Class City Law, and brought in accord with 1921, May 16, 649.
- Secs. 1310, 1311, 1312, 1313, 1314, and 1315 are new. The sections provide for the adoption of a complete system of real estate registration in townships, supplanting the inadequate system contained in Sec. 303 of the Code. Patterned after similar provisions in the Act of June 27, 1913, P. L. 568, Third Class City Law.
- Secs. 1401, 1402, 1403, 1404, 1405, 1406 and 1407 are in the main new, establishing a new system for the appointment, control, duties and powers of township police, superseding the system provided for in Secs. 355, 356, 357 and 358 of the Code. The basic provisions other than the means of appointment are incorporated herein.
- Sec. 1408 from Sec. 1, July 14, 1897, P. L. 266.
- Secs. 1409, 1410, 1411, 1412, 1413 and 1414 from April 30, 1925, P. L. 384.
- Sec. 1501 from Sec. 380, Code, which came from Sec. 3, April 15, 1834, P. L. 537. The provisions as to contracts is carried under Article XVIII.
- Sec. 1502 from Sec. 381, Code, which came from Sec. 7, April 29, 1899, P. L. 104.
- Clause I from Clause I, Code, as amended by April 25, 1929, P. L. 769, Code. Material is from Clause XIII, Sec. 7, April 28, 1899, P. L. 104. The period of advertising ordinances has been shortened.
- Clause II from Clause II, Code, which came from Clause IX, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, April 19, 1905, P. L. 221. The fine limit of penal ordinances is increased.
- Clause III new.
- Clause IV from Clause XXV, Code, as added by April 21, 1927, P. L. 337, (No. 199).
- Clause V from Clause III, Code, which came from Clause V, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, July 9, 1901, P. L. 627.
- Clause VI from Clause IV, Code, which came from Clause V, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, July 9, 1901, P. L. 627. Limitation of time of incarceration of untried prisoners added.
- Clause VII new.
- Clause VIII from Clause V, Code, which came from Clause V, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, July 9, 1901, P. L. 627.
- Clause IX new.
- Clause X from Clause VI, Code which came from Clause V, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, July 9, 1901, P. L. 627.
- Clause XI from Clause VIII, Code, as amended by April 10, 1929, P. L. 470. Code material is from Sec. 10, April 28, 1899, P. L. 104, and Sec. 27, June 13, 1836, P. L. 551.
- Clause XII from Clause XIV, Code, which came from Clause I, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, May 24, 1901, P. L. 297, and Clause XV, Code, as amended April 30, 1925, P. L. 407. Code clause came from Sec. 1, July 7, 1913, P. L. 671.
- Clause XIII from Clause XXII, Code, as added by April 27, 1925, P. L. 306.
- Clause XIV from Clause XVII, Code, which came from Clause V, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, July 9, 1901, P. L. 627.
- Clause XV from April 1, 1925, P. L. 113.
- Clause XVI from Clause XVI, Code, which came from Sec. 1, May 1, 1913, P. L. 144; and Clause XVIII, Code, which came from Clause V, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, July 9, 1901, P. L. 627.
- Clause XVII from Clause XIX, Code, which came from Sec. 1, March 18, 1909, P. L. 40.
- Clause XVIII from Clause XXIII, Code, as added by amendment of June 7, 1919, P. L. 424, and amended by April 29, 1925, P. L. 368.
- Clause XIX from May 11, 1927, P. L. 964.
- Clause XX from July 19, 1917, P. L. 1115.
- Clause XXI from June 29, 1923, P. L. 949.
- Clause XXII new.
- Clause XXIII from April 27, 1925, P. L. 305. The provisions have been broadened to include all fire insurance companies, public liability insurance, group insurance, and workmen's compensation for firemen. The last provision in accord with May 2, 1925, P. L. 494.
- Clause XXIV is new.
- Clause XXV is new.
- Clause XXVI from Clause XI, Code, from Sec. 7, Clause IV, April 28, 1899, P. L. 104. Provisions are extended.
- Clause XXVII from Clause XII, Code, as amended by April 6, 1925, P. L. 153. Code material is from Sec. 1, June 25, 1913, P. L. 561. Section extended to control garbage disposal.
- Clause XXVIII new.
- Clause XXIX new.
- Clause XXX from Clause IX, Code, which came from Clause IV, Sec. 7, April 28, 1899, P. L. 104.
- Clause XXXI from Clause VII, Code, which came from Clause V, Sec. 7, April 28, 1899, P. L. 104, as amended by Sec. 1, July 9, 1901, P. L. 627. The right to license has been added.
- Clause XXXII new.
- Clause XXXIII from Clause XIII, Code, which came from Sec. 3, April 28, 1876, P. L. 51.
- Clause XXXIV from April 27, 1927, P. L. 460.
- Clause XXXV from June 5, 1913, P. L. 419.
- Clause XXXVI from Clause XX, Code, which came from Sec. 1, June 25, 1895, P. L. 298.
- Clause XXXVII from April 30, 1925, P. L. 371.
- Clause XXXVIII from May 3, 1923, P. L. 136.

- Clause XXXIX from May 5, 1921, P. L. 381.  
 Clause XL from Clause XXI, Code, which came from Sec. 1, March 15, 1909, P. L. 33.  
 Clause XLI from Clause XXII, Code, which came from Sec. 1, June 20, 1895, P. L. 332.  
 Clause XLII from May 12, 1921, P. L. 544.  
 Clause XLIII new.  
 Clause XLIV new.
- Secs. 1601 and 1602 from Secs. 1 and 2, Act of June 12, 1913, P. L. 471, as amended by Secs. 1 and 2, Act of April 7, 1927, P. L. 155.
- Secs. 1603, 1604 and 1605 from Secs. 3, 4 and 5, Act of June 12, 1913, P. L. 471. The last paragraph of Sec. 1603 is new.
- Sec. 1606 from Sec. 6 Act of June 12, 1913, P. L. 471, as amended by Act of April 14, 1915, P. L. 114.
- Secs. 1607 and 1608 from Secs. 7 and 8, Act of June 12, 1913, P. L. 471.
- Sec. 1609 from Sec. 9, Act of June 12, 1913, P. L. 471, as amended by Sec. 3, Act of April 7, 1927, P. L. 155.
- Sec. 1610 from Sec. 9A, Act of June 12, 1913, P. L. 471, as added by Sec. 4, Act of April 7, 1927, P. L. 155.
- Secs. 1611, 1612, 1613 and 1614 from Secs. 10, 11, 12 and 13, Act of June 12, 1913, P. L. 471.
- Secs. 1620, 1621, 1622, 1623, 1624, 1625, 1626 and 1627 from Secs. 775 to 782, Code, which came from Act of April 17, 1905, P. L. 193, as amended by Act of June 20, 1911, P. L. 1087. Act of June 8, 1907, P. L. 503, as amended by Act of June 19, 1911, P. L. 1036, also supplied.
- Sec. 1701 from Sec. 390, Code, which came from Sec. 1, Act of April 27, 1909, P. L. 198, which supplemented Act of April 28, 1899, P. L. 104.
- Sec. 1702 from part of Sec. 391, Code, as amended by Act of March 28, 1929, P. L. 107. Code material from Sec. 3, April 27, 1909, P. L. 198, supplementing Act of April 28, 1899, P. L. 104.
- Sec. 1703 from Sec. 392, Code, which came from Sec. 2, Act of June 3, 1911, P. L. 626, which supplemented Act of April 28, 1899, P. L. 104.
- Sec. 1704 from part of Sec. 391, Code, as amended by Act of March 28, 1929, P. L. 107 and Sec. 395, Code, as amended by March 17, 1921, P. L. 36, Code source matter from Sec. 2, Act of June 3, 1911, P. L. 626, which supplemented Act of April 28, 1899, P. L. 104. Part of amendatory matter of 1929 eliminated as restrictive rather than broadening.
- Sec. 1705. New.
- Sec. 1706 from Sec. 394, Code, which came from Sec. 4, Act of April 27, 1909, P. L. 198. Penal provision as to treasurer omitted.
- Sec. 1707 from part of Sec. 395, Code. In accord with Act of April 11, 1929, P. L. 518.
- Sec. 1708 from Sec. 396, Code, which came from Sec. 8, Act of April 28, 1899, P. L. 104.
- Sec. 1709 from Sec. 397, Code, as amended by Acts of May 16, 1921, P. L. 575, May 7, 1925, P. L. 556 and April 22, 1929, P. L. 625. The Code source matter is from Sec. 7, Act of April 28, 1899, P. L. 104, Sec. 1, Act of March 18, 1909, P. L. 40, and Sec. 5, Act of May 31, 1907, P. L. 349, and Sec. 3, Act of June 26, 1895, P. L. 324.
- Sec. 1710 from Sec. 1, Act of May 4, 1927, P. L. 738.
- Sec. 1711 from Sec. 398, Code, which came from Sec. 1, Act of March 31, 1864, P. L. 162.
- Sec. 1712 from Sec. 399, Code, which came from part of Sec. 15, Act of April 28, 1899, P. L. 109. The limitation to first day of June is from Act of June 29, 1923, P. L. 965.
- Sec. 1713 from Sec. 400, Code, as amended by Act of May 11, 1921, P. L. 482. Code source matter from part of Sec. 15, Act of April 28, 1899, P. L. 104.
- Sec. 1714 from Sec. 401, Code, as amended by Act of May 11, 1921, P. L. 482. Code source matter from Secs. 1, 3 and 4, Act of May 20, 1913, P. L. 248. The forfeiture clause relating to the township treasurer is eliminated.
- Sec. 1715 from Sec. 402, Code, as amended by Act of May 11, 1921, P. L. 482. Code source matter from Sec. 1, Act of June 4, 1901, P. L. 361. Per centum penalty after expiration of year is removed.
- Sec. 1716 from Sec. 403, Code, which came from Sec. 16, Act of April 28, 1899, P. L. 104. The three-month provision is eliminated.
- Sec. 1717 from Sec. 404, Code, which came from Sec. 2, Act of May 20, 1913, P. L. 248.
- Sec. 1718 from Sec. 405, Code, which came from part of Sec. 48, Act of April 15, 1834, P. L. 409.
- Sec. 1719 from Sec. 406, Code, which came from part of Sec. 11, Act of June 25, 1885, P. L. 187.
- Sec. 1801 from Cl. III, Sec. 380, Code, which came from Sec. 3, Act of April 15, 1834, P. L. 537.
- Sec. 1802 from Sec. 393, Code, which came from Sec. 4, Act of June 3, 1911, P. L. 262, as amended by Sec. 1, Act of May 23, 1913, P. L. 306.
- Sec. 1803. New.
- Sec. 1804 from Act of May 10, 1917, P. L. 158, Sec. 1 of which was amended by Act of March 28, 1929, P. L. 106.
- Sec. 1805. New.
- Sec. 1806 from Act of July 18, 1917, P. L. 1083.
- Sec. 1807 from Act of July 18, 1917, P. L. 1083.
- Sec. 1807 from Act of April 22, 1927, P. L. 350. Restriction in this section limited to the township alone.
- Secs. 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952 and 1953 composing Article XIX, include a complete system for eminent domain and the assessment of damages and benefits to cover all cases under the proposed Code in which such right is exercised and such procedure necessary. Portions of the provisions herein contained are taken from the numerous and varying provisions under the existing Code, others from a similar article in the Borough Code, upon which this article is modeled.
- Sec. 2001 from Sec. 625, Code, as amended by Act of May 16, 1921, P. L. 634. Code material from Sec. 7, Act of May 23, 1913, P. L. 348.
- Sec. 2005 from Sec. 495, Code, as amended by Act of April 30, 1929, P. L. 876. Code material from Sec. 1, Act of June 7, 1901, P. L. 516. Power included to vacate unopened roads, and connect with roads of adjacent municipalities, as covered in Sec. 511, Code, which came from Sec. 1, Act of March 18, 1901, P. L. 51.
- Sec. 2006 from Sec. 496, Code, which came from Sec. 1, Act of April 5, 1849, P. L. 397.
- Sec. 2007 from Sec. 497, Code, which came from Sec. 1, Act of June 7, 1901, P. L. 510.
- Sec. 2008 from Sec. 498, Code, as amended by Act of April 30, 1929, P. L. 876. Code material from Sec. 1, June 7, 1901, P. L. 510.
- Sec. 2009 from Sec. 499, Code, which came from Sec. 1, Act of June 7, 1901, P. L. 510.
- Sec. 2010 from Sec. 500, Code, as amended by Act of April 30, 1929, P. L. 876. Code material from Sec. 2, Act of June 7, 1901, P. L. 510.
- Sec. 2011 from Sec. 509, Code, which came from Sec. 6, Act of June 7, 1901, P. L. 510.
- Sec. 2012 from Sec. 510, Code, as amended by Act of May 16, 1921, P. L. 666. Code material came from Sec. 7, Act of June 13, 1836, P. L. 551, as amended by Sec. 1, Acts of June 7, 1907, P. L. 452, and April 13, 1927, P. L. 184.
- Sec. 2013 from part of Sec. 660, Code, as amended by Act of April 28, 1927, P. L. 493. Code material from Sec. 6, Act of June 13, 1836, P. L. 551, and Sec. 9, Act of April 28, 1899, P. L. 104, and Act of April 1, 1925, P. L. 100.
- Sec. 2014 from part of Sec. 660, as amended by Act of April 28, 1927, P. L. 493. Code material from Sec. 6, Act of June 13, 1836, P. L. 551, and Sec. 9, Act of April 28, 1899, P. L. 104.
- Sec. 2015 from Sec. 640, Code, as amended by Act of April 24, 1929, P. L. 654. The portion requiring the consent of the township commissioners is from Act of May 16, 1921, P. L. 635.
- Secs. 2020 and 2021 from Sec. 850, Code, as added by Act of May 13, 1925, P. L. 673, and amended by Acts of March 22, 1927, P. L. 55, and April 25, 1929, P. L. 769.
- Secs. 2022, 2023, 2024 and 2025 from Secs. 851, 852 and 854, Code, as added by Act of April 25, 1929, P. L. 769.
- Sec. 2030 from Sec. 1, Act of May 1, 1919, P. L. 93.
- Sec. 2031 from Secs. 2 and 3, Act of May 1, 1919, P. L. 93.
- Sec. 2032 from Sec. 4, Act of May 1, 1919, P. L. 93.
- Sec. 2033 from Sec. 5, Act of May 1, 1919, P. L. 93.



- Sec. 2035 from Secs. 1, 2, 3 and 4, Act of March 17, 1925, P. L. 38. The provisions as to widening roads omitted as already covered.
- Sec. 2040 from Secs. 1, 2, 3 and 4, Act of June 14, 1923, P. L. 801.
- Sec. 2045 from Secs. 685 and 686, Code, which came from Sec. 1, Act of May 5, 1911, P. L. 123, as amended by Act of July 11, 1917, P. L. 777. Costs of curbs, gutters, sidewalks and retaining walls exempted from the provisions of this section.
- Sec. 2050. New. Drawn after similar provisions in Borough Code.
- Sec. 2051 from Sec. 810, Code, which came from Sec. 1, Act of June 15, 1911, P. L. 982.
- Secs. 2052, 2053, 2054 and 2055. New. Drawn after similar provisions in Borough Code. The provisions of Secs. 2050, 2052, 2053, 2054 and 2055 were covered by Secs. 550 to 565 in the Code.
- Sec. 2056. New. Covers provisions of part of Sec. 564, Code, which came from Secs. 5 and 6, Act of May 23, 1913, P. L. 348.
- Secs. 2060, 2062 and 2063. New. Drawn after similar provisions in the Borough Code. The subject matter was to an extent covered in the Code by Secs. 535, 536, 537 and 538.
- Sec. 2061 from Sec. 810, Code, which came from Sec. 1, Act of June 15, 1911, P. L. 982.
- Sec. 2065 from Sec. 695, Code, covering provisions of Sec. 28, Act of June 13, 1836, P. L. 551.
- Sec. 2066 from Sec. 696, Code, which came from Sec. 29, Act of June 13, 1836, P. L. 551. The provisions as to viewers is changed.
- Sec. 2067. First part new. Last two paragraphs from Sec. 699, Code, as amended by Act of May 10, 1921, P. L. 427. Code material from Secs. 32 and 67, Act of June 13, 1836, P. L. 551. Proviso new.
- Sec. 2070 from Sec. 830, Code, which came from Secs. 1 and 2, Act of April 1, 1909, P. L. 97.
- Sec. 2071 from Sec. 831, Code, which came from Sec. 1 and 2, Act of April 1, 1909, P. L. 97.
- Sec. 2072 from Sec. 832, Code, which came from Sec. 3, Act of April 1, 1909, P. L. 97.
- Sec. 2073 from Sec. 833, Code, which came from Sec. 1, Act of April 1, 1909, P. L. 97.
- Sec. 2074 from Sec. 834, Code, which came from Sec. 6, Act of April 1, 1909, P. L. 97.
- Sec. 2075 from Sec. 835, Code, which came from Sec. 4, Act of April 1, 1909, P. L. 97.
- Sec. 2078 from Sec. 750, Code, which came from Sec. 1, Act of May 26, 1897, P. L. 93.
- Sec. 2080 from Sec. 735, Code, as amended by Act of May 16, 1921, P. L. 564. Code material from Sec. 61, Act of June 13, 1836, P. L. 551.
- Sec. 2081 from Sec. 737, Code, which came from Sec. 1, Act of April 23, 1909, P. L. 171, and Sec. 739, Code, which came from Sec. 1, Act of April 23, 1909, P. L. 171, and Sec. 69, Act of June 13, 1836, P. L. 551.
- Sec. 2083 from Secs. 725 and 726, Code, as added by amendment of May 16, 1921, P. L. 564.
- Sec. 2084 from Sec. 727, Code, as amended by Acts of May 16, 1921, P. L. 564, June 14, 1923, P. L. 773, April 29, 1925, P. L. 365, and April 21, 1927, P. L. 337.
- Sec. 2086 from Secs. 1 and 2, Act of May 22, 1923, P. L. 315.
- Sec. 2088 from Secs. 845 and 846, Code, which came from Act of June 13, 1836, P. L. 551.
- Sec. 2090 from Sec. 710, Code, which came from Sec. 1, Act of June 12, 1893, P. L. 451.
- Sec. 2091 from Sec. 711, Code, which came from Sec. 2, Act of June 12, 1893, P. L. 451.
- Sec. 2092 from Sec. 712, Code, which came from Sec. 3, Act of June 12, 1893, P. L. 451.
- Sec. 2093 from Sec. 713, Code, which came from Sec. 4, Act of June 12, 1893, P. L. 451.
- Sec. 2094 from Sec. 714, Code, which came from Sec. 5, Act of June 12, 1893, P. L. 451.
- Sec. 2095 from Sec. 715, Code, which came from Sec. 6, Act of June 12, 1893, P. L. 451.
- Sec. 2096 from Sec. 716, Code, which came from Sec. 2, Act of June 12, 1893, P. L. 451.
- Sec. 2101 from Secs. 670 and 671, Code, which came from Secs. 10 and 33, Act of June 13, 1836, P. L. 551.
- Sec. 2105 from Act of April 4, 1929, P. L. 149.
- Sec. 2110 from Secs. 672, 673 and 674, Code, which came from Secs. 1 and 2, Act of May 20, 1913, P. L. 267.
- Sec. 2115 from Act of June 20, 1919, P. L. 513.
- Sec. 2120 from Act of May 1, 1925, P. L. 428.
- Sec. 2125 from Sec. 820, Code, which came from Act of May 28, 1907, P. L. 287.
- Sec. 2130 from Secs. 600, 601 and 602, Code, which came from Act of July 10, 1901, P. L. 637.
- Sec. 2201 from Sec. 855, Code, which came from Sec. 1, Act of May 23, 1913, P. L. 348.
- Sec. 2205 from Sec. 865 and part of Sec. 869, Code, which came from Secs. 1 and 5, Act of June 15, 1911, P. L. 987. The other Code sections on this section are eliminated, it being regulated by the Public Service Commission Law.
- Sec. 2210 from Sec. 890, Code, which came from Sec. 31, Act of June 13, 1836, P. L. 551.
- Sec. 2211 from Sec. 891, Code.
- Sec. 2220 from Sec. 900, Code, which came from Sec. 34, Act of June 13, 1836, P. L. 551.
- Sec. 2221 from Sec. 901, Code, which came from Sec. 34, Act of June 13, 1836, P. L. 551, and Sec. 1, Act of April 12, 1855, P. L. 220.
- Sec. 2222 from Sec. 902, Code, which came from Sec. 1, Act of April 12, 1855, P. L. 220.
- Sec. 2225 from Sec. 910, Code, which came from Sec. 1, Act of June 11, 1879, P. L. 146, as amended by Sec. 1, Act of June 15, 1911, P. L. 970, also from Sec. 2, Act of June 11, 1879, P. L. 146.
- Sec. 2301. New. The section gives general authority to the township which was in part covered by Code.
- Sec. 2302 from Sec. 960, Code, which came from Sec. 4, Act of June 26, 1895, P. L. 324.
- Sec. 2303. New.
- Sec. 2304 from Sec. 1025, Code, as amended by Act of May 1, 1923, P. L. 127. Code material from Sec. 1, Act of June 19, 1911, P. L. 1066; also from Secs. 1026 and 1027, Code, which came from Secs. 2 and 3, Act of June 19, 1911, P. L. 1066.
- Sec. 2401 from Sec. 1070, Code, which came from Clause III, Sec. 7, Act of April 28, 1899, P. L. 104, as amended by Sec. 1, Act of May 24, 1901, P. L. 294.
- Sec. 2402 from Sec. 1071, Code, which came from Clause III, Sec. 7, Act of April 28, 1899, P. L. 104, as amended by Sec. 1, Act of May 24, 1901, P. L. 294.
- Sec. 2403 from Sec. 1072, Code, which came from Clause III, Sec. 7, Act of April 28, 1899, P. L. 104, as amended by Sec. 1, Act of May 24, 1901, P. L. 294.
- Sec. 2404 from Sec. 1073, Code, which came from Clause III, Sec. 7, Act of April 28, 1899, P. L. 104, as amended by Sec. 1, Act of May 24, 1901, P. L. 294.
- Sec. 2405 from Sec. 1077, Code, which came from Clause III, Sec. 7, Act of April 28, 1899, P. L. 104, as amended by Sec. 1, Act of May 24, 1901, P. L. 294.
- Sec. 2406 from Secs. 1078 and 1080, Code, as amended by Act of July 9, 1919, P. L. 797, and Act of May 16, 1921, P. L. 641. Code material from Sec. 1, Act of February 23, 1905, P. L. 22.
- Sec. 2407 from Sec. 1079, Code, as amended by Act of May 16, 1921, P. L. 641. Code material from Sec. 2, Act of February 23, 1905, P. L. 22.
- Sec. 2408 from Sec. 1081, Code, as amended by Act of July 9, 1919, P. L. 797, and Act of May 16, 1921, P. L. 641. Code material from Sec. 3, Act of February 23, 1905, P. L. 22.
- Sec. 2409 from Sec. 1082, Code, as amended by Act of July 9, 1919, P. L. 797, and Act of May 16, 1921, P. L. 641. Code material from Sec. 4, Act of February 23, 1905, P. L. 22.
- Sec. 2410 from Secs. 1084 and 1085, Code as reenacted by Sec. 7, Act of May 16, 1921, P. L. 641. Code material from February 23, 1905, P. L. 22.
- Sec. 2415 from Sec. 1086, Code, as added by Act of May 11, 1927, P. L. 966. In accord with Act of April 19, 1901, P. L. 82.
- Sec. 2420 from Sec. 1095, Code, which came from Clause III, Sec. 7, Act of April 28, 1899, P. L. 104, as amended by Sec. 1, Act of May 24, 1901, P. L. 294.
- Sec. 2425 from Sec. 1105, Code, as amended by Act of May 1, 1923, P. L. 121. Code material from Sec. 1, Act of May 23, 1913, P. L. 348.
- Sec. 2430 from Sec. 1115, Code, which came from Sec. 1, Act of May 23, 1913, P. L. 353.

- Sec. 2431 from Sec. 1116, Code, which came from Sec. 2, Act of May 23, 1913, P. L. 353.
- Sec. 2435 from Sec. 1, Act of April 27, 1927, P. L. 410.
- Sec. 2436 from Sec. 3, Act of April 27, 1927, P. L. 410.
- Sec. 2440 from Sec. 1140, Code, which came from Secs. 1 and 2, Act of May 1, 1909, P. L. 306, as amended by Act of June 15, 1911, P. L. 966.
- Sec. 2441 from Sec. 1141, Code, which came from Sec. 1, Act of May 1, 1909, P. L. 306, as amended by Sec. 1, Act of June 15, 1911, P. L. 966.
- Secs. 2501, 2502, 2503, 2504, 2505, 2506 and 2507, comprising Article XXV, and providing a system for the collection by instalments, of the costs of improvements, are new and are drafted generally from similar provisions in the Borough Code.
- Secs. 2601 and 2602, comprising Article XXVI, are new and are drafted after similar provisions in the Borough Code.
- Sec. 2701 from Sec. 1180, Code, as amended by Act of April 6, 1925, P. L. 156. Code material from Sec. 1, Act of April 9, 1915, P. L. 70.
- Sec. 2702 from Sec. 1181, Code, which came from Sec. 2, Act of April 9, 1915, P. L. 70.
- Sec. 2703 from Sec. 1182, Code which came from Sec. 3, Act of April 9, 1915, P. L. 70.
- Sec. 2704 from Sec. 1183, Code, which came from Sec. 4, Act of April 9, 1915, P. L. 70.
- Sec. 2705 from Sec. 1184, Code, which came from Sec. 5, Act of April 9, 1915, P. L. 70.
- Sec. 2710 from Sec. 1205, Code, which came from Sec. 1, Act of June, 1911, P. L. 541.
- Sec. 2711 from Sec. 1206, Code, which came from Sec. 2, Act of June, 1911, P. L. 541.
- Sec. 2712 from Sec. 1207, Code, which came from Sec. 10, Act of June 5, 1913, P. L. 445.
- Sec. 2801 from part of Sec. 1220, Code, which came from Sec. 1, Act of June 26, 1895, P. L. 324, also from Sec. 1221, Code, as amended by Act of May 16, 1921, P. L. 575. Code material from Sec. 2, Act of June 26, 1895, P. L. 324.
- Sec. 2802 from part of Sec. 1220, Code, as amended by Act of April 10, 1929, P. L. 469.
- Sec. 2803 from Secs. 1222 and 1223, Code, which came from Sec. 1, Act of June 10, 1901, P. L. 555, as amended by Sec. 1, Act of April 15, 1913, P. L. 66.
- Secs. 2804 and 2805 from Secs. 1224 and 1225, Code, which came from Sec. 1, Act of June 10, 1901, P. L. 555, as amended by Sec. 1, Act of April 15, 1913, P. L. 66.
- Sec. 2806 from Secs. 1228 and 1229, Code, which came from Secs. 3 and 4, Act of June 10, 1901, P. L. 555.
- Sec. 2901 from Act of May 24, 1923, P. L. 442, as amended by Act of May 15, 1925, P. L. 642, but the form of the law has been changed.
- Sec. 2910 from Sec. 1270, Code, which came from Sec. 1, Act of May 17, 1883 P. L. 31.
- Sec. 2911 from Sec. 1271, Code, which came from Sec. 1, Act of May 3, 1915, P. L. 217.
- Sec. 2912 from Act of May 14, 1925, P. L. 745.
- Sec. 3001 from Sec. 1296, Code, which came from Sec. 1, Act of May 3, 1909, P. L. 401; as amended by Sec. 1, Act of May 20, 1913, P. L. 257. The subject matter other than parks and playgrounds and the right to dedicate existing public parks is from Sec. 1, Act of July 8, 1919, P. L. 784, as amended by Sec. 1, Act of May 11, 1921, P. L. 484 and Sec. 1, Act of March 24, 1927, P. L. 56. The bond issue provisions are from Sec. 6, Act of July 8, 1919, P. L. 784 as amended by Sec. 5, Act of May 11, 1921, P. L. 484, and Sec. 6, Act of March 24, 1927, P. L. 56.
- Sec. 3002 from Sec. 1297, Code, which came from Sec. 1, Act of May 3, 1909, P. L. 401, as amended by Sec. 1, Act of May 20, 1913, P. L. 257.
- Sec. 3003 from Sec. 1298, Code, which came from Sec. 2, Act of May 3, 1909, P. L. 401.
- Sec. 3004 from Sec. 1299, Code, which came from Sec. 2, Act of May 3, 1909, P. L. 401.
- Sec. 3005 from Sec. 1300, Code, which came from Sec. 2, Act of May 3, 1909, P. L. 401.
- Sec. 3006, from Sec. 1301, Code, which came from Sec. 2, Act of May 3, 1909, P. L. 401.
- Sec. 3007 from Sec. 1302, Code, which came from Sec. 4, Act of May 3, 1909, P. L. 401.
- Sec. 3008 from Sec. 1305, Code, which came from Sec. 5, Act of May 3, 1909, P. L. 401.
- Sec. 3009 from Sec. 1295, Code, which came from Sec. 3, Act of May 3, 1909, P. L. 401. Added subject matter from Sec. 2, Act of July 8, 1919, P. L. 784, as amended by Sec. 2, Act of May 11, 1921, P. L. 484 and Sec. 2, Act of March 24, 1927, P. L. 56.
- Sec. 3010 from Sec. 3, Act of July 8, 1919, P. L. 784, as amended by Sec. 3, Act of May 11, 1921, P. L. 484, and Sec. 3, Act of March 24, 1927, P. L. 56.
- Sec. 3011 from Sec. 4, Act of July 8, 1919, P. L. 784, as amended by Sec. 5, Act of March 24, 1927, P. L. 56.
- Sec. 3012 from Sec. 7, Act of July 8, 1919, P. L. 784, as amended by Sec. 6, Act of May 11, 1921, P. L. 484, and Sec. 7, Act of March 24, 1927, P. L. 56.
- Sec. 3013 from Sec. 5, Act of July 8, 1919, P. L. 784, as amended by Sec. 4, Act of May 11, 1921, P. L. 484, and Sec. 5, Act of March 24, 1927, P. L. 56. The provision permitting joinder of school districts is dropped.
- Sec. 3020 from Sec. 1330, Code, which came from Sec. 1, Act of May 31, 1907, P. L. 349.
- Sec. 3021 from Sec. 1331, Code, which came from Secs. 1 and 2, Act of May 31, 1907, P. L. 349.
- Sec. 3022 from Sec. 1332, Code, which came from Sec. 1, Act of May 31, 1907, P. L. 349.
- Sec. 3023 from Sec. 1333, Code, which came from Sec. 1, Act of May 31, 1907, P. L. 349.
- Sec. 3024 from Sec. 1334, Code, which came from Sec. 6, Act of May 31, 1907, P. L. 349.
- Sec. 3025 from Sec. 1335, Code, which came from Sec. 2, Act of May 31, 1907, P. L. 349.
- Sec. 3026 from Sec. 1336, Code, which came from Sec. 3, Act of May 31, 1907, P. L. 349.
- Sec. 3027 from Sec. 1337, Code, which came from Sec. 4, Act of May 31, 1907, P. L. 349.
- Sec. 3028 from Sec. 1338, Code, which came from Sec. 4, Act of May 31, 1907, P. L. 349.
- Sec. 3029 from Sec. 1339, Code, which came from Sec. 5, Act of May 31, 1907, P. L. 349.
- Sec. 3030 from Sec. 1340, Code, which came from Sec. 6, Act of May 31, 1907, P. L. 349.
- Sec. 3031 from Sec. 1341, Code, which came from Sec. 7, Act of May 31, 1907, P. L. 349.
- Sec. 3040 from Sec. 1355, Code, which came from Sec. 1, Act of April 22, 1909, P. L. 124.
- Sec. 3041 from Sec. 1356, Code, which came from Sec. 1, Act of April 22, 1909, P. L. 124.
- Sec. 3042 from Sec. 1357, Code, which came from Sec. 2, Act of April 22, 1909, P. L. 124.
- Sec. 3043 from Sec. 1358, Code, which came from Sec. 2, Act of April 22, 1909, P. L. 124.
- Sec. 3044 from Sec. 1359, Code, which came from Secs. 3 and 5, Act of April 22, 1909, P. L. 124.
- Sec. 3045 from Sec. 1360, Code, which came from Sec. 4, Act of April 22, 1909, P. L. 124.
- Sec. 3046 from Sec. 1361, Code, which came from Sec. 5, Act of April 22, 1909, P. L. 124.
- Sec. 3047 from Sec. 1362, Code, which came from Sec. 6, Act of April 22, 1909, P. L. 124.
- Sec. 3048 from Sec. 1, Act of April 26, 1923, P. L. 90.
- Secs. 3101, 3102, 3103, 3104, 3105 and 3106 from Secs. 1, 2, 3, 4, 5 and 6, Act of June 29, 1913, P. L. 957.
- Sec. 3107 from Sec. 7, Act of June 29, 1923, P. L. 957, the first clause of which was amended by Act of April 17, 1929, P. L. 529.
- Secs. 3108, 3109 and 3110 from Secs. 8, 9 and 10, Act of June 29, 1923, P. L. 957.
- Secs. 3201, 3202, 3203, 3204, 3205 and 3206 are new, and are modeled after the third class city law of July 16, 1913, P. L. 752.
- Sec. 3301 from Sec. 1381, Code which came from Sec. 2, Act of June 10, 1901, P. L. 551.
- Sec. 3302 from Sec. 1382, Code, which came from Sec. 2, Act of June 10, 1901, P. L. 551.
- Sec. 3303 from Sec. 1383, Code which came from Sec. 2, Act of June 10, 1901, P. L. 551.
- Sec. 3304 from Sec. 1384, Code, which came from Sec. 3, Act of June 10, 1901, P. L. 551.
- Sec. 3305 from Sec. 1385, Code, which came from Sec. 1, Act of July 7, 1911, P. L. 677.
- Sec. 3401 from Sec. 1395, Code, which came from Sec. 5, Act of April 15, 1934, P. L. 537.



Sec. 3402 from Sec. 1397, Code, which came from Sec. 1, Act of March 23, 1877, P. L. 20.  
 Sec. 3403 from Sec. 1398, Code, which came from Sec. 1, Act of May 11, 1911, P. L. 208.  
 Sec. 3404 from Sec. 1399, Code, which came from Sec. 1, Act of May 11, 1911, P. L. 208.  
 Sec. 3405 from Sec. 1400, Code, which came from Sec. 2, Act of May 11, 1911, P. L. 208.  
 Sec. 3406 from Secs. 1 and 2, Act of April 17, 1929, P. L. 527.

# PROPOSED CODE OF LAWS FOR TOWNSHIPS OF THE SECOND CLASS

An Act concerning townships of the second class; and amending, revising, consolidating and changing the law relating thereto.

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Section 1. Be it enacted by the Senate and House of Rep-	
representatives of the Commonwealth of Pennsylvania in General	
Assembly met, and it is hereby enacted by the authority of	

the same. That the laws relating to townships of the second class are hereby amended, consolidated, revised and changed as follows:

## ARTICLE I

### PRELIMINARY PROVISIONS

Section 101. Short Title. This act shall be known, and may be cited, as "The Second Class Township Law." This act shall take effect on the first day of July, one thousand nine hundred and thirty-one.

Section 102. Definitions. The word "township" or "townships" as used in this act shall mean a township of the second class, unless the context indicates otherwise.

Section 103. Excluded Provisions. This act does not include any provisions, and shall not be construed to repeal any acts, relating to—

- (a) The procedure for the collection of municipal and tax claims by liens.
- (b) The method of incurring or increasing bonded indebtedness.
- (c) Election officers and conduct of elections.
- (d) Poor districts.
- (e) Boards of health.
- (f) Public schools and school districts.
- (g) Constables.
- (h) Justices of the peace.
- (i) State roads, State-aid roads, and private roads.
- (j) Township reward.
- (k) Validations of elections, bonds, ordinances, and acts of corporate officers.

- (l) Free non-sectarian libraries.

Section 104. Saving Clause. The provisions of this act so far as they are the same as those of existing laws are intended as a continuation of such laws and not as new enactments. The repeal by this act of any act of Assembly or part thereof shall not revive any act or part thereof heretofore repealed or superseded, nor affect the existence or class of any township heretofore created. The provisions of this act shall not affect any act done, liability incurred, or right accrued or vested, or affect any suit or prosecution, pending or to be instituted, to enforce any right or penalty or punish any offense under the authority of such repealed laws. All resolutions, regulations, and rules, made pursuant to any Act of Assembly repealed by this act, shall continue with the same force and effect as if such act had not been repealed. Any person holding office under any Act of Assembly repealed by this act shall continue to hold such office until the expiration of the term thereof, subject to the conditions attached to such office prior to the passage of this act.

Section 105. Constitutional Construction. The provisions of this act shall be severable, and if any of the provisions shall be held to be unconstitutional, such decision shall not affect the validity of any of the remaining provisions of this act. It is hereby declared as the legislative intent that this act would have been adopted had such unconstitutional provision not been included therein.

Section 106. Construction of References. Whenever, in this act, reference is made to any act by title, such reference shall also apply to and include any codification wherein the provisions of the act referred to are substantially reenacted.

Section 107. How Act Applies. This act shall apply to all townships of the second class within the Commonwealth as now existing or hereafter created, established or reestablished.

Section 108. Saving Clauses Where Class of Township Changed. Whenever any township of the second class is designated a township of the first class, or whenever any township of the first class is reestablished as a township of the second class, or whenever any township is divided, all liabilities incurred, rights accrued or vested, obligations issued or contracted, and all suits and prosecutions pending or to be instituted to enforce any right or penalty accrued or punish any offense committed prior to such change of class or division, and all resolutions, rules and regulations shall continue with the same force and effect as if no such change or division had been made.

Section 109. Exception as to Taxation. This act does not provide a complete system for the assessment and collection of township taxes; but the taxation provisions herein contained shall be construed as supplementary to the general local taxation laws. All acts and parts of acts relating to taxation in

townships of the second class, not inconsistent with this act, in force prior to the passage of this act, which are not reenacted or specifically repealed by this act shall remain in force as to such townships in the same manner as prior to the passage of this act.

## ARTICLE II

### CLASSIFICATION AND CREATION OF TOWNSHIPS OF THE SECOND CLASS

#### (a) Classification of Townships

Section 201. The townships now in existence and those to be hereafter created are divided into two classes. Townships of the first class shall be those having a population of at least three hundred inhabitants to the square mile which have been heretofore or may hereafter be created townships of the first class. All townships not townships of the first class shall be townships of the second class. A change from one class to the other shall hereafter be made only as provided by this act, or the laws relating to townships of the first class.

#### (b) Creation of Townships

Section 205. Manner in Which Townships May be Created. The courts of quarter session may, upon the presentation of petitions as hereinafter provided, create new townships:

(a) Out of parts of two or more townships of the second class located in the same county.

(b) By the division of a township of the second class into two townships.

(c) By the consolidation of two or more townships of the second class located in the same county.

Section 206. Petitions. Petitions for the creation of townships in the manner hereinbefore provided, shall be signed either (a) by the owners of real property representing at least twenty-five per centum of the assessed valuation of the township or each of the townships affected by such creation, division, or consolidation, as the case may be, or (b) by registered voters equal in number to at least twenty-five per centum of the highest total vote cast for candidates for any office in the township or townships affected as the case may be at the last preceding municipal election. Such petition shall be sworn to and subscribed by at least three of the signers.

(c) Petitions for the consolidation of townships may also be presented when signed by a majority of the supervisors of each of the townships proposed to be consolidated and sworn to and subscribed by at least one supervisor from each such township. Such petitions shall set forth the name of any proposed new township, and shall specify the reasons for such creation, division or consolidation. Each such petition shall be accompanied by an accurate map or plot prepared by an engineer showing the lines of any new township proposed to be erected out of parts of two or more townships, and the lines of the existing township as affected by such creation, or the lines of any township and the division line in case where a township is divided, or the lines of the new township where two or more townships are to be consolidated, and the present division lines between such townships. Where natural marks are on such lines, they shall also be shown.

Section 207. Confirmation Nisi of Petition. Notice of Filing. Upon the presentation of any such petition, the same shall be confirmed nisi and the court shall, by its order, require such notice to be given by the petitioners to the residents and supervisors of the townships affected as it deems proper.

Section 208. Exceptions. Confirmation Absolute or Petition. Within thirty days after the filing of such petition, any taxpayer of the township or townships affected, as the case may be, may file exceptions to such petition, questioning the sufficiency of the number of signers, or the legality of any signatures, or the accuracy or sufficiency of the map or plot attached thereto. The court, upon the filing of any exceptions, shall fix a day for hearing, of which such notice shall be given as the court may direct. At such hearing the court shall hear all parties interested and their witnesses. If the exceptions in the opinion of the court are sustained and the court deems the petition not amendable, it shall dismiss the petition, otherwise it shall confirm the same absolutely, after any amendments permitted by the court have been made.

Section 209. Elections. When any petition is confirmed absolutely, the court shall order an election held on the question



of the creation, division or consolidation of such township or townships, which shall be held on the day of the next general or municipal election occurring at least sixty days after such order of court. Such election shall be held at the regular polling places in the township or townships affected, as the case may be. At any such election of all the qualified electors of the township or townships affected by such creation, division or consolidation shall have the right to vote. The ballots at any such election shall be furnished by the county commissioners, and the question to be placed thereon shall be framed and printed on the ballots as provided by the election laws of the Commonwealth.

Section 10. Notice of Election: The constable of the township or townships affected, as the case may be, or if there be no constable, then one of the supervisors designated by the court, shall give at least fifteen days' notice of the time and place of holding such election by posting, not less than six written or printed handbills in public places in each of such townships. The notice of election shall contain the reasons for the creation, division or consolidation of such township or townships as set forth in the petition presented to the court.

Section 211. Return of Election. Decree. The election officers, after the polls have been closed, shall count the ballots and certify the number of votes cast for and against such creation, division or consolidation to the clerk of the court of quarter sessions, who shall tabulate and compute the same and lay the result before the court. If it shall appear that a majority of the votes cast in such township or in each of the townships affected are in favor of the creation of a new township or the division of a township or the consolidation of two or more townships, as the case may be, the court shall order and decree the new township agreeably to the name and lines set forth in the petition, and the government of the new township shall be organized and become effective on the first Monday of January succeeding such election. If a majority of the votes cast in any such township or in any of the townships affected are against the creation, division or consolidation of such township or townships, no further action shall be had upon said proceedings. No new proceeding shall be considered for a period of two years.

Section 212. Boundary Monuments. The court shall, when considered necessary, cause the lines of any such new township to be marked with stone monuments placed at intervals not exceeding fifteen hundred feet, the cost thereof to be paid by the new township.

Section 213. Classification of Old and New Townships. The parts of a township remaining after the division of a township, or the parts remaining of townships out of which parts have been taken for the creation of a new township, shall remain townships of the second class. The new township created shall also be a township of the second class, unless and until by subsequent proceedings, in accordance with laws relating to townships of the first class, and having the required population, it shall be created a township of the first class.

Section 214. Costs. When a new township is created as hereinafore provided, the cost of the proceedings shall be paid by the new township and where any petition is dismissed or a majority of the electors of any one or more townships shall vote against the creation, division or consolidation of any such township, the cost of the proceedings shall be paid by the petitioners.

Section 215. Property Rights and Liabilities where Townships Consolidated. After the consolidation of two or more townships, the rights, privileges and franchises of each of the townships and all property, real, personal and mixed, and all debts due on whatever account, and other things in action belonging to each of such townships shall be vested in the new township. The title to real estate vested in either of such townships shall not revert or be in any way impaired by reason of such consolidation. All rights of creditors or liens shall be preserved, and all debts and liabilities of either of such townships shall attach to such new township and be in force against it.

Section 216. Adjustment of Indebtedness when Township Created or Divided. (a) Where any township is created out of parts of two or more townships, or where a township is divided, the supervisors of the new township and of the existing township, or townships affected, shall make a just and proper adjustment and apportionment of all property, both real and personal, including funds and taxes, as well as indebtedness, if any, to and between the new township and the old town-

ship or townships. In making such adjustment and apportionment of the property and indebtedness, the new and the old township or townships shall be entitled respectively to share in a division of the property, indebtedness, funds and taxes in proportion that the assessed valuation of the land or lands remaining in the township or townships bears to the assessed valuation of the land in the new township, taken from such township or townships. The adjustment and apportionment, if made, shall be reduced to writing and duly executed and acknowledged by the supervisors of the townships affected, and shall be filed in the office of the clerk of the court of quarter sessions of the county.

(b) In case the supervisors of such townships cannot make such amicable apportionment and adjustment of real property and indebtedness within six months after the election for the creation of such townships, then any one or more supervisors of any of the townships affected, may present a petition to the court of quarter sessions of the county, setting forth the facts. Whereupon, the court shall appoint three disinterested commissioners, taxables of the county but not residing in any of the townships affected, who shall give due notice to the supervisors of all of the townships affected and shall hold hearings and make a report to the court, making an apportionment and adjustment of all the property, funds and taxes as well as indebtedness to and between the new township and the existing township, stating the amount of indebtedness that shall be assumed by the new township and the existing township or townships.

(c) The commissioners shall give at least five days' notice of the filing of their report to the supervisors of the townships interested. Unless exceptions are filed thereto within thirty days by any township, the same shall be confirmed by the court absolutely.

(d) Any sum awarded by the report to a township shall be a legal and valid claim in its favor against the other townships, charged therewith. Any property, real or personal, given and adjudged to any township, shall be the property of the township to which it is given and adjudged.

(e) The commissioners shall be allowed ten dollars for each day actually spent by them in the performance of their duties, together with their actual necessary expenses. All costs and expenses of such petitioning shall be apportioned by the court, to and between the townships affected as it shall deem proper.

(f) In case exceptions are filed to the report of such commissioners, the court shall dispose of the same, taking testimony if deemed advisable, and the decision of the court thereon shall be final and binding on the townships unless an appeal is taken within thirty days to the Superior or Supreme Court as in other cases.

#### (c) Reestablishment of Townships of the Second Class

Section 225. By Special Enumeration of Population. At any time not less than two years before the time fixed for taking a decennial census of the United States, whenever twenty or more freeholders residing in any township of the first class shall present their petition to the court of quarter sessions, averring that the township no longer has a population of three hundred to the square mile, and shall give such security as the court may prescribe for the payment of all costs and expenses which may be incurred in any proceedings had upon petition, the court shall appoint a commissioner to make an enrollment of the inhabitants of the township. The commissioner shall make an enrollment of the inhabitants of such township, and make report thereof to the court at the next ensuing term. Upon the filing of the report, the same shall be confirmed nisi. This confirmation shall become absolute unless excepted to within twenty days thereafter, during which time notice of the said filing and confirmation shall be advertised, once a week for three weeks, in a newspaper published within the county, in general circulation in the district to be affected. If exceptions are filed to the report within said twenty days, the court, upon consideration thereof, shall confirm the report or modify the finding. After final confirmation the clerk of the court shall certify to the county commissioners and to the township commissioners the finding, as shown by the proceedings. The costs and expenses of the proceedings, including a reasonable fee for the commissioner, shall be paid by the petitioners or by the township, or partly by each, as the court shall direct.

If such report as finally confirmed shows that the township of the first class has less than three hundred inhabitants to the square mile, it shall become a township of the second class on the first Monday of January following such ascertainment.

at which time the terms of office of the existing officers shall cease and terminate, and the officers appointed by the court as hereinafter provided shall take office.

Section 226. By County Commissioners' Proclamation Following Census. The county commissioners in every county of the Commonwealth shall, by proclamation issued prior to the first day of January of each year, designate the townships, if any, which, since the last preceding proclamation, have been ascertained to have less than three hundred inhabitants to the square mile and to be townships of the second class in accordance with the last preceding section or from the last decennial census of the United States. The governments of such townships of the second class shall be organized on the first Monday of January succeeding such ascertainment at which time the terms of office of the existing officers shall cease and terminate, and the officers appointed by the court as hereinafter provided, shall take office.

Section 227. By Vote of Qualified Electors. A township of the first class may, irrespective of population, be re-established a township of the second class in the manner hereinafter provided.

The board of commissioners of such township, on its own initiative, may, or within fifteen days after the receipt of a petition signed by at least twenty-five per centum of the qualified electors of such township shall, pass a resolution and record it on its minutes, submitting the question of whether such township of the first class shall be re-established a township of the second class to the qualified electors of such township.

At the general or municipal election occurring at least ninety days after the passage of such resolution, the question whether such township of the first class shall be re-established a township of the second class shall be submitted to the voters of the township, and the county commissioners shall cause to be printed on separate ballots to be used in such township at such election a proper question framed in accordance with the election laws of the Commonwealth.

The election officers shall compute the votes cast at the election and make return thereof to the clerk of the court of quarter sessions of the county wherein such township is situate, who shall compute the same and certify the result thereof to the county commissioners and the board of township commissioners of such township. If a majority of the votes cast at any such election shall be in favor of the re-establishment of such township as a township of the second class the government of the township of the second class shall be organized and become effective on the first Monday of January next succeeding such election at which time the terms of the officers of the township of the first class shall cease and terminate, and the officers appointed by the court for such township, as hereinafter provided shall take office. If a majority of the votes cast at any such election shall be in favor of re-establishing a township of the first class, no further proceeding shall be had for a period of two years after which proceedings de novo may be had.

#### (d) Officers for New Townships

Section 235. Whenever a new township is created out of parts of two or more townships, or by the division of a township or by the consolidation of townships, or when a township is re-established the court of quarter sessions shall appoint the elective officers for the new township and fix the polling place or places in such new township. The officers so appointed shall hold their offices until the first Monday of January following the next municipal election occurring at least ninety days after such appointments. At such municipal election, an assessor and a tax collector shall be elected for regular four-year terms. If such election occurs in the year when such officers are elected for regular terms, and if not, then such officers shall be elected for terms of two years each and their successors shall be elected for four-year terms. At said first municipal election one supervisor and one auditor shall be elected for terms of six years each, one supervisor and one auditor for terms of four years each, and one supervisor and one auditor for terms of two years each. All such officers shall take office on the first Monday of January next following their election.

#### (e) Certificate of Creation of Townships to be Furnished to State Departments

Section 240. When a township of the second class is created or re-established, the clerk of the court of quarter sessions

shall certify such creation or re-establishment to the Secretary of Internal Affairs of the Commonwealth. The clerk shall be allowed a fee of one dollar for his services, to be paid as part of the costs of the proceedings.

The clerk of the court of quarter sessions shall also certify to the State Department of Highways the creation or re-establishment of all such townships within thirty days after the establishment of such township. For each such certificate furnished, the clerk shall receive a fee of three dollars and fifty cents, to be paid by the State Treasurer upon warrant of the Auditor General. The failure or neglect of any clerk to furnish such certification to the Department of Highways shall be deemed a misdemeanor, and upon conviction, such clerk shall be sentenced to pay a fine of not more than fifty dollars.

### ARTICLE III

#### Township Lines and Boundaries

Section 301. Center Line of Navigable Stream as Boundary. Whenever any township is bounded by the nearest margin of any navigable stream, and the opposite township, borough, or city, as the case may be, is also bounded by the nearest margin of the same stream, the middle of such stream shall be the boundary between such townships, or township and any other borough or city. Nothing contained in this section shall be construed to repeal any local or special law providing to the contrary.

Section 302. Petition to Alter or Ascertain Township Lines and Boundaries. The courts of quarter sessions may, upon the presentation of a petition, (a) alter the lines of two or more adjoining townships so as to suit the convenience of the inhabitants thereof; (b) cause the lines or boundaries of townships to be ascertained and established; and (c) ascertain and establish disputed lines and boundaries between two or more townships or between townships and cities or boroughs. When any such petition is presented, the court may require the petitioners to file a bond in a sufficient sum to secure the payment of all costs of the proceeding.

Section 303. Appointment and Report of Commissioners. Upon application by petition to the court for any of the purposes set forth in the last preceding section, the court shall appoint three impartial citizens, one of whom shall be a civil engineer, to inquire into the prayer of the petition. After having given notice to parties interested as directed by the court, the commissioners shall hold a hearing and view the said lines or boundaries; and they, or any two of them, shall make a plot or draft of the lines and boundaries proposed to be altered or ascertained and established if the same cannot be fully designated by natural lines or boundaries. The commissioners, or any two of them, shall make report to the court, together with their opinion of the same. Upon the filing of any such report, the same shall be confirmed nisi.

Section 304. Exceptions and Procedure. Exceptions to any such report may be filed by any person interested within thirty days after the filing of the report, and the court may thereupon fix a day for the hearing of such exceptions, of which hearing such notice shall be given as the court shall direct. After hearing, the court shall have power to sustain such exceptions or to dismiss them and confirm the report, or refer the report back to the same or new commissioners, with like authority to make another report, on which like legal proceedings may be had. Where no exceptions are filed within thirty days after the filing of the report, the court shall confirm the same absolutely. When any report is confirmed absolutely, the court shall enter a decree altering or ascertaining and establishing the lines and boundaries as shown in said report.

Section 305. Monuments. Whenever any such township line or boundary is altered or ascertained and established, the court shall cause the same to be marked with stone monuments placed at intervals not exceeding fifteen hundred feet.

Section 306. Pay of Commissioners, Civil Engineers, and Chaincarriers. Costs. The pay of commissioners appointed to alter or ascertain and establish township lines, shall be ten dollars; the pay of the civil engineer shall be twenty dollars; and the pay of chaincarriers shall be five dollars for each day necessarily employed, and five cents per mile for each mile necessarily traveled in the discharge of their duties. The court shall by its order provide how the costs and expenses of any such proceeding, including the furnishing and placing



of monuments, shall be paid, and may assess them against any township and/or municipalities interested.

Section 307. Adjustment of Indebtedness. Whenever the boundaries of any township have been altered or ascertained and established upon application of the supervisors, commissioners or the authorities of any school district or poor district, the court of common pleas, sitting in equity, may adjust the taxes, debts and expenses for township, municipal, poor and school purposes between the townships, municipalities, poor and school districts affected.

#### ARTICLE IV

##### ELECTION OF OFFICERS; VACANCIES IN OFFICE

###### (a) General Provisions

Section 401. Township Officers to be Electors. No person shall be eligible to any township office unless he is an elector of the township for which he is chosen.

Section 402. Officers to be Elected. The electors of each township shall elect (a) three township supervisors, (b) one township assessor, (c) three township auditors, and (d) one tax collector.

###### (b) Election of Officers

Section 410. Supervisors. At each municipal election the qualified electors of each township shall elect one township supervisor to serve for a term of six years from the first Monday of January next following his election.

Section 411. Auditors. At each municipal election the qualified electors of each township shall elect one township auditor to serve for a term of six years from the first Monday of January next following his election.

No auditor shall at the same time hold any other elective or appointive township office.

Section 412. Assessor. At the municipal election in the year one thousand nine hundred and thirty-three, and at the municipal election every four years thereafter, the qualified electors of each township shall elect one township assessor to serve for a term of four years from the first Monday of January next following his election.

Section 413. Election Assessors Saved. The provisions of the preceding section relating to the election of assessors, shall not repeal nor affect the provisions of any act providing for the election of assistant or registry assessors for the performance of duties relating to elections.

Section 414. Tax Collector. At the municipal election in the year one thousand nine hundred and thirty-three and at the municipal election every four years thereafter, the qualified electors of each township shall elect one tax collector to serve for a term of four years, from the first Monday of January next succeeding following such election.

Section 415. Temporary Election Schedule. Notwithstanding the provisions of preceding sections relating to the terms of township officers and the dates when such terms shall commence, it is hereby provided that all tax collectors and assessors elected in the year one thousand nine hundred and thirty-three shall commence their respective terms of office on the first Monday of December, one thousand nine hundred and thirty-three, and continue in office until the first Monday of January, one thousand nine hundred and thirty-eight. The supervisors and auditor elected in the year one thousand nine hundred and thirty-one shall commence their respective terms of office on the first Monday of December, one thousand nine hundred and thirty-one, and continue in office until the first Monday of January, one thousand nine hundred and thirty-eight. The supervisor and auditor elected in the year one thousand nine hundred and thirty-three shall commence their respective terms of office on the first Monday of December, one thousand nine hundred and thirty-three, and continue in office until the first Monday of January, one thousand nine hundred and forty. The supervisor and auditor elected in the year one thousand nine hundred and thirty-five shall commence their respective terms of office on the first Monday of December, one thousand nine hundred and thirty-five, and continue in office until the first Monday of January one thousand nine hundred and forty-two.

The purpose of the schedule in this section and its interpretation shall be to temporarily modify the preceding sections relating generally to the terms of office and dates when such terms shall commence in townships; such terms under the laws in force prior to the passage of this act commencing and ending on the first Monday of December.

###### (c) Vacancies in Office

Section 420. Supervisors. If the electors of any township shall fail to choose a township supervisor, or if any person elected to such office shall neglect or refuse to serve therein, or if a vacancy shall occur in the office by death, resignation, or otherwise, the two remaining supervisors may appoint a successor to fill the office for the unexpired term. When a vacancy is so filled, the supervisors shall within fifteen days thereafter, certify such appointment to the clerk of the court of quarter sessions.

If the two remaining supervisors, in the event of a vacancy as aforesaid, shall be unable to agree on such appointment for a period of thirty days after such vacancy occurs, the court of quarter sessions shall, upon the presentation of a petition signed by a supervisor, and not less than ten voters who are owners of real estate in the township, appoint a person to fill the vacancy for the unexpired term.

Section 421. Auditors. When a vacancy occurs in the office of township auditor in any township by reason of death, resignation, removal from the township, or otherwise, the court of quarter sessions shall, upon the petition of the electors, appoint a suitable person to fill such vacancy for the unexpired term of the person whose place he is appointed to fill.

Section 422. Assessor. Vacancies in the office of assessor in townships shall be filled in the manner provided by law.

Section 423. Tax Collector. If the electors of any township of the second class shall fail to choose a tax collector, or if any person elected to such office shall fail to qualify, or if a vacancy shall occur in the office by death, resignation, or otherwise, the court of quarter session shall, upon presentation of a petition of any citizen who is a resident of the township, setting forth the facts, appoint a person to fill the vacancy for the unexpired term of the person whose place he is appointed to fill.

In cases when the person elected to the office shall fail to qualify, the court, before making the appointment, shall declare the office vacant.

Whenever a vacancy exists in the office of tax collector, and no person resident within the township can be found within thirty days to accept the appointment to fill such vacancy, the authorities authorized to levy and assess taxes in the township may petition the court of quarter sessions for the appointment of a tax collector, whereupon the court may appoint any citizen of the county to collect such taxes.

#### ARTICLE V

##### TOWNSHIP OFFICERS

###### (a) General Provisions

Section 501. Oath of Office. Every person elected or appointed to any township office in any township shall, before entering upon the duties of his office, take and subscribe an oath or affirmation before some person having authority to administer oaths, to support the Constitution of the United States and of this Commonwealth, and to perform the duties of his office with fidelity. A copy of such oath or affirmation shall, within ten days thereafter, be filed with the township secretary.

Section 502. Bonds. When any officer or employee of any township is required to give bond for the faithful performance of his duties, and such bond is required to be executed by a surety company, the township may pay the premium on such bond.

Section 503. Penalty for Failure to Perform Duties. If any township officer refuses or neglects to perform his duties, the court of quarter sessions, upon complaint in writing by twenty-five citizens, owners of real estate residing in the township or district, may issue a rule upon such officer to show cause why his office should not be declared vacant and another appointed in his stead. Such rule shall be made returnable not less than two weeks from its date of issue. Upon hearing, and proof that the facts alleged in the complaint are true, the court may declare the office vacant and appoint another in his stead, to hold office during the term of the officer deposed.

Section 504. Road Complaints. If such complaint shall allege that the public roads and highways of any township are not maintained in accordance with law, the court may appoint three persons, who shall examine said highways and report to the court their findings. In all such cases the complainants shall first enter security, in such sum as the court may fix, to pay all costs.



## (b) Township Supervisors, Township Superintendent and Roadmasters

Section 510. Supervision of Road Affairs. The general supervision of road affairs in every township shall be in the hands of three qualified electors of the township, who shall be styled township supervisors.

Section 511. Organization Meeting. Appointment of Secretary and Treasurer. The supervisors of each township shall meet, at a convenient time and place, on the first Monday in January of each year. The township supervisors shall organize as a board by electing one of their number as chairman. The board shall appoint a treasurer and a secretary, who shall be the same person, and who may or may not be a member of the board, except where the board selects a trust company or a banking institution to act as treasurer, in which case it may elect an individual as secretary.

Section 512. Monthly Meetings. Quorum. Rent and Expenses. The township supervisors shall meet for the transaction of business at least once and not more than twice each month, at a time and place to be fixed by the board. Two members shall constitute a quorum. Necessary expenses incurred in such meetings, including office rent, stationery, light and fuel, shall be paid out of the township road funds.

Section 513. Minutes and Records. The board of township supervisors shall keep minutes of its proceedings, and such other books as they may find necessary in the performance of their duties. All such books shall be open for the inspection of any taxpayer or any representative of the Department of Highways at all reasonable times, and shall be submitted to the township auditors when they meet to audit the accounts of the treasurer and other township officers. The township supervisors shall deliver such books, papers, and accounts to their successors.

Section 514. Road Districts. Superintendents and Roadmasters. The board of township supervisors, immediately after their organization shall divide the township into one or more road districts. They shall employ a superintendent for the entire township or a roadmaster for each district. Township supervisors may require such superintendents or roadmasters to give bond, with approved security, for the faithful performance of their duties. The superintendent or roadmasters shall be subject to removal by the board of supervisors. The supervisors shall fix the wages to be paid per hour to the superintendent, or roadmasters, and laborers for work on the roads and bridges.

This section shall not prohibit the township supervisors from being employed as superintendents or roadmasters. In such case they shall not be required to employ a superintendent or roadmasters.

Two or more townships may joint and appoint the same person as superintendent.

Section 515. Compensation of Supervisors. Supervisors shall receive from the township road funds, as compensation, not less than two dollars and fifty cents nor more than four dollars for each meeting which they attend. The amount of the compensation for attending meetings shall be determined by the township auditors. The township auditors shall also allow to the supervisors reasonable compensation for making a semi-annual inspection of the roads and bridges. The compensation of supervisors, when overseeing or working on roads, shall be fixed by the township auditors, and shall be not less than three nor more than six dollars per day; but no supervisor shall receive compensation as a superintendent or roadmaster for any day he receives compensation for attending a meeting of supervisors unless such meeting is held during the nighttime.

Section 516. Powers and Duties of Supervisors, Township Superintendents and Roadmasters. The township supervisors, or in cases where duties are not specifically required of supervisors, then the township superintendent or the roadmasters, under the direction of the board of supervisors, or the supervisors acting as superintendent or roadmasters, shall:

(a) Have the general care and superintendence of the improvement of the highways and bridges in the township, except as otherwise specially provided;

(b) Cause such highways and bridges to be kept in repair and reasonably free from all obstructions, and give the necessary directions therefor;

(c) Inspect all highways and bridges during the months of April and October of each year, or at such other times as the board of supervisors or the superintendent may direct;

(d) Divide the township into as many sections as may be necessary for the maintenance and repair of the highways and the opening of highways obstructed by snow;

(e) Employ or hire such persons, teams and implements as may be necessary for the maintenance and repair of highways and bridges, and the removal of obstructions caused by snow, and provide for the organization and supervision of the persons so employed, and work on the roads themselves when directed to do so by the board of supervisors. Records shall be kept, and reports made and filed, giving the names of all persons employed, including supervisors, superintendent or roadmasters; dates on which work was done, with compensation paid to each person and the capacity in which he is employed;

(f) Construct and keep in repair all sluices and culverts, and keep the waterways, bridges, and culverts open;

(g) Cause loose stones lying in the beaten track of every highway to be removed. Stones so removed shall be conveyed to some place from which they will not work back or be brought back into the track by other implements used in repairing or maintaining such highways;

(h) Report monthly to the board of supervisors, which report shall contain the matter in the form to be prescribed by the Department of Highways;

(i) Attend road meetings and conventions when directed to do so by the board of supervisors;

(j) Perform such other duties and have such other powers as may be imposed or conferred by law or the rules and regulations of the Department of Highways.

Section 517. Road Contracts. The board of township supervisors may make a contract for the improvement and keeping in repair of not more than ten miles of road. No such contract shall extend over a period of more than four years, nor shall it be given unless approved of and signed by at least two members of the board of township supervisors. Every contractor for road work shall give bond for the amount of such contract, and sign specifications furnished by the township supervisors for the building and care of such contract roads.

Section 518. Annual Reports to State Department of Highways. The board of township supervisors shall annually, on or before the first day of February in each year, make a sworn statement to the State Department of Highways, on blanks furnished to them by the Department, of the whole amount of tax levied during the preceeding year for road purposes and the total amount of road taxes collected during the year. They shall specify in such report the amount expended for maintenance or repairs of roads, for opening and building new roads, and for macadamizing or otherwise permanently improving roads; the number of miles of roads thus made, and the total number of miles of township roads in the township. Such reports shall also contain the names and addresses of the chairman, members, and secretary and treasurer of the board, and such other matters and things as the State Department of Highways may require.

Section 519. Applications for County Road Aid. Whenever the owners of the majority of the assessed valuation of real property within any township desire any principal road or highway within the township to be improved and maintained at the joint expense of the county and township, they may petition the supervisors of the township for said improvement, and require them to make application to the county commissioners for such improvement and maintenance in accordance with the provisions of existing law.

In all cases where the township supervisors refuse to act upon, or unduly delay action on, any petition for the improvement and maintenance of any road or highway, as herein provided, any citizen taxpayer of the township or county may, by petition, present the facts of the matter to the court of quarter sessions, requesting the court to order such action thereon as the case may require. If after due hearing had before said court it shall appear that the truth of the matters alleged in the petition are sustained, the court shall make an order directing the township supervisors to forthwith act upon said application or applications, and that the said application or petition for the improvement be forthwith forwarded to the county commissioners.

Section 520. Penalty. Interest in Contracts and Purchases. It is unlawful for any township supervisor, superintendent, or road master to be interested, directly or indirectly, in any purchase made or contract relating to roads and bridges, except as provided for in this act, or to furnish any materials therefor,



Any such person knowingly violating the provisions of this section shall be guilty of a misdemeanor. Upon conviction thereof, any such person shall be sentenced to pay a fine not exceeding five hundred dollars (\$500), or to be imprisoned for a term not exceeding six months, or both, and shall forfeit his office.

Section 521. Penalty. Violation of Act Generally. Any township supervisor, township superintendent, roadmaster, or contractor, employed to work on the roads, bridges, and highways of any township, who shall violate any of the provisions of this act, other than those for the violation of which specific penalties are provided, or who shall fail, neglect, or refuse to carry out the provisions of this act, shall upon conviction in a summary proceeding, be sentenced to pay a fine of not more than fifty dollars. All such fines shall be paid to the township treasurer, for the use of the road fund.

#### (c) Township Treasurer

Section 530. Bond. The treasurer appointed by the board of township supervisors, if an individual, shall give bond, with at least two sufficient sureties or a surety company to be approved by the auditors of the township, conditioned that the treasurer shall well and truly account for and pay over all moneys collected or received for the township, and all moneys paid by the State and received by him, only upon a written order signed by two members of the board of supervisors; for the delivery to his successor in office of all books, papers, and documents; for the payment to him of any balance of money belonging to the township that may remain in his hands; and for the faithful performance of the duties of his office.

Section 531. Compensation. The township treasurer shall receive, as compensation for his services, a certain percentage on all moneys received and paid by him, which rate shall be settled by the supervisors of the townships, with the approbation of the township auditors.

In no case shall the combined amount paid to the secretary and treasurer exceed two per centum of the money paid out by the treasurer, except when the amount would be less than ten dollars (\$10.00); and the calculation of such maximum compensation shall not include any percentage upon money paid out by the treasurer for the repayment of loans, notes, certificates, or other evidences of indebtedness, or other borrowed moneys.

Section 532. Duties. The township treasurer shall receive all moneys due the township and deposit the same promptly upon receipt thereof in a bank, banking institution or trust company in the name of the township. He shall keep distinct accounts of all sums received from taxes and other sources which accounts shall at all times be open to the inspection of the supervisors of the township. He shall pay out all moneys received by him only on orders drawn by the supervisors of the township. All orders shall be on blanks prepared and furnished by the State Department of Highways. He shall annually state his accounts, and lay the same, together with the vouchers, before the township auditors for settlement.

Section 533. Use of Special Funds. Penalty. Whenever any moneys are collected in or received by any township, for any special purpose, and are paid into the hands of the treasurer of such township, it shall be unlawful for such treasurer to apply such moneys, or any part thereof, to any purpose other than that for which such moneys were collected. Every such misapplication shall be a misdemeanor. Upon conviction of such offense, the treasurer shall be punished by a fine of not less than the amount so misapplied, or by imprisonment for not less than three months and not more than one year.

Section 534. Penalty for Failure to Perform Duties. If any township treasurer shall neglect or refuse to perform any of the duties of his office, upon conviction in a summary proceeding, he shall be fined in a sum not exceeding one hundred dollars, and shall be disqualified from holding the office.

Section 535. Depositories of Township Funds. The township supervisors may, on the first Monday of January of each year, or as soon thereafter as is practicable, designate, by resolution, a depository or depositories for township funds. Such designation shall be valid for a period of one year or until such time as another depository or other depositories shall be designated by similar action of the township supervisors.

Such depository or depositories shall be banks, banking institutions or trust companies located in the Commonwealth.

Depositories so designated shall, upon receipt of notice of their selection as a depository of township funds, furnish a bond to secure payment of deposits and any interest to the

township, with a proper warrant to confess judgment in favor of the township, secured by a surety company or individual sureties to be approved by the township supervisors.

Such bonds shall be in a sum at least equal to the probable greatest amount of such deposit at any one time.

The township treasurer shall, upon the designation and qualification of such depository or depositories, immediately transfer thereto the township funds, and shall thereafter keep such deposits solely in such depository or depositories in the name of the township.

No township treasurer, complying with the provisions of this section, nor his surety or sureties, shall be chargeable with losses of township funds caused by the failure or negligence of such depository or depositories.

#### (d) Township Secretary

Section 540. Duties and Compensation. The secretary in each township shall be clerk to the board of supervisors. He shall keep a record of the proceedings of said officers, and shall receive such compensation therefor as shall be fixed by the township auditors. The combined amount paid to the secretary and treasurer shall not exceed two per centum of the money paid out by the treasurer, except where the same would amount to less than ten dollars (\$10.00); and the calculation of such maximum compensation shall not include any percentage upon moneys paid out by the treasurer for the repayment of loans, notes, certificates, or other evidences of indebtedness or other borrowed moneys.

Section 541. Books Furnished by Department of Highways. The secretary shall provide a suitable book or books for the purpose of entering therein all matters of which he is required to keep a record. Such books shall be furnished by the State Department of Highways.

Section 542. Books Open to Inspection. The minute book and other records and documents of every township shall be open to the inspection of any taxpayer thereof, his, her or its agent, upon request therefor.

#### (e) Township Auditors

Section 545. Meeting. Duties. Quorum. Surcharges. Compensation. The auditors of townships shall meet annually, on the day following the day which is fixed by this act for organization of the township supervisors; and shall audit, settle, and adjust the accounts of the supervisors, superintendents, roadmasters, treasurer, and tax collector of the township. Two auditors shall constitute a quorum.

Any officer whose act or neglect has contributed to the financial loss of any township, shall be surcharged by the auditors with the amount of such loss.

Each auditor shall receive five dollars per diem for each day necessarily employed in the duties of his office, to be paid out of the funds of the township.

Section 546. Subpoenas. Oaths. Perjury. The auditors of each township may issue subpoenas to obtain the attendance of the officers whose accounts they are required to adjust, their executors and administrators, and of any persons whom it may be necessary to examine as witnesses and to compel their attendance by attachment, in like manner as any court of common pleas may in cases pending before them, and may also compel the production of all books, vouchers, and papers relative to such accounts. Such subpoena and attachment shall be issued by a justice of the peace and be served by a constable or auditor of the township.

The auditors of each township may administer oaths and affirmations to all persons brought or appearing before them, whether accountants, witnesses, or otherwise. All persons guilty of swearing or affirming falsely on such examination shall be guilty of perjury.

Section 547. Completion, Publication and Filing of Auditors' Statement. The auditors shall complete their audit, settlement, and adjustment within as short a time as possible. They shall, within ten days thereafter, publish, by advertisement in at least one newspaper of general circulation, printed in the township or county, or by posting at least five copies in public places in the township, a concise itemized statement of the receipts and expenditures of the several officers for the preceding fiscal year. They shall also, within ten days thereafter, file a copy of such statement with the secretary, and another copy of such statement with the clerk of the court of quarter sessions. When any two offices are exercised by the same person, only one statement shall be required.



Section 548. Cancellng Orders. The auditors shall cancel all orders and vouchers presented to them, which they find have been paid, by writing the word "audited" on the face thereof.

Section 549. Penalty for Failure to Perform Duty. Any auditor neglecting or refusing to comply with the preceding provisions of this article shall pay a penalty of one hundred dollars, to be recovered by summary proceeding, upon the complaint of any taxpayer. Any penalty recovered shall be paid into the treasury of the township.

Section 550. Employment and Compensation of Attorney. The auditors, in case of a disagreement with any officials or board of officials whose accounts they are required to audit, may employ an attorney. Such attorney shall not be employed until reasonable effort to reach an agreement has been made, and only after notice of their intention so to do has been given to said official or board of officials. The compensation for such attorney shall be fixed by the auditors, and shall not exceed the sum of ten dollars per day, nor total in any case more than thirty dollars, unless when an appeal is taken to the court, in which case the court shall fix the additional compensation for the attorney. The compensation for said attorney shall be paid out of the township treasury by a warrant drawn by the auditors upon the treasurer of the township.

Section 551. Balances Due to be Entered as Judgments. Any balance, in any report of the auditors, against any officer of the township, shall constitute a surcharge against such officer, as fully as if expressly stated in said report to be a surcharge, and the amount of any balance, and of any express surcharge shall be entered by the prothonotary as a judgment, against such officer and in favor of the township. The auditors shall direct the clerk of the court of quarter sessions to certify the amount of every balance or surcharge, contained in any such report, from which no appeal has been taken, to the court of common pleas, for entry thereof by the prothonotary as a judgment.

Section 552. Collection of Surcharges and Charges by Taxpayers. Bonds. Any auditor or taxpayer of the township may enforce the collection thereof, for the benefit of the township, by action or execution, upon filing in the court of common pleas a bond (in the case of a taxpayer), with one or more sureties, conditioned to indemnify the township from all costs which may accrue in the proceedings undertaken by such taxpayer, subject, however, to all rights of appeal from the report of auditors hereinafter granted.

Section 553. Appeals from Report. The township, or any taxpayer thereof on its behalf, or any officer whose account is settled or audited by the township auditors, may appeal from any settlement or audit of the township auditors to the court of common pleas, within thirty days after the settlement has been filed in the court of quarter sessions.

Section 554. Taxpayers. Appeal. Bond. No appeal by a taxpayer or officer shall be allowed unless the appellant shall enter into recognizance to prosecute the same with effect, and to pay all costs accruing thereon, in case, if the appellant be a taxpayer, he shall fail to obtain a final decision more favorable to the township than that awarded by the auditors, or, in case the appellant be an officer, he shall fail to obtain a final decision more favorable to the officer than that awarded by the auditors.

Section 555. Intervention by Taxpayers. Bond. Whenever an appeal has been taken from the report of the auditors by the township, or by any person charged or surcharged in such report with any sum of money, any taxpayer of the township may intervene in such appeal, and either prosecute the same, on its behalf, or defend it against the appeal of the person so charged. No taxpayer shall intervene unless he shall file in the court of common pleas a bond, with one or more sufficient sureties, conditioned to indemnify the township against all costs accruing by reason of such intervention.

Section 556. Consolidation of Appeals. When more than one appeal from the report of the auditors is taken, whether by the township, an officer or officers thereof, or by a taxpayer or taxpayers, the court shall, upon petition of any party interested, direct the several appeals to be disposed of in a single proceeding.

Section 557. Testimony and Argument. Any person interested may order the appeal upon the argument list, and evidence may be taken before any person authorized to administer oaths, upon rule for that purpose served upon the opposite party.

Section 558. Framed Issues. Whenever any matter of fact is in dispute the court of common pleas is authorized to frame an issue for the trial thereof.

Section 559. Report. Prima Facie Evidence. Burden of Proof. The accounts of the officer or officers in question may be investigated de novo. The figures and facts found and stated by the auditors in their report of audit shall be taken as prima facie correct, as against any such officer, and the burden shall be upon each officer whose accounts are in question to establish the validity of the credits which he claims.

Section 560. Findings. Judgment. After hearings, the court shall file its finding of fact and law, and enter judgment in accordance therewith, and the judgment so entered may be enforced by any appropriate proceedings by the party prevailing.

Section 561. Costs. In all cases of appeal from the report or audit of township auditors to the court of common pleas, the costs shall abide the event of the suit as in other cases.

Section 562. Appeals From Lower Courts. Any person interested may except to the rulings of the court, and may appeal therefrom to the Superior or Supreme Court, as in other cases.

Section 563. Counsel Fees. When an appeal is taken from the township auditors' report or settlement of the account of any township officer, and such appeal results favorable to the appellants in such a manner that money is recovered for any township, the court hearing such appeal shall make an order to pay a counsel fee, which it deems just and reasonable, to the counsel representing such appeal, out of the funds so recovered.

#### (f) Tax Collector

Section 570. Powers, Duties and Liabilities. The tax collector of townships shall collect all county, township, school, poor and other taxes levied within townships by authorities empowered to levy taxes. He shall, in addition to the powers, duties and responsibilities enumerated in this act, have all the powers, perform all the duties, be subject to all the obligations and responsibilities, as are now vested in, conferred upon, or imposed upon, collectors of the several classes of taxes hereinafter mentioned.

Section 571. Oath and Bond. The collector of taxes of townships shall, before he enters upon the duties of his office, take and subscribe an oath of office and file the same in the office of the court of quarter sessions, and shall annually enter into a bond to the Commonwealth, in not more than the amount of taxes charged and assessed in the duplicates with at least two sufficient sureties or one bonding company. The bond shall be approved by the court of quarter sessions and shall be filed in the office of the clerk of said court. The condition of the bond shall be, that the collector shall well and truly pay over or account for the whole amount of taxes charged and assessed in the duplicates which shall be delivered to him. This bond does not cover the collection and payment over of school taxes.

#### (g) Assessor

Section 575. The assessors of townships shall have all the powers, perform all the duties, be subject to all the obligations and responsibilities, and receive the compensation as is provided for by existing laws relating to taxation.

#### (h) Township Solicitor

Section 580. Election; Vacancies. The board of supervisors, on the first Monday of January in any year, or as soon thereafter as practicable, may elect, by a vote of a majority of the members, and fix the compensation of one person learned in the law, who shall be styled the township solicitor, and who shall serve for the term of one year.

Section 581. Solicitor to Have Control of Law Matters. The law matters of the township shall be under superintendence, discretion, and control of the township solicitor, and no official or official body of the township, except as herein otherwise provided, shall employ an additional counsel without the assent or ratification of the board of supervisors.

Section 582. Duties of Solicitor. The township solicitor shall prepare such bonds, obligations, contracts, leases, conveyances and assurances to which the township may be a party, as may be directed by resolution; he shall commence and prosecute all actions brought by the township for or on account of any of the estates, rights, trusts, privileges, claims, or demands, as well as defend all actions or suits against the township, or any officer thereof, wherein or whereby any of the estates,



rights, privileges, trusts, ordinances, or accounts, of the township, may be brought in question before any court in the Commonwealth; and shall do every professional act incident to the office which he may be authorized or required to do by the board of supervisors or by any resolution. He shall, whenever required, furnish the board of supervisors, or any of them, with his opinion in writing upon any question of law which may be submitted by any of them in their official capacities.

(i) Township Engineer

Section 585. Election of Township Engineer. Term. Filling of Vacancies. The township supervisors may, at any time, appoint by a vote of a majority of them, a township engineer who shall be a registered civil engineer and fix his compensation.

Section 586. Duties. Preparation of Plans. The township engineer shall perform such duties as the township, supervisors shall prescribe as to the construction, reconstruction, maintenance and repair of all streets, roads, pavements, sewers, bridges, culverts, and other engineering work. He shall prepare plans, specifications and estimates of all such work undertaken by such township, and shall, whenever required, furnish the township supervisors with reports, information or estimates on any township engineering work, or on questions submitted by any of them in their official capacity.

Section 587. Certificate of Commencement and Completion of Municipal Improvements. Where a township engineer is employed, he shall, immediately after the completion of any municipal improvement, the cost of which, in whole or in part, is to be paid by the owners of the abutting property, make certificate in which he shall state the day or time on which the particular improvement was completed, and shall file the same with the township secretary, who shall enter the said day or time of completion in a book to be kept by him for said purposes; and the said day or time mentioned in said certificate shall be conclusive on all parties as to the time the said work was completed. The time of completion of the work, referred to in this section and in other parts of this act, shall be taken to mean the time of the completion of the whole contract for the improvement. He shall also furnish to the township secretary a certificate showing the time at which any such particular improvement was commenced and such certificates shall be conclusive evidence of the time when the said improvement was begun; and an entry of such date shall be made by said secretary in the book aforesaid.

(j) Township Police

Section 590. Petition for Appointment of Police. Upon the petition of not less than twenty-five taxpayers of any township, or of two or more adjacent townships, to the court of quarter sessions, representing that the safety of the citizens and the security of property makes it necessary for the appointment of one or more electors to act as policemen, the court shall consider said petition, and, if satisfied of the reasonableness and propriety of said application, shall direct the supervisors of said township to appoint one or more qualified electors to act as policemen, and to serve at the will of said supervisors.

The court shall fix the number of policemen necessary, the compensation of such policemen, and shall limit the term of service of said policemen as it may deem proper. Where such policemen are appointed for two or more townships, the court shall fix the amount of compensation which shall be paid by each of such townships. Such compensation shall be paid from township funds.

Section 591. Powers. Each policeman so appointed shall possess and exercise all the powers of policemen of cities of this Commonwealth.

The keepers or persons in charge of jails, lockups, or station houses shall receive all persons arrested by such policemen for the commission of any offense against the laws of this Commonwealth within said township.

Section 592. Shield. Each policeman, when on duty, shall wear a shield or badge, with the words "township police" and the name of the township or townships for which he was appointed, inscribed thereon.

Section 593. Equipment. The township supervisors may, with the approval of the court, provide such policeman with a uniform and equipment and for means of transportation and the maintenance of the same, the cost thereof to be paid out of the funds of the township or townships.

Section 594. Certain Compensation Prohibited. It shall not be lawful for any township policeman to charge or accept any fee or other compensation in addition to the salary paid to him as a policeman for any service rendered or performed by him pertaining to his office or duties, except public rewards and the legal mileage allowed to constables for traveling expenses.

ARTICLE VI

STATE AND COUNTY ASSOCIATIONS OR TOWNSHIP OFFICERS

(a) County Associations

Section 601. County Associations of Supervisors. County associations of township supervisors, auditors, and other persons officially charged with the construction and maintenance of the public roads or streets may be formed. Such associations, when formed, shall hold annual or semi-annual conventions, at the county seats of the respective counties or some other suitable place within the county, for the purpose of considering and discussing questions and subjects pertaining to the best methods for the construction, improvement, and maintenance of the public highways and bridges.

Section 602. Who to attend. Compensation and Mileage. The supervisors of townships, auditors, and the secretary of the board of township supervisors, when not a member of the board, shall attend such conventions whenever possible. Each township supervisor, auditor and secretary attending such convention shall receive a certificate, signed by the presiding officer and acting secretary of the convention, attesting his presence at the convention. Such certificate shall entitle him to collect from the township treasurer the sum of three dollars per day for each day's attendance, and mileage at the rate of four cents per mile traveled, to be computed by the route usually traveled from his place of residence to the place where the convention is held. No township supervisor, auditor, or secretary shall be paid for more than two days' attendance in any one year.

Section 603. Officers of County Association. Ex-Officio Members. The officers of the association shall consist of a president, two vice-presidents, a secretary, and a treasurer; all of whom, except the secretary, shall be members of the association, and shall hold office for one year or until their successors are chosen. If desirable, the secretary may be a person not a regular member of the association, and may be paid for his service such compensation, not exceeding ten dollars per annum, as the other officers may determine. Every township supervisor and auditor attending such convention may vote in the election of officers. The mayor of any city, the burgess of any borough or their duly appointed representatives, the county commissioners, and the judges of the court in the county the officers of the State Association of Township Supervisors, the township engineer of the State Department of Highways, the assistant engineers of the division of township highways, and the superintendent of State Highways in charge of such county shall be eligible to membership, but shall not be entitled to vote, nor to hold office.

Section 604. County to Pay Expenses. The county treasurer shall on warrants of the county commissioners, pay to the treasurer of such association, from the county funds, the necessary expenses incurred for the holding of such annual or semi-annual convention, including the necessary expenses of the secretary. The total sum thus paid by any county shall not exceed one hundred and twenty-five dollars a year.

Within thirty days after every such convention the treasurer of such association shall file with the county commissioners an itemized statement, under oath, showing when and where such convention was held, the number of township supervisors, auditors, and township secretaries present, and all the expenses connected with such convention, together with proper vouchers for all such expenses, and no payment shall be made to the treasurer of such association until he has presented to the county commissioners an itemized and verified statement of expenses.

(b) State Association

Section 610. State Association Authorized. The formation of a State association of township supervisors is hereby authorized. The association shall hold annual meetings, at such time and place within the Commonwealth as it may designate, for the purpose of discussing various questions and subjects per-

taining to the duties of township supervisors and for the purpose of devising uniform, economical and efficient methods of administering the affairs of townships.

Section 611. Delegates. Each county association of township supervisors shall elect one township supervisor for each ten townships, or fraction thereof, within said county, as a delegate to each annual meeting of said State association.

Section 612. Expenses and Mileage. The expenses of the delegates attending the annual meeting shall not exceed six dollars per day for each delegate for not more than three days, together with the actual mileage at the prevailing rate of railroad fare, and shall be paid by the respective county associations.

Section 613. Limit on Meeting Expenses. The expenses of the annual meeting, including expenses of committees, printing, and stenographers, shall be paid pro rata by the respective county associations, and shall not exceed fifteen dollars for each county association.

Section 614. Itemized Statement Filed With County Treasurer. Within thirty days after each annual meeting of the State association, the treasurer of the respective county association shall file, with the county commissioners, an itemized statement, under oath, setting forth where and when the annual meeting of the State association was held, the number of delegates from the respective association in attendance and the expenditures due from the county association for such annual meeting, and the county commissioners shall draw their warrant on the county treasurer and pay to the treasurer of the respective county association, out of the county funds, the amount expended by the county association under the provisions of this subdivision.

## ARTICLE VII

### General Powers

Section 701. Suits. Property. Townships of the second class may:

I. Sue and be sued by the name of the townships of .....

II. Purchase, hold, lease, let and convey such real and personal estate as the purposes of the township shall require. Such real and personal estate shall be taken and held only for the benefit of the inhabitants of the township, and for such objects and purposes as township rates and levies are authorized by law to be laid for.

Section 702. Supervisors to Exercise Powers. The corporate powers of townships of the second class shall be exercised by the township supervisors. They shall have power:

I. Lighting. To light and illuminate the streets, highways, and other public places of the township with electric light, gas, or other illuminating medium, and to provide for defraying the cost, charges and expenses thereof; and for such purposes to enter into contracts or agreements with any person, co-partnership, association, or corporation, for a period not exceeding five years, for the purpose of securing and maintaining a supply of light.

II. Contracts and Tax Levy for Lighting. On the petition of the owners of a majority of the lineal feet frontage along any street, highway or portion thereof within the township, to enter into contract with electric, gas, or other lighting companies to light and illuminate said streets and highways and other public places in said villages with electric light, gas light or other illuminant.

The township supervisors shall levy, for the maintenance of said lights, an annual tax upon all the property, including factories and places of business, abutting upon the said streets and highways, in the district benefited thereby, based upon the assessment for county purposes. Such taxes shall be collected in the same manner as other taxes. The collector of taxes shall receive the same commission as on the road tax. No such tax shall be levied against any farm land, but vacant lots between built-up sections, whether tilled or untilled, shall not be deemed to be farm lands. The township treasurer shall receive all such taxes collected for lighting the streets and highways, shall keep the same in a separate account, and pay out the same only upon orders signed by the chairman of the township supervisors, attested by the secretary. The treasurer shall make a report to the auditors of the township annually.

III. Contracts and Tax Levy for Fire Purposes. On the petition of the owners of a majority of all lineal feet frontage along any highway or portion thereof in any village within the township, to enter into contract with water companies for

the placing of fire hydrants along said highway, for the protection of property from fire.

The supervisors shall levy, for the maintenance of such fire hydrants and for the purchase of hose, et cetera, an annual tax upon the property abutting upon said highway in the district benefited thereby, based upon the assessment for county purposes. Such tax shall be collected in the same manner as other taxes. The collector shall receive the same commission as on the road tax.

The township treasurer shall receive all such taxes collected for fire protection, and keep the same in a separate account, and pay the same out only upon orders signed by the chairman of the board of supervisors, attested by the secretary. The treasurer shall make a report to the auditors of the township annually.

IV. Fire Protection From Adjacent Municipalities. To appropriate moneys to adjacent municipalities and townships or fire companies located therein to secure fire protection for the inhabitants of the township.

V. Watering Troughs. To erect watering troughs along the highways, at an expense not exceeding twenty dollars, and to keep the same in repair.

VI. Memorial Day Appropriations. To appropriate moneys for the expenses of Memorial Day services.

VII. Road Bulletins. To subscribe for not more than three publications the main subject-matter of which pertains to good roads and road building. Such publication shall be for the joint use of the supervisors, superintendents, and roadmasters of the township.

VIII. Garbage Regulations. To provide for the care and removal of ashes, garbage, and other refuse material, including the imposition and collection of reasonable fees and charges therefor.

IX. Traffic Lights and Signals. To provide for and to expend township road moneys for the erection, maintenance and operation of traffic lights and traffic signals whenever deemed necessary for the protection of the traveling public.

X. Road Supplies. To purchase such timber, material, equipment, machinery, road-drags, tools, and implements as shall be necessary for making and repairing roads and bridges, to employ sufficient number of laborers to make and repair the same, and to lease or lend such machinery, road-drags, tools, and implements to other townships, boroughs, or cities, and to contract for the construction, reconstruction and improvement of roads.

XI. Appropriations for Forestry. To appropriate moneys from their respective treasuries to any forest protection association co-operating in forest work with the State Department of Forests and Waters, or to be expended in direct co-operation with said Department of Forests and Waters in forest work; and to purchase or take by gift any forest lands for recreational purposes.

XII. Nuisances. To prohibit accumulations of garbage and rubbish on private and public property, and the carrying on of any offensive manufacture or business; and to remove any nuisance or dangerous structure on public or private grounds after notice to the owner to do so and, in his default, to collect the cost of such removal, together with a penalty of ten dollars from the owner by summary proceeding. In the exercise of the powers herein conferred the township may institute proceedings in courts of equity.

XIII. Insurance. To expend out of the public funds of the township such amounts as may be necessary to secure workmen's compensation insurance for its employes including volunteer firemen killed or injured while going to, returning from, or attending fires in said township or territory adjacent thereto; to make contracts of insurance with any fire insurance company duly authorized by law to transact business in the Commonwealth of Pennsylvania, on any building or property owned by such township, to make contracts with any insurance company insuring any public liability of the township, and to make contracts of group insurance for the benefit of its employes.

XIV. Armories. To appropriate money or convey land, either independently or in connection with any county, city, town, borough or township, to the Commonwealth of Pennsylvania, for the purpose of assisting the Armory Board of the Commonwealth of Pennsylvania in the erection of armories for the use of the National Guard, and to furnish water, light or fuel, free of cost to the Commonwealth, for use in any



armory of the National Guard, and to do all things necessary to accomplish the purpose of this clause.

XV. National Guard. To take, by right of eminent domain, for the purpose of appropriating to themselves, for the use of the National Guard of Pennsylvania, such public lands, easements, and public property as may be in their possession or control, and used or held by them for any other purpose. Such right, however, shall not be exercised as to any street or highway or wharf, but all other public easements and property may be appropriated and used for the purposes herein provided, any limitation of the use thereof by the township, either by donation, dedication, appropriation, statute, or otherwise, to the contrary notwithstanding.

XVI. Acquisition of Lands to Assist Armory Board. To acquire, by purchase or by gift or by the right of eminent domain, any land for the use of the National Guard of Pennsylvania, and to convey such lands so acquired to the Commonwealth of Pennsylvania to assist the Armory Board in the erection of armories. The proceedings for the condemnation of lands under the provisions of this act, and for the assessment of damages for property taken, injured, or destroyed, shall be taken in the same manner as is provided by this act for the condemnation of lands for public purposes in townships. The power conferred by this clause shall not be exercised to take any church property, graveyard, cemetery, or any dwelling house, or the curtilage of the same, in the actual occupancy of the owner.

XVII. Burial Plots of Ex-Service Men. To purchase plots of ground in any cemetery or burial ground for the interment of such deceased service men, as shall hereafter die within such township, or shall die beyond such township and shall have a legal residence within such township at the time of their death and whose bodies are entitled to be buried by the county. Such plots of ground shall be paid for out of the treasury of such township.

XVIII. Display of Flags. To display the flag of the United States, the Commonwealth, or of any county, city, borough or township on any public building of the township.

XIX. Care of Memorials. To maintain and keep in good order and repair at the expense of the township, and it shall be their duty so to do, any soldier's monument, gun, or cartridge or other similar memorials when there is not in existence any person, body or organization to care for and maintain the same and when such memorials were not erected by the government of the United States, the Commonwealth of Pennsylvania, any other state, or by the commissioners of any county; and to receive from persons or organizations funds for such purposes.

XX. Appropriations to Certain Associations. To appropriate annually a sum not exceeding two hundred dollars for the support of any voluntary association composed of electors of boroughs and townships within such county, or any of them, which association is formed for the study and investigation of the welfare, economics, management, and government of boroughs and townships, and for the protection and safeguarding of the rights and franchises of boroughs and townships, and for the purpose of recommending legislation beneficial to boroughs and townships, or any one or more of such purposes.

## ARTICLE VIII

### Contracts

Section 801. Power to Make Contracts. Each township shall have power to make such contracts as may be necessary for carrying into execution the provisions of this act.

Section 802. Contracts for Roads, Road Machinery and Materials. All purchases of materials, equipment and/or machinery for the construction, reconstruction and improvement of roads and bridges, involving an expenditure in excess of three hundred dollars, shall be by contract in writing. It shall be unlawful for the supervisors to evade the provisions of this section by making two or more contracts for small amounts which should have been in one. If the auditors find there has been any such evasion, they shall refuse to approve the same.

All such contracts and contracts for the construction, reconstruction and improvement of roads and bridges shall be valid only when approved by the Department of Highways of the Commonwealth.

A record of all purchases of material, equipment and/or machinery for road purposes, involving an expenditure of less

than three hundred dollars, shall be kept by the supervisors and furnished to the Department of Highways in the annual report.

Section 803. Bonds for Protection of Labor and Material-Men. It shall be the duty of all townships in the erection, construction or repair of any public work or public improvement of any kind or character, whatever, to require of the contractor or contractors employed in or about said works or improvements, an additional bond, with sufficient surety or sureties, providing for the payment of all labor and material entering into the said works or improvements, and all machinery used on such works or improvements.

The labor and material-men furnishing labor, material and machinery in and for said works or improvements, upon the contract of said contractor, shall have the right, according to law, to sue in an action of assumpsit, in the name of the obligee for his or their use, upon said bond, upon proof of said contractor's failure to pay for said labor, material and machinery.

Section 804. Separate Specifications for Branches of Work. In the preparation of specifications for the erection or alteration of any public building, when the entire cost of such work exceeds one thousand dollars, the architect, engineer, or person preparing such specifications shall prepare separate specifications for the plumbing, heating, ventilating, and electrical work, and the township shall receive separate bids upon each of such branches of work, and award the contract for the same to the lowest responsible bidder.

Section 805. Workmen's Compensation Insurance. All contracts executed by any township, which shall involve the construction or doing of any work involving the employment of labor, shall contain a provision that the contractor shall accept in so far as the work covered by any such contract is concerned, the provisions of the Workmen's Compensation Act of 1915, and any supplements or amendments thereto, and that the said contractor will insure his liability thereunder, or file with the township, with which the contract is made, a certificate of exemption from insurance from the Bureau of Workmen's Compensation of the Department of Labor and Industry.

Every officer of a township who shall sign, on behalf of the said township, any contract requiring in its performance the employment of labor, shall require, before the said contract shall be signed, proof that the said contractor with whom the contract is made shall have accepted the Workmen's Compensation Act of 1915, and any supplements or amendments thereto, and proof that the said contractor has insured his liability thereunder in accordance with the terms of the said act, or that the said contractor has had issued to him a certificate of exemption from insurance from the Bureau of Workmen's Compensation of the Department of Labor and Industry.

Any contract executed in violation of the provisions of this section shall be null and void.

Section 806. Engineers and Architects Not to be Interested in Contracts. It shall be unlawful for any architect or engineer, in the employ of a township and engaged in the preparation of plans, specifications, or estimates, to bid on any public work at any letting of such work in such township.

It shall also be unlawful for the officers of a township, charged with the duty of letting any public work, to award a contract to any such architect or engineer, in the employ of the township.

It shall not be lawful for any architect or engineer, in the employ of a township, to be in any wise interested in any contract for public work in such township, nor receive any remuneration or gratuity from any person interested in such contract.

Any person or persons violating these provisions, or any one of them, shall forfeit his office, and shall be guilty of a misdemeanor, and, on conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars, or to undergo imprisonment of not less than six months, or both, in the discretion of the court.

## ARTICLE IX

### TAXATION, FINANCE, ROAD FUND

Section 901. Fiscal. The fiscal year in townships shall commence on the first Monday of January in each year. All receipts, disbursements, contracts and purchases shall be chargeable to and entered as of record in the fiscal year in which made.

**Section 902. Annual Budget.** The board of township supervisors of townships of the second class shall annually, before their organization meeting in January or as soon thereafter as practicable, make a written estimate of the amount of money required for the ensuing year, beginning on the first Monday of January, which shall be filed with the treasurer. Such estimates, for the purpose of aiding the board in determining how much road tax to levy, shall specify—

(a) The amount of money necessary for the maintenance, repair, and improvement of highways, including sluices.

(b) The amount of money necessary for the repair and construction of culverts and bridges.

(c) The amount of money necessary for the purchase, hire, repair, and custody of tools, implements, and machinery.

(d) The amount of money necessary for the payment of debts, or other miscellaneous purposes.

The supervisors may, by resolution, transfer moneys from one fund to another extent except from the fund allocated for the payment of debt.

**Section 903. Temporary Indebtedness.** Whenever the township highway funds have been exhausted, the board of supervisors may borrow on the credit of the township, money in anticipation of taxes to be collected for the current fiscal year, or township reward to be received as shown by agreements issued, and issue a certificate of indebtedness payable on a certain date not exceeding one year from the date of issue, to the end that work may be performed in proper season and in accordance with rules and regulations prescribed.

**Section 904. Sale of Bonds and Securities. Advertisements.** When any township shall borrow money and issue bonds or other securities therefor, except in the case of the giving of notes for temporary loans as may be authorized by law, the authorities thereof shall sell the same to the highest responsible bidder, after public notice by advertisement, once a week for three weeks, in at least one newspaper of general circulation published in the county in which such township shall be situated. No bid for such bonds or securities at less than their par value shall be accepted, but where bonds and securities shall have been heretofore or shall hereafter be advertised for sale as provided in this section, and no bids have been received, then it shall be lawful for such township to sell the same at private sale for not less than par and accrued interest.

**Section 905. General and Special Tax Levies.** The board of township supervisors may, by resolution, levy taxes upon all property and upon all occupations within the township made taxable for township purposes, as ascertained by the last adjusted valuation for county purposes, for the purposes and at the rate hereinafter specified, to wit:

One. An annual road tax, not later than the fourth Monday of March of each year, not exceeding ten mills, unless the board of supervisors by a majority action shall upon due cause shown, petition the court of quarter sessions, in which case the court may, after public notice as the court may direct and hearing, order a greater rate than ten mills, but not exceeding ten additional mills, to be levied. Such annual road tax shall include all levies for road purposes and for the payment of bonds and certificates of indebtedness issued and all other debts incurred for road purposes. Not less than ten per centum of the annual road tax shall be set aside by the respective townships and used for the payment of existing indebtedness incurred for road purposes, for the payment of which indebtedness no provision has been made. All road taxes shall be collected in cash.

Two. A tax for the purpose of building and maintaining a lockup, after obtaining the assent of the electors of the township in the manner provided in this act.

Three. Upon the receipt of a petition of a majority of the owners of real estate of the township requesting it, an annual tax, not exceeding five mills, for the purpose of lighting the streets and highways in the manner provided by the general powers of this act, and of defraying the costs, charges and expenses thereof.

Four. An annual tax so long as necessary, not exceeding fifty per centum of the rate of assessment for road purposes, for the purpose of procuring a lot and erecting a building thereon for a town house, and for the payment of indebtedness incurred in connection therewith; Provided, The total indebtedness for the payment of which any such tax shall be levied shall not exceed one-half of one per centum of the assessed value of real estate in the township.

Five. A tax, not exceeding two mills and not exceeding the amounts hereinafter limited, for the purpose of purchasing

and maintaining fire apparatus and to provide, with the assent of the electors of the township as hereinafter provided, a suitable place for the housing of the same, and to make appropriations to fire companies for the purchase and maintenance of fire apparatus, but the total expenditure for the purchase of fire apparatus by the township, together with the amount of appropriation to one or more fire companies from such taxes, shall not for the first fiscal year, exceed in all the sum of seven thousand, five hundred dollars; nor shall any new fire apparatus be thereafter purchased by the township, or by any fire company from appropriations made by the township, without the consent of the electors as hereinafter provided; nor shall the total expenditure by the township, in any fiscal year, for the purpose of maintenance and operation, together with the appropriations to any one or more fire companies, exceed forty-five hundred dollars.

Whenever the assent of the electors is required as hereinbefore provided, the same shall be expressed at an election to be held at the place, time, and under the same regulations as provided by law for the holding of municipal elections. At such election, the election officers shall receive ballots from the electors, which shall be prepared in the manner prescribed by the general election law. In receiving and counting and in making return of the votes cast, the election officers shall be governed by the laws regulating municipal elections, and the returns shall be computed by the court as now provided by law for municipal elections.

The taxes authorized to be levied by this section shall be levied upon the last adjusted valuation for county purposes, which valuation shall be furnished to the township supervisors by the county commissioners. If any further adjustment of valuation is made by the county commissioners, after any tax is so levied and before said tax is payable, such adjusted valuation shall be certified to the township supervisors, and to the township collector of taxes by the commissioners, and the tax shall be collected on the basis of such adjusted valuation.

This article does not include the levy of any taxes upon particular districts, or parts of any township, for particular purposes.

**Section 906. Tax Rate to be Expressed in Dollars and Cents.** Whenever the supervisors of any township shall, by resolution fix the rate of taxation for any year at a mill rate such resolution shall also include a statement expressing the rate of taxation in dollars and cents on each one hundred dollars of assessed valuation of taxable property.

**Section 907. Special Levies Ordered by Court to Pay Debts.** In addition to the levies hereinbefore provided for, when it is shown to the court of quarter sessions that the debts due by any township exceed the amount which the supervisors may collect in any year by taxation, the court, after ascertaining the amount of indebtedness of any such township, may by a writ of mandamus direct the township supervisors, by special taxation, to collect an amount sufficient to pay the same. If the amount of such indebtedness is so large as to render it inadvisable to collect the same in any one year, taking into consideration other necessary taxation, the court may direct the same to be levied and collected by annual instalments, and may order such special taxes to be levied and collected during such successive years as may be required for payment of the same.

**Section 908. Duplicates. Abatements and Penalties.** The township supervisors shall make or cause a duplicate to be made designating the amount of road tax levied against each taxpayer of the township, and also duplicates for all other taxes levied and assessed under the provisions of this act, and shall deliver the same on or before the first day of May of each year to the township collector, together with a warrant for the collection of the same, which taxes shall be collected as follows: Namely—To all taxpayers who pay their taxes to the collector before June first of each year, an abatement of five per centum shall be made. All road taxes paid to the collector between June first and October first of each year shall be paid in full and to all road taxes remaining unpaid on the first of October, in each year, the collector shall add five per centum as penalty for such delinquency, and shall collect said penalty in addition to the tax levied.

**Section 909. Public Notice of Issuing Duplicate.** Where any duplicate of taxes assessed is issued and delivered to the collector of taxes he shall give public notice, as soon thereafter as conveniently can be done, by at least ten written or printed notices, to be posted in as many public places in different



parts of the township. Such notice shall state that the duplicate has been issued and delivered to him.

Section 910. Tax Notices. Each tax collector of the several townships within thirty days after receiving the tax duplicate shall notify every taxable whose name shall appear on such duplicate. Such notice shall contain the rate of taxation, the valuation of the property of such taxable, the occupation valuation of such taxable, and the full amount of taxes for which said taxable shall be liable for the current year. Such notice shall further state that such taxes are payable, shall designate a place and time when they shall be paid; and shall further state the time within which an abatement of tax will be allowed, when full amount of tax will be collected, and when an additional percentage will be added as a penalty. Such notice shall be mailed to the last known post office address of each of said taxables.

Section 911. Compensation of Tax Collector. The compensation of the tax collector shall be two per centum on all road and other taxes collected during the period a discount is allowed, and five per centum on all such taxes collected thereafter.

Section 912. Accounts, Statements and Settlements of Tax Collector. The tax collector shall keep correct accounts of all moneys collected, marking "paid" on his duplicate at the name of each taxable, with the amount of tax and the date on which paid. The collector shall, on the first day of each month, make a true statement in writing, to the secretary of the board of supervisors, of all taxes collected during the previous month, giving names of taxables, and amount collected from each, and the total amount received. The collector shall pay over on the first day of each month, to the treasurer, all moneys collected during the previous month, and take his receipt for same. A complete settlement of all taxes for each year shall be made by the collector of taxes with the treasurer not later than the first day of July of the year succeeding the one in which the taxes are levied. In the settlement of such taxes, the tax collector shall be allowed a credit for all unpaid taxes which have been returned or for which liens have been filed as provided by law. Unless such settlement is made, the tax collector shall not be entitled to the duplicate for any succeeding year during his term, and the supervisors shall appoint a tax collector in his stead to collect such taxes. Any tax collector who neglects, or refuses to comply with the provisions of this section shall be guilty of a misdemeanor, and, upon conviction, shall be sentenced to pay a fine of not less than one hundred dollars, or be imprisoned for a term not exceeding one year, or both.

Section 913. Compensation of Tax Collector Paid by Order. Expenses. The compensation due a tax collector for taxes collected and paid over to the treasurer shall be paid on order drawn by the board of supervisors, and said collector shall be paid, in the same manner, such actual printing and postage expenses as shall be incurred by him in performing his duties. The amount of such expenses shall be adjusted by the boards of supervisors.

Section 914. Exonerations. The supervisors shall at all times make abatements or exonerations for uncollectible occupation taxes, mistakes, indigent persons, unseated lands, et cetera, as to them shall appear just and reasonable. The township secretary shall enter in a book or books, to be kept for that purpose, the names of all persons abated or exonerated, together with the reason why the amount of the tax, and date when made, and give to the collector a certificate, directed to the treasurer, stating the nature of the tax and the amount exonerated, in order to make settlement accordingly.

Section 915. Auditors to Settle Tax Accounts. The accounts of the collector of taxes shall be settled by the township auditors. The tax collector shall state a separate account for each different tax collected by him.

#### ARTICLE X

#### EMINENT DOMAIN; ASSESSMENT OF DAMAGES AND BENEFITS

##### (a) General Provisions Relating to Eminent Domain

Section 1001. Scope of Article. Whenever under the provisions of this act, the right of eminent domain and/or the ascertainment and assessment of damages and benefits in viewer proceedings is provided for and vested in a township, the proceeding shall be as set forth in this article.

Section 1002. Restrictions as to Certain Property. In addition to the restrictions made by other provisions of this act in

particular cases, no township shall exercise right of eminent domain as against land now occupied by any building which was used during the Colonial or Revolutionary period as a place of Assembly by the Council of the Colony of Pennsylvania, the Supreme Executive Council of the Commonwealth of Pennsylvania, or the Congress of the United States; or as against the land occupied by any fort, redoubt, or blockhouse, erected during the Colonial or Revolutionary period, or any building used as headquarters by the Commander-in-Chief of the Continental Army; or as against the site of any building, fort, redoubt, blockhouse, or headquarters, which are preserved for their historic associations and not for private profit. The Colonial and Revolutionary period shall be taken as ended on the third day of September, one thousand seven hundred and eighty-three.

Section 1003. Possession of Property Upon Tender of Bond. Whenever, in any condemnation proceedings, any township has tendered a bond to secure the payment of damages, and the same has been accepted, or, if the acceptance has been refused and the bond has been filed in, and approved by the court, the township shall have the right to immediate possession of the property.

Section 1004. Notice to Quit; Possession; Procedure. If the owner, lessee, or occupier shall refuse to remove his personal property or give up possession, the township may serve written notice upon such owner, lessee, or his agent, or the occupier to remove his personal property and give up possession of such property, within sixty days from the date of the service of such notice.

If the owner, lessee, or occupier shall refuse to remove his personal property and give possession, upon proof of the service of the notice, a writ of habere facias possessionem shall forthwith issue, directing the sheriff to give to the township possession.

Section 1005. Bond of Township Without Surety Sufficient. Whenever any court shall order any township to enter security for the payment of damages for the taking, injury, or destruction of land, property or materials by right of eminent domain, the bond of the township shall be taken without sureties.

Section 1006. Value of Land Not to be Assessed as Benefits: Exception. In all cases of the appropriation of land for public use, other than for roads or streets, it shall not be lawful to assess any portion of the damage done to or value of the land so appropriated, against the other property adjoining or in the vicinity of the land so appropriated.

Section 1007. Viewers' Report. Viewers or juries of view appointed by any court to assess damages and benefits, due to the taking, injury or destruction of private property in and by the construction or enlargement of any public work, highway, or improvement, shall make their reports within a time which the court shall fix when appointing them, but, if any of the viewers or juries of view shall, for any reason appearing sufficient to the court, be unable to file its report within the period so fixed, the court may, either before or after the expiration of the time fixed, extend the time for the filing of such report.

Section 1008. Plans of Properties Condemned to be Furnished to Viewers. In all proceedings to assess damages for the taking, injury or destruction of private property for public use, the township taking, injuring, or destroying property for said purpose, shall furnish the board of viewers with a correct plan of all properties affected, showing all buildings or other structures thereon, their width, length, elevation, and cubical contents, names of all owners, tenants, or occupiers thereof, the topography of the land, and the grades and widths of all highways running through or abutting on said properties, and all other data necessary for a proper determination of the amount of damages caused by the taking, injuring or destruction of said private property.

Said plans shall be prepared and ready for the use of the viewers at their first meeting, and copies thereof shall be furnished to all owners, tenants, and occupiers of the property and all other parties affected thereby, without charge.

Section 1009. Condemnation Petition to Specify Liens; Exception. In all proceedings instituted for the condemnation and appropriation of land and property by the exercise of the right of eminent domain, excepting proceedings to ascertain damages and benefits by reason of township street or sewer improvements, the petition for the appointment of viewers therein shall contain allegations specifying any judgments mortgages or other claims (hereinafter designated "liens")



which are liens upon the land and property sought to be appropriated or condemned as aforesaid.

Section 1010. Findings of Facts as to Liens. Testimony shall be taken in said proceedings to ascertain the amounts of said liens and the dates of the entry of the same, and the amounts of said liens and the dates of entry thereof shall be found as facts by the viewers in said proceedings. Certified lists of liens, from the courts of the Commonwealth and the United States, shall be prima facie evidence of the existence, dates, amounts, dates of entry and places of record, of said liens, and, unless modified or overcome by oral or documentary evidence, shall be conclusive upon the parties thereto as to items just specified.

Section 1011. Reports of Viewers as to Liens; Appeals; Distribution to Lien Creditors; Discharge of Liens. Where it appears that liens exist as aforesaid, which are liens upon property sought to be condemned and appropriated as aforesaid, a report of the facts found as aforesaid shall be made to the court having jurisdiction of the proceeding, which report shall be subject to exceptions in manner to be regulated by the Supreme Court, by general rule prescribed, amended, and published from time to time, and, upon the findings in relation to said liens being finally found by said court having jurisdiction of said proceedings, said court shall make an order directing the payment and distribution of the amount found to be payable as compensation to the parties entitled thereto, first to the owners of said liens, then to the owners of the property appropriated as aforesaid: Provided, however, That the parties interested shall have the right of appeal from said order of distribution to the Superior or Supreme Courts of the Commonwealth as shall be determined by the amount distributed to said parties respectively, in manner now provided by law. Payment in accordance with said order of distribution shall absolutely discharge the party making said payment from all claims of whatsoever nature by any person, firm, corporation, or claimant, as against said property, when the payment thereof shall be evidenced by a receipt of record in said proceedings; and in said receipt and on the record thereof, any claimant may reserve the right to pursue the owner of said property for any balance due upon his lien against any other property or assets of the said owner.

Section 1012. Vesting Title. Upon payment of the compensation for land or property appropriated as aforesaid, in accordance with said order of distribution, title to the land or property appropriated shall vest in the taker thereof in accordance with provisions of the law under which such appropriation is made, and all claims for compensation shall be deemed paid and satisfied as herein provided.

Section 1013. Competency of Evidence as to Market Value of Property. In all proceedings arising from the exercise of the right of eminent domain, it shall be competent for all witnesses called, when duly qualified, to state their opinion as to the market value of the property before the exercise of the right of eminent domain and as unaffected by it, and its market value immediately after the exercise of the right of eminent domain and as affected thereby:

(a) To state, in detail and costs, all the elements of benefit or damage which they have taken into consideration in arriving at their opinion;

(b) In arriving at their opinion as to the market value immediately after the exercise of the right of eminent domain, to add to their opinion of the market value before such exercise, the cost or value of all the elements of benefit or advantage, and to deduct therefrom all disadvantage or damage in order to arrive at the market value after such exercise of the right of eminent domain and as affected thereby;

(c) In all proceedings to assess damages or benefits for the opening of any street, alley, or other highway, to take into consideration, as one of the elements of advantage or disadvantage, the cost of street improvement.

In all claims for damages against a township, arising from the exercise of the right of eminent domain, it shall be competent for the party or parties claiming damages to offer in evidence, as a declaration against interest, the value of the property affected as assessed for the purpose of taxation.

Section 1014. Proceedings Where Assessments by Viewers Waived. In any proceeding to ascertain the damage caused to any owner of lands, by reason of the appropriation of a right of way or easement by any township, where the owner and township cannot agree upon the amount of damage done, the parties may by agreement, waive the right to have such damages assessed, and the owner may file his claim in the

court of common pleas of the county, and rule the defendant to plead thereto within fifteen days from the service of such rule upon the township, and the suit shall be proceeded with as if an award of viewers had been filed and an appeal had been taken therefrom.

Either party to such an action may on motion have the jury visit and view the premises over or through which the proposed right of way or easement may extend.

Section 1015. Appeals in Eminent Domain Proceedings; Payment of Money Into Court. In all cases of damages assessed against any township for property taken, injured, or destroyed by the construction or enlargement of their works, highways, or improvements, whether such assessment shall have been made by viewers, or otherwise than upon trial in court, and an appeal is not provided for, an appeal may be taken by either party to the court of common pleas of the county within thirty days from the filing of the report.

Any such appeal taken shall be signed by the party taking the same or by his agent or attorney, and shall be accompanied by an affidavit of the party appellant, or of the agent or attorney, that the same is not for the purpose of delay, but because the affiant firmly believes that injustice has been done.

When no such appeal is taken and judgment is entered, and the party to whom damages have been awarded refuses to accept payment of such award or judgment, then it shall be lawful for such township, upon petition to the court after notice as ordered by court, to pay the amount of the award and costs into the court. The court, upon such payment, shall order the satisfaction of the award or judgment.

(b) Procedure for the Exercise of Eminent Domain and for the Assessment of Damages and Benefits

Section 1020. Petition for Viewers; Time of Meeting. Except as is in this act otherwise provided, in case the compensation for damages or benefits accruing from the exercise of the right of eminent domain and/or from the erection and construction of public improvements have not been agreed upon, the court of common pleas, or any law judge thereof in vacation, on application thereto by petition by the township or any person interested, shall appoint three viewers from the board of viewers of the county, and appoint a time, not less than twenty nor more than thirty days thereafter, when the viewers shall meet upon the line of the improvement and view the same and the premises affected thereby.

Section 1021. When Viewers May be Appointed. The viewers provided for in the preceding section may be appointed before or after the entry, appropriation, or injury of any property or materials for constructing such improvements.

Section 1022. Notice of Meeting of Viewers. Except when otherwise in this act provided, the viewers shall give at least ten days' notice of the time of their first meeting, by publication in one or more newspapers of the county, and by hand-bills posted upon the premises, or otherwise as the court shall direct.

Section 1023. Swearing Viewers; Hearings; Schedules of Damages and Benefits. The viewers, having been sworn or affirmed faithfully, justly, and impartially to decide and a true report to make concerning all matters to be submitted to them and in relation to which they are authorized to inquire, and having viewed the premises and examined the property, shall hear all parties interested and their witnesses and shall determine the damages for property taken, injured, or destroyed, if any, and to whom the same is payable; and, having determined the damages, together with the benefits, they shall prepare a schedule thereof.

Section 1024. Assessment of Damages and Benefits. The damages may be paid in whole or in part by the township, or may be assessed in whole or in part upon the property benefited. In the latter case, the viewers, having first determined the damages apart from the benefits, shall assess the total cost of the improvement, or so much thereof as may be just and reasonable, upon the properties peculiarly benefited, including in the assessment all parties for which damages have been allowed and shall report the same to the court. The total assessments for benefits shall not exceed the total damages awarded or agreed upon.

Section 1025. Assessment Awards. In proceedings to assess damages and benefits, if the property is both benefited and damaged by such improvements, the excess of damages over benefits, or the excess of benefits over damages, or nothing in case the benefits and damages are equal, shall be awarded



to or assessed against the several owners of property affected thereby.

Section 1026. *Separate Reports of Damages and Benefits.* The preceding section shall not prevent the viewers from making a separate report of the damages and benefits, respectively. In such event, if the damages to the property of any person be greater than the benefits, or if the benefits be greater than the damages, or if the damages and benefits be equal, in either case the viewers shall strike a balance and carry the difference forward to another column, so that the assessment shall show what amount is to be received or paid by the property owner and the difference only shall be collectible of or paid to such property owner. Appeals taken from the report of the board of viewers shall be from such net amount only.

Section 1027. *Notice When Schedules Will be Exhibited.* The viewers shall give notice to all parties to whom damages are allowed, or upon whom assessments for benefits are made, of a time not less than ten days thereafter, and of place where the viewers will meet and exhibit their schedule and hear all exceptions thereto.

Section 1028. *Service of Notices.* Such notice shall be given, in the manner provided by law for the service of a summons in a personal action, if the parties can be found in the township; or upon an adult person residing upon the property affected by the assessment, in case the owner or reputed owner cannot be found; and to all others by publication in the newspaper or newspapers in which the first notices of the view were published, and by posting conspicuously on the premises. The board of supervisors may by resolution provide by whom the notice shall be served and posted and fix the compensation for such service.

Section 1029. *Report of Viewers; Plan of Improvements.* After making whatever changes are necessary, the viewers or a majority thereof shall report to the court, showing the damages and/or benefits allowed and assessed in each case, and file therewith a plan to be prepared or secured by the viewers, showing the improvement, the properties taken, injured or destroyed, and properties benefited.

Section 1030. *Notice of Filing of Report.* When the report is filed, notice thereof shall immediately be given, by publication once in the newspapers publishing the notice provided for in this article. Such notice shall state the date of filing of the report, contain a schedule of the damages allowed and benefits assessed, and shall state that, unless exceptions be filed thereto or an appeal to the court of common pleas is taken therefrom within thirty days from the date of filing, the report will be confirmed absolutely.

Section 1031. *Township to Pay Costs of Proceedings.* The cost of the proceedings, including court costs, except the compensation of the viewers, shall be paid by the township.

Section 1032. *Bond of Township.* Except when in this act otherwise provided, in all cases where the parties have not agreed upon the damages claimed, or where, by reason of the absence or legal incapacity of the owner, no such agreement can be made, the township may tender sufficient security to the party entitled to damages or to the attorney or agent of any person absent, or to the agent or officer of a corporation, or to the guardian or committee of any one under legal incapacity.

Section 1033. *Condition of Bond; Notice of Filing in Court.* The condition of the security shall be that the township shall pay or cause to be paid such amount of damages as the party shall be entitled to receive, after the same shall have been agreed upon by the parties or assessed in the manner provided for by this article. In case the party claiming damages refuses to accept the security tendered, the township shall give the party or his agent, attorney, guardian, or committee, a written notice of the time when the same will be presented in court.

Section 1034. *Filing Bond; Recovery Thereon.* If approved by the court, the security shall be filed for the benefit of those interested, and recovery may be had thereon for the amount of damages assessed. If the damages be not paid, they may be collected by execution on the judgment in the issue framed to try the question. Upon the approval of the security, the township may proceed with the improvement.

Section 1035. *Exceptions to Report of Viewers.* Within thirty days after the filing of any report, any party interested may file exceptions to the same; and the court shall confirm,

modify, or change the same, or change the assessments made therein or refer it back to the same or new viewers.

Section 1036. *Confirmation of Report of Viewers.* When the report is filed, the prothonotary shall mark it confirmed nisi. In case no exceptions are filed thereto, he shall enter a decree that the report is confirmed absolutely.

Section 1037. *Effect of Exceptions on Confirmation of Report.* When exceptions are filed which affect the entire report, the same shall not be confirmed absolutely as to any part thereof until the exceptions have been finally disposed of; when the exceptions do not affect the entire report, the court shall confirm the assessments to which exceptions have not been taken.

Section 1038. *Appeals from Confirmations After Exceptions.* Within three months after the confirmation of any report, following the filing of exceptions thereto, any party interested may appeal from the decree of the court below to the Superior or Supreme Court, as the case may be.

Section 1039. *Effect of Appeals.* When any appeal is taken from the action of the court confirming any viewers' report or part thereof, if the appeal affects the entire report, it shall have the effect of suspending the absolute confirmation thereof until the appeal is finally disposed of; but where the appeal is to matters which do not affect the entire report, or any other assessment, such appeal shall affect only the particular assessment for which the appeal is taken.

Section 1040. *Filing Assignments of Error, Et Cetera.* In order to determine whether any appeal affects the entire report, or any particular assessment, the appellant shall file in the court below, before or at the time of filing his writ of certiorari, a copy of his specifications or assignments of error or grounds of appeal. Upon failure so to do the township or any party interested may, by notice or rule upon the appellant cause such specifications, assignments of error, or grounds of appeal to be filed.

Section 1041. *Certificate of Judge of the Court Below.* Upon the request of the township, or any party interested, the court below, or any judge thereof in vacation, shall certify whether the appeal affects the entire report, and said certificate shall be conclusive. Where the court or judge certifies that the appeal will affect the entire report, no further proceedings shall be taken in the court below until after the final action of the appellate court; but where the court or judge certifies that the appeal will affect only a particular assessment, then the confirmation of all other assessments shall be final.

Section 1042. *Effect of Affirmation of Decree of Court Below.* If, on any appeal, the action of the court below is affirmed, the date of the decree or judgment of the appellate court shall be taken as the day on which the report was finally confirmed.

Section 1043. *Consolidation of Appeals.* Where any appeal is taken to the Supreme Court, and an appeal is also taken to the Superior Court, and the appeals in both cases are substantially the same, the Superior Court may certify such appeal to the Supreme Court to be heard with the other appeals from the same report.

The Supreme Court shall consolidate all such appeals and hear them as one case. Where several appeals are taken from the confirmation of the same report, either to the Superior or Supreme Court, and the grounds of the appeal are similar, the appellate court may consolidate the appeals.

Section 1044. *Appellants May Unite in Appeals; Effect Thereof.* Several parties may unite in a single appeal, either to the Superior or Supreme Court, where the grounds of appeal are similar, but the uniting of the appellants shall not unite the amounts or change the jurisdiction. When the appeal, if taken by each appellant singly, would be to the Superior Court, then the appeal shall be to that court; but, if the appeal of any one appellant would be to the Supreme Court, then the joint appeal shall be to that court. If an appeal has been taken to the Supreme Court, any other party, without regard to the amount involved, if the grounds of appeal are similar, may appeal to the same court and join in such appeal.

Section 1045. *Appeals From Reports of Viewers for Jury Trial.* Within thirty days after any report of viewers is filed in court, any party whose property is taken, injured, or destroyed, or who is assessed benefits, may appeal to the court of common pleas and demand a trial by jury. Where an appeal is so taken as to a portion of the report, the portion not appealed from shall be confirmed absolutely, at the expiration of thirty days after the report is filed in court.

Section 1046. Reasons for Appeals to be Stated. The appeal, as provided in the last preceding section, shall state the grounds upon which it is taken, and shall be signed by the appellant, or by his agent or attorney; and shall be accompanied by an affidavit that it is not taken for the purpose of delay but because the appellant believes that injustice has been done.

Section 1047. Costs. Upon the trial of any such appeal, in case the party appellant does not obtain a verdict more favorable than was the report of the viewers as finally confirmed, the appellant shall not recover any costs.

Section 1048. Notices. Appeals from the Court Below. The court of common pleas shall order what notices shall be given in connection with such proceedings, and may, by rule or otherwise, prescribe the form of pleadings. After verdict and final judgment, either party may, within three months, appeal to the Superior or Supreme Court.

Section 1049. Appeals to the Wrong Court. Should any appeal under this article be made to the wrong court, such court shall certify the appeal to the court to which it should have been taken.

Section 1050. Appeals Not to Prevent Filing Liens. No appeal taken under this article shall prevent the filing of liens by any township for any assessment made by any such report, but upon the final termination of the issue, the court shall make such order as to the lien filed as shall appear right and proper.

Section 1051. Discontinuance of Proceedings. If any township shall repeal any resolution, or discontinue any proceeding, providing for any improvements prior to the entry upon, taking, or injury to any property or materials, the township shall not be liable to pay any damages which have been assessed, but all costs upon any such proceeding shall be paid by the township, together with any actual damage sustained by reason of such proceeding.

Section 1052. Assessments to Bear Interest. All assessments for benefits, costs, and expenses shall bear interest at the expiration of thirty days after they shall have been finally ascertained, and shall be payable to the treasurer of the township.

Section 1053. Damages to Bear Interest. The amount of damages allowed in a report of viewers for the taking, injury or destruction of property by the exercise of the right of eminent domain shall, as finally confirmed, bear interest at the rate of six per centum per annum from the date of the confirmation nisi of the report.

## ARTICLE XI

### ROADS, STREETS AND HIGHWAYS

#### (a) Laying Out Roads Under the General Road Law

Section 1101. Except as otherwise in this act provided, or except as otherwise provided by local or special legislation, all roads wholly within or partly within townships, shall be laid out, widened, changed, or vacated by the courts of quarter sessions, as heretofore, in the manner provided by the general road law and the amendments, additions, and supplements thereto. All damages and benefits occasioned by such laying out and the subsequent opening thereof, or by any such widening, changing, or vacation, shall be assessed, collected, and paid in the manner provided by the general road law and the amendments, additions, and supplements thereto.

#### (b) Certain Roads Declared to be Public Roads

Section 1105. Every road not of record which has been used for public travel and maintained and kept in repair by the expenditure of township funds for a period of twenty-one years and upwards shall be deemed to be a public road of the width of thirty-three feet, notwithstanding the fact that there is no public record of the laying out of such road or a dedication thereof for public use. In all such cases the lawful laying out and opening or dedication of such roads of the width hereinbefore specified shall be conclusively presumed.

#### (c) Opening and Repairing Roads, Detours, Etc.

Section 1110. Opening, Repairing and Closing Roads. Public roads or highways in townships, shall, as soon as may be practicable, be effectually opened and constantly kept in repair. All public roads or highways shall at all seasons be kept reasonably clear of all impediments to easy and convenient traveling at the expense of the township.

The supervisors of any township may temporarily close any township road, when in their opinion excessive or unusual conditions have rendered such road unfit or unsafe for travel, and immediate repair, because of the time of year or other conditions, is impracticable. The road or portion of road so closed shall be properly marked at its extremities and a means of passage for the customary users of such road shall whenever possible be provided.

Any one using such road or portion thereof after the same has been properly closed and marked, without a permit from the supervisors, shall be subject to a penalty of not more than one hundred dollars to be recovered in a summary proceeding, and penalties so recovered shall be payable to the treasurer of the township wherein the offense was committed to be expended in the repair of the roads of the township.

Section 1111. Time Within Which Roads to be Opened. Whenever proceedings have been heretofore or may, hereafter be begun in any court of quarter sessions for the opening and laying out of any public road in any township, such public road shall be physically opened upon the ground for use by the public within the period of five years next after the entry of the final decree confirming said road and not thereafter.

In the event that the proceeding for the opening and laying out of a public road referred to in this section shall have been completed, and a final decree confirming said road shall have been made, and such proposed road shall not have been physically opened upon the ground and shall have remained unopened to public use for a continuous period of five years next after the entry of the final decree confirming said road, then such proceedings shall be deemed to be void and of no effect, and the land proposed to be taken shall revert to the owners of the land, as in the case of the vacation of a public road free of any easement or right of the public to use the same.

Section 1112. Detours. Except in the case of emergencies wherein the safety of the public would be endangered, no public road or highway in any township shall be closed to vehicular traffic, except upon order of the authorities having charge of the maintenance of such highways, nor for a longer period than is necessary for the purpose for which such order is issued: Provided, however, That no public road or highway shall be closed to vehicular traffic when the same has been designated as a detour by the State Department of Highways, unless the written consent of the State Department of Highways has first been obtained, or unless the authorities having jurisdiction over said road or highway shall, by resolution duly recorded on their minutes, declare such closing necessary for the protection of the public safety.

When any public road or highway shall be closed, as hereinbefore provided, it shall be the duty of the supervisors authorizing the closing to immediately designate or lay out a detour, on which they shall erect or cause to be erected and maintained while such detour is in use legible signs at each public road intersection throughout its entire length, indicating the direction to the main highway. During the period when such detour is in use, it shall be the duty of the authorities closing the main highway to maintain such detour in safe and passable condition. It shall also be the duty of the authorities closing the main highway and maintaining the detour to immediately remove all detour signs when the highway originally closed is opened for traffic. Said supervisors shall, as soon as possible, repair the road designated as a detour, and place same in a condition at least equal to its condition when designated as a detour. Whenever necessary in the creation of a detour, as aforesaid, the authorities responsible for laying out the detour may enter into agreement with the owners of private lands, covering the acquisition of right-of-way privileges over private property for the period when the main highway shall be closed to traffic. In the exercise of the rights conferred by this section, the authorities responsible are hereby empowered to pay for the necessary maintenance, subsequent repair, and land rental, out of such funds as are available for the construction and/or maintenance of the highways in their charge.

Any person who shall wilfully remove, deface, destroy or disregard any barricade, light, danger sign, detour sign, or warning of any other character whatsoever, erected or placed under authority of this section, or who shall drive on, over or across any highway which has been closed by proper authority, shall, upon conviction thereof in a summary proceeding before a magistrate, alderman or justice of the peace, be sentenced to pay a fine of not less than twenty-five dollars nor



more than one hundred dollars, and the costs of prosecution, and, in default of the payment thereof, shall be imprisoned one day for each dollar of fine and costs unpaid: Provided, however, That persons who have no outlet due to the closing of a highway may drive on, over or across such highway, with the consent in writing of, and subject to such conditions as may be prescribed by, the authorities responsible for the closing or their agents or contractors, without being subject to the penalties imposed by this section.

In addition to the penalties herein provided, the authorities responsible for the maintenance of a highway which has been closed to vehicular traffic, or their agents or contractors, may, in an action at law, recover damages from any person or persons who have damaged a highway by driving on, over or across same when it is closed to vehicular traffic in accordance with the provisions of this act.

All fines collected under the provisions of this section shall be paid by the officer receiving the same to the treasurer of the township in which the offense was committed.

(d) Changing, Vacating or Altering Roads by Agreement With Property Owners

Section 1115. Whenever the supervisors of any township deem it advisable to construct, change, or alter any part of any public road under their supervision, within this Commonwealth, or to vacate any abandoned portion of a State highway not vacated by the Department of Highways, and can agree with the property owners affected by such change, alteration or vacation, they may change, alter or vacate such part of such public road, as contemplated in such agreement, without the formality of a view.

No such change or alteration of any part of any public road shall be made, the costs and expenses of which, including damages to such township, shall exceed five hundred dollars. A petition setting forth the facts regarding such change, alteration or vacation, accompanied by a map or draft of the same shall be presented to the court of quarter sessions for approval before such actual change, alteration or vacation is made; whereupon the new location, approved by the court, shall be vacated, or the abandoned State highway shall be vacated as taken to be the public road and the old location shall be the case may be.

(e) Elimination of Curves

Section 1120. Any township may acquire, by purchase or by the right of eminent domain, any such property and lands situate along or adjacent to any township highway, as, in the opinion of the supervisors of such township, may be necessary to eliminate dangerous curves and widen narrow roads or highways for the better protection and safety to the traveling public.

Upon any such purchase or condemnation the supervisors may, from time to time, abate or remove or cause to be abated or removed, any such dangerous curve or curves, or widen such narrow highway to the extent of the property and land so acquired.

The proceedings for the condemnation of such property and lands under the provisions of this section, and for the assessment of damages for property taken, injured, or destroyed, shall be taken in the manner provided by this act for the condemnation of land by townships.

This section shall not be construed to repeal any acts or parts of acts providing a method of procedure for the widening of township roads.

(f) Acquisition of Unobstructed Views at Curves and Intersections

Section 1125. Any township, may acquire, by purchase or by the right of eminent domain, a free and unobstructed view down and across such lands located at or near the intersection of any two highways or a highway and a railroad or railway, or at any curve in any highway, as may be necessary to assure a free and unobstructed view in all directions at such crossings, and to so prevent the use of such lands for any purpose or in any manner which may interfere with or obstruct the vision of any person or persons traveling upon any such highway.

Upon any such condemnation, the township, having had such view condemned, may, from time to time, abate or remove, or cause to be abated or removed, any obstruction to such view over and across such lands.

The proceedings for the condemnation of such view over and across such lands under the provisions of this act, and for the assessment of damage for property taken, injured or destroyed, shall be taken in the manner provided in this act.

Upon the condemnation of a view over and across any such lands, the owner of such lands may make every such use thereof as will not interfere with a free and unobstructed view at such dangerous crossing or curve, and, unless specially provided for in such condemnation proceedings, such condemnation shall not be construed to prevent the owner thereof from using such land for pasture or the growing of grass, oats, wheat, or other crops which will not obstruct the vision more than wheat.

(g) Relocation, Alteration and Vacation of Roads in or Near State Parks

Section 1130. Agreements to Relocate, Alter and Vacate Roads. Whenever a public road or highway within a park or public grounds, title to which park or public grounds is vested in the State of Pennsylvania, is laid out, located, relocated, altered, or vacated, in such manner that a public road or highway, approaching, leading into, or contiguous to such park or public grounds, shall become either useless, inconvenient, or burdensome, such public road or highway, approaching, leading into, or contiguous to such park or public grounds, may be altered, relocated, or vacated, by the township supervisors charged with the duty of maintaining such roads, or highways, in whole or in part, for the purpose of making it convenient and suitable as an approach to the roads and highways within said park or public grounds, upon the consent and agreement of: (a) the commissioners or officials charged with the care and management of said park or public grounds; (b) the township supervisors charged with the duty of maintaining said roads or highways, approaching, leading into, or contiguous to said park or public grounds; and (c) the property owners owning the majority of the frontage of land abutting upon the relocated portion of the roads or highways, approaching, leading into, or contiguous to said park or public grounds.

Section 1131. Agreement to be Filed in Court. Effect of Filing. The filing of the consent and agreement of commissioners or officials charged with the care and management of such park or public grounds, the township supervisors, and of the property owners, in the court of quarter sessions of the county or counties in which the altered, relocated, or vacated road or highway is situate, shall have the same force and effect as the filing and the approval and absolute confirmation by the court of quarter sessions of a report of viewers appointed in accordance with the general road law, and shall have the same force and effect as though said viewers had laid out, located, relocated, altered or vacated such road or highway in accordance with the agreement filed as aforesaid, and the report of said viewers had been filed, approved and absolutely confirmed by the court.

The filing of said agreement in the court of quarter sessions shall be conclusive as to the question of the necessity for the laying out, location, relocation, alteration, or vacation of said roads, or highways, as contained in the said agreement, and that the portion or portions of said road or highway abandoned or vacated where useless, inconvenient, and burdensome.

Section 1132. Altered and Relocated Roads Declared Township Roads. Such road or highway, when altered or relocated, shall be maintained and repaired in the same manner as other township roads are maintained and repaired.

Section 1133. Assessment of Damages. The owner of any land through which any public road or highway may be so relocated, may apply by petition to the court of quarter sessions of the proper county, setting forth the injury which he or she may have sustained by reason of the relocation of the said public road or highway, and the proceedings relative to the assessment and payment of damages of said land-owner shall be in accordance with the provisions of this act for eminent domain proceedings.

(h) Grading, Paving, or Macadamizing Streets or Highways Upon Petition of Property Owners

Section 1135. Petition of Property Owners. Any township may grade, pave, or macadamize, with brick, stone or other suitable materials any public street or highway or part thereof (not less than one thousand feet) laid out and opened in the township. No street or highway or any part thereof shall be graded, paved, or macadamized under the provisions of this section, except upon the petitions of owners of property repre-



enting a majority in number of feet front of the properties abutting on the street or highway or part thereof proposed to be paved nor unless there shall be at least ten separate improved dwellings or places of business in each one thousand feet of highway to be so improved.

Section 1136. Assessment of Cost by Foot Front Rule. The cost and expense of any such improvement may be collected from the owners of the real estate abutting on such street or highway or part thereof, by an equal assessment on the feet front. Such assessment shall be estimated by the person in charge of the work or by other competent authority designated by the township supervisors.

Section 1137. Collection of Assessments. All such assessments for grading, paving, or macadamizing shall be filed with the secretary of the board of supervisors. The secretary shall give thirty days' written or printed notice that the assessments are due and payable to each party assessed, either by service on the owner or agent or left on the assessed premises. If the assessments, or any of them, remain unpaid at the expiration of said thirty days, they shall be placed in the hands of the township solicitor for collection. The solicitor shall collect the same, together with five per centum additional as attorney's commission and interest from the completion of the improvement, by a municipal claim filed against the delinquent owner in like manner as municipal claims are now collected. When an owner has two or more lots against which there is an assessment for the same improvements, all such lots shall be embraced in one claim.

Section 1138. Owner Defined. The term "owner" as used in sub-division (h) of this act, means all individuals, corporations, public or private, copartnerships, and associations, having any title or interest in the property assessed. If the owner to whom notice is required to be given is a non-resident of the township, and his, her, or their place of residence is unknown, or if the ownership of the property cannot be ascertained, the notice shall be posted on the premises and a copy left with the occupant, if there be one.

#### (i) Dedicated Roads, Streets and Drainage Facilities

Section 1140. Plans of Dedicated Roads and Streets. No person shall construct, open, or dedicate any road, street, lane or alley or any drainage facilities in connection therewith, for public use or travel in any township, without first submitting plans thereof to the township supervisors for their approval. Such plans shall be prepared in duplicate in accordance with such rules and regulations as may be prescribed by the supervisors, and shall show the profiles of such roads, streets, lanes or alleys, the course, structure, and capacity of any drainage facilities, and the method of drainage of the adjacent or contiguous territory, and also any other or further details that may be required under the rules or regulations adopted by the township supervisors. Before acting upon any such plans, the supervisors may, in their discretion, arrange for a public hearing, after giving such notice as they may deem desirable in each case. The township supervisors are authorized to alter such plans, and to specify any changes or modifications of any kind which they, in their discretion, may deem necessary with respect thereto, and may make their approval of such plans subject to any such alterations, changes or modifications. Any plans when so approved shall be signed in duplicate on behalf of the township by such officer as the supervisors may designate, and an approved duplicate copy shall be filed in the township office, where the same shall be available to public inspection. No road, street, lane, or alley, or any drainage facilities in connection therewith, shall be opened, constructed, or dedicated for public use or travel, except in strict accordance with plans so approved by the supervisors, or with further plans subsequently approved by them in the same manner, and/or until such plan and the approval thereof has been recorded as hereinafter provided.

Section 1141. Appeals Where Supervisors Refuse Approval. In any case where the township supervisors shall refuse to approve any plans submitted to them in accordance with this sub-division, any person aggrieved by the action of the supervisors may, within thirty days after such action, appeal therefrom by petition to the court of quarter sessions of the county, which court shall hear the matter de novo, and, after hearing, may enter a decree affirming, reversing, or modifying the action of the supervisors as may appear just in the premises. The court shall designate the manner in which notices of the hearing of any such appeal shall be given to all parties interested. The decision of the court shall be final.

The action of the township supervisors, or the court on appeal, in approving any such plans, and an approved duplicate copy of such plans, shall be recorded by the person applying for such approval in the office of the recorder of deeds of the county.

Section 1142. No Responsibility on Township Where Plans Not Approved. If any road, street, lane, or alley, or any drainage facilities in connection therewith, shall be opened, constructed, or dedicated for public use or travel, except in strict accordance with plans approved as herein provided, neither the township supervisors nor any public authorities shall place, construct, or operate any sewer, drain, water pipe, or other facilities, or do any work of any kind, in or upon such road, street, lane, or alley; and neither the township supervisors, nor any other public authorities, shall have any responsibility of any kind with respect to any such road, street, lane, alley, or drainage facilities, notwithstanding any use of the same by the public: Provided, however, That nothing herein contained shall prevent the laying of trunk sewers, drains, water or gas mains, if required by engineering necessity for the accommodation of other territory.

Section 1143. Entry on Lands by Supervisors. The township supervisors and their representatives and workmen may enter upon any land and property, and maintain marks and monuments, so far as the supervisors deem necessary in carrying out their powers and duties hereunder.

Section 1144. Penalty. Any person, copartnership or corporation who or which shall construct, open or dedicate any road, street, lane or alley, or any drainage facilities in connection therewith, for public use or travel in any township, without having first complied with the provisions of this sub-division of this act, and of any resolutions of the township authorities adopted pursuant hereto, shall be guilty of a misdemeanor, and, upon conviction thereof, such person or the members of such copartnership, or the officers of such corporation responsible for such violation shall be sentenced to suffer imprisonment not exceeding two years or pay a fine not exceeding one thousand dollars, or both, in the discretion of the court.

Section 1145. Effect of Approval of Plans. No approval of plans by a township shall obligate or require any such township to construct, reconstruct, maintain, repair, or grade such roads, until and unless authorized and ordered so to do by the proper court pursuant to the provisions of existing law in that regard.

Section 1146. Powers of State and Counties Preserved. Nothing contained in his subdivision shall be held to restrict or limit the State Department of Highways, or any county, in the exercise of any of its duties, powers and functions under the provisions of any act of Assembly now in force or hereafter to be enacted.

#### (j) Entry On Private Property to Secure Road Material and to Open Ditches and Drains

Section 1150. Power to Enter on Lands. When road material cannot be conveniently obtained by contract at reasonable prices, the supervisors of townships may enter upon any land or enclosures within their township lying near the road, and dig, gather, and carry upon the road any stones, sand, gravel or other road material which they think necessary to make, maintain, or repair the road. In exercising such right they shall do no unnecessary damage to the owners of the land, and shall repair any breaches of fences which they make.

Section 1151. Viewers to Fix Damages. Whenever the supervisors and the owners of any such materials cannot agree upon the price to be paid therefor, the value of such materials shall be assessed by viewers to be appointed and to make report as provided in this act in the case of eminent domain proceedings.

Section 1152. Power to Open Drains and Ditches. The township supervisors may enter upon any lands or enclosures and cut, open, maintain, and repair such drains or ditches through the same as, in their judgment, are necessary to carry the water from the roads, streets, lanes, or alleys.

If any person shall stop, fill up, or injure any such drain or ditch, or shall divert or change the course thereof, without the authority of the supervisors, such person shall for every such offense pay a penalty of not more than twenty-five dollars together with the cost of restoring such drain or ditch to be recovered in a summary proceeding. The penalty and moneys so recovered shall be paid to the township treasurer.



## (k) Highways Crossing Railroads. Special Uses of Highways

Section 1155. Railroad Crossings. Every township constructing a highway across a railroad shall construct the same above or below the grade thereof, unless permitted by the Public Service Commission to construct the same at grade.

Any such crossing of a railroad by a highway, or any vacation of any highway crossing a railroad, shall be constructed only in the manner prescribed by and under the jurisdiction of the Public Service Commission. The compensation for damages to the owners of adjacent property taken, injured, or destroyed shall be ascertained, fixed, and paid in the manner prescribed in the Public Service Company Law.

Section 1156. Highway Permits. No railroad or street railway shall hereafter be constructed upon any township highway, nor shall any railroad or street railway crossings, nor any gas pipe, water pipe, electric conduits, or other piping be laid upon or in, nor shall any telephone, telegraph or electric light or power poles or any coal tipples, or any other obstruction, be erected upon or in, any portion of a township highway, except under such conditions, restrictions, and regulations, and subject to the payment of such fees for permits, as may be prescribed and required by the township supervisors, not exceeding the reasonable cost of issuing the permit, the cost of restoring the road and expense of inspecting the work authorized by such permit upon completion thereof. Before any such permit shall issue the applicant shall give bond to the township in such amount as the supervisors shall fix, conditioned for the payment of the charges fixed by this section. All fees and charges so collected for permits shall be paid into the township treasury. Any person failing to obtain such a permit before doing any work on any road for which a permit is required by this section shall, for every such offense, be sentenced, upon conviction in a summary proceeding, to pay a penalty not exceeding one hundred dollars and costs together with the cost of restoring any road, which shall be paid into the township treasury.

## (l) Guideposts and Index Boards

Section 1160. Duty of Supervisors to Erect. The supervisors of townships shall erect posts at the intersection of all public roads and at one of the angles where any public road crosses another public road, and shall firmly fix thereon boards or metal signs, with index hands pointing to the direction of such roads, providing that if a building, tree, trolley pole, or telegraph pole is so erected that it can be used in place of a post and permission has been secured from the owner thereof, such building, tree or pole may be used in place of a post. On such boards and signs shall be inscribed, in large and legible characters, the name of the town, village, or place to which such roads lead, and the distance thereto computed in miles: Provided, Where any public highway intersects or crosses a State highway application for a permit shall be made by the supervisors to the State Department of Highways for the erecting of such signs.

Section 1161. Penalty for Destroying, Etc. It shall be unlawful for any person to wilfully destroy, remove, injure, or deface any guidepost or sign or index board erected upon or near any public street, road, or bridge, by the authorities of any township, or erected, with the consent of the authorities having jurisdiction over such street, road, or bridge, by any club, association, or other organized body for the direction, guidance, or safety of travelers. Any person violating this section shall, upon conviction in a summary proceeding, be sentenced to pay a fine of not less than ten dollars and not more than twenty-five dollars, with all costs of prosecution, together with the value of such sign so destroyed, removed or defaced. All fines and moneys imposed and collected shall be paid to the township treasurer. In default of payment of said fine, costs, and expenses, he shall undergo an imprisonment in the county jail for not less than five nor more than sixty days.

## (m) Protection of Highways From Snowdrifts

Section 1165. Any township which is responsible for the maintenance of any public road or highway, shall have authority to enter upon private property adjacent to such public road or highway, and place thereon a snow fence, at any point as may be deemed necessary, to within a limit of one hundred (100) feet from the right-of-way line of such public road or highway, in order to eliminate snow drifting on the traveled portion of the public road or highway.

No such snow fence shall be placed prior to November first, nor shall the same remain in place after April first of the succeeding year, unless the written consent of the owner is obtained, agreeing to an extension of time for the removal of said snow fence.

If the supervisors shall not be able to enter into an agreement with the owner of adjacent property occupied by such snow fence as to the amount of damages sustained as a result of said fence being placed and removed, the owner may petition the court of common pleas of the county for the appointment of viewers to ascertain the amount of damage incurred in such case in the manner provided in this act for eminent domain proceedings. Such damages, if any, when ascertained, shall be paid by the township. Any funds available to the respective authorities for the construction and maintenance of public roads or highways under their supervision shall be available for the payment of such damages.

Whenever any highways, in townships, are so located as to render them liable, on account of high wind during the winter season, to be so filled with snow as to make them impassable, and in the judgment of the supervisors, such drifts of snow can be avoided by the removal of any fence erected along either side of such highway and replacing the same by a fence constructed of posts, wire, and boards, or rail, combined, such supervisors may agree with the owners of such fences upon a plan for the erection of a fence constructed of posts, wire, and board, or rail, combined. The township may pay the owners of such fences a sum not to exceed the first cost of the wire used in the construction of such fences. The wire used in the construction of such fences shall be without barbs. This section shall not apply to any stone wall, hedge, or ornamental fence.

## (n) Grades of Highways

Section 1170. In the construction or repair of any highway, in any township, it shall be unlawful to raise such highway above the ordinary grade thereof when a drain or culvert shall be constructed under such highway, or when such highway shall be constructed or repaired over such drain or culvert. This section shall not be construed in any manner to interfere with the work of the State Department of Highways, in the reconstruction or improvement of any State highway or State-aid highway, or when a township improves a township road, under the direction, plans, and specifications of the State Department of Highways.

## (o) Trees and Shrubbery Within Limits of Highway

Section 1175. Saving Trees and Shrubbery. Where any highway, in any township, passes through or along forested lands, wild lands, or uncultivated lands, no trees growing within the limits of such highway at a distance beyond fifteen feet on either side of the centre line thereof, and which measure four inches or over in diameter at a point two feet from the surface of the ground, shall be cut down or destroyed by the supervisors or roadmasters employed by them or any other person, without first obtaining the consent of the abutting owners.

Whenever any highway, running through improved or cultivated lands, has been opened, and there are growing, along the roadsides and within the road limits, shrubs or trees not interfering with public travel, no supervisors or roadmasters, or other persons in their employ, shall remove, cut, injure, or destroy, or in any other manner interfere with such shrubs or trees. If such removal or cutting is absolutely necessary for the purpose of maintaining the highway at its highest efficiency the supervisors or roadmasters, or other persons in their employ, may so cut or remove such shrubs or trees, after notifying the abutting property owner and entering into an agreement with them relating to the removal, cutting, or interference with said shrubs or trees.

Section 1176. Court Orders for Removals. In either of the cases set forth in the preceding section, if the consent or agreement of the abutting property owners cannot be obtained, the board of supervisors may appeal to a judge of the court of common pleas. The judge shall inquire into the facts of the case, and after hearing all parties in interest shall make such order as seems just, having due regard for the demand for road improvement as well as for the preservation of the trees or shrubs. From such order there shall be no appeal.

Section 1177. Logs and Cordwood Property of Owner. All logs, cordwood, branch wood, or other forms of wood which

shall be derived from the destruction or removal of any trees growing along the highways, shall be surrendered to and remain the property of the abutting owners.

Section 1178. Brush and Refuse. The supervisors may clear out brush and other refuse from along the sides of the road to the legal width thereof. All such clearing and removal of brush and refuse shall be confined to growth that is within the limits hereinabove described, and to the removal of branches that in any way interfere with public travel. No other injury, by fire, cutting, abrasion, or otherwise, shall be done to the standing timber.

Section 1179. Penalty. If any supervisors, roadmaster, or person in their employ, or any other person, shall cut down, kill, or injure any living tree, growing at a distance beyond fifteen feet on either side of the center line thereof, and of a size four inches in diameter or greater at a point two feet from the surface of the ground, or shall violate any other provision of the preceding sections of this subdivision, he shall in a summary proceeding be subject to a penalty of not more than five dollars for every tree so cut, injured, or destroyed, with costs of suit. Such fines shall be paid to the township treasurer. If any defendant, upon conviction for any offense, fails or refuses to pay the fine and costs imposed, or does not give bond with approved surety to pay the same within ten days, he shall be committed to the county jail for not more than thirty days or until he has paid the fine and costs in full.

Section 1180. Removal of Obstruction. Nothing in this subdivision of this act shall be so construed as to prevent the supervisors, or roadmasters, or other person in their employ, from removing such roadside trees which may be thrown down by the wind or lodged in such position as to be a menace to public travel, or which by reason of any other cause may become a source of danger to the public. Every such act of removal shall be made with due regard to the circumstances of the case, so as to preserve the true intent and purpose of this subdivision.

#### (p) Obstructions and Nuisances

Section 1185. If any person shall stop or obstruct any public road or highway in any township, or shall commit any nuisance thereon by felling trees, making fences, turning the road, or in any other way, and shall not, on notice given by the township supervisors, forthwith remove the obstruction or nuisance and repair the damages done to such road, such person, upon conviction in a summary proceeding, shall, for every such offense, pay a penalty of not more than twenty-five dollars. Nothing in this section shall debar an indictment for any such nuisance, as in case of misdemeanor at common law.

#### (q) Opening, Making, Amending, and Repairing Highways and Bridges by Contracts with Taxpayers

Section 1190. Taxpayers' Rights. Any one or more taxpayers of any township may acquire the right to furnish all the materials and labor necessary for opening, making, amending, and repairing the public highways and bridges of such township, in manner and under the conditions set forth in this subdivision of this act.

Section 1191. Petition to Court. To acquire such right such taxpayers shall, before the beginning of the township fiscal year, present to the court of quarter sessions a petition setting forth that he, she, or it or they, are the owners of property assessed and taxed for road purposes in such township, the appropriate number of miles of public road in such township and the ability of the petitioner or petitioners to lay out, open, make, amend, and repair the public highways and bridges of such township, wholly at his, her, its, or their own expense, for the ensuing township fiscal year, and to pay the other expenses of such township as hereinafter provided, without any right against or claim upon such township for or by reason of the materials, labor, or money so furnished.

Section 1192. Bond of Petitioners. The petitioners shall, with the petition, present a bond to the township, in a sum equal to five hundred dollars for each mile of public road in the township, with one or more sufficient sureties, to be approved by the court, conditioned for the faithful performance of said petitioner or petitioners of his, her, its, or their duty, and to save the township harmless from any loss or claim by reason of failure so to perform said duty.

Section 1193. Notice to Supervisors and Auditors. Notice of the intention of presenting the petition and bond, and of the time when said petition and bond will be presented to the

court, shall be given to the supervisors and auditors of the township, at least ten days before the same are presented.

Section 1194. Contracts. Stipulations. When the petition, bond and proof of the notice required in the preceding section, are presented to the court, the same shall be ordered filed, and the court, being satisfied of the good faith of the petitioners and the sufficiency of the petition, bond, and notice, shall order and direct the supervisors, on behalf of the township to enter into a contract with the petitioner or petitioners. In such contract the petitioner or petitioners shall bind him, her, or itself or themselves.

First. To open, make, amend, and repair the public highways and bridges of the township for the ensuing fiscal year in a lawful and workmanlike manner, wholly at the expense of the petitioner or petitioners, and without creating thereby any claim upon or right against the township for or by reason of the materials, labor, or money for persons employed.

Second. To indemnify and save harmless the township from all claim, damage, cost, or expense of whatever kind, for or by reason of any act or omission of said petitioner or petitioners whereby any claim, suit, or other demand may be set up or recovered against the township.

Third. To pay, within sixty days from the beginning of the fiscal year, to the following officers of such township, the following sums, to be received by said officers in full for all demands against such township for their respective services as such officers of the township for the fiscal years for which the said contract is made, which shall be in lieu of the compensation otherwise in this act provided for such officers: namely,—to each township secretary, the sum of fifty dollars; to each of the auditors of such township, the sum of twenty-five dollars; to an attorney, to be elected by such supervisors as counsel for the township, the sum of fifty dollars; to each supervisor, the sum of two hundred and fifty dollars.

Section 1195. No Road Tax to be Levied. In consideration of the obligations set out in the preceding section to be assumed and performed by the petitioner or petitioners, the supervisors, on behalf of such township, shall stipulate that the township will not assess, levy, or collect any tax for road purposes during the fiscal year for which such contract is made.

Section 1196. Inspections by Supervisors. The supervisors shall view and inspect the making and repairing of the roads in such township, at least once during every month, and satisfy themselves that the petitioners have fully complied with their contract, before final settlement and expiration of contract. If, at any time, the supervisors shall see that any portions of the roads need repair, they shall notify the petitioners to repair the same. In case said petitioners fail to repair said road within five days after notice, the supervisors are empowered to purchase such materials and employ such men as may be necessary to repair such road, and charge the same to the petitioners.

## ARTICLE XII

### BOUNDARY ROADS AND HIGHWAYS

#### (a) Opening, Repairing, and Improving on Division Line of Townships

Section 1201. Roads Between Two Townships. Roads or highways laid out on a line which divides two townships shall be opened, made, kept clear and in repair, at the joint and equal charge of such townships. Any township necessarily incurring more than its due proportion of such charge may recover the excess so incurred from the other township.

When any public road is laid on the line of two townships, if the commissioners or supervisors of an adjoining township neglect or refuse to join with the supervisors of the township in opening or repairing such road, the supervisors of the township shall open, amend, and repair the road, and are authorized to collect a just proportion of the cost of the opening and repairing of such road from the township so neglecting or refusing to join in such opening or repairing. The commissioners or supervisors so neglecting or refusing shall be liable to a penalty of not less than four dollars and not exceeding fifty, to be recovered in a summary proceeding. All such penalties when recovered shall be paid into the township road fund.



## (b) Maintenance of Roads Between Townships and Cities or Boroughs

Section 1205. Whenever any road or street is on the boundary line between any township and a city or borough, such road or street shall be maintained jointly by the township and the city or borough. For the purpose of maintaining any such road or street, the authorities of any such township are hereby directed to enter into agreements with such city or borough providing the manner in which the same shall be maintained, and providing for the division of the cost of maintenance between the city or borough and township. If any such city or borough and township shall fail or refuse to enter into any such contract, or if the city or borough and township cannot agree, any taxpayer or the corporate authorities of the township may present a petition to the court of quarter sessions of the county, setting forth the facts, and the court, after hearing, of which such notice shall be given to all parties interested as the court may direct, shall make an order directing the manner of such maintenance and the division of the cost of maintenance between the city or borough and the township. The action of the court shall be final.

## (c) Highway, the Centre Line of Which is the Dividing Line Between Townships and Boroughs or Cities in the Same County

Section 1210. Whenever the centre line of any highway constitutes the dividing line between a township and any city or borough located in the same county, the supervisors of the township may, jointly with the county, enter into a contract with the city or borough providing for the grading, curbing, and macadamizing or paving of such highway.

Such alteration or improvement shall be constructed, and subsequent repairs shall be made, under the supervision of the proper authorities of the city or borough, in compliance with the laws governing the construction of such alterations or improvements in such city or borough and with plans and specifications to be agreed upon, in writing, between the supervisors of the township and the city or borough and the commissioners of the county.

The cost of any alteration or improvement shall be borne one-half by the city or borough and one-half by the county and township in equal portions.

The cost of repairs shall be borne one-half by the city or borough and one-half by the township, or by the county and township in equal portions, or such other portions as are agreed upon in the joint contract of the township with the county.

## (d) Highway, the Centre of Which is the Dividing Line Between Townships and Cities in an Adjacent County

Section 1215. Whenever the centre line of any highway constitutes a dividing line between a township and a city located in an adjacent county, it shall be lawful for the township supervisors to enter into a contract with the county in which it is located and the city providing for the grading, curbing, macadamizing or paving of the roadway of said highway, the cost thereof to be borne one-half by the city, and one-half by the township and the county in which such township shall be situated in equal portions.

The said alteration or improvement shall be constructed, and subsequent repairs shall be made, under the supervision of the proper authorities of the said city, in compliance with existing laws governing such construction or improvement in such city, and in further compliance with plans and specifications to be agreed upon in writing between such city and the commissioners of the county and the township supervisors of the said township. The cost of repairs shall be borne one-half by the city, and one-half by the township or by the county and township in equal portions or such other proportions as may be agreed upon by the county and township.

In all cases in which it shall be found impossible to enter into such contract or agreement as is provided for in this section, or where either the city or the township or the county in which such township is situated shall refuse to enter into such contract or agreement, it shall be lawful for the township to present its petition to the court of common pleas of either county, setting forth the facts and circumstances, including the condition of the highway from which the necessity of desirability for the grading, curbing, macadamizing, or paving of the roadway appears, and the estimated cost thereof, and that the terms of the said contract as provided for in this section

cannot be agreed upon by the said city and the county or township, or either or any of them, or that either such city or the county or township, or any or either of them refuses to enter into such contract. Such petition may pray that such court may, after hearing all the parties concerned, make its order or decree, defining the nature and character of the improvement reasonably necessary or desirable to be made to the roadway, and requiring the parties hereinabove specified to enter into a contract or contracts for the making and constructing of the same as herein provided for. A copy of the said petition, duly certified, shall be served upon the city or the county and township concerned, other than the petitioner, with notice of such day as may be fixed by the court for the hearing. Thereupon either or both of the parties served with such notice shall be entitled, on or before such date, to file in the said court its answer to the said petition, setting forth its version of the facts or such other matters in relation thereto as may be deemed necessary or proper by it. The said court upon the date so fixed or at such other times as it may appoint, shall hear the evidence of the parties, or it may refer the matter to a master, who shall hear the testimony of the parties and report his findings, in the same manner and under the same procedure as provided by the rules in equity in similar cases, to the said court, which may reject, confirm, or modify the same, and may make its decree or order directing the making of such alterations or improvements to the roadway as may be deemed reasonably necessary or desirable and providing for the sharing of the cost of such improvements, one-half by the city, and one-half by the county and township in equal portions. The said order or decree may further provide that the repairs to such alterations and improvements subsequently required shall be borne one-half by the city, and one-half by the county or township in equal portions or such other proportions as between the county and the township as such court may find to be legal and proper; and thereupon the said grading, curbing, macadamizing or paving of the roadway of such highway shall proceed in accordance with the decree or order of the said court in the same manner as if the contract or agreement in this section had been entered into and duly executed.

## (e) Improvement of Streets Where More Than One-Half of Width is in Township. Assessment of Property Outside Limits.

Section 1220. Whenever any street, alley, or highway more than one-half the width of which is within the limits of any township shall divide the said township from any other municipality or township located within the same county, such street, alley, or highway may be improved by the township within which the greater width is located in the same manner as if the said street, alley, or highway were entirely located within the limits of said township.

The property abutting on the side of said street, alley, or highway which is located outside the limits of the township making such improvements shall, for a depth of one hundred and fifty feet plus one-half the width of said street, alley, or highway from its center line, be assessed for any and all municipal improvements to or on the said street, alley, or highway in the same manner as such property would be assessed under the laws of the Commonwealth if it were entirely located within the limits of such city, borough or township.

## (f) Assessment of Property Outside Limits for Street Improvement Where Street Entirely Within Township

Section 1225. Whenever any street or alley, entirely within the limits of any township, shall divide such township from any other municipality or township, located in the same county, the property on the side of the street or alley, opposite the line of such township, shall, for a depth of one hundred and fifty feet, be assessed for municipal improvements on such streets or alleys on which property shall abut. Such assessment shall be made in the same manner and in the same proceeding as is used for the assessment of property within such township for such improvement.

## BRIDGES AND VIADUCTS

## ARTICLE XIII

## (a) Over Creeks, Rivulets, Gullies, Canals and Railroads

Section 1301. Power to Make and Maintain Bridges. The supervisors of townships, in making and repairing the roads,

shall make and maintain within their township sufficient bridges over all small creeks, rivulets, deep gullies, canals, and railroads, where the same is necessary for the ease and safety of travelers.

Such bridges over canals or railroads shall not obstruct the railroad or canal over which it is built. Nothing in this section shall release railroad or other companies of the Commonwealth from the requirements of existing laws.

Section 1302. Damages. In the construction and maintenance of such bridges, all damages shall be awarded and benefits assessed as part of the proceeding to lay out, open, make, or repair the road of which the bridge is a part.

(b) Over Streams, Railroads, and Canals on Township Boundaries

Section 1305. Bridges on Division Line of Townships. Where a small creek or a railroad or canal, over which a bridge is necessary, is on the boundary line of two townships, the bridge shall be built and maintained at the joint and equal expense of the townships, by their respective commissioners or supervisors, in the manner directed by this act in the case of public roads which may be the division line of townships.

Section 1306. Bridges Between Townships and Municipalities. Whenever a creek, railroad, or canal, over which a bridge is necessary, is on the division line of a township and a municipality, the township shall unite with such municipality in the construction and maintenance of such bridge and pay an equal share of the expenses incident thereto.

Section 1307. Where Bridge Over Railroad or Canal. If a bridge is built over a railroad or canal, such bridge shall not obstruct the railroad or canal over which it is built. Nothing in said sections shall release railroad or other companies or the Commonwealth from the requirements of existing laws.

(c) Maintenance, Repair, and Rebuilding of Bridges Built by County

Section 1310. Whenever a bridge or part thereof has been built by the county, or the whole or part of the money necessary to build it has been furnished by the county, and the bridge has not been entered on record as a county bridge, such bridge shall be maintained, kept in repair, and rebuilt, when necessary, by the township or townships in which, or on the boundary line of which, it is located, without rendering the county liable for the same.

(d) Effect of Approval of Department of Highways

Section 1315. Whenever authority has been given by the State Department of Highways to township supervisors, under existing laws, or laws that may hereafter be enacted, for the construction, repair, alteration, or maintenance of any township bridge, it shall not be necessary for such township supervisors to procure permits from any other department consenting to the construction, repair, alteration or maintenance of such bridge. This section shall not repeal or modify any of the provisions of the Act of the twenty-sixth day of July, one thousand nine hundred and thirteen (Pamphlet Laws, one thousand three hundred and seventy-four), known as The Public Service Company Law.

## ARTICLE XIV

### SIDEWALKS

Section 1401. Power of Supervisors to Establish Width and Location of Sidewalks. Consents in Certain Classes. The supervisors of any township, upon the request of any landowner whose land fronts upon a public highway within such township, may establish the width, grade and location for a sidewalk along one or both sides of said highway along the lands of such owner. The width of the walk on each side of said highway shall not be less than six feet for roads fifty feet in width or less, and for roads over fifty feet in width shall be ten feet in width. When said sidewalks are so established, such landowner shall pay for and keep the same in repair.

In case the street or highway is a State Highway or a county road, the written consent of the Department of Highways or the county commissioners, as the case may be, shall first be obtained.

Section 1402. Construction of Sidewalks Upon Petition of Property Owners. The township supervisors may construct sidewalks of board, plank, or cement, or other suitable mate-

rial, along the highways, through towns and villages in such townships, upon the petition of owners of property representing a majority in number of feet front of the properties abutting on the highways where such sidewalks are to be constructed. Whenever any such petition is filed with the supervisors, the owner of the property shall be given notice by the supervisors to construct such sidewalk; and in case of the failure of the owner to complete such sidewalk within a period of thirty days after the receipt of such notice, the supervisors may construct such sidewalk as herein provided. Whenever any such sidewalks are constructed by the supervisors the expense of the construction of such sidewalk shall be paid by the abutting property owners in proportion to their frontage. If such owners fail to so pay the expenses of the construction of such sidewalk, the township supervisors may recover the amount by action of assumpsit, or may file municipal liens therefor against the abutting properties, in the manner provided by law for the filing and collection of municipal liens.

Section 1403. Power to Establish Grades and Width of Sidewalks. Supervisors of townships may regulate, by resolution, the grade and width of sidewalks constructed along the highways in such townships, and shall have general supervision over the same and may establish a grade or grades for footways or sidewalks, which grade or grades may be separate and apart from the grade or grades established for the cartway or roadway.

## ARTICLE XV

### SEWERS AND DRAINS

(a) Establishing and Constructing Sewer and Drainage Systems; Sewer Connections and Rates; Disposal of Sewage. Assessment of Cost of Construction.

Section 1501. Power to Establish and Construct Sewers and Drains. Sewer Rentals. Townships may establish and construct a system of sewers and drainage, locating the same as far as practicable along and within the lines of the public roads of the township as seems advisable to the board of supervisors. The supervisors may permit and, where necessary to the public health, require adjoining and adjacent property owners to connect with and use the same. All persons so connecting shall pay in addition to the cost of making such connection a monthly or annual rate prescribed by a resolution of the board of supervisors. Such monthly or annual rate shall constitute a lien, until paid, against the property so connecting with such system and the amount thereof may be recovered by due process of law.

Nothing in this section shall be construed to repeal or modify any provisions of the Public Service Company Law.

Section 1502. Notice of Contemplated Construction. Protests by Property Owners. No sewer, system of sewers or drains shall be constructed under the provisions of this subdivision, unless a resolution of the board of supervisors authorizing the same shall be published in a newspaper of general circulation published in the county in which the township is situated, once a week for three successive weeks. If, within twenty days after the last publication or at any time during the period of publication, taxpayers of the township whose property valuation as assessed for taxable purposes within the township, shall amount to fifty per centum of the total property valuation as assessed for taxable purposes, within the township, shall sign and file in the office of the prothonotary of the court of common pleas of the county in which the township is located a written protest against the construction of such sewer, sewer system, or drain, then the construction authorized by such resolution shall not be undertaken or proceeded with.

Section 1503. Location of Sewers on Private Property. Where it is reasonably impracticable in the judgment of the supervisors in any part of such system to carry such sewers or drains along the lines of public roads, they may locate and construct so much of the same as is necessary through private lands.

Section 1504. Treatment Works and Facilities Therefor. Eminent Domain. The supervisors shall make the necessary provision for the disposition of the sewage and drainage within, or for carrying the same beyond the limits of the township, and to this end they are hereby authorized to enter into contracts with other municipalities and other corporations or persons to purchase, acquire, enter upon, take, appropriate,



occupy and use such lands, rights, and interests therein within the corporate limits of other townships or boroughs as shall be necessary for the proper location, construction, maintenance, use, and operation of sewer mains, drains, or treatment works, including such lands, rights, and interests therein as shall be necessary for future additions to and enlargements of such sewerage facilities, and as may be necessary to carry out the plans and specifications upon which a permit has been issued by the Secretary of Health in accordance with the provisions of the Act of April twenty-second, one thousand nine hundred and five (Pamphlet Laws two hundred and sixty), entitled "An act to preserve the purity of the waters of the State for the protection of public health" and of "The Administrative Code."

Section 1505. Entry on Lands to Mark Sewer Routes. Damages. In the event of inability to agree with the owners, either for the land necessary for so much of the line of sewers and drains as are not located upon public roads, or for so much land as is required for the disposition of the sewage, the supervisors may enter upon said land and mark thereon the route and width necessary for the construction of the line of sewers or drains or the boundaries of so much land as is necessary for disposition of such sewage, and occupy the said land for such purposes, for all damage done or suffered or which accrues to the owner or owners of such land by reason of the taking of the same the funds of the township raised by taxation shall be pledged and deemed as security. Such damages shall be determined by viewers in the manner provided in this act for eminent domain proceedings.

Section 1506. Enforcement of Judgment for Damages. The damages as awarded when the report is finally confirmed shall be entered as a judgment, and if the same is not paid within thirty days after the entry thereof, execution to enforce the collection thereof may be issued as in other cases of judgment against townships.

Section 1507. Cost of Construction. How Paid. The cost of construction of any such system of sewers, or drains constructed by the authority of this subdivision of this act shall be charged upon the properties accommodated or benefited thereby to the extent of such benefits in the manner hereinafter provided.

Section 1508. Sewer Districts. Township to Pay Non-Assessable Portion of Cost. Whenever a sewer system is constructed by a township for the accommodation of a certain portion only of the township, the supervisors of such township may constitute the territory accommodated into a sewer district or divide it into several sewer districts. In every such case of division into several districts, the supervisors shall make an estimate of the proportion of the cost of the sewer system which should equitably be charged on each of said districts, and declare and establish such apportionment by resolution. No district shall be charged more than its due proportion of the cost of the main sewers, pumping stations, et cetera, used jointly by more than one district; the aggregate amount charged on property in any such district shall not exceed the amount of such estimate. Where the whole of the township is accommodated by the system it may also be treated as a single district, or divided into districts and be subject to the foregoing provisions.

Any amount not legally chargeable upon properties benefited shall be paid out of the general township fund.

Section 1509. Manner of Assessment. The charge for any such sewer construction in any township shall be assessed upon the properties accommodated or benefited, in either of the following methods:

(a) By an assessment, pursuant to a resolution of the board of supervisors, of each lot or piece of land in proportion to its frontage abutting on the sewer, allowing such reduction in the case of properties abutting on more than one sewer as the resolution may specify. No assessment by frontage shall be made on the properties of such a character as not to be lawfully subject to such manner of assessment, and each abutting property shall be assessed with not less than the whole amount of the benefit accruing to it and legally assessable; or

(b) By an assessment upon the several properties abutting on the sewer in proportion to benefits. The amount of the charge on each property shall be ascertained as hereinafter provided.

When a township is divided into sewer districts, the assessment in each district may be by different methods.

Section 1510. Procedure for Assessment of Benefits. In all cases where the board of supervisors shall select the method provided by subdivision (b) of the foregoing section, they shall petition the court of common pleas for appointment of viewers to assess benefits. In all cases where they shall neglect, for a period of three months after the completion of the sewer system, to either ordain assessments by frontage or present petition for appointment of viewers, taxpayers of the township whose property valuation as assessed for taxable purposes within the township shall amount to fifty per centum of the total property valuation as assessed for taxable purposes within the township, may present a petition to the court of common pleas of the proper county for the appointment of viewers to assess benefits; and in all cases where such taxpayers shall, within three months of the adoption of a resolution levying an assessment under the method provided by subsection (a) of said foregoing section, by petition state to said court that such assessment insufficiently represents the benefits accruing to abutting properties, they may include in such petition a prayer for the appointment of viewers to assess benefits. In either case the court shall thereupon appoint three disinterested persons from the board of county viewers, neither of whom shall be a resident of that portion of the township which is accommodated by the sewer in question, and the viewers so appointed shall proceed as provided in this act for proceedings for the assessment of damages and benefits by viewers. The aggregate of the assessments in any sewer district shall not exceed the amount charged to such district for its share of the cost of the sewer construction unless the same shall, by petition of taxpayers, whose property valuation as aforesaid shall amount to fifty per centum of the total property valuation as assessed for taxable purposes within the township, presented within three months after the adoption of a resolution providing for an assessment by frontage, be stated to insufficiently represent the amount of benefits to such properties, in which case the proceedings by taxpayers authorized above shall be applicable. Upon the filing of such a petition by taxpayers as aforesaid for appointment of viewers, any assessment made by the supervisors and any proceedings thereunder shall be null and void.

Section 1511. Liens for Assessments. Costs of Proceedings. After the amount of the assessment charged upon the several properties has been established, either by resolution making assessments according to frontage, or by confirmation of any report of viewers, in whole or in part, it shall be the duty of the township supervisors to file municipal liens for the assessments covered by such resolution or confirmation within the time and in the manner provided by law; the same to be subject in all respects to the general law providing for the filing and recovery of municipal liens. The amounts of all assessments shall be payable to the township treasurer for the use of the township. The supervisors shall also make out bills for the amounts charged against each property, which shall be forthwith sent to all property owners residing in the township, and mailed to all such owners residing elsewhere whose address is known.

The costs of publication of notices in proceedings before viewers shall be paid by the township upon presentation of bills approved by the court.

#### (b) Contracts with Individuals or Corporations for Construction And Maintenance of Sewer and Drainage Systems

Section 1515. In any case where, under the authority of section one thousand five hundred and one of this act, a system of sewage and drainage covering any township in whole or in part shall have been approved and authorized by resolution, the supervisors may enter into a contract with any responsible individual or individuals or corporation for the construction of such system of sewage or drainage at the expense of such individual or individuals or corporation. He, they, or it shall be entitled under such contract to exercise all the powers of the township in the construction, maintenance, and operation of such system of sewage or drainage, with the right to collect such charges in connection therewith as the supervisors prescribe in as full manner as the same might have been collected by the township or the supervisors. In such contract the supervisors shall reserve to the township the right at any time or after a prescribed time to itself take possession of such system of sewage and drainage and its appurtenances at a price and upon terms to be fixed in the contract.

Nothing in this section shall be construed to repeal or modify any of the provisions of the Public Service Company Law.

(c) Sewers and Drains in Streets or Alleys or Over Private Property; Assessment of Cost of Construction According to Benefits

Section 1520. Subject to the provisions of section one thousand five hundred and two, townships may construct sewers and drains in any street or alley or through or on or over private property. The costs, damages, and expenses of the construction of any such sewers or drains shall be assessed upon the properties accommodated or benefited, in either of the following methods:

(a) By an assessment, pursuant to a resolution of the township board of supervisors, of each lot or piece of land in proportion to its frontage abutting on the sewer, allowing such reduction in the case of properties abutting on more than one sewer as the resolution may specify. No assessment by frontage shall be made on properties of such a character as not to be lawfully subject to such manner of assessment and each abutting property shall be assessed with not less than its proportion aforesaid of the entire cost and expense of such construction.

(b) By an assessment upon the several properties abutting on the sewer in proportion to benefits; the amount of the charge on which property shall be ascertained and the rights of taxpayers conferred in connection therewith, as provided in section one thousand five hundred and ten of this act.

(d) Sewers Under State and County Highways

Section 1525. Consents Necessary. Townships may construct sewers and drains in and under any county or State highway or State-aid highway within the township boundaries. In case of the construction of sewers upon county highways the consent of the county commissioners of the county shall first be obtained, and in case of the construction of sewers upon any State highway or State-aid highway the consent of the Secretary of Highways shall first be obtained.

Section 1526. Assessment of Cost. Whenever sewers have been or shall be laid or constructed by any township in and under such highways, such township may ascertain, levy, and collect the costs and expenses of the construction thereof from the abutting property holders by viewers in accordance with the provisions of this act relating to the assessment of damages and benefits by viewers.

(e) Connecting with Sewer of Adjoining Municipality

Section 1530. Agreements for Connections. Appointment of Viewers. Any township may, by agreement, connect with an existing sewer owned by any adjacent municipality, for sewage purposes, in the following manner:

An application shall be made by the board of supervisors to the court of quarter sessions setting forth that fact. If the court shall be of the opinion that such connection can be made without impairing the usefulness of the existing sewer, it shall appoint three viewers who shall view the premises, and investigate the facts of the case and shall assess the proportionate part of the expense of building the original sewer upon such township, and shall fix the proportion of the expense for repairs which the municipality and the township shall thereafter bear, and determine all other questions liable to arise in connection therewith.

Section 1531. Report of Viewers. The viewers shall report to the court the result of their investigation, which report shall be confirmed within thirty days unless exceptions thereto are filed. After confirmation of such report or the disposal of any exceptions any party interested may appeal from the decision of the court of quarter sessions to the Superior Court.

Section 1532. Notice of Contemplated Construction. Protests by Property Owners. No sewer, system of sewers, or drains shall be constructed under the provisions of this subdivision unless a resolution of the board of supervisors authorizing the same shall be published in a newspaper of general circulation published in the county in which the township is situated, once a week for three successive weeks, to-wit: within twenty days after the last publication or at any time during the period of publication, taxpayers of the township whose property valuation as assessed for taxable purposes within the township, shall amount to fifty per centum of the total property valuation as assessed for taxable purposes within the township, shall sign and file in the office of the prothonotary of the court of common pleas of the county in which the township is located a written protest against the construction of such sewer, sewer system, or

drain, then the construction authorized by such resolution shall not be undertaken or proceeded with.

(f) Acquisition of Sewer System

Section 1535. Any township in which any person, firm or corporation is maintaining sewers and culverts with the necessary inlet and appliances for surface and under-surface and sewage drainage, may become the owner of such sewers, culverts, inlet, and appliances, by paying therefor the actual value of the same at the time of the taking by the township.

In case the supervisors of the township cannot agree with the owners of such sewers as to the price to be paid therefor, the supervisors may enter upon and take possession of such sewers, culverts, inlets and appliances. For all damage done or suffered or which accrues to the owner or owners of such sewer by reason of the taking of the same, the funds of the township raised by taxation shall be pledged and deemed as security; such damages to be determined by viewers in the manner provided by this act for eminent domain proceedings. If any sewer or sewer system is acquired by purchase under the provisions of this section the cost of such acquisition may be distributed or assessed in the same manner as if such sewer or sewer system had been constructed by such township under the provisions of this act.

(g) Joint Sewers and Drains

Section 1540. Agreements for Joint Sewers. Townships may enter into agreements with municipalities or other townships for the purpose of building sewers, including trunk-line sewers or drains and sewage-disposal plants. Such agreement shall provide for the joint maintenance of the same.

Section 1541. State Permit. No such sewer or plant shall be constructed until plans and specifications have been submitted to the State Department of Health and approved, in accordance with provisions of the Act of April twenty-second, one thousand nine hundred and five, (page two hundred and sixty), entitled "An act to preserve the purity of the waters of the State for the protection of the public health."

## ARTICLE XVI

### WATER SUPPLY AND WATERWORKS

Section 1601. Contracts With Water Companies and Municipalities. The supervisors of any township may, by contract with any private corporation or any adjacent municipality owning a waterworks system, provide for a supply of water for public and private uses, to be delivered into the lines of the township at or near the boundary thereof, or to be delivered through lines owned by such company or municipality within such township or any part thereof.

Section 1602. Water Lines and Connections. Township supervisors shall have full power by contract to lay water lines and to regulate the making of connections therewith, or to contract or enter into agreements with any private water company or municipality for the laying of water lines within the limits of such township or any part thereof.

Section 1603. Expenditure of Township Moneys. Water Rents. The township supervisors are authorized to expend moneys of the township for the purpose of providing such water lines and connections, and for the purpose of providing a supply of water for private and public use. They may provide for the collection of water rents from users of such water, or may enter into contracts or agreements with private corporations and municipalities supplying such water for the collection by such private corporations and municipalities of water rents from such users.

Section 1604. State Permit. The supervisors of any township may by resolution provide, regulate, and protect any system of distribution of water for private and public use after a certified copy of the plans and surveys for such system, with a description of the sources from which it is proposed to derive the supply, are filed with the Department of Health, and a written permit for the construction of such system obtained from the Secretary of Health, in accordance with existing law.

Section 1605. Occupation of Highways. In providing for regulating, protecting, and extending its system of distribution of water the township may occupy public highways, but no highway under the jurisdiction of the State Department of Highways shall be occupied until a permit therefor has been obtained from the Department of Highways of the Commonwealth, nor any highway under the jurisdiction of the county



until a permit therefor has been obtained from the county commissioners.

Section 1606. Joint Maintenance of Works With a Borough. Any township may unite with a borough in the construction or acquisition and maintenance of works for the supply of water. The construction of such waterworks, shall be commenced only after plans for such waterworks have been filed with the State Secretary of Health, and a permit issued in accordance with the Act of Assembly of April twenty-second, one thousand nine hundred and five (page two hundred sixty), entitled "An act to preserve the purity of the waters of the State for the protection of the public health."

Section 1607. Commission of Waterworks. Whenever any township unites with a borough in the construction or acquisition and maintenance of waterworks the supervisors of such township, after the passage of a resolution to that effect, may join with the councils of such boroughs, now authorized by the General Borough Law, so to join and apply to the court of common pleas for the appointment of a commission of waterworks. Such commission shall be composed of citizens or each of the boroughs and townships so uniting.

Section 1608. Public Service Company Law Saved. Nothing contained in this article shall be construed or repeal or supersede any of the provisions of the Public Service Company Law.

## ARTICLE XVII

### PUBLIC BUILDINGS

Section 1701. Lockup The board of supervisors of townships may, after obtaining the assent of the electors of the township, expressed by vote at an election to be held at the place, time and under the same regulations as provided for the holding of municipal elections, build and maintain a suitable place for the purpose of incarcerating criminals, disorderly, suspicious, and intoxicated persons, until they can be dealt with according to law. The ballots to be deposited by the electors shall be prepared in conformity with the general election law. In receiving and counting and in making returns of the votes cast, the inspectors, judges, and clerks of said election shall be governed by the laws regulating municipal elections, and the vote shall be counted by the court as provided by the general law governing municipal elections. The board of supervisors shall direct the constable of the township to issue a proclamation, ten days prior to the date of the municipal election, that the qualified electors will vote "For or against building a lockup." Such building, when erected, shall be under the care of the board of supervisors.

Section 172. Town Hall. The supervisors of townships may procure a suitable lot of ground, and erect a suitable building thereon for a townhouse in which to hold elections, store road machinery, hold meetings of township officers, and community activities, and for other township uses. For the purpose of procuring a lot of ground and erecting a town hall, the supervisors may borrow money at a rate of interest not exceeding six per centum and issue bonds therefor.

Section 173. Unloaders and Warehouses. Townships may purchase or lease land adjacent to the tracks or right of way of any railroad or street railway, within or without the limits of such township and erect thereon suitable unloaders, warehouses, or other buildings as may be necessary for unloading, handling, and storing road materials and supplies.

Section 1704. Appropriation of Property. Townships may enter upon and appropriate private property, and also land heretofore granted or dedicated to public or other use, within the limits of such township, and which is no longer used for the purpose for which the same was granted or dedicated, for the erection thereon of a town hall, hose house, lockup, and such other public buildings as are necessary for public purposes. No land or property used for any cemetery, burying ground, public or parochial school, educational or charitable institution, seminary, or place of public worship shall be taken or appropriated by virtue of any power contained in this section.

Section 1705. Resolution of Supervisors. Whenever the supervisors desire to acquire, enter upon, take, use, and appropriate private property or lands for public buildings, they shall declare such intention by a resolution duly enacted.

Section 1706. How Damages are Assessed. The compensation and damages arising from such taking, using, and appropriating private property for such purposes shall be con-

sidered, ascertained, determined, awarded, and paid in the manner provided in this act for eminent domain proceedings.

Section 1707. Use of Public Land Acquired for Other Purposes. Whenever the supervisors desire to take any lands heretofore granted or dedicated to a use or purpose for which they are no longer used, they shall pass a resolution declaring such intention and shall thereupon petition the court of common pleas for leave to file the bond of such township for the purpose of securing any person or persons who may be injured by the taking of such lands. The court shall thereupon direct notice to be given by publication in at least two newspapers of the county. If no exceptions are filed to the bond on or before the day fixed in the notice, the court shall approve the same. The court may increase the amount of the bond, and hear and determine all exceptions that are filed against the approval thereof. Upon the approval of such bond, the supervisors may enter upon and take such lands for the purposes of erecting public buildings. The bond, which shall be in the name of the Commonwealth, for the use of any person or persons who are entitled to damage by reason of the taking of the lands, shall remain on file for their use and benefit.

In case the compensation for damages, accruing from any such appropriations, has not been agreed upon by the parties in interest, the same may be assessed by viewers in accordance with the provisions of this act for the assessment of damages in eminent domain proceedings.

## ARTICLE XVIII

### LICENSES AND LICENSE FEES

#### (a) Transient Retail Merchants

Section 1801. Transient Retail Merchants to be Licensed. Every person, whether principal or agent, entering into, beginning or desiring to begin, a transient retail business in any township for the sale of any goods, wares, or merchandise whatsoever, and who hires, leases, occupies, or uses any room, apartment, store, shop, building, railway car, or other place or structure for the exhibition and sale of such goods, wares, or merchandise, shall take out a license for the same from the supervisors of the said township: Provided, however, That nothing herein contained shall apply to farmers selling their own produce, or to any sale of goods, wares, or merchandise donated by the owners thereof, the proceeds whereof are to be applied to any charitable or philanthropic purpose.

Section 1802. Amount and Payment of License Fee. Penalty. The amount of such license in any township shall be the sum of twenty-five dollars (\$25) per month, or fractional part thereof, to be paid to the township treasurer. Said license shall be renewed monthly during the continuance of said sale, and upon failure of said person or persons so to secure such license, he, she, or they shall, in a summary proceeding, be fined in a sum not less than one hundred dollars (\$100) nor more than two hundred dollars (\$200), and in default of payment of said fines, shall be imprisoned in the jail of the county for a period not exceeding thirty (30) days.

Section 1803. Mercantile License Law Saved. Nothing herein contained shall be construed to relieve any person, partnership, or corporation from the duty of taking out a license, or from the payment of any license tax imposed or authorized by any other statute of this Commonwealth.

#### (b) Restrictions

Section 1811. Agents for Licensed Dealers Not to be Licensed. It shall be unlawful for any township to levy any license fee or mercantile tax upon any persons taking orders for merchandise, by sample, from dealers or merchants, for individuals or companies who pay a license or mercantile tax at their chief places of business. Nothing in this section shall authorize any person to sell by retail to others than dealers or merchants.

Section 1812. Insurance Agents and Brokers Not to be Licensed. It shall be unlawful for any township to impose or collect any license fee upon insurance companies or their agents, or insurance brokers, authorized to transact business under the Insurance Laws of the Commonwealth.

Section 1813. License Fees on Residents Not to Exceed Those on Nonresidents. It shall be unlawful for any township to impose by resolution or exact or collect, under the provisions of any resolution heretofore or hereafter enacted, any license tax or fee upon or from any manufacturer or the agent, representative or employe or any manufacturer who is a resident of the Commonwealth for soliciting orders for or for selling any goods, merchandise, or wares manufactured within this Common-



wealth that is not or cannot legally be imposed upon or exacted or collected from any manufacturer or dealer or the agent, representative, or employee of any manufacturer who is a non-resident of the Commonwealth for soliciting orders for or for selling any goods, merchandise, or wares manufactured without the Commonwealth.

#### ARTICLE XIX

##### Parks, Playgrounds, Gymnasiums, Public Baths, Swimming Pools, Indoor Recreation Centers, and Forests

Section 1901. Designation and Acquisition of Lands. The township supervisors of any township, may designate and set apart for use as parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers, any lands or buildings, owned by such township, and not dedicated or devoted to other public use. Such township may, in such manner be authorized or provided by law for the acquisition of lands or buildings for public purposes in such township, acquire lands or buildings therein for use as parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers, or, if there be no law authorizing such acquisition the township supervisors may acquire lands or buildings for such purposes by gift or purchase, or may lease lands or buildings in such township for temporary use for such purposes.

Section 1902. Park and Recreation Boards. The authority to supervise and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers may be vested in any existing body or board or in a park board or recreation board as the township supervisors may determine. The local authorities of any such township may equip, operate and maintain the parks, playgrounds, playfields, gymnasiums, swimming pools, public baths or indoor recreation centers, as authorized by this act. Such local authorities may, for the purpose of carrying out the provisions of this act, employ play leaders, recreation directors, supervisors, superintendents, or any other officers or employees as they deem proper.

Section 1903. Appointment of Park and Recreation Boards. If the township supervisors shall determine that the power to equip, operate, and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or recreation centers shall be exercised by a park board or recreation board, they may establish, in said township, such park board or recreation board, which shall possess all the powers, and be subject to all the responsibilities, of the respective local authorities under this act. Either such boards, when established, shall consist of five persons. The members of such boards shall be appointed by the supervisors, and shall serve for terms of five years or until their successors are appointed, except that the members of such board first appointed shall be appointed for such terms that the term of one member shall expire annually thereafter. Members of such board shall serve without pay. Women shall be eligible for appointment. Vacancies in such board occurring otherwise than by expiration of term shall be for the unexpired term, and shall be filled in the same manner as original appointments.

Section 1904. Officers of Board. The members of a park board or recreation board, established pursuant to this act, shall elect their own chairman and secretary and select all other necessary officers, to serve for a period of one year and may employ such persons as may be needed as authorized by this act. Such boards shall have power to adopt rules and regulations for the conduct of all business within their jurisdiction.

Section 1905. Joint Municipal Acquisitions. Any township may, jointly with any one or more townships, boroughs and cities, acquire property for, and operate and maintain, any parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, or indoor recreation centers.

Section 1906. Bond Issues. The township supervisors, may issue bonds for the purpose of acquiring lands or buildings for parks, playgrounds, playfields, gymnasiums, swimming pools, public baths, or indoor recreation centers and for the equipment thereof.

Section 1907. Cost of Maintenance. Annual Tax Levies. All expenses incurred in the operation of such parks, playgrounds, playfields, gymnasiums, swimming pools, public baths, or indoor recreation centers, established as herein provided, shall be payable from the treasury of such township. The local authorities of such township having power to appropriate money therein, may annually appropriate and cause to be raised by

taxation such tax, not to exceed two mills on the dollar of the assessed valuation of taxable property in such township, for the purpose of maintaining and operating parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, and recreation centers.

Section 1908. Right of Acquisition of Forest Lands. Townships may acquire by purchase, gift, or lease, and hold, tracts of land covered with forest or tree growth, or suitable for the growth of trees, and administer the same under the direction of the Secretary of Forests and Waters, in accordance with the practices and principles of scientific forestry, for the benefit of the township. Such tracts may be of any size suitable for the purpose, and may be located within or without the township limits.

Section 1909. Approval of Secretary of Forests and Waters. Before the passage of any ordinance for the acquisition of land to be used as township forests, the township commissioners shall submit to the Secretary of Forests and Waters, and secure his approval, of the area and location of such land.

Section 1910. Ordinance and Notice. Whenever the township commissioners deem it expedient to acquire any lands for forests they shall so declare in an ordinance, wherein shall be set forth all facts and conditions relating to the proposed action, which proposed ordinance shall be advertised once a week for three weeks prior to its passage.

Section 1911. Appropriation for Acquisition. All money necessary for the purchase of such tracts shall be appropriated in the same manner as appropriations for township purposes, and such funds may be provided from the current revenue or by the proceeds of a sale of bonds in accordance with existing law.

Section 1912. Control of Forests by Secretary of Forests and Waters. Upon the acquisition of any forests or lands suitable for forests, the township commissioners shall notify the Secretary of Forests and Waters, who shall make such rules for the government and proper administration of the same as may be necessary; and the secretary shall publish such rules, declare the uses of the forests in accordance with the intent of this article, and make such provision for its administration, maintenance, protection, and development as shall be necessary or expedient. The rules governing the administration of such forests shall have for their main purpose the producing of a continuing township revenue by the sale of forest products.

Section 1913. Appropriation for Maintenance. All moneys necessary to be expended for the administration, maintenance, protection, and development of such forests shall be appropriated and applied as is now done for township purposes. All revenue and emoluments arising from such forests shall be paid into the township treasury, to be used for general township purposes.

Section 1914. Use of Township Forests as Outing Grounds. Township forests may be used by the public as general or recreation grounds, subject to the rules governing their administration.

Section 1915. Disposition of Township Forests. Precedure. Ordinance. Submission of Question. Whenever the township commissioners deem it expedient to alienate any forest, or part thereof, they shall so declare in an ordinance, wherein shall be set forth all the facts and conditions relating to the proposed action, which proposed ordinance shall be advertised once a week for three weeks prior to its passage. No ordinance shall be effective in legalizing such alienation until it has been approved by a majority vote of the people at the next ensuing election.

Section 1916. Appropriation of Moneys to Forestry Organizations. The commissioners of any township may appropriate moneys from their respective treasuries to any forest protection association co-operating in forest work with the State Department of Forests and Waters, or to be expended in direct co-operation with said Department of Forests and Waters in forest work.

#### ARTICLE XX

##### ACTIONS BY AND AGAINST TOWNSHIPS

Section 2001. Supervisors to Bring and Defend Suits. All suits by a township shall be brought and conducted by the township supervisors. In all suits against a township, process shall be served upon and defence made by the township supervisors.

Section 2002. Right of Taxpayers to Inquire Into Judgments. Any taxpayer of any township may inquire into the



validity of any judgment, or defend the township in any suit or judgment, upon filing a petition with the court of common pleas of the county in which suit is pending or judgment exists, accompanied by an affidavit that the taxpayer believes that injustice will be done to the township in such suit or judgment. Whenever it is deemed necessary the court may order such taxpayer to file a bond, with one or more sureties, to be approved by the court, to save harmless the township from all costs that may accrue in such proceeding subsequent to the filing of such petition.

Section 2003. Appeals by taxpayers. Whenever a judgment is rendered by any justice of the peace or alderman against any township, and a right of appeal is given to such township, and for ten days immediately after the rendition of such judgment the township officials neglect to perfect an appeal, any taxpayer of such township may take an appeal, in behalf of the township, from such judgment to the court of common pleas of the county, within the time prescribed for the taking of such appeal.

Section 2004. Affidavit and Bail by Taxpayers. In taking the appeal the taxpayer shall make an affidavit that the same is not taken for the purpose of delay, but because he verily believes that injustice has been done. The taxpayer shall pay the costs of the appeal, and enter sufficient bail for the payment of all costs before the justice of the peace or alderman and all costs in the court of common pleas.

Section 2005. Taxpayers Parties to Suits. Upon the filing of such appeal in the court of common pleas of the county, the taxpayer shall be made a party to the suit, and shall have the right to defend such township therein.

Section 2006. Recovery of Municipal Claims. In addition to the remedies provided by law for the filing of liens for the collection of municipal claims, all townships may proceed for the recovery and collection of municipal claims by action of assumpsit against the person or persons who were the owner or owners of the property at the time of the completion of the improvement, notwithstanding the fact that there was a failure on the part of any such township, or its agents, to enter any such municipal claim as a lien against the property assessed for the improvement, and for the recovery of which the action of assumpsit was brought. Any such action in assumpsit shall be commenced within three years after the completion of the improvement from which said claim arises.

This section shall extend to all municipal claims where the improvement was heretofore made, where the action of assumpsit has been instituted under the provisions of prior acts of Assembly, and where the claim is not barred by the statute of limitations affecting actions of debt or assumpsit.

## ARTICLE XXI

### REPEALS

Note. The specific acts and sections to be cited for repeal are not printed, but will be attached to the bill introduced.

#### Exposition Showing Sources of the Various Provisions of the Proposed Second Class Township Law

Note: The word "Code" as used herein refers to the Township Code of July 14, 1917, P. L. 840.

Sec. 101 from Sec. 1, Code.

Sec. 102. New.

Sec. 103 from Sec. 2, Code.

Sec. 104 from Sec. 3, Code.

Sec. 105 from Sec. 4, Code.

Sec. 106 from Sec. 5, Code.

Sec. 107 from Sec. 6, Code.

Sec. 108 from Sec. 7, Code.

Sec. 109 from Sec. 9, Code.

Sec. 201 from Sec. 15, Code, which came from Sec. 6, Act of April 28, 1899, P. L. 104, as amended by Acts of May 11, 1901, P. L. 160, April 1, 1905, P. L. 97, and May 29, 1907, P. L. 305. The section has been redrafted since classification will not depend alone on population, but a change of class requires also the consent of the electors.

Secs. 205 to 227 represent a consolidation of (a) Secs. 20 to 28 of the Code taken originally from Secs. 13 and 14, Act of April 15, 1834, P. L. 537, Sec. 1, Act of April 25, 1864, P. L. 489, Secs. 1, 2 and 4, Act of April 24, 1857, P. L. 304, Sec. 32, Act of April 5, 1849, P. L. 555, and Sec. 1, Act of April 12, 1866, P. L. 109; (b) Secs. 35 and 36, Code, which in turn came from Act of March 14, 1905, P. L. 36; and

(c) Secs. 40 to 65, Code, which in turn came from Secs. 13 and 14, Act of April 15, 1834, P. L. 537, Sec. 1, Act of April 26, 1854, P. L. 489, Secs. 1, 2, and 4, Act of March 14, 1857, P. L. 93, Sec. 2, Act of April 24, 1857, P. L. 304, Act of April 22, 1905, P. L. 288, Act of April 4, 1907, P. L. 44, Sec. 1, Act of May 8, 1876, P. L. 136, Sec. 1, Act of April 12, 1866, P. L. 109. These sections, 205 to 224, change the procedure materially, and require the consent of a majority of the electors of all the townships affected before a new township may be created. In the case of the reestablishment of townships of the second class a procedure has been added to allow a first class township to become a township of the second class even though it still has sufficient population to make it a first class township.

Sec. 235 is new, and provides a uniform method to secure officers for new townships.

Sec. 240 consolidates the Acts of May 8, 1919, P. L. 130, and April 29, 1925, P. L. 359.

Sec. 301 from Sec. 95, Code, which came from Act of May 24, 1847, P. L. 203.

Secs. 302 to 307 are a consolidation of (a) Secs. 70 to 73, Code, which came from Secs. 13 and 14, Act of April 15, 1834, P. L. 537, Sec. 1, Act of April 26, 1854, P. L. 489, and Secs. 1 and 2, Act of May 1, 1861, P. L. 539; and (b) Secs. 80 to 83, Code, which came from Act of June 3, 1893, P. L. 284.

Sec. 401 from Sec. 140, Code, which came from Sec. 84, Act of April 15, 1834, P. L. 537.

Sec. 402 from Sec. 141, Code.

Sec. 410 from Sec. 145, Code, which came from Sec. 4, Act of July 22, 1913, P. L. 915.

Sec. 411 from Sec. 150, Code, the last clause of which came from Sec. 1, Act of May 18, 1876, P. L. 179.

Sec. 412 from Sec. 160, Code, which came from Sec. 1, Act of February 14, 1889, P. L. 7.

Sec. 413 from Sec. 162, Code.

Sec. 414 from Sec. 170, Code, which came from Sec. 1, Act of June 6, 1893, P. L. 333.

Sec. 415. New. Necessitated by change of fiscal year from the first Monday of December to the first Monday of January.

Sec. 420 from Sec. 180, Code, taken from Sec. 83, Act of April 15, 1834, P. L. 537, and Sec. 16, Act of July 22, 1913, P. L. 915. The order of appointment has been reversed. The supervisors are first given power to fill the vacancy and upon their failure the court may act.

Sec. 421 from Sec. 181, Code, which came from Sec. 21, Act of March 11, 1842, P. L. 62, and Sec. 83, Act of April 15, 1834, P. L. 537.

Sec. 422 from Sec. 182, Code.

Sec. 423 from Sec. 183, Code, which came from Sec. 1, Act of June 2, 1895, P. L. 434, Sec. 2, Act of June 25, 1885, P. L. 187, and Secs. 1 and 2, Act of April 27, 1909, P. L. 245.

Sec. 501 from Sec. 190, Code, which came from Sec. 86, Act of April 15, 1834, P. L. 537.

Sec. 502 from Sec. 191, Code, which came from Sec. 1, Act of May 25, 1907, P. L. 225.

Sec. 503 from Sec. 192, Code, taken from Sec. 1, Act of March 22, 1907, P. L. 27.

Sec. 504 from Sec. 193, Code, taken from Sec. 2, Act of March 22, 1907, P. L. 27.

Sec. 510 from Sec. 230, Code, taken from Sec. 4, Act of July 22, 1913, P. L. 915.

Sec. 511 from Sec. 231, Code, taken from Sec. 1, Act of July 11, 1915, P. L. 947, amending Sec. 5, Act of July 22, 1913, P. L. 915. The section has been redrafted to require the secretary and treasurer to be the same person except where a bank acts as treasurer.

Sec. 512 from Sec. 232, Code, which came from part of Sec. 3, Act of June 11, 1915, P. L. 947, amending Act of July 22, 1913, P. L. 915. A change allows supervisors to meet no more than twice each month.

Sec. 513 from Sec. 233, Code, which came from part of Sec. 17, Act of July 22, 1913, P. L. 915.

Sec. 514 from Sec. 234, Code, which came from part of Sec. 6, Act of July 22, 1913, P. L. 915.

Sec. 515 from Sec. 235, Code, as amended by Acts of April 4, 1919, P. L. 43, May 4, 1927, P. L. 711, March 7, 1929, P. L. 13. The original Code section came from part of Sec. 3, Act of July 11, 1915, P. L. 947, amending Sec. 15, Act of July 22, 1913, P. L. 915, and from part of Sec. 6, Act of July 22, 1913, P. L. 915. The section has been clarified.

- Sec. 516 from Sec. 236, Code, which came from Sec. 7, Act of July 22, 1913, P. L. 915.
- Sec. 517 from Sec. 237, Code, which came from part of Sec. 6, Act of July 22, 1913, P. L. 915.
- Sec. 518 from Sec. 233, Code, which came from Sec. 21, Act of July 22, 1913, P. L. 915.
- Sec. 519 from Act of May 22, 1923, P. L. 315.
- Sec. 520 from Sec. 239, Code, which came from part of Sec. 18, Act of July 22, 1913, P. L. 915.
- Sec. 521 from Sec. 240, Code, as amended by Act of April 30, 1925, P. L. 402. The original Code section came from Sec. 19, Act of July 22, 1913, P. L. 915, and Sec. 92, Act of April 15, 1834, P. L. 537.
- Sec. 530 from Sec. 285, Code, which came from Sec. 2, Act of June 11, 1915, P. L. 947, amending Sec. 9, Act of July 22, 1913, P. L. 915, and also from Sec. 95, Act of April 15, 1834, P. L. 537.
- Sec. 531 from Sec. 286, Code, as amended by Act of June 28, 1923, P. L. 887. The original Code section came from Sec. 97, Act of April 15, 1834, P. L. 537, and part of Sec. 1, Act of June 11, 1915, P. L. 947, amending Sec. 5, Act of July 22, 1913, P. L. 915. The matter added to the Code by the amendment of 1923 came as the result of the decision in Manor Township Auditor's Report, 37 Lanc. L.R. 167; s. c. 29 D.R. 1001, wherein it was held that the combined salary of the secretary and treasurer might include borrowed money.
- Sec. 532 from Sec. 287, Code, which came from part of Sec. 2, Act of June 11, 1915, P. L. 947, amending Sec. 9, Act of July 22, 1913, P. L. 915; also from Sec. 96, Act of April 15, 1834, P. L. 937.
- Sec. 533 from Sec. 260, Code, which came from Sec. 1, Act of May 16, 1857, P. L. 537.
- Sec. 534 from Sec. 261, Code, which came from Sec. 98, Act of April 15, 1834, P. L. 537.
- Sec. 535. New.
- Sec. 540 from Sec. 310, Code, which came from Sec. 99, Act of April 15, 1834, P. L. 537, and Sec. 1, Act of June 11, 1915, P. L. 947, amending Sec. 5, Act of July 22, 1913, P. L. 915. Section brought in accord with Sec. 531. See notes to this section.
- Sec. 541 from Sec. 311, Code, which came from Sec. 100, Act of April 15, 1834, P. L. 537.
- Sec. 542 from Sec. 312, Code, which came from Sec. 101, Act of April 15, 1834, P. L. 537.
- Sec. 545 from Sec. 325, Code, as amended by Acts of May 7, 1923, P. L. 156, and May 21, 1923, P. L. 291. The original Code Section came from Sec. 102, Act of April 15, 1834, P. L. 537, and from Sec. 1, Act of May 3, 1909, P. L. 392, and from Sec. 2, Act of May 20, 1913, P. L. 254, amending Sec. 1, Act of June 1, 1911, P. L. 865.
- Sec. 546 from Sec. 326, Code, which came from Secs. 50, 51, and 105, Act of April 15, 1834, P. L. 537. Provision was made for the issuing of subpoenas and attachments for auditors by justices of the peace.
- Sec. 547 from Sec. 327, Code, which came from Sec. 2, Act of May 3, 1909, P. L. 392, and Sec. 3, Act of May 20, 1913, P. L. 254, amending Act of June 9, 1911, P. L. 865. Optional provisions for the posting of auditors' reports instead of advisings were added.
- Sec. 548 from Sec. 328, Code, which came from Sec. 5, Act of May 3, 1909, P. L. 392.
- Sec. 549 from Sec. 329, Code, which came from Sec. 6, Act of May 3, 1909, P. L. 392. Penalty changed to summary proceedings.
- Sec. 550 from Sec. 330, Code, which came from Secs. 1 and 2, Act of April 27, 1909, P. L. 261.
- Sec. 551. New.
- Sec. 552 from Sec. 331, Code, which came from Sec. 1, Act of May 31, 1913, P. L. 394. Powers were conferred on auditors to collect surcharges.
- Sec. 553 from Sec. 332, Code, which came from Sec. 4, Act of May 20, 1913, P. L. 254, amending Sec. 3, Act of June 9, 1911, P. L. 865.
- Sec. 554 from Sec. 333, Code, which came from Sec. 4, Act of May 20, 1913, P. L. 254, amending Sec. 3, Act of June 9, 1911, P. L. 865.
- Sec. 555 from Sec. 334, Code, which came from Sec. 2, Act of May 31, 1913, P. L. 394.
- Sec. 556 from Sec. 335, Code, which came from Sec. 2, Act of April 21, 1915, P. L. 162.
- Sec. 557 from Sec. 336, Code, which came from Sec. 3, Act of May 31, 1913, P. L. 394.
- Sec. 558, from Sec. 337, Code, which came from Sec. 3, Act of May 31, 1913, P. L. 394, and Sec. 4, Act of May 20, 1913, P. L. 254, amending Sec. 3, Act of June 9, 1911, P. L. 865.
- Sec. 559, from Sec. 338, Code, which came from Sec. 1, Act of April 21, 1915, P. L. 162.
- Sec. 560 from Sec. 339, Code, which came from part of Sec. 3, Act of May 31, 1913, P. L. 394.
- Sec. 561 from Sec. 340, Code, which came from Sec. 6, Act of May 6, 1844, P. L. 564.
- Sec. 562 from Sec. 341, Code, which came from Sec. 4, Act of June 9, 1911, P. L. 865, which supplied the Act of May 11, 1901, P. L. 185, as to townships, and also Sec. 4, Act of May 3, 1909, P. L. 392.
- Sec. 563 from Act of April 22, 1929, P. L. 630.
- Sec. 570 from Sec. 365, Code.
- Sec. 571 from Sec. 366, Code, which came from Sec. 1, Act of June 6, 1893, P. L. 333, and Sec. 1, Act of May 8, 1909, P. L. 474, amending Sec. 3, Act of June 25, 1885, P. L. 187.
- Sec. 575 from Sec. 367, Code.
- Secs. 580, 581 and 582, new.
- Secs. 585, 586 and 587, new.
- Secs. 590, 591, 592 and 593 are a consolidation of Secs. 355, 356, 357 and 358, Code, as amended by Act of May 2, 1929, P. L. 1535, and Act of April 5, 1917, P. L. 47.
- Sec. 594 from Sec. 2, Act of July 14, 1897, P. L. 266.
- Sec. 601 from Sec. 195, Code, as amended by Act of April 4, 1925, P. L. 125. The 1917 Code section came from Sec. 1, May 8, 1913, P. L. 159.
- Sec. 602 from Sec. 196, Code, as amended by Acts of March 31, 1921, P. L. 86, May 16, 1921, P. L. 564, and June 29, 1923, P. L. 916. The 1917 Code section came from Sec. 2, Act of May 8, 1913, P. L. 159.
- Sec. 603 from Sec. 197, Code, as amended by Acts of May 16, 1921, P. L. 564, June 29, 1923, P. L. 916, and April 23, 1927, P. L. 482. The 1917 Code section came from Sec. 3, Act of May 8, 1913, P. L. 159.
- Sec. 604 from Sec. 198, Code, as amended by Act of June 29, 1923, P. L. 916. The 1917 Code section came from Sec. 4, Act of May 8, 1913, P. L. 159.
- Secs. 610, 611, 612, 613 and 614 from Act of May 5, 1921, P. L. 397. Sec. 2, Act of 1921, P. L. 397, was amended by Act of June 29, 1923, P. L. 944, and Sec. 4, by Act of April 23, 1927, P. L. 375.
- Sec. 701 from Sec. 385, Code, which came from Sec. 3, Act of April 15, 1834, P. L. 537. The powers have been amplified.
- Sec. 702, Clause I from Sec. 386, Clause I, Code, which came from Sec. 2, Act of April 15, 1909, P. L. 168.
- Sec. 702, Clause II from Sec. 386, Clause II, Code, as amended by act of March 27, 1923, P. L. 33, and Act of April 27, P. L. 464. The original 1917 Code clause came from Act of May 28, 1913, P. L. 371.
- Sec. 702, Clause III from Sec. 386, Clause III, Code, which came from Act of May 25, 1907, P. L. 231.
- Sec. 702, Clause IV. New.
- Sec. 702, Clause V from Sec. 386, Clause V, Code, which came from Sec. 3, Act of April 28, 1876, P. L. 51.
- Sec. 702, Clause VI from Sec. 386, Clause VI, Code, which came from Sec. 1, Act of June 25, 1895, P. L. 298.
- Sec. 702, Clause VII from Sec. 386, Clause IX, Code, which came from Sec. 1, Act of May 5, 1911, P. L. 165.
- Sec. 702, Clause VIII added to Code by Act of April 3, 1929, P. L. 129.
- Sec. 702, Clause IX from Clause X, Act of May 6, 1927, P. L. 844, amending Sec. 233, Code.
- Sec. 702, Clause X from Sec. 386, Clause IV, Code, as amended by Acts of May 16, 1921, P. L. 564, May 17, 1921, P. L. 357, and April 10, 1929, P. L. 470. The Code clause came from Sec. 8, Act of July 22, 1913, P. L. 915, and Sec. 27 Act of June 13, 1836, P. L. 551.
- Sec. 702, Clause XI from Act of April 23, 1923, P. L. 90.
- Sec. 702, Clause XII. New.
- Sec. 702, Clause XIII. New, but includes also Act of April 27, 1925, P. L. 305.
- Sec. 702, Clause XIV from Sec. 386, Clause VII, Code, which came from Sec. 1, Act of March 15, 1909, P. L. 33.
- Sec. 702, Clause XV from Sec. 386, Clause VIII, Code, which came from Sec. 1, Act of June 26, 1895, P. L. 332.
- Sec. 702, Clause XVI from Act of May 12, 1921, P. L. 544.
- Sec. 702, Clause XVII from Act of May 3, 1923, P. L. 136.



- Sec. 702, Clause XVIII from Act of June 5, 1913, P. L. 419.  
 Sec. 702, Clause XIX from Act of April 30, 1925, P. L. 371.  
 Sec. 702, Clause XX from Act of May 5, 1921, P. L. 381.  
 Sec. 801. New.  
 Sec. 802 from Sec. 386, Clause IV, Code, as amended by Acts of May 16, 1921, P. L. 564, May 17, 1921, P. L. 587, and April 10, 1929, P. L. 470. The Code clause came from Sec. 8, Act of July 22, 1913, P. L. 915 and Sec. 27, Act of June 13, 1836, P. L. 551. The section has been rewritten and the amount of purchases requiring contracts was raised from \$100.00 to \$300.00 and a clause added prohibiting the splitting of contracts.  
 Sec. 803 from Act of May 10, 1917, P. L. 158, as amended by Act of March 29, 1929, P. L. 106.  
 Sec. 804 from Sec. 1235, Code, which came from Act of May 1, 1913, P. L. 155.  
 Sec. 805 from Act of July 18, 1917, P. L. 1083.  
 Sec. 806 from Act of April 22, 1927, P. L. 350. The provisions have been restricted to township contracts.  
 Sec. 901 from Sec. 439, Code, which came from Sec. 12, Act of July 22, 1913, P. L. 915. Altered by providing for the fiscal year to commence on the first Monday in January instead of expiring on the day before the first Monday in December.  
 Sec. 902 from Sec. 420, Code, which came from Sec. 11, Act of July 22, 1913, P. L. 915. Clause permitting supervisors to transfer moneys from certain funds is added.  
 Sec. 903 from Sec. 436, Code, as amended by Act of July 15, 1919, P. L. 969. The Code section came from Sec. 5, Act of July 22, 1913, P. L. 915, as amended by Sec. 1, Act of June 11, 1915, P. L. 947.  
 Sec. 904 from Act of July 6, 1917, P. L. 747, as amended by Act of April 11, 1929, P. L. 518.  
 Sec. 905 from Sec. 421, Code, as amended by Act of May 16, 1921, P. L. 575, Clause V added by Act of May 20, 1921, P. L. 959, and amended by Acts of March 30, 1927, P. L. 82, May 4, 1927, P. L. 707, April 3, 1929, P. L. 129, and April 18, 1929, P. L. 616; the source matter of the Code section is as follows: First paragraph from Sec. 5, Act of July 22, 1913, P. L. 915, as amended by Sec. 1, Act of July 11, 1915, P. L. 947; Clause I from Act of July 22, 1913, P. L. 915, as amended by Act of June 11, 1915, P. L. 947; Clause II from Act of May 11, 1901, P. L. 169; Clause III from Act of April 23, 1909, P. L. 168; Clause IV from Sec. 3, Act of July 26, 1895, P. L. 324; paragraph 6 from Sec. 5, Act of July 22, 1913, P. L. 915, as amended by Sec. 1, Act of June 11, 1915, P. L. 947; and Act of April 15, 1834, P. L. 509.  
 Sec. 906 from Act of May 4, 1927, P. L. 738.  
 Sec. 907 from Sec. 422, Code, which came from Act of March 31, 1864, P. L. 162.  
 Sec. 908 from Sec. 423, Code, as amended by Act of April 30, 1925, P. L. 412. The Code section came from Sec. 14, Act of July 22, 1913, P. L. 915. The provisions relating to date of issue of duplicates is from Act of June 29, 1923, P. L. 965.  
 Sec. 909 from Sec. 424, Code, which came from Sec. 7, Act of June 25, 1885, P. L. 187, as amended by Sec. 1, Act of May 1, 1909, P. L. 305.  
 Sec. 910 from Sec. 425, Code, which came from Secs. 1 and 3, Act of May 5, 1911, P. L. 170. The requirement of affidavit before payment by tax collector is omitted.  
 Sec. 911 from Sec. 427, Code, as amended by Act of June 29, 1923, P. L. 916; the Code section came from Sec. 14, Act of July 22, 1913, P. L. 915. The provision fixing five per centum flats commission for the collection of special taxes is omitted.  
 Sec. 912 from Sec. 428, Code, as amended by Act of June 29, 1923, P. L. 947; the Code section came from Sec. 14, Act of July 22, 1913, P. L. 915. The provisions as to settlement by tax collector have been altered by requiring yearly settlement instead of at the end of the term.  
 Sec. 913 from Sec. 429, Code, as amended by Act of June 29, 1923, P. L. 947; the Code section came from Sec. 2, Act of May 5, 1911, P. L. 170.  
 Sec. 914 from Sec. 430, Code, which came from Sec. 48, Act of April 15, 1834, P. L. 509.  
 Sec. 915 from Sec. 431, Code, which came from Sec. 11, Act of June 25, 1885, P. L. 187.  
 Secs. 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, and 1053, composing Article X, include a complete system for eminent domain and the assessment of damages and benefits to cover all cases under the proposed Code in which such right is exercised and such procedure necessary. Portions of the provisions therein contained are taken from the numerous and varying provisions under the existing Code; others from a similar article in the Borough Code upon which this article is modeled.  
 Sec. 1101 from Sec. 640, Code.  
 Sec. 1105. New.  
 Sec. 1110 from Sec. 660, Code, as amended by Act of April 28, 1927, P. L. 493; the Code section came from Sec. 6, Act of June 13, 1836, P. L. 551, and Sec. 9, Act of April 28, 1899, P. L. 104.  
 Sec. 1111 from Act of April 1, 1925, P. L. 100.  
 Sec. 1112 from Act of May 9, 1929, P. L. 1702.  
 Sec. 1115 from Sec. 685, Code, which came from Sec. 1, May 5, 1911, P. L. 123; and from Sec. 686, Code, which was from Sec. 1, Act of May 5, 1911, P. L. 123, as amended by July 11, 1917, P. L. 777.  
 Sec. 1120 from Act of March 17, 1925, P. L. 38.  
 Sec. 1125 from Act of June 14, 1923, P. L. 801.  
 Sec. 1130 from Act of May 1, 1919, P. L. 93.  
 Sec. 1131 from Act of May 1, 1919, P. L. 93.  
 Sec. 1132 from Act of May 1, 1919, P. L. 93.  
 Sec. 1133 from Act of May 1, 1919, P. L. 93.  
 Sec. 1135 from Sec. 847, Code, as added by Act of April 28, 1927, P. L. 496.  
 Sec. 1136 from Sec. 848, Code, as added by Act of April 28, 1927, P. L. 496.  
 Sec. 1137 from Sec. 849, Code, as added by Act of April 28, 1927, P. L. 496.  
 Sec. 1138 from Sec. 849A, Code, as added by Act of April 28, 1927, P. L. 496.  
 Sec. 1140 from Sec. 850, Code, as added by Act of May 13, 1925, P. L. 673, amended by Act of May 22, 1927, P. L. 55, and Act of April 25, 1929, P. L. 769.  
 Sec. 1141 from Sec. 850, Code, as added by Act of May 13, 1925, P. L. 673, amended by Act of May 22, 1927, P. L. 55, and Act of April 25, 1929, P. L. 769.  
 Sec. 1142 from Sec. 851, Code, as added by Act of April 25, 1929, P. L. 769.  
 Sec. 1143 from Sec. 851, Code, as added by Act of April 25, 1929, P. L. 769.  
 Sec. 1144 from Sec. 852, Code, as added by Act of April 25, 1929, P. L. 769.  
 Sec. 1145 from Sec. 853, Code, as added by Act of April 25, 1929, P. L. 769.  
 Sec. 1146 from Sec. 854, Code, as added by Act of April 25, 1929, P. L. 769.  
 Sec. 1150 from Sec. 695, Code, covering provisions of Sec. 28, Act of June 13, 1836, P. L. 551.  
 Sec. 1151 from Sec. 696, Code, which came from Sec. 29, Act of June 13, 1836, P. L. 551.  
 Sec. 1152 from Sec. 699, Code, as amended by Act of May 10, 1921, P. L. 427; the Code section came from Secs. 32 and 67, Act of June 13, 1836, P. L. 551.  
 Sec. 1155 from Secs. 725 and 726, Code, as amended by Sec. 8, Act of May 16, 1921, P. L. 564.  
 Sec. 1156 from Sec. 727, Code, as added by Sec. 8, Act of May 16, 1921, P. L. 564, and amended by Act of June 14, 1923, P. L. 773, Act of April 29, 1925, P. L. 365, and Act of April 21, 1927, P. L. 337. This section is altered by providing permits to be issued by township authorities and the fees therefrom payable into the township treasury, and adding a penal clause.  
 Sec. 1160 from Sec. 735, Code, as amended by Sec. 1, Act of May 16, 1921, P. L. 554; the Code section came from Sec. 61, Act of June 13, 1836, P. L. 551.  
 Sec. 1161 from Sec. 737, Code, which came from Sec. 1, Act of April 23, 1909, P. L. 171, Sec. 739, Code, which came from Sec. 1, Act of April 23, 1909, and Sec. 69, Act of June 13, 1836, P. L. 551. (Code section 736, providing penalty for supervisors, omitted).  
 Sec. 1165 from Sec. 750, Code, which came from Sec. 1, Act of May 26, 1897, P. L. 98.  
 Sec. 1170 from Sec. 810, Code, which came from Sec. 1, Act of June 15, 1911, P. L. 982.

- Sec. 1175 from Sec. 833, Code, which came from Secs. 1 and 2, Act of April 1, 1909, P. L. 97.
- Sec. 1176 from Sec. 831, Code, which came from Secs. 1 and 2, Act of April 1, 1909, P. L. 97.
- Sec. 1177 from Sec. 832, Code, which came from Sec. 3, Act of April 1, 1909, P. L. 97.
- Sec. 1178 from Sec. 833, Code, which came from Sec. 1, Act of April 1, 1909, P. L. 97.
- Sec. 1179 from Sec. 834, Code, which came from Sec. 6, Act of April 1, 1909, P. L. 97.
- Sec. 1180 from Sec. 835, Code, which came from Sec. 4, Act of April 1, 1909, P. L. 97.
- Sec. 1185 from Sec. 846, Code, which came from Sec. 68, Act of June 13, 1836, P. L. 551.
- Sec. 1190 from Sec. 710, Code, which came from Sec. 1, Act of June 12, 1893, P. L. 451.
- Sec. 1191 from Sec. 711, Code, which came from Sec. 2, Act of June 12, 1893, P. L. 451.
- Sec. 1192 from Sec. 712, Code, which came from Sec. 3, Act of June 12, 1893, P. L. 451.
- Sec. 1193 from Sec. 713, Code, which came from Sec. 4, Act of June 12, 1893, P. L. 451.
- Sec. 1194 from Sec. 714, Code, which came from Sec. 5, Act of June 12, 1893, P. L. 451.
- Sec. 1195 from Sec. 715, Code, which came from Sec. 6, Act of June 12, 1893, P. L. 451.
- Sec. 1196 from Sec. 716, Code, which came from Sec. 2, Act of June 12, 1893, P. L. 451.
- Sec. 1201 from Secs. 670 and 671, Code, which came from Secs. 10 and 33 of the Act of June 13, 1836, P. L. 551.
- Sec. 1205 from Act of April 4, 1929, P. L. 149.
- Sec. 1210 from Secs. 672, 673 and 674 of the Code, which came from Act of May 20, 1913, P. L. 267.
- Sec. 1215 from Act of June 20, 1919, P. L. 513.
- Sec. 1220 from Act of May 1, 1925, P. L. 428.
- Sec. 1225 from Sec. 820, Code, which came from Act of May 28, 1907, P. L. 287.
- Sec. 1301 from Sec. 890, Code, which came from Sec. 31, Act of June 13, 1836, P. L. 551.
- Sec. 1302 from Sec. 891, Code.
- Sec. 1305 from Sec. 900, Code, which came from Sec. 34, Act of June 13, 1836, P. L. 551.
- Sec. 1306 from Sec. 901, Code, which came from Sec. 34, Act of June 13, 1836, P. L. 551, and Sec. 1, Act of April 12, 1855, P. L. 220.
- Sec. 1307 from Sec. 902, Code, which came from Sec. 1, Act of April 12, 1855, P. L. 220.
- Sec. 1310 from Sec. 910, Code, which came from Sec. 1, Act of June 11, 1879, P. L. 146, as amended by Sec. 1, Act of June 15, 1911, P. L. 970, and Sec. 2, Act of June 11, 1879, P. L. 146.
- Sec. 1315 from Act of June 18, 1917, P. L. 1073.
- Sec. 1401 from Sec. 1040, Code, which came from Sec. 4, Act of June 26, 1895, P. L. 324.
- Sec. 1402 from Sec. 1041, Code, which came from Sec. 1, Act of June 3, 1911, P. L. 638.
- Sec. 1403 from Sec. 1402, Code, which came from Sec. 2, Act of June 3, 1911, P. L. 638.
- Sec. 1501 from Sec. 1142, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1502 from Sec. 1158, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1503 from Sec. 1143, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1504 from Sec. 1144, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1505 from Sec. 1145, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1506 from Sec. 1146, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1507 from Sec. 1147, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1508 from Sec. 1148, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1509 from Sec. 1149, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1510 from Sec. 1150, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1515 from Sec. 1152, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1520 from Sec. 1153, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1525 from Sec. 1154, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1526 from Sec. 1155, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1530 from Sec. 1156, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1531 from Sec. 1157, Code, as added by Act of April 30, 1925, P. L. 389, Secs. 1530 and 1531 in accord with Act of April 27, 1927, P. L. 410.
- Sec. 1532 from Sec. 1158, Code, as added by Act of April 30, 1925, P. L. 389.
- Sec. 1535 from Sec. 1159, Code, as added by Act of April 30, 1925, P. L. 389, in accord with Act of April 19, 1901, P. L. 82, as amended by Act of July 13, 1913, P. L. 865.
- Sec. 1540 from Sec. 1140, Code, which came from Secs. 1 and 2, Act of May 1, 1909, P. L. 306, as amended by Act of June 15, 1911, P. L. 966.
- Sec. 1541 from Sec. 1411, Code, which came from Sec. 1, Act of May 1, 1909, P. L. 306, as amended by Sec. 1, Act of June 15, 1911, P. L. 966.
- Sec. 1601 from Sec. 1210, Code, as added by Act of March 20, 1929, P. L. 33.
- Sec. 1602 from Sec. 1210, Code, as added by Act of March 20, 1929, P. L. 33.
- Sec. 1603 from Sec. 1211, Code, as added by Act of March 20, 1929, P. L. 33.
- Sec. 1604 from Sec. 1212, Code, as added by Act of March 20, 1929, P. L. 33.
- Sec. 1605 from Sec. 1213, Code, as added by Act of March 20, 1929, P. L. 33.
- Sec. 1606 from Secs. 1205 and 1206, Code, which came from Secs. 1 and 2 of the Act of June 1, 1911, P. L. 541.
- Sec. 1607 from Sec. 1207, Code, which came from Sec. 10, Act of June 15, 1913, P. L. 445.
- Sec. 1608 from Sec. 1214, Code, as added by Act of March 20, 1929, P. L. 33.
- Sec. 1701 from Sec. 1250, Code, which came from Sec. 1, Act of May 11, 1901, P. L. 169.
- Sec. 1702 from Sec. 1220, Code, as amended by Act of April 10, 1929, P. L. 469, and Sec. 1221, Code, as amended by Act of May 16, 1921, P. L. 575; the original Code sections came from Secs. 1 and 2, Act of June 26, 1895, P. L. 324.
- Sec. 1703 from Sec. 1220, Code, as amended by Act of April 10, 1929, P. L. 469; the original Code section came from Sec. 1, Act of June 26, 1895, P. L. 324.
- Sec. 1704 from Secs. 1222 and 1223, Code, which came from Sec. 1, Act of June 10, 1901, P. L. 555, as amended by Sec. 1, Act of April 15, 1913, P. L. 66.
- Sec. 1705 from Sec. 1224, Code, which came from Sec. 1, Act of June 10, 1901, P. L. 55, as amended by Sec. 1, Act of April 15, 1913, P. L. 66.
- Sec. 1706 from Sec. 1225, Code, which came from Sec. 1, Act of June 10, 1901, P. L. 55, as amended by Sec. 1, Act of April 15, 1913, P. L. 66.
- Sec. 1707 from Secs. 1228 and 1229, Code, which came from Secs. 3 and 4, Act of June 10, 1901, P. L. 555.
- Sec. 1801 from Sec. 1, Act of May 24, 1923, P. L. 442 as amended by Act of May 15, 1925, P. L. 642.
- Sec. 1802 from Sec. 2, Act of May 24, 1923, P. L. 442. Altered to make license fees payable to the township and making the enforcement proceeding summary.
- Sec. 1803 from Sec. 3, Act of May 24, 1923, P. L. 442.
- Sec. 1811 from Sec. 1270, Code, which came from Sec. 1, Act of May 17, 1883, P. L. 31.
- Sec. 1812 from Sec. 1271, Code, which came from Sec. 1, Act of May 3, 1915, P. L. 217.
- Sec. 1813 from Act of May 14, 1925, P. L. 745.
- Sec. 1901 from Sec. 1, Act of July 8, 1919, P. L. 784, as amended by Act of May 11, 1921, P. L. 484, and Act of March 24, 1927, P. L. 56.
- Sec. 1902 from Sec. 2, Act of July 8, 1919, P. L. 784, as amended by Act of May 11, 1921, P. L. 484, and Act of March 24, 1927, P. L. 56.
- Sec. 1903 from Sec. 3, Act of July 8, 1919, P. L. 784, as amended by Act of May 11, 1921, P. L. 484, and Act of March 24, 1927, P. L. 56.
- Sec. 1904 from Sec. 4, Act of July 8, 1919, P. L. 784, as amended by Act of May 11, 1921, P. L. 484.



- Sec. 1905 from Sec. 5, Act of July 8, 1919, P. L. 784, as amended by Act of May 11, 1921, P. L. 484, and Act of March 24, 1927, P. L. 56.
- Sec. 1906 from Sec. 6, Act of July 8, 1919, P. L. 784, as amended by Act of May 11, 1921, P. L. 484, and Act of March 24, 1927, P. L. 56.
- Sec. 1907 from Sec. 7, Act of July 8, 1919, P. L. 784, as amended by Act of May 11, 1921, P. L. 484, and Act of March 24, 1927, P. L. 56.
- Sec. 2001 from Sec. 1395, Code, which came from Sec. 5, Act of April 15, 1834, P. L. 537.
- Sec. 2002 from Sec. 1397, Code, which came from Sec. 1, Act of March 23, 1877, P. L. 20.
- Sec. 2003 from Sec. 1398, Code, which came from Sec. 1, Act of May 11, 1911, P. L. 208.
- Sec. 2004 from Sec. 1399, Code, which came from Sec. 1, Act of May 11, 1911, P. L. 208.
- Sec. 2005 from Sec. 1400, Code, which came from Sec. 2, Act of May 11, 1911, P. L. 208.
- Sec. 2006 from Secs. 1 and 2, Act of April 17, 1929, P. L. 527 (No. 229).

#### Proposed Township Reward Law

An Act establishing and regulating a system of township reward, enabling the Commonwealth to assist financially, townships of the second class in the construction, improvement and maintenance of township roads, the erection and construction of township bridges and the purchase and installation of culvert and drain pipe; defining the powers and duties of county commissioners, township supervisors and the State Department of Highways in relation thereto; and repealing existing laws relating thereto.

Section 1. Township Reward System Established. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That a system of township reward is hereby established by the Commonwealth to assist townships of the second class in the construction, improvement and maintenance of township roads, the erection and construction of township bridges, and the purchase and installation of culvert and drain pipe.

Section 2. Apportionment of Appropriations. The moneys appropriated by the General Assembly for township reward for the fiscal biennium commencing June first, one thousand nine hundred and thirty-three, and for each biennium thereafter, shall be apportioned by the State Department of Highways among the several counties of the Commonwealth in proportion to the number of miles of township road located in townships of the second class. Not more than fifteen per centum of any appropriation apportioned to any county shall be available in any one township in such county. But in case any excess in the amount set aside for use in a county remains after all applications from the several townships in the county have been considered, the State Department of Highways shall apportion the excess among the townships that have applications on file for more than fifteen per centum. If there are not enough applications from all the townships in a county, filed on or before May first of the year next succeeding the appropriation, to exhaust the apportionment of township reward to such county, then such excess shall be apportioned to the counties where the applications of the townships call for the expenditures of a sum greater than the amount originally apportioned to said county.

Applications filed under laws existing prior to the passage of this act for which agreements have not been issued by the State Department of Highways, because of insufficient funds, to the several townships on or before May first, one thousand nine hundred and thirty-two, shall be void unless reaffirmed by the township supervisors on or before May first, one thousand nine hundred and thirty-three, and biennially thereafter all applications on file shall be void unless reaffirmed on or before May first of each odd-numbered year.

All moneys appropriated for the fiscal biennium June first, one thousand nine hundred and thirty-one to June first, one thousand nine hundred and thirty-three, shall be apportioned by the Department of Highways among the several counties in proportion to the estimated rewards payable on all applications filed with the Department of Highways, under laws existing prior to the passage of this act, on or before September thirtieth, one thousand nine hundred and thirty. If any township or townships shall fail to take up any apportionment allotted to it or them for the fiscal biennium one thousand

nine hundred and thirty-one to one thousand nine hundred and thirty-three, on or before January first, one thousand nine hundred and thirty-two, then such moneys shall be applied to any unsatisfied applications on file on or before September thirtieth, one thousand nine hundred and thirty, in the order of their date of filing.

Section 3. Applications for Township Reward. Applications for township reward for the construction and improvement of township roads, and for the erection and construction of township bridges shall be made by the township supervisors of townships of the second class, on or before May first of each year, and annually thereafter to the State Department of Highways on blanks furnished by the department, which application shall be considered by the department by counties in the order of filing. Application for the improvement of a road, previously improved with the aid of reward moneys, may be made, but not for a lower type of improvement.

Section 4. Classes of Improvements. Rewards shall be granted by the Commonwealth only for improvements at least one-fourth mile in length (except bridges, pipes and drains) of the following classes:

(a) Grading and draining a section of road including any stream change.

(b) Using gravel, granulated slag, cinders, or other approved materials on a graded and drained road.

(c) Constructing a road with broken stone, air-cooled slag, or other approved materials base and broken stone, granulated slag, air-cooled slag, gravel, cinders or other approved material top on a graded and drained road.

(d) Constructing a bituminous surface treated macadam road constructed of broken stone or air-cooled slag or traffic bound stage construction macadam road on a graded and drained road.

(e) Constructing a bituminous surface road of stone or air-cooled slag.

(f) Constructing a concrete or buck road.

(g) Erection and construction of bridges, three feet or more span, of concrete or stone, or both, or steel bridges with floor, constructed of materials approved by the State Department of Highways.

(h) Purchase and installation of culvert and drain pipes.

Section 5. Amount of Reward Based on Assessed Valuations. The amount of reward payable by the Commonwealth for any improvement shall be as follows:

(a) In townships having an assessed valuation of twenty thousand dollars (\$20,000) per mile of road or less, seventy-five per centum (75%) of the actual cost of the improvement.

(b) In townships having an assessed valuation per mile of road of more than twenty thousand dollars (\$20,000), but less than thirty thousand dollars (\$30,000), sixty per centum (60%) of the actual cost of the improvement.

(c) In townships having an assessed valuation per mile of road of thirty thousand dollars (\$30,000) and more, fifty per centum (50%) of the actual cost of the improvement.

Section 6. Standard Widths on Which Rewards Based. No reward shall be paid for the improvement of any road where the improvement is of less width than sixteen feet.

Section 7. Primary System of Township Roads. In each county there shall be established, as soon as possible, a primary system of township roads. Roads on the primary system shall be selected with respect to the accommodation afforded to the traveling public to reach centers of population within and without the county. The primary system of township roads shall be established by the county commissioners of each county and the supervisors of the several townships within the county, but shall not be deemed finally adopted until it has been approved by the State Department of Highways. After such final adoption, the county commissioners and supervisors may, from time to time, with the approval of the Department of Highways, add additional spurs or roads to, or eliminate roads from, such primary system. All roads not on the primary system shall be secondary township roads. When the system of primary roads has been finally adopted in any county, no township reward moneys, appropriated by the Commonwealth, shall thereafter be allocated for expenditure in any township except for improvements on such primary road system: Provided, however, That reward moneys may be expended for culvert and drain pipes and bridges on the secondary system of township roads.

Section 8. Letting Contracts. Township Authorized to Do Work. All township reward improvements may be made by

the township supervisors of such township by contract, to be let by the township supervisors to the lowest responsible bidder after three weeks publication in at least two newspapers published in the county in which such township is located if so many are published in such county, or such improvements may be made partly by the township and partly by contract, to be let only after advertisement as hereinbefore provided. All the work of making said improvement may be done by the township.

Section 9. Approval of Plans and Specifications. Before any roads are constructed or improved or bridges are erected or constructed under the township reward system, the supervisors of the township asking for township reward shall furnish to the State Department of Highways a copy of the plans and specifications of the proposed improvement, together with estimates of the cost of such improvement, unless such plans and estimates have been made by said department. No reward shall be paid to any township until the State Department of Highways has approved the plans and specifications as filed in the department. When such plans and specifications have been approved, the department shall certify to the township supervisors the proportion of the cost of such improvement which the Commonwealth agrees to pay.

Section 10. Failure to Commence Improvements in Time. Partial and Final Payments of Reward Moneys. The actual work of construction and improvement of any township reward road or other reward project shall be commenced within the time specified by the State Department of Highways. If not so commenced the department shall have power to withdraw its allocation of reward moneys for the improvement. When any township reward improvement has been completed to the extent of sixty per centum, the department shall in cases where the total amount of reward is two thousand dollars (\$2,000) or more, pay to the township fifty per centum of the reward moneys, except where the improvement is for the construction of a traffic bound road, in which case the department shall apportion the total amount of reward moneys allocated into three equal sums, and one such equal sum shall be paid to the township each year over a three-year period as the work for each year is completed. Final payments of reward moneys due, whether the total or the part remaining unpaid, shall in all cases be made when the improvement is finally completed.

When any partial or annual payment is due any township, or upon completion of the work for which township reward has been granted, according to the plans, specifications and contract, as shown in either case, by the sworn statement of a majority of the board of township supervisors and such other evidence as the department may require, the department shall certify to the Auditor General the amount of township reward due said township and he shall draw a warrant upon the State Treasurer to the township treasurer which shall be paid out of moneys appropriated for such purposes.

Section 11. Maintenance of Township Reward Roads. State Aid. Any township road improved under the reward system, shall be maintained by the township in accordance with standards prescribed by the Department of Highways, but the Commonwealth shall contribute towards the cost of such maintenance.

The amount contributed by the Commonwealth shall not exceed fifty per centum of such cost of maintenance in townships having an assessed valuation of more than thirty thousand dollars (\$30,000) per mile of road, or sixty per centum in townships having an assessed valuation of more than twenty thousand dollars (\$20,000) per mile of road but less than thirty thousand dollars (\$30,000), or seventy-five per centum in townships having an assessed valuation of twenty thousand dollars (\$20,000), or less per mile of road of the yearly maintenance expense, and in the case of bituminous surface treatment, shall not exceed four hundred dollars (\$400) per mile in townships having an assessed valuation of more than thirty thousand dollars (\$30,000) per mile of road, or four hundred and eighty dollars (\$480) per mile in townships having an assessed valuation of more than twenty thousand dollars (\$20,000) but less than thirty thousand dollars (\$30,000) per mile of road, or six hundred dollars (\$600) per mile in townships having an assessed valuation of twenty thousand dollars (\$20,000) or less per mile of road; and in all other cases shall not exceed one hundred dollars (\$100) per mile in townships having an assessed valuation of more than twenty thousand dollars (\$20,000) per mile of road, or one hundred and twenty dollars (\$120) per mile in

townships having an assessed valuation of more than twenty thousand dollars (\$20,000) but less than thirty thousand dollars (\$30,000) per mile of road, or one hundred and fifty dollars (\$150) per mile in townships having an assessed valuation of twenty thousand dollars (\$20,000) or less per mile of road.

The aid of the Commonwealth shall be based only upon road surfaces of gravel, shale, cinder, slag, broken stone, asphalt, bituminous surface treated macadam, or other approved material of a width of sixteen feet and a length of one mile. Corresponding reduction or addition in the amount of maintenance aid shall be made as the width of the improved road surface is decreased or increased. No maintenance aid shall be paid for any road having less than nine feet of improved road surface.

Township reward roads shall be maintained by the supervisors, but such maintenance, where the State contributes, shall be done only under the supervision of the Department of Highways.

Before any maintenance work is performed to which the Commonwealth is to contribute, the supervisors of the township shall petition for aid on forms prepared and furnished by the Department of Highways, showing the nature of the maintenance work to be done with estimates of the cost of such work. If the petition and estimate is approved by the Department of Highways it shall certify to the township supervisors the portion of the cost of maintenance which the Commonwealth agrees to pay. Where the cost of maintenance is more or less than that set forth in the contract, a proper increase or deduction in the aid shall be made by the Commonwealth not, however, exceeding the limitation provided in this section.

Upon final completion of any maintenance work for which aid has been granted by the Commonwealth, the supervisors shall furnish to the Department of Highways a sworn statement of the expenditures and such other evidence as the department shall require, and the department shall certify to the Auditor General the amount due the township, which shall be paid in the usual manner out of moneys appropriated for such purposes.

Section 12. Refusal or Neglect to Comply With Rules and Regulations. Upon the neglect or refusal of the supervisors of any township to carry out the instruction, rules and regulations of the State Department of Highways, then the department may withhold from such township the amount to which it would otherwise be entitled for the year in which said neglect or refusal occurred.

Section 13. Repeal. Saving Clause. The following acts and parts of acts are hereby repealed absolutely:

I. Sections four hundred and thirty-two, four hundred and thirty-three, four hundred and thirty-four, four hundred and thirty-five, four hundred and thirty-six, four hundred and thirty-seven, and four hundred and thirty-eight of the act approved the fourteenth day of July, one thousand nine hundred and seventeen (P. L. 840), entitled "An act concerning townships; and revising, amending, and consolidating the law relating thereto."

II. The act approved the fifteenth day of July, one thousand nine hundred and nineteen, (P. L. 969), entitled "An act to amend the act, approved the fourteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, eight hundred forty), entitled 'An act concerning townships; and revising, amending, and consolidating the law relating thereto.'"

III. The act approved the twenty-first day of April, one thousand nine hundred and twenty-seven, (P. L. 334), entitled "An act to further amend section four hundred and thirty-four of the act approved the fourteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, eight hundred forty), entitled 'An act concerning townships; and revising, amending, and consolidating the law relating thereto.'"

IV. The act approved the twenty-eighth day of April, one thousand nine hundred and twenty-seven, (P. L. 504), entitled "An act to amend section four hundred and thirty-four of the act, approved the fourteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, eight hundred forty), entitled 'An act concerning townships; and revising, amending, and consolidating the law relating thereto,' as amended."

V. The act approved the first day of May, one thousand nine hundred and twenty-nine (P. L. 1057), entitled "An act to amend sections four hundred and thirty-two and four hun-



dred and thirty-four of the act, approved the fourteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, eight hundred forty), entitled 'An act concerning townships; and revising, amending and consolidating the law relating thereto,' as amended."

VI. The act approved the sixth day of May, one thousand nine hundred and twenty-nine, (P. L. 1543), entitled "An act to amend section four hundred and thirty-four of the act, approved the fourteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, eight hundred forty), entitled 'An act concerning townships; and revising, amending, and consolidating the law relating thereto,' as amended."

VII. The act approved the seventh day of May, one thousand nine hundred and twenty-nine (P. L. 1584), entitled "An act to amend section four hundred and thirty-four of the act, approved the fourteenth day of July, one thousand nine hundred and seventeen (Pamphlet Laws, eight hundred forty), entitled 'An act concerning townships; and revising, amending, and consolidating the law relating thereto,' as amended."

VIII. Section one of the act approved the first day of May, one thousand nine hundred and twenty-nine (P. L. 1062), entitled "An act providing for assistance by the Commonwealth in the maintenance of township reward roads, and making an appropriation out of the Motor License Fund for such purposes."

IX. The act approved the first day of May, one thousand nine hundred and twenty-nine (P. L. 1056), entitled "An act providing for the Commonwealth to share in the cost of maintaining township reward roads."

But such repeal shall not be deemed to void any contract or any allocation of moneys made or any applications for township reward filed with the State Department of Highways under or in accordance with such repealed laws.

#### REPORT BY THE PENNSYLVANIA COMMITTEE ON UNEMPLOYMENT

Commonwealth of Pennsylvania,

Governor's Office, Harrisburg, Pa., February 10, 1931.

To the Honorable, the Members of the General Assembly of the Commonwealth of Pennsylvania:

I have the honor to present herewith a report just submitted to me by the Pennsylvania Committee on Unemployment.

GIFFORD PINCHOT.

Letter of Transmittal

Philadelphia, Pa., January 17, 1931.

Honorable Gifford Pinchot,  
Governor-elect of Pennsylvania,  
Harrisburg, Pennsylvania.

Sir:

Your committee on unemployment presents herewith our recommendations pertaining to administrative and legislative measures that we believe will alleviate some of the distress incident to this and to succeeding depressions. In this report we have endeavored to cover the essential items mentioned in your letter of invitation to membership, copy of which is presented in our report.

Your committee was also made the Pennsylvania Committee on Unemployment in the present crisis. We feel that our work in this endeavor is but well begun. We have created a county committee in every county of the State where a county-wide committee was not already at work. These county committees have made surveys of the need for relief in all parts of the county, and some urgent need has been discovered in sections not covered by agencies theretofore existing. These committees are co-operating with your State committee in pushing public works, particularly in the Spring of 1931. We believe that a determined and united effort to concentrate all public works, possible during March, April and May will push industry

permanently out of the present depression, so that private industry will be taking over its full activities by Autumn.

These committees are also co-operating in urging private employment by the householders in the State, by stimulating building construction where that is advisable and by suggestions as to stabilizing local industries.

We believe this work should be continued for the coming months.

Respectfully submitted,

Clyde L. King, chairman  
Paul H. Douglas, Secretary  
Mary Anderson  
John B. Andrews  
J. C. Benedict  
Jacob Billikopf  
Philip David Bookstaber  
Robert F. Brinton  
Marvin E. Bushong  
Morris L. Cooke  
James R. Cox  
L. H. Dennis  
Karl deSchweinitz  
Agnew T. Dice  
John W. Edelman  
James A. Fox  
Leonard P. Fox  
C. J. Golden  
Hon. Joseph R. Grundy  
Helen Hall  
Michael Hartneady  
C. B. Helms  
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Joseph H. Willits  
Leo Wolman  
Ross Pier Wright  
James T. Young

#### Letter of Invitation to Membership on the Pennsylvania Committee on Unemployment

Milford, Pa., October 10, 1930.

Dear—:

Unemployment has now become our most immediate problem. No class gains from it; all classes lose by it.

Unemployment creates fear. The workers can never breathe easily so long as this menace hangs over them. No state can really be prosperous when a large percentage of its citizens are unemployed. Our own state of Pennsylvania should not be the last to grapple with this problem; it should be among the first.

I am asking you, therefore, as part of the plan for a Greater Pennsylvania, to serve as a member of a committee to report to me not later than January 1 next on how the amount of unemployment may be reduced and how the condition of the unemployed and their families may be alleviated. I want the specific advice of the Committee as to what I, as Governor, can do, what the Legislature of Pennsylvania can do, and what all men and women of good-will can do in this matter.

I suggest that the following subjects among others deserve your attention:

#### 1. Seasonal fluctuations in demand for work.

Seasonal irregularities of demand create much unemployment. Despite this fact, several hundred employers, including many in our own state, have been fairly successful in regularizing their production and consequently their employment. I should like to have you consider the methods they have used, including attempts to change consumers' demands, to produce for stock under planned and budgeted schedules, to develop side lines, and to make working hours more flexible. The employers of Pennsylvania are peculiarly concerned with this phase of the problem.

## 2. Employment Agencies.

The practice of the private employment agencies and the relative efficiency of public agencies are here involved. Your recommendations toward enabling workers to find such work as is open more easily and more economically are especially desired. The present chaotic methods should give way to better and less wasteful means of bring workers and jobs together.

## 3. Unemployment due to changes in markets and manufacturing methods.

We can not turn back the clock of progress but we can see to it that the innocent shall suffer as little as possible because of the forward march of society. I ask you to consider whether our school system should be redirected to make young men and women industrially more flexible in a changing world, and how displaced adults can be re-trained for other jobs. In particular I would like you to report on whether other industries can be introduced in certain of the soft and hard coal areas of the state, and how the farmers can be protected against their present hardships.

## 4. A planned program of public work.

Should such a program include not only the federal government and the state, but the municipalities and counties as well? Can it be speeded up as private business falls off? If so, how should such a program be laid out and administered in Pennsylvania.

## 5. Stabilization of incomes during periods of unemployment.

It is highly improbable that unemployment can be entirely eliminated in the predictable future. Therefore, stabilization is necessary to protect families against want and to furnish that purchasing power which is needed to keep industrial establishments running which otherwise would be closed. I ask you to consider this also.

There are many other features of this question which will command your attention.

In conclusion let me say how much I shall appreciate your public spirit if you consent to serve. To remove insecurity from the lives of the workers and from industry as a whole is one of the greatest and most fundamental tasks of modern civilization.

Sincerely yours,  
(Signed) Gifford Pinchot

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## INTRODUCTION

## Summary of Recommendations

Bringing our recommendations for specific action by the State of Pennsylvania together, we may summarize them as follows:

- I. Full efforts on the part of the State Department of Labor and Industry to stimulate private employers to stabilize their production and employment as completely as possible. The suggested means of accomplishing this to be by (a) conference, (b) consulting services of a properly qualified engineer or business man.
- II. A public works program for Pennsylvania which will include:
  - (1) The immediate preparation of a building program for State institutions of approximately \$10,000,000. This bill should be passed in the early days of the session and work started as soon as possible with the bulk of construction to be concentrated in 1931 rather than in 1932.
  - (2) The transfer of \$10,000,000 from the General Fund to the Motor License Fund and immediately pushing of highway construction.
  - (3) The requirement that contractors on State work should pay the going rate of wages with adequate inspection and penalties for violation. Preference in such employment to be given to residents of Pennsylvania.
  - (4) The submission of a constitutional amendment giving to the local governments and the State under proper safeguards more flexible bonding power for public works when an unemployment emergency is declared by a majority of a committee composed of the Governor, State Treasurer and Secretary of Internal Affairs.
  - (5) The creation of a long-range planning board for public work operating in terms of six-year programs
- III. The improvement of the public employment offices of the State by:
  - (1) The purging of unfit members of the staff and their replacement by qualified persons with educational training and previous employment and trade experience
  - (2) The building up of strong co-operating committees for each of the offices which would have real powers in helping to select the local superintendents and in guiding local policies and would be somewhat comparable to boards of directors.
  - (3) The more strategic location of the offices themselves.
  - (4) A thorough attempt to follow up the workers who have been placed in order to improve the quality of service given.
  - (5) A much greater degree of solicitation of employers in order to obtain more requisition for labor.
  - (6) An energetic system of stimulating the work of the local offices through the work of a field agent for the State and conferences of the local superintendents.



- (7) A better grading of the staff of the offices and the establishment of salary scales and promotional systems
- (8) The establishment of an adequate system of clearance.
- (9) The establishment of more uniform records and of a more accurate system of determining placements.
- (10) The allocation of offices to meet the public needs.
- (11) The attempt to secure financial aid from private sources in setting up model employment agencies in Philadelphia, Pittsburgh and possibly elsewhere.
- (12) The granting of increased funds for the public offices once they have been improved. The recommended sum for each year of the coming biennium would be a total of \$200,000 or \$100,000 more than is now being expended.

IV. The better regulation of the private employment agencies. We favor the enactment of legislation which embodies the following features: (1) Licensing only those private employment agencies for which there is a public need. (2) Enlarging the definition of private agencies so as to include those who solicit jobs by mail. (3) Raising the license fees to \$20 a year and increasing the bonds to \$5000. (4) Providing that all licenses shall expire on a given date so that the Department of Labor and Industry will have a chance to survey the whole situation. (5) Giving to the Department of Labor and Industry the power to revoke a license for cause. (6) Making the reasons for revoking a license more explicit. (7) Prohibiting the imposition of a service or registration fee for which no service is rendered. (8) Requiring each private office to make a monthly report on the numbers placed and total fees received.

We also believe that no agency should charge a fee for placing labor on public work.

#### V. Education.

- (1) A stricter regulation of the conditions under which employment certificates are issued. (2) Greater flexibility in high school and vocational training. (3) The development of foreman training classes and appointment of district directors of industrial education. (4) The encouragement to communities to put their part-time continuation schools upon a half-time basis with an increase of State-aid. (5) The establishment of special schools in mining districts to prepare workers more effectively for mining and other industries. (6) The establishment of extension classes for the unemployed. (7) An increase in the program of adult education. (8) The distribution of a State equalization fund of approximately two million dollars, for vocational and extension class in the mining and industrial, and rural schools, and distressed school districts. (9) Attempts to limit number of teachers trained in proportion to the demand. (10) Further research in certain fields such as Negro education and the curriculum.

#### VI. Relief.

- (1) The vigorous functioning of committees in every county of the State to stimulate aid to the needy unemployed. (2) The ultimate creation of integrated county welfare units.

#### VII Unemployment Reserves and Insurance Against Unemployment.

Measures for the stabilization of workers' incomes are essential to our healthy economic life and, although we are not able to agree on the specific measures through which this should be affected, we commend to your serious consideration and to that of our legislators (if in your judgment it should be submitted to them) the able report of our sub-committee on this subject, printed herewith; and we call attention to a third possibility of voluntary action by employers either as individuals or groups or in co-operation with organizations of employees.

#### PART ONE

##### The General Report.

#### Report of Pennsylvania Committee on Unemployment

Unemployment involves two main sets of problems. The first is how to reduce its scope to the greatest extent possible, while the second is how to care for those who are unemployed so

that they, without losing their self-respect, may experience a minimum of suffering. We propose in our report to point out the specific ways in which the State of Pennsylvania can help to meet each of these two main problems.

There are two major and two minor causes of unemployment. The major causes are the seasonal and cyclical fluctuations in demand and production, while the minor causes are the faulty organization of the labor market and technological and market changes.

#### 1. Seasonal Fluctuations and Unemployment.

The problem of meeting seasonal fluctuations is one which business itself must solve. Insofar as these fluctuations spring from the irregular buying habits of the consumers, which ultimately are swayed by changes in fashion and in the weather, it is probable that a very considerable residue of such seasonal unemployment will continue for a long time to come. But the successful practice of a large number of firms demonstrates that with good management such seasonal unemployment can in many industries be appreciably reduced. The chief methods of seasonal stabilization which have been adopted by these firms are:

- (1) Developing demand in the off-seasons by price reduction or by advertising. The latter of these methods is, of course, primarily practicable only for very large companies or for federations of small concerns. (2) Drawing up a sales budget for the coming year, based on past experience and seasoned according to a careful survey of business prospects, and then dividing this yearly quota into either twelve equal monthly fractions or fifty-two weekly fractions. In this way, the surplus of the goods produced in the slack seasons over those sold are stored to meet the excess demand of the busy seasons. This method is the most widely used of all stabilization devices and is capable of much greater extension. It is, however, largely limited to commodities which are standardized and which when stored will not be subject to the danger of being outmoded by the time they are to be sold. (3) Developing side-lines and fillers which can be produced and sold during the off-seasons with substantially the same equipment and the same factory and sales forces. (4) Extending the use of the flexible working week so that within a given yearly total of hours, the length of the actual working week may fluctuate, though not excessively, between slack and busy seasons. It is better for the same number of men to work a varying number of hours during the year than for a fluctuating number to work a constant number of hours. For in the first case, all the workers get some income at all times during the year and are not tormented by the fear of unemployment while in the second, some are thrown completely out of employment and lose all their income for those periods.

Such methods as these are not only beneficial to the workmen. They are also financially profitable in many industries to employers, for they: (1) provide a relatively steady force and remove the necessity of hiring large numbers of untrained men, with their lowered production and increased spoilage to meet the seasonal peaks; (2) through attracting, because of the continuous work afforded, a higher grade of artisan than would be available even at higher hourly rates when paid for work done intermittently. Thus stabilization of employment with what may be an actual increase in real wages easily can, and usually does, mean a reduction in production costs; (3) reduce any tendency on the part of workmen to prolong a job in order to be employed for as long as possible. This is a potent source of loss in seasonal employments and when steady work is provided, this fear of working oneself out of a job is greatly abated; (4) reduce the amount of fixed capital needed to turn out a given annual volume of product with a consequent decrease in the capital charges per unit. Where production is highly irregular within a year, business has a large quantity of fixed capital on its hands which is idle during the dull seasons. By leveling the seasonal peaks and valleys, a smaller quantity of fixed capital will be required and costs considerably reduced.

We are, of course, well aware that these methods of seasonal stabilization also entail costs. The method of budgeting production for example, necessarily entails added storage charges and larger interest payments for bank loans with which to finance the holding of goods until the busy season. The experience of several hundred firms which have used such methods demonstrates, however, that where the product is standardized, the workers relatively skilled, capital charges appreciable, and the value per cubic foot of product appreciable,

such a program more than pays for itself. Where, however, styles are changeable such a program of budgeted production is, as we have stated almost impossible to carry out while the alternative method of developing side-lines is not always open in such cases.

In the nature of the case, it is private business alone which is in a position to apply wherever practicable these methods of stabilization. But while the role of the State of Pennsylvania is necessarily a secondary one in such matters, it can be of assistance to private industry by stimulating the movement toward stabilization and by offering competent technical advice concerning the best means of accomplishing this end. This it can do by holding a series of conferences in various parts of the State in co-operation with the Manufacturers' Association and the State and local Chamber of Commerce where the practical achievements of specific business in coping with seasonal and other problems may be described and popularized. The Department of Labor and Industry, moreover, can and should prepare technically competent bulletins describing the methods of stabilization which have been used in various industries and give these a wide circulation among business managers who are in a position to take action. Every effort should be made to get various industries such as textiles, the metal trades, etc., to consider through their appropriate organizations the methods which are particularly applicable to meet their especial problems, and the Department of Labor and Industry in co-operation with other bodies should seek to get those industrial association to take these problems seriously to heart. The Department of Labor and Industry should, moreover, enlist the aid of an unpaid technical staff of competent economists, engineers and business men whose services could be utilized on a per diem basis by individual firms wishing to stabilize. If this work continued to grow, we would advise the ultimate appointment of a special engineer or business executive to the staff of the Department of Labor and Industry whose duty it would be to promote such programs of stabilization and to advise with particular firms about the best methods for them to adopt. It goes without saying, however, that the value of this work would depend entirely on the competence of the staff. A political appointment would injure rather than help the cause of stabilization. It is imperative, therefore, that if and when such an appointment is made, the technical competence of the person finally selected should be approved by appropriate engineering and managerial associations.

The Committee on Regularization by Private Employers under the leadership of Mr. J. W. Rawle and Senator Joseph R. Grundy and with Mr. W. C. Byers as secretary, have already held meetings in Philadelphia and Harrisburg, where the methods of regularization were described and where the two following methods were endorsed for the present emergency: (a) the fostering of plant extensions, betterment, and equipment be the creation of as much employment as possible by shorter shifts and no overtime. The committee has also distributed large quantities of literature urging detailing plans of regularization upon employers and plans to hold future meetings at Pittsburgh, Erie and possibly other centers as well. The energetic action of this committee, whose report is printed in Part Three of this document, is an evidence of the fruitful possibilities for co-operation between government and industry which we earnestly hope may be continued in the future.

## 2. Cyclical Fluctuations and Unemployment.

The second great cause of unemployment, which probably inflicts more concentrated damage than any other, is that of cyclical fluctuations with their more or less periodic business depressions. The precise causes of these depressions are still almost as mysterious as those of cancer but they are almost wholly outside the power of any one state like Pennsylvania to control and may indeed be outside the power of any one nation. Whatever their causes, they are accompanied by a fall in prices and a diminution in profit margins resulting from the fact that raw materials and labor purchased at earlier and higher price levels must be sold when embodied in finished commodities at later and lower price levels. This shrinkage of profits leads many businesses to reduce their purchases of raw materials until these have fallen still further in price. But this in turn necessitates decreasing the scale of operations and throws men out of work. These men are consequently not able to buy as much as before and retail stores, wholesale establishments, and factories are unable to sell as

much and consequently are compelled to reduce their volume of employment. This continues and intensifies the cumulative breakdown of purchases and of employment which mutually interact and decrease each other. The business depression as it sweeps on is especially severe upon: (1) Industries producing capital goods such as those that are needed not only to meet depreciation but to provide for the growth of industry. When this growth wanes, its effect is felt in a greatly multiplied fashion in those industries producing metals and machinery. Pennsylvania as the center of the iron and steel industry suffers, therefore, very intensely in a period of business depression. (2) Industries whose demand is inelastic and where an increase of 1 per cent. in their quantity is accompanied by a decrease of more than 1 per cent. in their unit price. In the case of these commodities, therefore, a larger total product brings a smaller total price. It is, therefore, but natural that at least three of the most depressed industries in the country, namely cotton, wheat, and coal, should be characterized by an inelastic demand.

In such a business depression, individual businesses can do but little. Advertising is at best open only to the producers of specialty products and even here, it is not always certain that any arresting of the diminution in their sales is not obtained at too great a cost. Moreover, the advantage of one firm is generally gained by still further decreasing the sales of the competing firms and hence is no general solution to the problem. About the most which individual firms can do is to distribute the amount of diminished employment in such a way as to cause the least hardship. Our sub-committee on the Regularization by Private Employers has given wide publicity to its advice that such employment as is available be staggered in the form of part-time for all, rather than full-time for some and complete unemployment for the remainder. It has urged employers that if they find it absolutely necessary to lay men off, those with families and dependents should be retained. Another sub-committee has sought to stimulate consumers to buy more commodities and thus help to check the depression.

Without going too deeply into the intricacies of business depressions, we believe that their severity would at the very least be lessened appreciably if the general price level could be stabilized, and profit margins much more generally maintained. Since under the gold standard, world price levels must move up and down together it follows that there must be some form of international co-operation in matters of money, credit, discount rates, etc., if stabilization is to be effected. While the State of Pennsylvania cannot initiate any such international action, we nevertheless, can and do urge that the national government should co-operate with the other nations of the world in the working out of such a policy. Such action would be all the more imperative if the world's production of goods were to increase more rapidly than its production of gold.

## 3. A Planned Program of Public Works for Pennsylvania.

The chief way in which governmental agencies can cope with business depressions is, of course, by the stimulation of public works. We have conducted a survey of the amount of building and construction which the various State and local bodies are planning, the results of which should be available soon. In the local committees on unemployment which are being set up under our auspices in all the counties of the State, one sub-committee is addressing itself to the stimulation of needed local works which may be undertaken both to fill public needs and to benefit the unemployed.

Our Sub-Committee on Public Works has gathered data from all the local government units on the amount of building which they plan to conduct during the coming years which will furnish a valuable basis for future follow-up work. It has also urged all of these local units to carry on as much building as possible during the present depression.

It is, of course, highly important both that vigorous action be taken at once and that plans be worked out for the future. We believe that the following steps should be taken by the State:

(1) The immediate preparation of a building program for needed State institutions to amount to approximately \$10,000,000. The final appropriation of this sum should not be delayed until the biennial budget is finally passed in the late spring but should be made a special order of business during the early days of the session and passed before the middle of February. Plans should be drawn and contracts let at the earliest possible moment. We believe it is probable that business con-



ditions and employment will be better in 1932 than in 1931 and that it is, therefore, wise to concentrate by far the major portion of this expenditure in this year rather than to distribute the available sums evenly between the two years of the biennium.

(2) The immediate authorization by the legislature of a temporary transfer of \$10,000,000 from the general fund to the motor fund so that added work on a large scale may start rapidly along this line as well. This money should be expended in accordance with the general highway plan of the State and also to help carry out your announced policy of lifting part of the burden from rural districts by taking over from them the support of a large mileage of strategically situated roads.

By this program of highways and buildings, the State would contribute \$20,000,000 to the fund of available work and at the same time obtain needed public works.

(3) That not only should a clause be inserted in all contracts compelling the contractor and sub-contractors to pay the going rate of wages but every effort should be made to see that this is actually done. A penalty clause might well be inserted in every contract compelling every contractor who violates such an agreement to pay liquidated damages to the State. The contractors should also bind themselves to preference in employment to residents of Pennsylvania, and the bringing in of labor from outside the State to fill those jobs which could be equally well filled by Pennsylvanians should be rigidly discouraged.

(4) That in order to give the State and local governments greater power in the future of initiating public works in periods of acute unemployment we favor a constitutional amendment which when, and as long as, the majority of a board composed of the Governor, the Secretary of Internal Affairs, and the State Treasurer declare an unemployment emergency to exist will then permit: (a) the local authorities to increase their bonding capacity without authorization of the voters from two to two and one-half per cent. of the assessed valuation and with the vote of the people from seven to eight per cent. Where, as in the case of Philadelphia, the limit is 10 per cent., this can be increased to 11 per cent. It should be carefully provided, however, that these additional bonds can only be spent for those purposes which are approved by the long-range planning board for public works described in the next paragraph. The bonds should not run for more than ten years, which is approximately the general span of time between major depressions.

(8) The State to borrow for public works an added \$100,000,000 in addition to the sum now allowed for highways. This provision should, however, be guarded in such a manner that the total amount of such emergency bonds outstanding at any one time should not exceed \$100,000,000 and should not be issued for more than twenty years. Suggested drafts for such constitutional amendments are submitted as Appendices A and B.

(5) That a long-range planning board for public works should be set up with a competent executive officer which will prepare a six-year plan of projected public construction by the State and the local bodies. This plan should be revised every biennium and thus always projected six years into the future; it should list the specific pieces of work to be undertaken, the time schedule to be followed for the same, and should hold a considerable proportion in reserve to be launched during periods of depression. The plan should be under the general charge of a committee which would include: (a) representatives of the State government, (b) representatives from the principal municipalities and counties so that the local units could be induced to prepare similar plans and integrate them with those of the State, (c) two or three representatives of such professions as architecture and engineering and such industries as construction, (d) a full-time, adequately paid and competent executive officer who would put vitality into such a board and who would see to it that the work was really done.

The work of this State planning board should in turn be integrated with that of the proposed Greater Pennsylvania Council. One way of accomplishing this would be to attach the Secretary as a member of the latter body.

It should be emphasized in the preparation of this six-year planned program for public construction that the plans for the projects which are to be held in waiting for the outbreak of

a depression should be drawn very far in advance and that in many cases bond issues should be authorized.

(A suggested draft for a bill authorizing such a Board is printed as Appendix C.)

#### 4 The Better Organization of the Pennsylvania Supply of Labor.

##### A.—A General Analysis.

Unemployment is also increased by the defective organization of the supply of labor. Although centralized exchanges have developed for most commodities which greatly facilitate their purchase and sale, the marketing of labor is about as chaotic in this State as it is elsewhere in this country. Workmen tramp from establishment to establishment seeking work with a great loss to time and effort. Not knowing what conditions are, they frequently leave one city to go to another where unemployment is just as great. Individual businesses, lacking any central labor reserve to draw from, try to maintain their own labor reserves to meet their busiest days and seasons. But since these busy days and seasons do not coincide, the result is a duplication of reserve which causes some labor to be idle even at the busiest period for society as a whole. In addition to all this there is inadequate vocational information for boys and girls entering industry with the result that many enter declining trades when their industrial future is unpromising, and where they clog the labor market and increase the amount of unemployment. In this confusion, a large number of private employment agencies have grown up. Some of them are managed by high-minded persons but there is always a great temptation to take advantage of those out-of-work men and women who so badly need work. Fees are, as we shall show, customarily high and the splitting of these fees with foremen not unknown. Advance fees are sometimes collected from workers who are then tired out, by being referred to a series of jobs and who find it difficult to get this money returned. Still worse abuses exist in the case of many commissary companies which furnish unskilled labor for jobs and which board the workers while they are on them. The State regulation of these offices has, as we shall see, been greatly weakened in recent years, and is now grossly inadequate.

The better organization of the supply of labor involves, therefore, two main steps: (1) the improvement and extension of the system of public employment offices and (2) the more stringent regulation of the private employment offices. The State of Pennsylvania can make one of its greatest contributions to the reduction of unemployment by resolutely pushing these two lines of effort.

An efficient and co-ordinated system of public employment offices could greatly improve the situation (1) by lessening the time workers lose between jobs and reducing the amount of duplicate interviewing on the part of employers. (2) By pooling the labor reserve, it would make it possible for individual employers to call upon the system for aid in meeting their peak loads and hence would lessen the practice of maintaining separate and duplicate reserves. These labor surpluses could then be released for other industries. (3) By furnishing the oncoming generation with more correct information about vocational opportunities, it could assist in better distributing the labor force to the actual openings and hence decrease unemployment. (4) By furnishing special services, after the public offices are firmly established, to particular groups of workers such as the young, the aged, and women. (5) By helping to regulate and to stimulate the efficiency of the private offices through the sheer pressure of competition and of good service.

##### B.—The Public Employment Offices of Pennsylvania and Suggestions for Their Improvement.

Such are the general advantages of an adequate public employment service. We must, however, be frank to say that the present system of public employment offices is very defective. Nor is Pennsylvania an exception to this general rule. The State maintains employment offices in no less than thirteen cities and during the last fiscal year expended approximately \$99,000 for the work. In our opinion, however, the people of Pennsylvania are not receiving an adequate return for the amount expended.

While we realize that per capita placement costs are not the sole test by which the comparative efficiency of the various State systems can be measured, we do nevertheless believe it to be significant that they are higher in Pennsylvania than in

any other of the chief industrial States as is evidenced by the following table:

State	Year	Number of Offices	Total Appropriations (state and local)	Total Placements	Average Cost per Placement
Wisconsin ....	1929	10	\$58,081	101,183	\$0.57
California ....	1928	10	84,895	144,516	0.59
New Jersey ...	1929	7	76,500	120,572	0.63
Ohio .....	1929	12	155,324	137,538	1.13
Connecticut ..	1928	8	50,000	29,867	1.71
New York ....	1929	11	188,309	100,171	1.89
Illinois .....	1929-30	20	266,080	135,909	1.96
Massachusetts ..	1929	4	68,841	30,157	2.28
Pennsylvania ..	1929	9	99,000	41,997	2.31
Total .....		91	\$1,047,030	842,910	\$1.24

The per capita costs in Pennsylvania are, therefore, approximately four times as great as they are in Wisconsin, California and New Jersey. What then can be the possible reasons for this great disparity? Is it for example perhaps due to greater care in determining whether or not a placement has actually been effected? It is true that Pennsylvania does not count placements of the same worker for more than one casual job in the same week, and hence is perhaps slightly more severe in its classification on this score than the majority of other States. It is, however, also true that since in a large percentage of the cases the employers do not notify the offices when they engage a worker sent to them, that it is necessarily difficult to tell just how many of those referred are actually placed. The figures of the State offices are at best, therefore, somewhat in the nature of an estimate and probably tend to overstate the numbers actually placed. In Wisconsin on the other hand only those placement are counted for which a definite report has been made by employers of employes, while in New Jersey a great deal of effort is expended in actually determining whether or not a placement has actually been made. If statistics of actual placement could, therefore, be obtained it is probable that the difference in placement costs between Pennsylvania and Wisconsin would be greater rather than less.

Is the difference then due, as it is sometimes said, to a greater predominance of skilled labor among the Pennsylvania placements upon whom more care must necessarily be expended and whose per capita costs will necessarily be greater? In Pennsylvania in 1929, 22,869 or 55 per cent. of the total number of 41,997 who were reported as "placed" were listed as unskilled, casual, or day workers.<sup>1</sup> "There were in addition probably many other unskilled workers among those listed in the occupational classes of "manufacturing," "building and construction" and "miscellaneous." If the miscellaneous group is added to the "unskilled, casual and day worker" group the total number placed in 1929 would amount to 25,403 or 60 per cent. of the total placements. In addition 4,410 placements or about 10.5 per cent. of the total were listed as semi-skilled. This should be compared with the records of the following other States:

State	Year	Percentage of Common, Casual and Misc. Labor to Total Placements
Illinois <sup>2</sup> .....	1927-28	60%
New Jersey <sup>3</sup> .....	Sept., 1930	51%
New Jersey .....	July, 1928-29	57%
Ohio <sup>4</sup> .....	1929-30	82%
Massachusetts <sup>5</sup> .....	1928	60%
Wisconsin <sup>6</sup> .....	1929	70%
California <sup>7</sup> .....	1927-28	71% Males; 35% females; and 64% both
Pennsylvania .....	1929	60%

<sup>1</sup> Classified Summary Report for 1929 of the Bureau of Employment, Department of Labor and Industry, p. 1.

<sup>2</sup> Eleventh Annual Report, Illinois Department of Labor, 1927-28, p. 9.

<sup>3</sup> This figure is for males only. New Jersey Industrial Bulletin, October 1930, p. 37.

<sup>4</sup> This for males only. Mimeo. Report, Department of Industrial Relations, Ohio, July 10, 1930, p. 1.

<sup>5</sup> Report of the Division of Statistics, Department of Labor and Industries, 1928, p. 21.

<sup>6</sup> Telegram from A. J. Altmeyer, Secretary Industrial Commission, January 2, 1931.

<sup>7</sup> Report of State Division of Employment Agencies, 1926-27, 1927-28, p. 61.

It does not seem, therefore, that the difference in costs can be explained by the type of service which the public offices of Pennsylvania give. The percentage which unskilled and miscellaneous labor forms of total placements in Pennsylvania is as matter of fact slightly greater than in New Jersey where per capita placement costs are only 28 per cent. as great. It is virtually the same as in Illinois and Massachusetts and only 4 per cent. less than in California although the Pennsylvania per capita costs are four times as great. It is only 10 per cent. less than in Wisconsin although here again Pennsylvania spends four times as much for each recorded placement as the former with its better system of records.

To our minds, these statistics together with the general survey which we have had made of the system by Mr. Charles Reittel and others point the way instead to a level of service and effectiveness greatly below that which should prevail. While there are many efficient and loyal workers in the service there are too many who owe their appointment to political influence and who are inefficient. Others who have good capacities give evidence of being discouraged because of the situation and of despairing of the possibility of doing effective work. With the exception of Erie, the advisory boards required by law have been allowed to lapse and there is little effort to enlist the cordial and organized support of employers. The situation is one which calls primarily for administrative reform rather than new legislation and we recommend the following steps:

(1) The thorough purging of the service of all those who are unfitted for their work and of those who will not devote their full time and their working energies to the upbuilding of the service. The recruiting of the future staff should be so far as possible according to merit principles and only persons with previous employment and trade experience with an educational minimum should be engaged.

(2) The creation in each of the cities where offices are located of strong co-operative committees composed of employers and workers with a representative of the public. These committees should be composed of men who are influential in the industrial world and should be given real powers in order both to retain their interest and to utilize their abilities. We recommend, for example, that after they have been firmly organized that they be given at least the following duties: (a) to advise with the Department of Labor and Industry concerning the appointment of the superintendent of the local office, (b) to help supervise the location and layout of the offices, (c) to aid the development of special sections for particular industries, and (d) to help promote the service among employers.

In order to make these committees more representative we have had a bill drafted (Appendix D) which replaces the present act for such committees. Their efficient organization and work will, however, depend not so much upon this legislation but rather upon the energy and judgment with which the Department of Labor and Industry proceeds to set them up.

(3) The offices should be decently and conveniently housed and readily accessible to the applicants. The present housing of the Philadelphia office upon the ninth floor of an office building should, for example, be discontinued at the earliest possible moment.

The public offices should not content themselves with merely placing applicants but should actively follow them up in order to learn from employers whether or not they have proved satisfactory and to obtain information which will enable the offices to give better service in the future. Such work will incidentally give the employers greater confidence in the office and will enable them to place more and better men.

(4) An active program of soliciting employers for jobs should be carried on and the possibilities of taking over the employment work for a given industry or group of employers constantly canvassed. We believe that the State office should have a supervisor constantly traveling over the State and at once enlisting the co-operation of employers and inspecting the service. Each local office should, more-over, have a field agent who would visit employers and this work can be a part of the follow-up program advocated in the previous paragraph.

(5) A system of promotion based upon tested efficiency with corresponding salary schedules should be worked out by the Director of the Bureau for the employees of the Bureau.



We recommend the following approximate and tentative salary schedule: (a) Superintendents of offices in Class A cities, \$4000, advancing with good service to \$5000, (b) Superintendents of offices in Class B cities \$2500, advancing to \$3500, (c) Supervisor for the State service, \$3000-\$4000, (d) Interviewers and examiners in local offices, \$2400 to \$3000, (e) Field agents in local offices, \$2400 to \$3000.

(6) The improvement of the statistical records of the public offices so that uniformity may be obtained and a more accurate statement of placements secured.

(7) The holding of periodical conferences of the various superintendents and of staff conferences within an office in order to promote the most effective work.

(8) The establishment of an adequate system of clearance between the offices of the State.

(9) The need for additional offices is apparent and we recommend that the whole situation be studied with a view to the best allocation of the available resources to the needs of the State.

(10) An attempt to enlist the aid of certain foundations and private individuals in the establishment of experimental employment offices in Philadelphia and Pittsburgh on terms which will insure their efficient operation for an experimental period of years. In order to remove all doubts of the legality of this measure, we have had a bill drafted authorizing the State to receive grants which is appended as a part of Appendix D.

(11) If a vigorous program such as we have recommended is carried through prior to the beginning of the new biennium of 1931-33, we recommend that appreciable additional funds should be provided. We favor an additional appropriation of \$100,000 a year to be spent for the improvement of the service.

#### C.—The Better Regulation of the Private Employment Offices of Pennsylvania

The reform of the private employment offices in the State, of which there were 274 in May, 1930, is also urgently demanded. Not only are the placement fees which they charge in many cases quite high but registration fees are also frequently demanded which the workers find it difficult to recover if they are not placed. Misrepresentation of working conditions has also been practiced and there are strong indications which point to the splitting of fees by some of the offices with the foremen. This latter practice, of course, causes the foremen to discharge one group of workmen after they have been employed for short periods of time and their replacement by another group of workers. An indication of the abuses practiced is the fact that in 1929 two private employment agents were killed by workmen who felt that they had been defrauded.

The regulation of these private agencies was greatly weakened by the act of 1929 which evidenced the great political power which these agencies then possessed. The present act does not permit the State Department of Labor and Industry to revoke licenses for cause and requires a protracted legal process before the courts before a license can be revoked. The charging of registration or service fees is not prohibited nor are the private offices required to file a record of all placements made. Supervision is made still more difficult by the fact that the licenses do not expire at one time but rather at different times during the year according to the date when the license was originally granted.

In our opinion the regulation of these offices should in the public interest be greatly stiffened and we recommend that the following features should be included in any such program of regulation: (1) Giving to the Department of Labor and Industry and the Industrial Board the power to license only those private agencies which are needed to serve employers, employees and the public. It seems probable that the industries of the State could operate just as efficiently with an appreciably smaller number of agencies than the present 274. In making their decision as to the number needed the Department and the Industrial Board should take into consideration the degree to which there was overcrowding in the field of private agencies, the employment agencies managed by employers or by workers directly, and the adequacy of the public employment offices. It would be expected that as the efficiency of the public offices increased, the need for the private offices would diminish.

It is believed that such a provision would be held constitutional by the courts for while it is true that the State cannot

prohibit private offices from receiving fees from workmen (Adams vs. Tanner, 244 U. S. 590), nor indeed regulate the minimum fees which these offices can charge for actual placements (Ribnik vs. McBride, 277 U. S. 350) the power to license carries with it the power not to license. A license is not a contract nor a vested right. It is in the power of the State to grant or to refuse and the Supreme Court in the case of Ribnik vs. McBride did assert the right of the State to regulate, even though it ruled against the power of fixing maximum placement fees.

As a matter of fact, the State of Wisconsin has had such a provision in its law since 1913. As a result of its operations and its administration by the Industrial Commission of that State, the number of private employment agencies has been reduced from 39 to 10. Nor has the constitutionality of this act ever been questioned.

(2) Enlarging the definition of private agencies so as to include those who solicit jobs for applicants by mail. The abuses in this field have been particularly marked in Philadelphia and it is highly important to bring these agencies indubitably under control.

(3) Raising the license fees for the private agencies to \$200 a year and increasing the required amount of their bonds from \$1000 to \$5000. At the same time the classification of the types of private agencies should be simplified.

(4) Providing that all the licenses shall expire on a given date such as September 30 so that the Department of Labor and Industry and the Industrial Board will be able to survey the whole situation and deal with the applications as a whole instead of being forced to deal with them one at a time.

(5) Giving to the Department of Labor and Industry the power to revoke a license for cause and not subject it to the delay which is now necessary. The proper rights of the private agencies would, however, still be protected by the courts.

(6) Making the reasons for the revocation of the licenses more explicit.

(7) Prohibiting the imposition of a registration fee for which no service is rendered, or agreed to be rendered in the procurement of employment or help for an applicant. Such a prohibition it is believed is also constitutional because the ruling of the Supreme Court in the Ribnik case applied only to placement fees and did not cover registration fees. Since abuses are inextricably bound up with the practice of charging fees before service is rendered, the prohibition of such fees would seem to be within the regulatory powers of the State. There is precedent for such a step in the fact that South Dakota and California already prohibit such fees.

(8) By requiring each private office to make a monthly report on the numbers placed and total fees received. The Department of Labor and Industry will thus be furnished with a statistical record which will greatly aid it in its task of licensing and inspection.

We have drafted a bill embodying these and certain minor features which is attached as Appendix E, to which we give our endorsement and we earnestly recommend that it be passed at the ensuing session of the legislature.

We also believe that labor on Government work should not be allowed to be mulcted for obtaining their employment and we therefore, recommend that private employment offices be prohibited from obtaining fees for placing workers on public work. (This is considered in Appendix F.)

We should also like to point out, however, that if the full possibilities of improvement are to be realized it is necessary to have a courageous, untiring, and efficient administration of the measures. Unless the Department of Labor and Industry and the Industrial Board are willing to grapple energetically and fearlessly with the problem, any act however good will necessarily be ineffective. The private employment offices have a great deal of political influence and in the people's interest the Department must be constantly vigilant.

#### 5. The Role of Education in the Struggle Against Unemployment.

While education cannot immediately reduce unemployment, it can contribute to make workers more flexible and at once enable them to transfer more readily to other positions and increase their general effectiveness. Our sub-committee on Education and Training has prepared a very inclusive report on this topic which is printed as Part Three, Section 2. Summarized briefly they recommend:

(1) A stricter regulation of the conditions under which employment certificates are issued to children between the ages of 14 to 16. The certificates should be issued only in those cases where there is clear evidence that the child's earnings are actually needed by the family.

(2) Greater flexibility in high school and vocational training to permit juveniles to prepare for more occupations.

(3) The development of more foreman-training classes and the appointment of at least six district directors of industrial education.

(4) The encouragement of communities to put their part-time continuation schools upon a half-time basis and the increase of State aid to such districts as adopt this plan. The vocational education facilities in all continuation as well as secondary schools to be developed and extended.

(5) The establishment of special schools in the mining districts where there is a surplus of labor, to prepare some juveniles and miners more efficiently for mining and other miners and juveniles for other industries.

(6) The establishment of vocational and extension classes for the unemployed with the aim of giving them general education, which so many of them need, together with vocational training wherever such schools are now available. In many cases, free carefare and lunches should be provided for those who attend such classes.

(7) A general development of adult education for the employed as well as the unemployed in order to decrease illiteracy and to give training in citizenship and the better use of leisure time.

(8) The distribution of a State equalization fund of approximately two million dollars to ensure added aid: (a) \$300,000 to schools in the mining and industrial centers of schools of the type mentioned in the two preceding paragraphs, (b) \$1,200,000 as aid to the rural schools which will enable them to give better training to their children, (c) \$500,000 for distressed school districts.

(9) A survey by the sub-committee of the graduates of the State Teachers Colleges and the accredited Liberal Arts Colleges shows that 17 per cent. of last year's graduates who proposed to enter the field of education are still unplaced. Since a reserve of from only 8 to 10 per cent. is needed to provide for deaths, marriages, etc., this indicates a tendency towards over-crowding which is primarily characteristic of the elementary grades and junior high schools. It is recommended that the number of students in the various Teachers Colleges be limited to the demands of the State. The period of preparation for the elementary grades should be increased from two to four years. If after further investigation, the State Council of Education finds that the various schools of education in liberal arts colleges are also turning out an over-supply of teachers then new curricula in these schools should be only sparingly approved. Both the State Teachers Colleges and the Liberal Arts Colleges should co-operate together to improve the quality of teacher-training and perhaps to dampen off the rate at which the number of teachers is now being increased.

(10) Further investigation of such problems as more adequate Negro education and the curriculum of elementary and secondary schools.

#### 6. The Organization of Relief.

The Committee immediately recognized the necessity for committees in the various counties which would organize and co-ordinate relief and it has now set up such bodies in virtually every county in the State. Perhaps the most important immediate task of these committees is the raising of more funds for relief and for their distribution through accredited local charitable organizations. The Sub-committee on Relief and on Co-operation with Local Agencies has worked out standards which should be followed including: (1) The listing of the unemployed and ascertaining those now receiving relief. (2) Aiding in the raising of funds. (3) Granting relief through accredited agencies to the most needy cases on condition that they render service in return on public work which would not otherwise be undertaken. The rates of payment for such work to be, however, at the going local rate. (4) Co-operating with the local agencies in a program of visiting the families of the unemployed to determine what needs for medical, vocational or other care the families need and of attempting to fill these to the fullest degree possible.

These county and local committees will continue their work as long as their services are needed and it is hoped that they may prepare the way for county units of Welfare under the

supervision of the State Department of Welfare which will provide specialized care for the various groups needing it along the lines of the program worked out in North Carolina and now being considered by a number of other states.

#### 7. Reserves Against Unemployment and Unemployment Insurance.

The Sub-Committee on the Stabilization of Wage-earners' Incomes after studying the problem, by majority vote submitted the following statements of policy to the general committee:

#### STATEMENTS OF POLICY

(1) In the development of our industrial civilization, great progress has been made in the continuity of dividend payments by those who have capital to invest in our major enterprises. Stabilization of wages and purchasing power of the vastly greater numbers of our industries citizens who must chiefly rely for the support of their families upon the investment of their labor has been likewise successfully attempted in a number of instances through co-operative efforts of employers and workers.

"Beneficial as these unemployment reserve funds have been to industry and the workers, it is agreed that this problem calls for the stimulus and encouragement of legislation in order that the benefits of such provisions may be had universally and with reasonable promptness."

This was passed by the following vote:

Yes: Andrews, Douglas, Hall, McBride, Maguire.

No: Wright and Benedict.

Absent: Phillips, Wolman.

(2) The second statement which went into the problem in greater detail was as follows:

We must face the fact that a very considerable amount of unemployment can be expected to continue in the future. Even with the most energetic action by employers large seasonal unemployment will exist because of the influence of styles and of the weather. There seems little prospect that business cycles will be controlled any more effectively in the coming than in the past decade and this will create a large amount of unemployed. If the general price level should decline during the coming years, this will have a further depressive influence upon business and still further swell the ranks of the unemployed. Technical and managerial improvements will also throw temporarily many workers out of employment and shifts in demand will cause further trouble.

One of the most pressing of social problems is, therefore, how to prevent these workers and their families, who are thus deprived of employment and income through no fault of their own, from undue suffering. The only two means of protection which they now have are their private savings and charity. The earnings of unskilled labor are insufficient in terms of modern standards of living to permit their making such adequate savings while if the semi-skilled workers have several dependents, such savings are impracticable for them as well. If the period of unemployment is prolonged whether because of a business depression or technical and market changes, even fairly large savings by skilled workers will be inadequate. Charity is, therefore, the sole bulwark which society now has to protect these men and their families from need. Even though large sums are now being raised in various cities of the State to help provide for the unemployed and while these efforts are worthy of all praise and should in fact be increased greatly during the coming winter, these amounts are grossly insufficient in the comparison with the need. Good men who have been thrown out of work through no fault of their own should not be required to depend upon so inadequate, uncertain and humiliating a source of relief.

The most effective way of providing such protection is by adopting a policy for labor which capital has already adopted for itself, namely to accumulate reserves during periods of prosperity and employment which may be utilized in periods of depression and of unemployment. Well-managed corporations do not now pay out all of their earnings in good times but instead lay aside a certain proportion in reserve funds which are paid out in periods when the net earnings are low or non-existent. In this way, the dividend payments and the money income of the investing and owning classes are largely stabilized in bad as well as good times. Good business men also take great pains to lay aside depreciation and obsolescence funds with which to meet the losses occasioned by machines being outmoded and replaced.



These practices reflect great credit upon the sagacity of management and logic would seem to call for their extension to labor as well. If industry aims to provide a return to capital even though it be unemployed, so it should make some provision that the income of the workers should be at least partially maintained if they are unemployed, provided of course that they are honestly seeking work.

Such a program as this would as a matter of fact have a stabilizing influence upon business, for: (1) By transferring dollars of purchasing power from periods when employment and production are relatively full, profits high, and demand adequate to periods of unemployment when employment is low and demand inadequate, it would by putting more purchasing power in the pockets of the workers, enable them to buy more and hence would at least partially check the cumulative breakdown of purchasing power, production and employment which now sweeps business so rapidly downhill; (2) By graduating the premiums which employers pay somewhat, though not fully, in accordance with the amount of unemployment in that particular firm or industry, it would put a pressure upon management to stabilize its employment to the fullest degree possible in much the same way that workmen's compensation has stimulated the better managed firms to reduce industrial accidents.

There are many who agree with such proposals but feel that owners and managers of industry can be trusted to adopt these plans voluntarily. But this ignores the crucial fact that business in general will not want to assume such added costs when to do so will place them at a competitive disadvantage with other firms which do not act similarly. After a decade of experimentation, the Industrial Relations Counsellors, Inc., an organization connected with large capitalistic interests, reports that prior to the adoption of the General Electric plan last spring, only 11 companies had such plans and that only approximately 9000 workers were eligible for benefits. Only about 35,000 workers were covered by trade union plans and somewhere around 60,000 by joint plans of employers and unions. The adoption of the General Electric plan has probably raised the total number protected by all three varieties of plans to somewhere between 175,000 to 180,000.

Because of competitive pressure, therefore, we believe that private experiments, though extremely valuable, cannot furnish adequate protection to the unemployed. We see no other way, therefore, of providing these reserve funds except by making this mandatory in much the same fashion that workmen's compensation was made mandatory.

We are well aware that large groups of high-minded and sincere people, whose motives we do not question, are at present opposed to any such proposal for a number of reasons which we propose to state fairly and to consider:

(1) It is feared that the benefits to the unemployed will cause them not to seek employment but instead to remain idle and that thus the result of any such measure would be to make the situation worse rather than better. With full respect to the proponents of this objection, we should like to point out that this danger can and should be prevented under any proper law by the following measures: (a) The benefits should be paid only to those who have been laid off because of lack of work and not to those who were discharged for cause or who voluntarily left without just cause. (b) Awaiting period of two weeks should be required before the payment of benefits begin. (c) Each unemployed person should register at the nearest public employment office which should seek to get work for him. Any person who refused work in his trade or locality where there was no strike, or lockout, at the going rate of wages should not receive any benefit and after a reasonable period of time if he refused work in other localities or industries, he should not receive benefits. (d) The benefits should always be appreciably less than what the worker could secure if employed. (e) The benefits should only be paid for a limited number of weeks in any year and should be limited to one week of benefits for every four or five weeks for which premiums were paid for or by the worker.

(2) It is also feared that once such a system is established there will be constant pressure to have the period of benefit extended and for the public to pay a large share of the expense. That there are real possibilities in this direction we freely admit. We believe, however, that these issues can be met when they are encountered and we submit that we should not refuse to take a needed first step because later the State may be asked to take a second.

(3) It is further feared that such a system may "freeze" labor in decaying trades and localities when the desirable thing would be for them to seek work elsewhere. This is a real danger but it can be met by some provisions as we have previously mentioned namely by requiring the unemployed, after a reasonable period of time, to accept available jobs in other industries.

(4) That the imposition of such burden upon industry in Pennsylvania would place it at a competitive disadvantage in comparison with similar industries in other States. This is, of course, an objection to all social legislation by the States under our Federal form of government. The previous adoption of workmen's compensation laws was not, however, found to be a serious burden upon the pioneering States and it should not be forgotten that such a program would bring with it many savings as well. It would stimulate Pennsylvania industry to regularize and thus effect economies and it would also lessen the burden of employers to contribute to charity. Any pressure of interstate competition can, however, be greatly lessened by a cooperative movement on the part of the chief industrial States to enact such laws. Such a development may be stimulated by the conference of governors called by Governor Roosevelt, of New York, to consider this question. A program of Federal grants-in-aid to the States adopting such measures would, moreover, greatly stimulate other States to enact similar laws, and thus lessen the pressure upon the pioneers.

(5) That many employers would take advantage of the payment of unemployment insurance to lay men off, whom if no other support were available, would otherwise be retained. These critics point out that employers are sometimes reluctant to drop workmen whom they would like to let go for either inefficiency or opposed policies, but whom they retain because of their reluctance to thrust men who do not possess reserves into the harsh rigors of unemployment. If these workmen are given some protection through unemployment insurance, it is alleged that the conscience of the employer will be assuaged and they will more readily drop the workers in question.

In dealing with this objection, we should bear in mind a number of considerations: (a) That large groups of workers such as those on the railroads and in various public utilities, etc., are employed on the seniority basis and hence are immune to such possible dangers of discrimination. (b) That it is not certain whether any very large group of employers now act in such a manner as that stated, or retain any considerable number of men whom they would fundamentally like to drop. (c) That the more workmen who would thus be laid off, the more would the premium rates of that employer go up with the result that a direct penalty would be imposed for such acts. (d) That the danger of a workman being alleged to be discharged when he is in reality laid-off can be checked both by an adequate administrative system which will probe such cases and by determining whether or not he is replaced. If the size of the working force be decreased, it is quite clear that such an ostensible dismissal would in reality be a lay-off.

We believe, therefore, that these honest objections are not sufficiently well founded and that they can be met by a proper mandatory law.

There are a number of points upon which competent opinion may well differ and which can be settled both by discussion and by experimentation. One of these is the question of contributions and whether they should be made by the employers alone, or jointly by both workers and employers, and whether the State should take a part in the financial support of the system. Another is whether the benefits should be flat sums irrespective of earnings or should be roughly graduated according to the previous earnings of the worker. Allied with all these questions are those of the administration of the insurance itself. We append two draft bills to our report which represent somewhat different approaches to these and other problems. The first is that prepared by the American Association for Labor Legislation in which the worker is not asked to contribute and another modeled upon the so-called Ohio plan in which the contributions are joint. While not specifically endorsing one of these bills in preference to the other, we wish to state our firm belief that the differences between them are far less important than the points of agreement. Once an agreement is reached on the principle of building up reserves for unemployment, the precise methods of administration can



readily be worked out and we believe that valuable suggestions are to be found in each of these two drafts.

We would, however, like to recommend that those who are receiving unemployment benefits may be required by the State, at its pleasure, to take general or vocational courses during such periods in order to prepare them more effectively for life and industry and to facilitate their re-employment. The period of unemployment would then not be a period of idleness as now but instead a period of development.<sup>1</sup>

This was passed by the following vote:

Yes: Douglas, Hall, McBride, Maguire, Phillips and Andrews.

No: Wright and Benedict.

Absent: Wolman.

#### Committee Recommendation

After earnest consideration of the above report of a majority of the Sub-Committee on Stabilization of Wage Earners Incomes, the committee as a whole resolved:

"That measures for the stabilization of workers' incomes are essential to our healthy economic life and that, although we are not able to agree on the specific measures through which this should be effected, we commend to your serious consideration and to that of our legislators if in your judgment it should be submitted to them) the able report of our sub-committee on this subject, printed herewith; and we call attention to a third possibility of voluntary action by employers either as individuals or groups or in cooperation with employees' organizations."

## PART TWO

### Draft of Proposed Legislation

#### APPENDIX A

A Joint Resolution Proposing an amendment to section eight, article nine, of the Constitution of the Commonwealth of Pennsylvania.

Section 1. Be it resolved by the Senate and the House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, that the following amendment to the Constitution of the Commonwealth of Pennsylvania be, and the same is hereby proposed in accordance with the eighteenth article thereof:

That section eight of article nine is hereby amended to read as follows:

Section 8. The debt of any county, city, borough, township, school district, or other municipality or incorporated district, except as provided herein, and in section fifteen of this article, shall never exceed seven (7) per centum upon the assessed value of the taxable property therein, but the debt of the city of Philadelphia may be increased in such amount that the total city debt of said city shall not exceed ten (10) per centum upon the assessed value of the taxable property therein, nor shall any such municipality or district incur any new debt, or increase its indebtedness to an amount exceeding two (2) per centum upon such assessed valuation of property, without the consent of the electors thereof at a public election in such manner as shall be provided by law. If, as and when the majority of a board consisting of the Governor, the Secretary of Internal Affairs, and State Treasurer, from time to time, as provided in section four of this article, shall determine and declare the existence of an unemployment emergency in this Commonwealth, the bonding capacity of each county, city, borough, township, school district, or other municipality or incorporated district, for the purpose of improving, adding to, or constructing any existing or new public works of political subdivisions may be increased from seven (7) per centum to eight (8) per centum upon the assessed value of the taxable property therein, the bonding capacity of the city of Philadelphia may be increased from ten (10) per centum to eleven (11) per centum upon the assessed value of the taxable property, and the bonding capacity of any such municipality or district from two (2) per centum to two and one-half (2½) per centum upon the assessed valuation of property therein without the consent of the electors thereof

<sup>1</sup>This of course, does not commit the sub-committee to the support of the second bill in Appendix G in preference to the first, although the second does have a provision to this effect. The real differences between the two bills are on other points.

at a public election in such manner as shall be provided by law. All bonds issued in accordance with the increased bonding capacity herein authorized in the event of an unemployment emergency shall be for terms of ten years and all construction projects of political subdivisions made possible thereby shall be subject to the approval of any State agency created by the Legislature for advance planning of public works.

In ascertaining the borrowing capacity of the city of Philadelphia, at any time, there shall be deducted from such debt so much of the debt of said city as shall have been incurred, and the proceeds thereof expended, or about to be expended, upon any public improvement, or in the construction, purchase, or condemnation of any public utility, or part thereof, or facility therefore, if such public improvement or public utility, or part thereof, whether separately, or in connection with any other public improvement or public utility, or part thereof, may reasonably be expected to yield revenue in excess of operating expenses sufficient to pay the interest and sinking fund charges thereon. The method of determining such amount, so to be deducted, may be prescribed by the General Assembly.

In incurring indebtedness for any purpose the city of Philadelphia may issue its obligations maturing not later than fifty (50) years from the date thereof, with provisions for a sinking fund sufficient to retire said obligations at maturity, the payment to such sinking fund to be in equal or graded annual or other periodical installments. Where any indebtedness shall be or shall have been incurred by said city of Philadelphia for the purpose of the construction or improvements of public works or utilities of any character, from which income or revenue is to be derived by said city, or for the reclamation of land to be used in the construction of wharves or docks owned or to be owned by said city, such obligations may be in an amount sufficient to provide for, and may include the amount of, the interest and sinking fund charges accruing and which may accrue thereon throughout the period of construction, and until the expiration of one year after the completion of the work for which said indebtedness shall have been incurred; and said city shall not be required to levy a tax to pay said interest and sinking fund charges as required by section ten, article nine of the Constitution of Pennsylvania, until the expiration of said period of one year after the completion of said work.

#### APPENDIX B

A Joint Resolution proposing an amendment to section four, article nine of the Constitution of the Commonwealth of Pennsylvania.

Section 1. Be it resolved by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, that the following amendment to the Constitution of the Commonwealth of Pennsylvania be, and the same is hereby proposed in accordance with the eighteenth article thereof:

That section four of article nine is hereby amended to read as follows:

Section 4. No debt shall be created by or on behalf of the State, except to supply casual deficiencies of revenue, repel invasion, suppress insurrection, defend the State in war, or to pay existing debt; and the debt created to supply deficiencies in revenue shall never exceed, in the aggregate at any one time, one million dollars: Provided, however, That the General Assembly, irrespective of any debt, may authorize the State to issue bonds, to the amount of one hundred millions of dollars, for the purpose of improving and rebuilding the highways of the Commonwealth: And Provided, further, That the General Assembly, irrespective of any debt, may authorize the State from time to time to issue bonds in any amount up to but not exceeding one hundred millions of dollars for the purpose of improvement, adding to, or constructing any existing or new public works in Pennsylvania if, as, and when the majority of a board consisting of the Governor, the State Treasurer and the Secretary of Internal Affairs from time to time shall determine and declare the existence of an unemployment emergency in this Commonwealth. All such emergency bonds shall be for a term of twenty years and at no time shall the aggregate amount of said bonds outstanding exceed one hundred millions of dollars.



## APPENDIX C

An Act providing for a system of advance planning and construction of public works of this Commonwealth and its political subdivisions in such a manner as will assist in the stabilizing of industry and employment; creating a departmental administration thereof; imposing powers and duties upon the Governor and the heads of certain administrative departments; and making an appropriation.

Section 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, That there is hereby created and placed in the Department of Property and Supplies a departmental administrative board to be known as "The Public Works Planning Board" hereinafter called the "board." This board shall consist of the Secretary of Property and Supplies, the Secretary of Highways, and a head of another administrative department appointed by the Governor, as ex-officio member, and five members appointed by the Governor as follows:

(a) Two of whom shall be active persons from one of the principal regional planning federations in a city of the first and second class, respectively.

(b) One of whom shall be conversant with city planning.

(c) One of whom shall be an economist or financier.

(d) One of whom shall be a representative of the building industry or of a building congress.

The members of the board first appointed under this act shall continue in office for terms on one, two, three, four and five years, respectively, and until their respective successors shall be duly appointed and shall have qualified, but their successors shall be appointed for terms of five years.

The board shall select from among their number a chairman and, with the approval of the Governor, shall appoint a Director, who shall receive an annual salary of seven thousand five hundred dollars, and such other clerical or other employees as may be necessary.

Each member of the board, other than the ex-officio ones, shall receive fifteen dollars per diem, for each day actually devoted to the work of the board as well as traveling expenses actually incurred in performing such work.

Four members of the board shall constitute a quorum.

The board shall co-operate with the departments, boards and commissions of the State Government that have jurisdiction or control of or power to engage in the construction of public works in formulating methods of advance planning thereof; shall make reports from time to time to the Governor and to the Legislature; and shall perform the powers and duties vested in it by this act.

Section 2. It is hereby declared to be policy of the Commonwealth of Pennsylvania to arrange the construction of public works, so far as practicable, in such manner as will assist in the stabilizing of industry and employment through proper timing of such construction, and to further this project there shall be advance planning of public works by the hereinafter designated construction agencies of the Commonwealth and by the board created by this act.

Each administrative department, board or commission having jurisdiction or control of or the power to engage in State construction work shall cause to be prepared a six-year advance plan of contemplated construction work by said department, board or commission with estimates for each project and tentative assignment of each project to a certain year. Such estimates shall show separately the estimated cost of land, the estimated cost of new construction and the estimated cost of repairs and replacements.

Such plans and estimates for the six-year period shall be submitted to the Secretary of Property and Supplies for correction and provisional approval. The Secretary of Property and Supplies shall submit to the Legislature from time to time a consolidated plan and a provisional estimate of the total sum which would constitute a normal construction program over a six-year period.

Each department, board, or commission submitting a six-year plan shall keep it up-to-date by a biennial revision of the plans and estimates for the unexpired years, biennially adding a plan and estimate for two additional years.

The Governor shall, before recommending to the Legislature the amount of State construction work for any biennium, take into consideration the total volume of construction, pub-

lic and private, under way within the Commonwealth, the general state of employment, and the activity of business.

The board shall collect information concerning advance construction plans and estimates by the political subdivisions of the Commonwealth, by public service corporations, and by private corporations and agencies, in order to estimate the probable future volume of construction within the Commonwealth.

Section 3. Whenever the Governor, upon recommendation of the board or upon advice of the President of the United States or for other reasons, shall declare the existence of an unemployment emergency, the rate of construction under the six-year plan shall be accelerated.

If the Legislature is in session the Governor shall submit a special message asking for appropriations for carrying out additional parts of the six-year plan.

If the Legislature is not in session work may be begun on those parts of the six-year plan which the Legislature has previously approved and payments may be made out of any moneys legally available for such purposes.

Section 4. The board may assist cities, towns, boroughs, school districts and other municipal units in developing their advance planning of construction and methods of financing which will assure increased available funds for construction during periods of unemployment.

The board may study methods of preventing peaks of public construction within geographical limits of the Commonwealth coinciding in time with peaks in private construction, in order to avoid excessive competition between public and private agencies for the same men, materials and credits.

The board may make suggestions to municipalities and to the public, based upon such studies in an effort to reduce the height of dangerous booms and thereby diminish the depth of subsequent depressions.

The board shall act, in its relations with municipalities, as far as possible through the Bureau of Municipalities of the Department of Internal Affairs.

Section 5. The board may study proposed construction projects within the Commonwealth which have not been authorized by the Legislature, for the purpose of later submitting to the Legislature plans and estimates suitable for consideration at a later time by the Legislature as emergency public works.

Section 6. There are hereby appropriated the following sums for the administration of this act:

## APPENDIX D

An Act to amend sections eleven, thirteen, fourteen and fifteen of an act approved the fourth day of June, one thousand nine hundred fifteen (Pamphlet Laws, eight hundred thirty-three), entitled "An act establishing under the Department of Labor and Industry a system of regulation of employment of employers seeking employees and of persons seeking employment; and prescribing, as incidental thereto, certain duties of employers and of county, municipal, township and school authorities and of agencies procuring employees for others; and prescribing penalties."

Section 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, that section eleven of the act approved the fourth day of June, one thousand nine hundred fifteen (Pamphlet Laws, eight hundred thirty-three), entitled "An act establishing under the Department of Labor and Industry a system of regulation of employers seeking employees and of persons seeking employment; and prescribing, as incidental thereto, certain duties of employers, and of county, municipal, township and school authorities, and of agencies procuring employees for others; and prescribing penalties," be and the same is hereby amended to read as follows:

Section 11. The Department of Labor and Industry shall have the power to establish and conduct public employment offices or labor exchanges at convenient places throughout the Commonwealth, and, with the approval of the representative council of a particular district or locality, may establish separate public employment offices for particular professions, trades and industries.

The [director] Department of Labor and Industry may enter into an agreement with any county, city, borough, town or township for the establishment and joint maintenance of local offices for the general public or for particular profession

trades and industries. All county, city, borough, town or township executives shall report to the [director] Department of Labor and Industry, from time to time, the general conditions of employment, the demands of employers for employees, the demands for employment and the existence of industrial disputes, strikes and lock-outs, in their respective districts, and shall cause to be posted any bulletins or notices of the [bureau] Department of Labor and Industry pertaining to the purposes of this act. Any county, city, borough, town or township may appoint the superintendent of the nearest district branch office to fill the office of superintendent of employment.

Section 2. That section thirteen of said act is hereby amended to read as follows:

Section 13. Each district and local office for the public in general or for a particular profession, trade or industry, shall have a representative council appointed by the [commissioner] Secretary of Labor and Industry. The council shall consist of [six] seven members, one of whom shall be a woman, and all of whom [are] shall be citizens of the United States and of the [State] Commonwealth of Pennsylvania, and residents of the district where the council is to serve. [One member shall be an employer, not a member of any employers' association; two members shall be representatives of employers' organizations; one member shall be a working person, not a member of any organization of working people, and two shall be representatives of organizations of working people. The commission shall designate one from the employers and one from the employees, to serve for a period of two years; one from each group, to serve for a period of four years, and one from each group, to serve for a period of six years. Upon the expiration of said terms, the] Of the seven members, three shall represent employers, three shall represent the working people and one shall represent neither employers nor working people, but the public in general: Provided that six members of a representative council of an office limited to a certain profession, trade or industry shall represent the employers and employees of said profession, trade or industry divided as aforesaid. The term of each member of representative council now holding office shall expire upon the effective date of this amendatory act. The term of office of each member of a representative council thereafter appointed shall be for a term of [six] two years, except that any member appointed to fill a vacancy shall serve for the unexpired term thereof.

The [commissioner and the director] Secretary of Labor and Industry shall be an ex-officio [members] member of each council. The superintendent in charge of a district shall be chairman of the council for his district, and in case of his inability to be present at any meeting the [director or the commissioner] Secretary of Labor and Industry or his duly authorized deputy may act as chairman.

The actual and necessary traveling expenses incurred by members of district representative councils, while engaged in the performance of their duties, shall be paid by the State.

Section 3. That section fourteen of said act is hereby amended to read as follows:

Section 14. [The] Each representative council [in each district] shall.

(a) [Devise methods and take steps toward the regularization of employment in the various industries and seasonal trades of the district.] In conjunction with the Department of Labor and Industry, exercise supervision over its particular public employment office.

(b) [Devise plans and take steps to promote public improvements by municipalities within the district, during seasons of unemployment.] Advise the Secretary of Labor and Industry in the appointment of the superintendent of its particular public employment office.

(c) Promote the wider use of district and local public employment offices by employers and persons seeking employment and to [co-operate] co-operate with any person, employers, association or organ of the press in accomplishing the aforesaid [purposes] purpose.

(d) [Appoint sub-committees to deal specially with any subject which the council has power to investigate or act upon, but each sub-committee shall be presided over by a member of the council.] Make recommendations concerning the promotion of members of the personnel staff at its particular public employment office.

(e) Hold meetings at least once each month, or oftener if required, for the accomplishment of the aforesaid pur-

poses; such meetings to be called by the chairman of the council, or to be fixed at any regular meeting of the council.

(f) Keep minutes of all meetings; submit a copy of all minutes, records and decisions; and report in full on all actions or proceedings to the [director] Department of Labor and Industry. No rule shall be prescribed or action taken by the council inconsistent with the action of the board.

Section 4. That section fifteen of said act is hereby amended to read as follows:

Section 15. The [bureau] Department of Labor and Industry shall neither charge nor receive fees, directly or indirectly, for any service or benefit rendered to those availing themselves of advantages provided. No official, employee or person associated with [the bureau] said department in the performance of its duties shall charge, demand, accept or receive, directly or indirectly, any fee, compensation, contribution or gratuity for any service or duty performed as an official or employee of [the bureau] said department.

The Department of Labor and Industry, however, may receive and accept from any person, firm, association, corporation or the United States of America gifts, donations, contributions or endowments of money, securities or other personal property which, or the income of which, shall be used by the Commonwealth either by itself or in conjunction with any political subdivision or groups of employers or employees for the establishment, development, promotion, extension, or operation of public employment offices in this Commonwealth for employers and persons seeking employment in general or for particular trades, industries or professions. Such gifts, donations, contributions or endowments shall be employed for the purpose or purposes specified by the donors to whom an accounting shall be made.

#### APPENDIX E

##### MAJOR CHANGES MADE IN EXISTING LEGISLATION GOVERNING PRIVATE EMPLOYMENT AGENCIES

The present powers of regulation of private employment agencies by the Department of Labor and Industry are authorized by the act of May 2, 1929, P. L. 1260, which repealed the original act of 1915 governing these agencies and weakened the regulatory powers of the aforesaid department.

This bill provides for the repeal of the act of 1929 and replacement thereof by a new act which puts more teeth in the regulatory powers of the Department of Labor and Industry. Briefly stated, the major changes made by this bill are as follows:

1. The definition of "employment agent" has been broadened to cover any person, firm or corporation making a charge for bringing or endeavoring to bring together employers and persons seeking employment.

2. "Service fees" and "registration fees are defined and the latter prohibited.

3. The procedure for the granting of licenses is simplified and the department after consultation with the Industrial Board may refuse to grant or renew a license if it is believed that private or public agencies fill the needs of the community in which the applicant proposes to operate.

4. The Department is permitted to revoke employment agents' licenses for cause after a hearing before the department. Formerly the Department could only revoke a license for three causes and had to institute revocation proceedings in the court of Common Pleas.

5. Now different fees are payable according to statutory classifications of licenses. This bill does away with the classification of employment licenses and provides for an annual license fee of two hundred dollars.

6. A definite license year is established and provision is made for the adjustment of existing licenses thereto; under the 1929 Act licenses are valid for one year after issuance.

7. Under this existing law the bond of each licensee is one thousand dollars while this bill requires a bond in the penal sum of five hundred dollars.

8. This bill authorizes the Department of Labor and Industry with the approval of the Industrial Board to prescribe rules and regulations for its administration.

An Act regulating the business of assisting employers to obtain employees, and persons to secure employment; providing for the licensing, registration, bonding and regulation of certain individuals and entities engaged in such business; conferring



certain powers and duties upon the Department of Labor and Industry and the Industrial Board; and prescribing penalties.

Section 1. Definitions.—Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, that the following words or phrases when used in this act shall, unless the context otherwise indicates, have the meanings respectively ascribed to them as follows:

(a) "Employment agent" shall mean any person, partnership, association, or corporation engaged for profit in the business of assisting employers to secure employees, and persons to secure employment or of furnishing, in any manner whatsoever, information, letter service or other service as to where employment or help may be or is likely to be secured.

(b) "Department" shall mean the Department of Labor and Industry of this Commonwealth.

(c) "Secretary" shall mean the Secretary of Labor and Industry of this Commonwealth or his duly authorized deputy or representative.

(d) "Persons" shall include persons, associations, partnerships, and corporations.

(e) "Registration fee" shall mean and include any charge made, or attempted to be made for registering or listing an applicant for employment without rendering or agreeing to render service to the applicant in the procurement of employment or help.

(f) "Service fee" shall mean and include any money, compensation, or other valuable consideration paid or promised to be paid for services rendered, or to be rendered by any employment agent including any excess of money received by any such agent over and above what has been paid out by said agent for transportation, transfer or baggage, or board and lodging, for or on behalf of any applicant for employment.

Section 2. After the thirtieth day of September, one thousand nine hundred and thirty-one, it shall be unlawful for any employment agent to operate as such in this Commonwealth unless such employment agent be the holder of a license as in this act provided.

Section 3. Every person desiring to operate as an employment agent shall file an application for such license with the department. The application shall be on a form furnished by the department, and, together with such other information as the department shall require, shall state:

(a) The name and address of the applicant and, if the applicant is a corporation, the name and addresses of the officers, and, if the applicant is a partnership, the names and addresses of all the partners. The applicant of a corporation shall be signed by the president and treasurer and that of a partnership by all the partners.

(b) The State and date of incorporation and location of the principal office if the applicant is a corporation.

(c) The present address of the place where the business is to be conducted.

(d) Whether or not the applicant proposes to conduct a lodging house for the unemployed separate from the business proposed to be conducted.

(e) The business or occupation engaged in by the applicant for at least two years immediately preceding the date of the application.

Such application shall be made under oath or affirmation and accompanied by the affidavits of at least three reputable residents of the city or county in which the applicant intends to operate that the applicant or applicants signing the application is or are of good moral character.

With every original or renewal application each applicant for a license as employment agent shall file with the department a schedule of all service fees proposed to be charged for any services rendered to employers seeking employees and persons seeking employment.

All licensed employment agents in existence upon the effective date of this act shall file on or before August fifteenth one thousand nine hundred thirty-one an application for the renewal of their licenses as of October first of the same year.

Section 4. Upon receipt of an application for a license the department shall cause a thorough investigation to be made as to the character and responsibility of the applicant; and if the applicant is a corporation or a partnership, of all the officers or partners as the case may be; and of the person

who is to have the general management of the office; and as to the location and the premises at which the business is intended to be conducted.

The secretary shall have the power to issue subpoenas requiring the attendance of witnesses, and the production of books and pages, to administer oaths to such witnesses, and examine such witnesses, books and papers in respect to matters arising in the investigation of an application and may hold a public hearing as part of said investigation when and where he deems it necessary provided that said hearing shall be held within twenty days after the filing of an application. At least five days' notice of the time and place of such hearing shall be given by the secretary to the applicant, and any protestants that there may be.

Any witness who refuses to obey a subpoena issued hereunder, or who refuses to be sworn or affirmed, or to testify, or who is guilty of any contempt, may be punished for contempt of court as provided by law.

Section 5. After proper investigation and within thirty days after the filing of an application the department shall either grant or refuse the applicant a license. The department may refuse to grant a license to or renew a license or an applicant if upon investigation it is found and determined:

(a) That the applicant is not of a good character or reputation.

(b) That the place where the business is to be conducted is not a suitable place therefor, and such place, as well as for other proper reasons, shall be deemed unsuitable if it is to be conducted in rooms used for living purposes, or where boarders or lodgers are kept, or where meals are served, or where persons sleep, or in connection with a building or premises where intoxicating liquors are sold, or reputed to be sold, or in a house of ill repute, or in a neighborhood deemed unsatisfactory by the department.

(c) That the proposed plan of business is unjust or unfair.

(d) That the applicant, being hitherto an employment agent has been convicted of a violation of or has failed to comply with any law of this Commonwealth or any other State, governing the business of an employment agent, or has had, in this Commonwealth or elsewhere, an application for a license as employment agent refused or a license therefor revoked.

(e) After consultation with the Industrial Board, that the number of licensed private employment agents, or that the public employment agency operated by the Commonwealth, or by political subdivisions of this Commonwealth or by the United States of America, or by two or more thereof jointly, in the community in which the applicant for a license purposes to operate is sufficient to supply the need of persons seeking employees or employment.

Section 6. Every license hereunder shall be on a form prescribed by the department and shall be posted conspicuously in the place of business of the licensee.

All licenses issued by the department under this act shall expire on the thirtieth day of September next following the day on which issued. All licenses previously issued by the department and which are unexpired or unrevoked on the thirtieth day of September one thousand nine hundred and thirty-one shall expire on that day and existing employment agents shall secure new licenses as provided for by this act in order to continue business thereafter.

No license shall be granted under the provisions of this act until the applicant for a license shall have paid to the department a license fee of two hundred dollars: Provided, that all applicants for renewal of licenses prematurely expired by this act that are granted new licenses under this act shall receive a credit against the above license fee equal to the proportionate part of the old license fee applicable to the period of time after the thirtieth of September, one thousand nine hundred thirty-one during which the existing license expired by this act, would have been valid: And Provided further, That in the event the department refuses to renew the license of an existing employment agent, whose license prematurely expired by this act, such employment agent shall receive a refund of that proportionate part of the old license fee applicable to the period of time after the thirtieth of September, one thousand nine hundred thirty-one, during which the existing license, expired by this act, would have been valid. Amounts to be credited or refunded under this section shall be determined by the secretary. All refunds authorized

hereunder shall be paid by the secretary from any appropriation to the department available for this purpose.

All licenses issued hereunder shall not be transferable and shall be issued only for the premises named in the application.

Licenses issued under the provisions of this act may be renewed from year to year, upon approval of an application and upon the payment of a license fee of two hundred dollars, and the filing of a bond as in the case of an original application.

Section 7. Before any license can be granted, the applicant must file with the department a bond of a duly authorized surety company to be approved by the department, payable to the Commonwealth of Pennsylvania in the penal sum of five thousand dollars, and conditioned, among other things, upon the faithful observance and compliance by the applicant of the provisions of this act and all rules and regulations prescribed and issued thereunder; upon the payment of all damages or loss occasioned to any person dealing with said applicant, by reason of any misstatement, misrepresentation, fraud or deceit, or any unlawful act or omission of any such applicant, his agent or employees while acting within the scope of their employment, made, committed, or omitted in the business conducted under such license, or caused by any other violation of this act in carrying on the business of employment agent, and upon the payment of fines and penalties imposed for a violation or violations of this act.

All actions upon bonds given under this act shall be in the same manner as actions upon official bonds.

Section 8. The department shall have the power and duty to revoke or to refuse to renew the license of any employment agent upon due cause, particularly if as a result of any inspection or investigation, or upon sworn complaint filed, that any employment agent did knowingly or wilfully—

(a) Secure a license by means of fraud or misrepresentation.

(b) Violate any of the provisions of this act.

(c) Induce or attempt to induce any employee to leave his employment with a view to obtaining other employment through such agent.

(d) Publish or cause to be published any false or fraudulent or misleading information, representation, notice or advertisement or whose letterheads, receipts and blanks were not printed or did not contain the name and address of such agent, and the words "employment agent."

(e) Give false information, or did make false promises or false representations concerning an engagement or employment to any applicant who shall register or apply for an engagement, or employment or help.

(f) Accept any application for employment made by or on behalf of any child, or did assist in placing any such child in any employment whatever, in violation of the child labor laws.

(g) Divide, directly or indirectly, any fees charged or received by him, with any person who secured help through such employment agent, or to whom help was referred by such employment agents.

(h) Knowingly send persons seeking employment to non-existent jobs.

(i) Induce or compel any person to enter his employment office for any purpose either by the use of force, or by taking forcible possession of said person's property.

(j) Send or cause to be sent, any female as a servant, employee, inmate, entertainer or performer, or any male as employee or entertainer, to any place of bad repute, house of ill fame, or assignation house, or to any house or place of amusement kept for immoral purposes, or place resorted to for the purpose of prostitution, or gambling house the character of which such licensed person could have ascertained upon reasonable inquiry.

(k) Send out any female applicant for employment without making a reasonable effort to investigate the character of the employer.

(l) Send any female, as an entertainer or performer, to any place where any such female would be required or permitted to sell, offer for sale, or solicit the sale of intoxicating liquors, to those present or assembled as an audience, or otherwise, in such place, or any rooms or building adjacent thereto.

(m) Permit any persons of bad character, prostitutes, gamblers, intoxicated persons, or procurers to frequent his place of business.

(n) Charge any registration fee.

All the aforesaid enumerated actions, doings, or sayings are hereby declared to be unlawful on the part of employment agents.

Such revocation shall only be after a full and fair hearing before the secretary upon the question of revocation and after fifteen days' notice of the time and place of said hearing, and a copy of the charges preferred have been given to the holder of the license. The effect of any revocation shall be the same as if the licensee had never been licensed.

Whenever such licensee shall be finally revoked, the secretary shall not, within one year of such revocation, issue another license to such person, or his representative, or to any person with whom he is to be associated in such business. Nor shall such person be employed during such period by any other employment agent.

Section 9. No foreign employment agent, or other person, shall enter this Commonwealth and attempt to hire, induce, or take from this Commonwealth any labor, singly or in groups, for any purpose, without first filing, in the office of the secretary, a statement as to where the labor is to be taken, for what purpose, for what length of time, whether transportation is to be paid to and from destination, and a statement of the financial standing of the company desiring the labor, as well as an affidavit of authority to represent such company in this Commonwealth, and whatever other information the secretary may require.

The secretary shall thereupon determine whether the person desiring such labor from this Commonwealth is an employment agent for profit, and, if so, whether such person is qualified to be licensed under this act. The secretary, after such investigation, may refuse to license, upon compliance with the provisions of this act, or register such person. If such person shall be exempted from license, he shall pay for registration, a fee of five dollars, and receive therefor from the secretary a certificate recognizing his right to do business in this Commonwealth.

Section 10. Every employment agent shall keep a register or registers, approved by the secretary, in which shall be entered, in the English language, the date of any application for employment, the name and address of the applicant, the amount of the fee received, and, whenever possible, the names and addresses of former employers of persons to whom such applicant is known, and the final disposition of the applicant's case; a similar record of all applications of persons seeking employees, the date of such application, the kind of help required, the names of the persons sent, the record of the ones so sent, if any, who were employed as a result thereof, the amount of the fees received, and the rate of wages at which upon. No person shall make any false entry in such register.

It shall be the duty of the employment agent, whenever possible, to communicate, orally or in writing, with at least one of the persons mentioned as reference by any applicant for work in private families, or to be employed in a fiduciary capacity, and the results of such investigation shall be kept on file in such agency: Provided, That if the applicant for help voluntarily waives, in writing, such investigation of references, the employment agent shall not be required so to do.

Section 11. No employment agent shall send out any applicant for employment without having obtained a bona fide order therefor, and, if it shall appear that no employment of the kind applied for existed at the place to which said applicant was directed, the said employment agent shall refund to such applicant, within three days of demand, any sums paid by said applicant, for transportation in going to and returning from said place, and all fees paid by said applicant.

Section 12. Every employment agent shall give to each applicant for employment a card of paper, containing in printed, typewritten or written form:

(a) The name of the applicant.

(b) The name and address of such employment agency.

(c) The name and address of the person to whom the applicant is sent for employment.

(d) The kind of service to be performed.

(e) The rate of wages or compensation.

(f) The time of such services, if definite, and if indefinite, to be so stated.

(g) The name and address of the person authorizing the hiring of such applicant.



(h) The cost of transportation, if the services are required outside of the city, borough, town, or township where the employment agent conducts his business.

Section 13. It shall be the duty of every employment agent to give to every applicant for employment, from whom a fee shall be received, a receipt in which shall be stated together with such other facts as the department may direct:

- (a) The name of the applicant.
- (b) The date and amount of the fee.
- (c) The purpose for which it was paid.

Every applicant for help shall receive a receipt in which shall be stated:

- (a) The name and address of the applicant.
- (b) The date and amount of the fee.
- (c) The kind of help desired.

The secretary may require the printing on the back of any such receipts of portions of this act, or any rules or regulations prescribed thereunder, or any other information he may deem expedient.

Section 14. Whenever any employment agent agrees to send one or more persons as contract laborers, in any place outside the city, borough, town, or township in which such employment agent conducts his business, he shall file with the secretary, within five days after the contract is made, a statement containing the following items:

- (a) Name and address of the employer.
- (b) Names and addresses of the persons to be employed
- (c) Nature of the work to be performed.
- (d) Hours of labor.
- (e) Wages offered.
- (f) Destination of the persons to be employed.
- (g) Terms of transportation.
- (h) All fees that said contract laborers will have to pay.

A duplicate copy of this statement shall be given to the applicant for employment, in a language he is able to understand, before he leaves the city, borough, town or township.

Section 15. Every employment agent, in addition to his license, shall post in a conspicuous place, in every room of his place of business the portions of this act required by the department, and the schedule of fees on file with the department as required by this act, all of which shall be printed in large type, in language in which persons commonly doing business with such employment agent can understand. Such posters shall also contain the names and addresses of the nearest officers having authority to enforce this act.

Section 16. The secretary shall be charged with the enforcement of the provisions of this act, and his duly designated employees shall inspect from time to time, without warning, the office of each employment agent holding a license in this Commonwealth. Such employees shall enforce this act and shall have suitable badges, which they shall exhibit on demand of any person interested. They shall have for the purpose of the enforcement of this act, the powers of constables and policemen in cities of the first and second class.

All registers, books, records, and other papers required to be kept pursuant to this act by any employment agent, shall be open at all reasonable hours to the inspection of the secretary or his duly authorized employees for the purpose of enforcing this act.

Section 17. Subject to the approval of the Industrial Board, the department shall have the power to make rules and regulations as it may deem necessary for the supervision and control of employment agents and in so doing it may classify placements effected by employment agents.

Section 18. On the tenth day of November, one thousand nine hundred thirty-one, and on or before the same day of each month thereafter, each and every employment agent shall make to the department a statistical report of the preceding month which shall set forth, together with other data required by the secretary.

- (a) The number of placements classified according to the rules and regulations of the department.
- (b) The number of applicants applying but for whom placements were not secured.
- (c) The gross amount of fees received.

Section 19. All persons conducting without charge any department, association, bureau or agency for procuring employment shall not be subject to license under this act but shall apply on the first day of October of each year for registration with the department upon such forms and giving such

information as the department shall require, and the department may thereupon register such persons to operate without a license.

Section 20. Every employment agent shall maintain on file with the department a schedule of the service fees charged by it. And if any change is made in said schedule the employment agent shall promptly file a revised schedule with the department.

No registration or other fee in lieu thereof shall be charged or received by any employment agent.

Section 21. All moneys, fees, fines and penalties required to be paid under this act shall be collected by the secretary and by him paid into the State Treasury through the Department of Revenue.

Section 22. No person shall operate as an employment agent in this Commonwealth, without holding a license so to do, as herein provided; no person shall operate in this Commonwealth as set forth in Section 19 of this act, or under Section 9 hereof, without holding a license so to do, or being registered as herein provided. Any person so doing, shall for the first offense, upon conviction thereof in a summary proceeding before any alderman, magistrate, or justice of the peace, in the county where the offense occurred, be sentenced to pay a fine of not less than twenty-five dollars, not more than one hundred dollars, or upon non-payment thereof to undergo imprisonment in the county jail for a period of thirty days, and for a second offense shall be guilty of a misdemeanor, and upon conviction thereof in the proper court shall be sentenced to pay a fine of not less than twenty-five dollars nor more than two hundred and fifty dollars, or imprisonment for a period of not more than one year, or both, at the discretion of the court.

Section 23. Any person doing any of the acts set forth in paragraphs (f), (g), (j), (k), (l) or (m), of Section eight of this act, shall be guilty of a misdemeanor, and, upon conviction thereof before a court of competent jurisdiction, shall be sentenced to pay a fine of not less than one hundred dollars (\$100), or more than one thousand dollars (\$1000), and costs of prosecution, or undergo imprisonment in the county jail for a period of not more than one year, or both at the discretion of the court.

Section 24. This act shall become effective on the fifteenth day of August, one thousand nine hundred and thirty-one, except where its contents limit it to some later date.

Section 25. The provisions of this act are severable, and in the event that any provisions thereof should be declared unconstitutional, it is hereby declared to be the legislative intent that the remaining portions would have been enacted notwithstanding such judicial determination of the invalidity of any particular provision or provisions in any respect.

Section 26. That the act approved the second day of May, one thousand nine hundred twenty-nine (Pamphlet laws one thousand two hundred sixty), entitled "An act regulating the business of assisting employers to obtain employees, and persons to secure employment; providing for the licensing, registration, bonding, and regulation of certain individuals and entities engaged in such business; conferring certain powers and duties upon the Secretary of the Department of Labor and Industry of this Commonwealth, and of said department; and prescribing penalties," be and the same is hereby repealed as of the thirtieth day of September, one thousand nine hundred and thirty-one.

Section 27. All acts or parts of acts inconsistent herewith are hereby repealed.

#### APPENDIX F

An Act to add a new section to the Penal Code, making it a misdemeanor offense to charge or collect, or attempt to charge, or collect, a fee or valuable consideration for placing, or attempting to place, persons in public employment, or for registering persons for public employment or giving information as to where such public employment may be procured, or to place any order for public employment where a fee or valuable consideration is to be charged the applicant for such employment.

Section 1. A new section is hereby added to the Penal Code, to be numbered (——) and to read as follows:

Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met and it is hereby enacted by the authority of the same:

Section —. Any person, firm, association or corporation, or agent or officer thereof, who shall charge or collect, or attempt to charge or collect, either directly or indirectly, a fee or valuable consideration for registering any person for public employment, or for giving information as to where such public employment may be procured, or for placing, or attempting to place, any person in public employment of any kind, or in employment upon any public work done for or on behalf of the State, or any political subdivision, district or municipality thereof, whether such work is done by contract, sub-contract or otherwise and whether the person so placed, or to be placed, or registered, is to work directly for the State, or political subdivision, district or municipality thereof, or is to work for a contractor or sub-contractor doing public work for the said State or political subdivision, district or municipality thereof, shall be guilty of a misdemeanor, punishable by a fine of not exceeding five hundred dollars or by imprisonment for not exceeding six months, or by both such fine and imprisonment, in the discretion of the Court, and any person who, acting on behalf of the State, or any political subdivision, district or municipality thereof, or any person acting as a contractor or sub-contractor, or agent or representative thereof, doing any public work for or on behalf of the State, or any political subdivision, district or municipality thereof, places any order for public employment, or employment on public work as in this section described, with any other person, firm, association or corporation, or agent or officer thereof, the filling of which order will involve the charging of a fee or valuable consideration from any applicant for such employment, shall likewise be guilty of a misdemeanor and be subject to the same punishment.

#### APPENDIX G (First Part)

#### (1) A PLAN SUBMITTED AS A BASIS FOR STATE LEGISLATION BY THE AMERICAN ASSOCIATION FOR LABOR LEGISLATION

Industrial managers, as good business practice, set aside a dividend reserve fund out of which to pay stockholders during periods when their plants are idle. It is urged that an unemployment reserve fund should also be provided in order that their wage-earners may be tided over temporary periods of involuntary idleness.

The State can take a hand in the establishment of such a reserve. One method by which it may fruitfully do so, under the conditions prevailing in this country, is embodied in this tentative draft of an unemployment reserve bill. Instead of the plan featured in European relief schemes, this bill requires employers to contribute a small fixed percentage of their payrolls to a fund which will be administered so as to furnish to employees such benefits as the condition of the fund will permit. Employees are not required to contribute to the fund, but they do, of course, bear a considerable portion of the cost of unemployment owing to the limits placed upon benefits. A maximum limit of ten dollars a week is fixed, and no employee is to receive benefit for more than 13 weeks in a year nor for more than one week for each four weeks in which he has been employed by employers subject to the act. Opportunity is offered workers in any industry voluntarily to elect to pay contributions and thus receive additional benefits. Payments are not to be made to persons who are unemployed owing to stoppage of work due to a trade dispute and no one is to be denied benefits for refusal to take a job where there is such a dispute.

The bill recognizes that it is essential to any system of unemployment benefits that there should be a work test. It provides for the application of this test through employment offices, and it is to be expected that the operation of the plan will result in a reduction of unemployment by furnishing jobs instead of benefits wherever possible.

If the right to benefit is contested, it will be passed upon by the officer in charge of an employment office, and an appeal is allowed to an appeal board on which sit a representative of labor, an employer, and a neutral arbiter.

The administration of the plan in each industry is placed in the hands of an Employment Stabilization Board provided for that industry, under the supervision of the State Department of Labor. Since employers who are contributing to the fund are in a position to aid effectively in stabilizing employment in their industry, it is provided that when those

who employ a majority of its workers elect to do so they are authorized to administer the fund for their industry and conduct an employment office for its employers and employees subject to the approval of the State Department of Labor.

Employers who furnish satisfactory proof of their ability to pay benefits equal to those which the reserve fund for their industry pays are permitted to make the payments directly to their employees, and relieved from the duty of contributing to the fund. Those who remain in the fund are encouraged to reduce unemployment among their employees by the possibility of the payment of dividends on the basis of their employment experience.

This proposal in the course of its development through many months of conferences and correspondence has been submitted to a large group of interested citizens for criticism and suggestions.

#### DRAFT OF AN ACT FOR UNEMPLOYMENT RESERVE FUNDS

Section 1. Short Title. This act shall be known as the "unemployment reserve law."

Section 2. Definitions. As used in this act:

1. "Department" means the Department of Labor and Industry;
2. "Secretary" means the Secretary of Labor and Industry;
3. An "employment," except where the context shows otherwise, means any employment for hire within the State, except:
  - (a) employment as a farm laborer; or
  - (b) employment not in the usual course of trade, business or occupation of the employer;
4. "Employee" means any person employed by an employer in an employment subject to this act, except a person employed at other than manual labor at a rate of remuneration of fifteen hundred dollars a year, or over;
5. "Employer," except when otherwise expressly stated, means a person, partnership, association, corporation, and the legal representatives of a deceased employer, or the receiver or trustee of a person, partnership, association or corporation including the State and a municipal corporation or other political subdivision thereof, employing six or more employees in a common employment;
6. "Fund" means the unemployment reserve fund established by this act;
7. "Benefit" means the money allowance payable to an employee as provided in this act;
8. "Wages" means the money rate at which the service rendered is recompensed under the contract of hiring in force at the time the employee became unemployed, including the reasonable value of board, rent, housing, lodging or similar advantage received from the employer.

Section 3. Liability for payment of benefits. Benefits shall be paid to every unemployed employee for the industry fund to which his last employer belongs, or by his last employer if he has been exempted from the payment of contributions to the fund.

Section 4. Benefits. 1. An employee shall be entitled to demand benefits on account of unemployment which continues subsequent to a waiting period of two weeks after notification of unemployment.

2. Benefits shall be payable at a rate as provided herein but not to exceed:

- (a) ten dollars a week to an employee of 18 years or over, or five dollars to an employee under 18 years; or
- (b) 60 per cent. of his weekly wages; whichever is the lower.

3. Benefits shall be paid for a period to be fixed as provided herein but not for more than 13 weeks in one calendar year, nor in a greater ratio than one week of benefits to four weeks of employment by one or more employers in the State during the two preceding calendar years;

4. Benefits shall be paid to an employee only:

- (a) if he has been employed by one or more employers in the State for not less than 26 weeks during the two preceding calendar years;
- (b) while he is capable of and available for employment and unable to obtain employment in his usual employment or in another employment for which he is reasonably fitted.

But he shall not be required to accept employment:

- (1) in a situation vacant in consequence of a stoppage of work due to a trade dispute;



(2) if the wages, hours, and conditions offered be not those prevailing for similar work in the place of employment or are such as tend to depress wages or working conditions.

5. The duty of paying benefits shall not be shifted by employment for less than six days if such employment is temporary in character.

Section 5. When benefits not paid. An employee shall not be entitled to benefits:

1. if he has lost his employment through misconduct; or  
2. if he has left his employment voluntarily without reasonable cause; or

3. if he has left or lost his employment due to a trade dispute in the establishment in which he was employed, so long as such trade dispute continues.

Section 6. Break in unemployment. 1. Employment at any work for which provision of benefits is not required, shall suspend the right to benefits. If the employee becomes unemployed after three months or more of such employment, his right to benefits shall recommence upon notification of unemployment and the running of the waiting period. If he becomes unemployed within three months of his acceptance of such employment, his right to benefits shall recommence upon notification of unemployment.

2. If an employee undertakes such employment during the two-weeks' waiting period it shall not affect the running of such period if it continues for six days or less.

3. The employee shall inform the employment office at which he has given notification of unemployment, when he begins and leaves such employment.

Section 7. Notification. An employee may give notice of his unemployment either in the State employment office for the district in which he resides or in the employment office established under this act by the industry in which he is usually or was last employed.

Section 8. Proof of right. The employee shall prove his right to benefits and the continuance of such right in such manner as may be provided by the rules and regulations of the department.

Section 9. Jurisdiction continuous. Jurisdiction over benefits shall be continuous. Benefits paid to any individual shall be modified whenever necessary to make the amount correspond to the amount or period fixed by the appropriate industry board.

Section 10. Method of determining disputed right to benefit. 1. If the employer, or industry fund liable to pay benefits, upon request by the employee, fail to pay, or to continue to pay, the benefit as provided in this act, the employee may file a claim with the officer in charge of the employment office at which he has given notice of his unemployment. The claim must be filed within one month of default in payment.

2. If such officer believe the claim correct, or as soon as it has been corrected, he shall notify in writing such employer or industry fund, of the claim and that he may contest it by filing, within five working days after the receipt of notice, a denial of the claim in such form as the department may provide; and such denial shall operate as an application for a hearing before the officer.

3. If the claim appear to such officer invalid or improperly made, he shall, within three days, notify such employer, or industry fund. He shall also notify the employee of his right to make an application for a hearing before the officer which must be made within five working days. Such notifications and applications shall be in such form as the department may provide.

Section 11. Appeals. The secretary shall provide for an appeal from the decision of the officer to an appeal board of three members, appointed by the secretary. This appeal board shall contain one employer and one employee, or representative of employees, who shall be resident within the district for which they serve, and one person who is not an employer, an employee or a representative of either.

Section 12. Questions of law to court. The secretary, or an appeal board, may certify questions of law to the (appropriate court).

Section 13. Agreement to contribution by employees void. No agreement by an employee to pay any portion of the payment made by his employer for the purpose of providing benefits either through the fund or otherwise, shall be valid and no employer shall make a deduction for such purpose from the wages or salary of any employee. But nothing in this act shall effect the validity of voluntary arrangements where-

by employees individually or collectively agree to make contributions for the purpose of securing unemployment benefits in addition to those provided by this act.

Section 14. Waiver of agreement void. No agreement by an employee to waive his right to benefits under this act shall be valid.

Section 15. Assignments. Benefits due under this act shall not be assigned, released or commuted and shall be exempt from all claims of creditors and from levy, execution and attachment or other remedy for recovery or collection of a debt, which exemption may not be waived.

Section 16. Administration. 1. This act shall be administered by the Department of Labor and Industry and the department shall have power to make all rules and regulations and to make all appointments which are necessary for the enforcement of the act.

2. The secretary shall appoint for two years an employment advisory committee, consisting of an equal number of representatives of employers and employees, to be selected from lists submitted for that purpose by employers and employees, and one person who is neither an employer, an employee nor a representative of either and who shall act as chairman. The committee shall meet on the call of the secretary and shall assist the secretary without pay in investigations and the general administration of this act.

Section 17. Exemption. 1. The secretary may exempt from the duty of paying contributions to the fund, an employer:

(a) who furnishes satisfactory proof of financial ability to pay the benefits fixed for unemployed persons in his industry, or the most similar industry as determined by the secretary; or

(b) who submits a plan for unemployment relief which in the opinion of the secretary will give benefits at least equal to the benefit as estimated in subsection (a) of this section

2. As a condition to granting exemption, the secretary shall require the employer to furnish such security as he may deem sufficient to insure payment of all benefits, including the setting up of proper reserves. He may from time to time require further proof of financial ability of an exempted employer. For lack of such proof, or for failure to comply with the provisions of this act, or with the rules and regulations of the department, the secretary may, upon 10 days' notice and opportunity to be heard, revoke the exemption of any employer.

3. An exempted employer shall pay the benefits provided for in subsection one of this section.

Section 18. Unemployment reserve fund. There is hereby created a fund to be known as "The Unemployment Reserve Fund." Such fund shall consist of all contributions received and paid into the fund, of property and securities acquired by and through the use of moneys belonging to the fund and of interest earned upon moneys belonging to the fund and deposited or invested. Such fund shall be applicable to the payment of benefits.

Section 19. Payment of contributions. Contributions shall be paid by employers to the fund at such times as may be fixed by the secretary, at the rate of one and one-half per cent. of the wages paid to employees.

Section 20. Record and audit of payrolls. Every employer shall keep a true and accurate record of the number of his employees and the wages paid by him, and shall furnish to the secretary, upon demand, a sworn statement of the same. Such record shall be open to inspection at any time and as often as may be necessary to verify the number of employees and the amount of the payroll. Any employer who shall fail to keep such record or who shall wilfully falsify any such record, shall be guilty of a misdemeanor.

Section 21. Collection of contributions in case of default. If an employer shall default in any payments required to be made by him to the fund, after due notice the amount due from him with interest at 6 per cent. from the date when due, shall be collected by civil action against him in the name of the secretary, and the same when collected, shall be paid into the fund, and such employer's compliance with the provisions of this act requiring payments to be made to the fund shall date from the time of the payment of said money so collected.

Section 22. Bankruptcy. In the event of bankruptcy or insolvency of an employer, the amount due for contribution shall be a preferred asset second only to wages.

Section 23. Classification of employments. The secretary shall classify the employers in the fund into industries or groups of industries. The assets of each such class shall con-

stitute a separate branch of the fund, to be known as its industry fund, and shall be liable for the benefits payable to employees whose last employer was a member of such class.

Section 24. Organization of industry funds. 1. Upon classification of any industry, or group of industries, the secretary shall provide a board of not less than five members, at least three of whom shall be employers in such industry. The board shall be known as the Employment Stabilization Board for the (name of industry) Industry. Each member of the board shall hold office for the period of one year, or until his successor is appointed and qualifies.

2. The board shall have power:

(a) for the purpose of this act, to make rules and regulations for its class, which shall take effect when approved by the secretary; and

(b) to fix periodically the amount of benefits payable from its industry fund, the period for which payable, and the times of payment, subject to the provisions of the act and the approval of the secretary and the superintendent of insurance. Such benefits shall be as near the amount of the maximum provided herein as the condition of the industry fund of such class permits, and the decision of the board may be modified from time to time so that such fund shall always remain solvent; and

(c) to award dividends to employers based on their experience in maintaining regular employment; and

(d) subject to the approval of the secretary, to appoint and fix the remuneration of the officers and employees of its industry fund; and

(e) to do all other things which may be necessary for carrying on the business of its industry fund.

3. Whenever more than two employers in a classified industry employing more than half of the persons employed in such industry, shall so request the secretary may provide for the election of the board by the employers in the industry and may provide for a vote by each employer in proportion to the total number of his employees. Such employment shall be corrected for each annual election. If votes at any such election are not cast by more than two employers employing more than half of the employees in such industry, the election shall not be valid, and the secretary shall appoint the members of the board.

Section 25. Employment Offices. Any employment stabilization board elected by the employers may, with the approval of the secretary, create an employment office to serve the employers in the industry, and such branches as they may think desirable. The expense of such office shall be a charge upon the assets of the industry fund. Such board shall, subject to a minimum remuneration fixed by the secretary, appoint and fix the remuneration of the officers and employees of such employment office, and shall, with the approval of the secretary, make rules and regulations for its operation.

Section 26. Powers of Secretary. 1. Each employment stabilization board shall make such report to the secretary as he shall request and their books, accounts and records shall at any reasonable time be open to him or to any duly accredited representative. He may at any time investigate the conduct of an employment office maintained by such a board.

2. The secretary may make rules and regulations to provide for the co-operation between the industry employment offices and with the public employment offices.

Section 27. Expenses of administration. The expenses of administration shall be borne by the State, except as otherwise provided in this act.

Section 28. Expense of hearings. Fees of witnesses and other expenses involved in hearings and appeals under this act shall be paid on the same rate as similar expenses are paid in hearings under the Workmen's Compensation Law and shall be treated as expenses under this act.

Section 29. Penalties. 1. Any person who wilfully makes a false statement or representation:

(a) to obtain any benefit or payment under the provision of this act, either for himself or for any other person; or

(b) to lower contributions paid to the fund; or

2. Any person who wilfully refuses or fails to pay a contribution to the fund; or

3. Any employer who shall make a deduction from the wages or salary of any employee to pay any portion of the contribution to secure benefits under this act;

shall be guilty of a misdemeanor.

Section 30. Separability of provisions. If any provisions of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Section 31. Time of taking effect. This act shall take effect immediately, except that the requirements in respect of benefits and applications for benefits shall take effect on January 1, 1932.

#### APPENDIX G (Second Part)

##### (2) A PLAN MODELED UPON THE OHIO BILL

###### Abstract

This act provides for a system of unemployment insurance for all manual workers in establishments where three or more employees are engaged, except in the case of agriculture and private domestic service which are exempt from all mandatory features of the act, and for all non-manual employees in such establishments whose salaries are less than \$2000 a year.

The benefits are payable only to those laid off for lack of work or who suffered from this cause a loss of more than 25 per cent. of their normal full-time. They are not payable to those who were discharged for just cause or who left voluntarily without just cause nor those who voluntarily absented themselves from work. A waiting period equal to two full-time weeks from the date the unemployed worker registers is also imposed. Benefits are to amount to 50 per cent. of the full-time weekly or daily wage of the worker but are not to exceed \$18.75 a week and will not be paid for more than 13 weeks during the year. Benefits will not be paid to those who refuse work in occupations for which they are fitted at the going rate of wage. It is also provided that the unemployed worker receiving benefits may be required to attend classes of a general or vocational nature under penalty of losing the benefit.

The contributions to the fund are to be made by employers and employees jointly. The contributions of the employees will amount to one and one-half per cent. of their earnings. The employer's contributions will vary according to the relative amount of unemployment in the past in his industry or establishment but in no case are to exceed three per cent. and are to average approximately two per cent. The State will make no cash contributions to the fund but will bear the expense of administering the fund and the registration and employment offices.

The administration of the fund and the employment offices is to be in the hands of an Unemployment Compensation Board of five members appointed by the Governor and with the consent of the Senate. Two of these are to represent the employers and selected from a panel of names submitted by accredited organizations of employers. Two members are to represent the employees from a panel of names submitted by accredited organizations representing the group.

Provision is made for self-insurance by individual employers provided they grant equal benefits to those provided under the act.

##### TENTATIVE DRAFT OF AN UNEMPLOYMENT INSURANCE LAW FOR PENNSYLVANIA

Section 1. There is hereby created an UNEMPLOYMENT COMMISSION OF PENNSYLVANIA, to be composed of five members appointed by the Governor with the advice and consent of the Senate. Not more than two of the appointees to such commission shall be persons who, on account of their previous vocation, employment, or affiliation, can be classed as representatives of employers, and not more than two of such appointees shall be persons who, on account of their previous vocation, employment, or affiliation, can be classed as representatives of employees, and not more than three of the members of such commission shall belong to the same political party. These four members shall be appointed by the Governor from lists submitted by accredited organizations representing employers and employees respectively. The members of the commission shall be appointed by the Governor within 30 days of the date when this act becomes effective; two of which members shall be appointed for the term of two years, two members for four years, and one member for six years, and thereafter as their terms expire the Governor shall appoint two members for the term of six years. Vacancies shall be filled by appointment by the Governor for the unexpired term.



Section 2. The Governor at any time may remove any member of the Unemployment Commission of Pennsylvania for inefficiency, neglect of duty, malfeasance, misfeasance or nonfeasance in office.

Section 3. No commissioner shall hold any position of trust or profit, or engaged in any occupation or business interfering or inconsistent with his duties as such commissioner; and no commissioner shall serve on any committee of any political party.

Section 4. Each of the members of the commission shall receive an annual salary of seven thousand five hundred dollars, payable in the same manner as the salaries of other State officers are paid. Before entering upon the duties of his office, each member of said commission shall take and subscribe the constitutional oath of office and shall swear or affirm that he holds no position upon any committee of a political party, which oath or affirmation shall be filed in the office of the Governor. Each member of said commission shall give a bond in the sum of ten thousand dollars, which bond shall be approved by the Governor and filed with the State Treasurer. All employees or deputies of the said commission receiving or disbursing funds of the State shall give bond to the State in amounts and with surety to be approved by said commission.

Section 5. The commission shall choose one of its members as chairman. A majority of such commission shall constitute a quorum to transact business. No vacancy shall impair the rights of the remaining commissioners to exercise all the powers of the commission, so long as a majority remains. Any investigation, inquiry, or hearing which the commission is authorized to hold, or undertake, may be held or undertaken by or before any one member of the commission, or by or before one of its deputies, and every order made by a member thereof, or by one of its duly authorized deputies, when approved and confirmed by a majority of the members and so shown on its records of proceedings, shall be deemed to be the order of the commission.

Section 6. The commission shall keep and maintain its office in the city of Harrisburg, Pennsylvania, and shall provide suitable room or rooms, necessary office furniture, supplies, books, periodicals, maps, and appliances as they deem necessary. The commission may hold sessions in any place within the State of Pennsylvania.

Section 7. As used in this act the following terms shall be defined and construed as follows:

(a) "COMMISSION" means the Unemployment Commission of Pennsylvania.

(b) "EMPLOYER" means every person, firm or private corporation who shall have three or more employees in a common employment. It shall not include the State of Pennsylvania as an employer, nor any municipal or public corporation, nor any political sub-division; nor any farmer; nor any person, firm or corporation engaged in Interstate Commerce and subject to the supervision and jurisdiction of the Interstate Commerce Commission; nor any person, firm or corporation to which this act may not apply by reason of any provision of the Constitution of the United States or of any act of Congress.

(c) "EMPLOYMENT" means any employment for hire within the State of Pennsylvania, and shall include any trade, occupation, or process of manufacture or any method of carrying on said trade, occupation or process of manufacture in which any person may engage, but shall not include private domestic service or persons engaged in farm labor, unless the employer of domestic or farm labor accepts the provisions of this act.

(d) "EMPLOYEE" means any person employed for hire by an employer in an employment in Pennsylvania subject to this act, except a person whose employment is not in the usual course of the trade, business, profession or occupation of the employer, and except further, persons whose income from employment other than manual labor is more than TWO THOUSAND DOLLARS per year.

(e) "BENEFIT" means money allowance payable to an employee as unemployment insurance or compensation as provided in this act.

(f) "WAGES" means the money rate at which the employee is recompensed under the contract of hiring in force at the time he became unemployed, or partially unemployed, including the reasonable value of board, rent, housing, lodging, or similar advantage from the employer.

(g) "FUND" means the Unemployment Insurance Fund established by this act.

(h) "UNEMPLOYMENT." A person shall not be deemed to be unemployed during any week in which he is following an occupation for which he derives wages not less than 75 per cent. of his usual remuneration.

Section 8. In addition to all other powers granted to the commission by provisions of this act, the commission shall have all power as follows:

(a) To adopt and promulgate rules governing.

(1) The time, place, and manner of making claims for benefits under this act.

(2) The procedure for investigating, hearing and deciding claims.

(3) The kind and character of notices required thereunder.

(4) The nature and extent of the proofs and evidence, and the method of taking and furnishing same to establish the right to benefits.

(5) The method and time within which adjudications and awards shall be made.

(b) To amend and modify its rules from time to time in such respects as the commission may find necessary or desirable.

(c) To appoint secretaries, clerks, investigators and deputies as required for the administration of the provisions of this act, and to determine their salaries and duties.

(d) To create such districts and branch offices as may be required for the proper administration of this act.

(e) To provide for the registration of all persons who are unemployed and to adopt such measures as may be feasible to promote their re-employment including the establishment and management of the public employment offices.

(f) To maintain such agencies for investigating unemployment and promoting regularity of employment as it may find feasible; and to license and supervise the conduct of all private employment agencies.

(g) To require all employers subject to the provisions of this act to furnish to it information from time to time concerning the amount of wages paid, the number of employees employed, the regularity of their employment, the number of former employees unemployed, the reason for their unemployment the likelihood of their future re-employment, and the probable requirements of employment of new employees; and to require such employers to give other and further information respecting any other facts required for the proper administration of this act.

(h) To classify generally all occupations and employment, and all employers individually, as to the general hazard of unemployment in such occupation and employment; and as to the particular hazard of such employer having especial reference to the history of the regularity of employment of employees of such employer.

(i) To provide for the levy and collection from all employees of employers subject to this act and all employers subject to the provision of this act, excepting only those employers hereafter referred to as "SELF-INSURERS," of the premiums required for the maintenance of the Unemployment Insurance Fund as further required by this act.

(j) To receive, hear and decide all claims for unemployment benefits, whether against the Unemployment Insurance Fund or against a self-insuring employer, and to provide for the payment of such claims as are allowed.

(k) To determine within the limits provided by this act the premium rates upon employers subject to this act.

Section 9. All unemployed employees of employers subject to this act shall be entitled to receive unemployment benefits; subject, however, to the following conditions:

(a) No employee shall be entitled to any benefits unless within the year preceding he has been employed by employers subject to this act, and has contributed to the Unemployment Insurance Fund one and one-half per cent. of his wages for a period of not less than TWENTY-SIX WEEKS; nor unless he has been so employed and has contributed to said Unemployment Insurance Fund premiums of ONE AND ONE-HALF PER CENT. of his wages for a total period of not less than FIFTY-TWO WEEKS.

(b) The total benefits to which an employee shall be entitled in any calendar year shall not exceed 13 times his benefit for one week of total unemployment, nor exceed ONE WEEK of benefits for total unemployment for each four

weeks of employment by employers subject to this act in the two years next preceding.

(c) Benefits shall be payable on account of each week of unemployment, after a waiting period of two weeks, at the rate of 50 per cent. of the employee's weekly wage, provided, however, that no benefit shall be in excess of Eighteen Dollars and Seventy-five Cents per week.

(d) In cases of partial unemployment where, by reason of part-time employment, there is an impairment of wages in excess of 25 per cent., a benefit shall be paid as in cases of total unemployment, except that the amount of such benefit shall be one-half of the impairment in wages due to such partial unemployment, but not to exceed \$10.00 per week, and shall continue for the period of such unemployment; provided, however, that the total amount of the benefits payable, whether for partial unemployment, or total unemployment or partial unemployment and total unemployment, shall be as already stated; and provided further that no benefits shall be payable for such partial unemployment until after a waiting period such that the loss of time in such partial unemployment is equal to two weeks' total unemployment.

(e) The waiting period shall commence on the day the employee registers as unemployed at the PLACE OF REGISTRATION maintained by the commission in the city or district of his employment.

(f) Benefits shall be paid to an unemployed employee only while he is capable of, and available for employment, and unable to obtain employment in his usual employment, or in other employment for which he is reasonably fitted, provided however, that the right to benefits shall not be destroyed by reason of a refusal to accept employment IF,

(1) There is a strike or lockout in the establishment in which employment is offered; or

(2) The employment is at an unreasonable distance from his residence, having regard to the character of the work which he was accustomed to do; or

(3) Travel to the place of employment involves expense substantially greater than that required for his former employment, unless the expense be provided for; or

(4) The employment offered is at a rate of wage lower, or on conditions substantially less favorable than in his usual employment or any similar employment for which he is fitted.

(g) After a reasonable length of time if the unemployed employee is unable to find work in his usual trade or locality, he may not refuse a reasonable offer of employment in another trade or locality without losing his claim for benefit.

(h) No benefits shall be payable to an employed employee who has lost his employment through his own misconduct in such employment, or who has left his employment voluntarily and without reasonable cause; or who has left or lost his employment by reason of a strike or lockout in the establishment in which he was employed, so long as the strike or lockout continues; or who fails or refuses to report to the commission from time to time as required by its rules; or whose unemployment has been directly caused by act of God; or who becomes unemployed by reason of becoming an inmate of any penal institution.

Section 10. Every unemployed employee receiving benefit may be required by the Board, with the advice of the Superintendent of Public Instruction, to attend such classes for either general or (and) vocational instruction as the Superintendent of Public Instruction may provide. Any employee refusing to attend such classes or who absents himself an unreasonable number of times is to be deprived of his benefit.

Section 11. There is hereby created a fund to be known as the UNEMPLOYMENT INSURANCE FUND. Such fund shall consist of all premiums received and paid into the fund by employers and employees; or property and securities acquired by and through the use of moneys belonging to the fund; and interest earned upon money belonging to the fund. Such fund shall be applicable to the payment of benefits as provided herein.

Section 12. The State Treasurer shall be the custodian of the fund and all disbursements therefrom shall be paid by him upon vouchers authorized by the commission and signed by any two members of said commission, or, such vouchers may bear the facsimile signature of the members of said commission printed thereon, and the signature of the deputy or other employee of said commission charged with the duty of keeping the

account of said funds and with the preparation of vouchers for the payments of benefits to the person or persons entitled thereto.

Section 13. The State Treasurer is hereby authorized to deposit any portion of the fund not needed for immediate use, in the same manner and subject to all the provisions of the law with respect to the deposit of State funds by such treasurer; and all interest earned by such portion of the fund as may be deposited by the State Treasurer in pursuance of authority herein given, shall be collected by him and placed in the credit of such fund.

Section 14. The commission shall have the power to invest any of the surplus or reserve belonging to the fund in bonds of the United States, farm loan bonds issued under the provisions of the Act of Congress known as the Federal Farm Loan Act, approved July 17, 1916, and amendments thereto, the State of Pennsylvania, of any county, city, village or school district, or any conservancy district of the State of Pennsylvania, at current market prices for such bonds; provided that such purchase be authorized by a resolution adopted by the commission and approved by the Governor; and all such bonds so purchased forthwith shall be placed in the hands of the State Treasurer who is hereby designated as custodian thereof, and it shall be his duty to collect the interest thereon as the same becomes due and payable, and also the principal thereon and to pay the same, when so collected, into the fund. The State Treasurer shall honor and pay all vouchers drawn on the fund for the payment of such bonds when signed by any two members of the commission, upon delivery of said bonds to him when there is attached to such voucher a certified copy of such resolution of the commission authorizing the purchase of such bonds; and the commission may sell any of said bonds upon like resolution and the proceeds thereof, shall be paid by the purchaser to the State Treasurer upon delivery to him of said bonds by the treasurer.

Section 15. The State Treasurer shall give a separate and additional bond, in such amount as may be fixed by the Governor, and with sureties to his approval, conditional for the faithful performance of his duties as custodian of the fund herein provided for. Such bond shall be deposited with the Secretary of the Commonwealth and kept in his office.

Section 16. Excepting as hereinafter provided, every employer, subject to the provision of this act, shall in the month of January, 1932, and semi-annually thereafter, pay into the Unemployment Insurance Fund the amount of premiums determined and fixed by the commission for the employment or occupation of such employer, the amount of which premium to be so paid by such employer to be determined by the classification, rules and rates made and published by said commission, and such employer shall semi-annually thereafter pay such further sum of money into the Unemployment Insurance Fund as may be ascertained to be due from him by applying the rules of said commission, and a receipt or certificate certifying that said payment has been made shall immediately be mailed to such employer by the commission, which receipt or certificate, attested by the seal of said commission, shall be prima facie evidence of the payment of such premium. Provided, however, that such employers, otherwise referred to in this act as SELF-INSURING EMPLOYERS, who will abide by the rules of the commission and may be of sufficient ability to render certain the payment of benefits to unemployed employees equal to or greater than provided for from the Unemployment Insurance Fund, and who do not desire to insure the payment thereof, may, upon the evidence of said fact by the commission, elect to pay individually such benefit directly to their said unemployed employees, and the commission shall require such security or bond from said self-insuring employers as it may deem proper, adequate and sufficient to secure to such unemployed employees the payment of the benefits herein provided for, which shall in no event be less than that paid out of the Unemployment Insurance Fund in similar cases. Should municipal or other bonds be accepted by the said commission as security for said payments, such bonds shall be deposited with the State Treasurer, whose duty it shall be to have custody thereof, and to retain the same in his possession according to the conditions prescribed by the order of the commission accepting the same as security, and said treasurer shall retain possession of said bonds until such time as he may be directed by said commission as to the mode and method of his disposition of the same, and said commission shall make and publish rules and regulations gov-



erning the mode and manner of making application, the nature and extent of the proof required to justify such finding of fact by the commission to permit such election of such employers, which rules and regulations shall be general in their application. The commission may at any time change or modify its findings of fact herein provided for or revoke the right of said employer to pay benefits direct, if in its judgment such action is necessary or desirable to secure a strict compliance with all the provisions of the law in reference to the payment of benefits.

Any self-insuring employer may substitute for the benefits provided by this act any other plan which will, in the opinion of the commission provide benefits equivalent to or greater than those provided for in this act, and without greater burdens upon the employees in the form of premiums or otherwise and which is further shown to be desired with substantial unanimity by the employees of said employer. If at any time such plan or its administration is claimed to fail to meet such standard, the commission shall, upon proper notice to said employer, and after hearing, determine such fact; and if said finding is adverse to said employer, it shall withdraw its permission; and thereupon said employer shall contribute its premiums to the fund, or in the alternative, qualify as a self-insurer, as hereinbefore provided.

Section 17. Every employee of an employer, subject to the provisions of this act, which has not elected to be a self-insuring employer, and who is entitled to receive benefits under the provisions of the act, shall pay into the Unemployment Insurance Fund, a sum equal to one and one-half per cent. of all wages received in such employment, and such employers shall be required to deduct from the wages so paid such amount as to pay the same into the Unemployment Insurance Fund under such regulations and at such intervals as the commission may determine and require. All employees of self-insuring employers who are entitled to benefits under this act shall pay to such employers such sums as such employers shall require, provided, however, that such amount may not be in excess of one and one-half per cent. of the wages paid by said employer, and the time and method of collection and the records thereof, shall be subject to the approval of the commission.

Section 18. The rate of premium to be paid into the Unemployment Insurance Fund by all employers under this act shall be a percentage of the employer's payroll to employees entitled to participate in benefits under this act. For the purpose of establishing this rate employment shall be classified into groups equitably based on differences of unemployment hazard, and employers shall be classified into classes within such groups, equitably based upon their individual history of unemployment hazard; and premiums shall be fixed on an actuarial basis at the lowest possible rate consistent with the maintenance of a solvent insurance fund with reasonable reserves and surplus. In no event may the premium rate upon any employer be fixed at a greater percentage than three per cent. upon such payroll of such employer with a general average for all employers of two per cent.

Section 19. No agreement by an employee to pay any portion of the payment required to be made by his employer for the purpose of providing benefits either through the fund or otherwise, shall be valid; and no employer shall make a deduction for such purpose from the wages or salary of any employee. But nothing in this act shall affect the validity of voluntary arrangements whereby employees agree to make contributions for the purpose of securing unemployment benefits in addition to those provided in the act.

Section 20. No agreement by an employee to waive his right to benefits under this act shall be valid.

Section 21. Benefits due under this act shall not be assigned, released or commuted and shall be exempt from all claims of creditors and from levy, execution and attachment or other remedy for recovery or collection of a debt, which exemption may not be waived.

Section 22. Whenever in any employment it is customary to operate only during a regularly recurring period or periods of less than one year in length, then the right to benefits shall apply only to the longest seasonal period or periods which the best practice of such industry or class of employment will reasonably permit. The commission shall ascertain and determine or re-determine such seasonable period or periods for each such seasonable employment. Until such determination, no employment shall be deemed seasonal.

Section 23. Every employer shall furnish the commission upon request, all information required by it to carry out the purpose of this act. In the month of January of each year, every employer of the State, subject to this act, shall prepare and mail to the commission at its main office in the City of Harrisburg, Pa., a statement containing the following information, viz.: the number of employees employed during the preceding year from January 1 to December 31, inclusive; the number of employees employed at each kind of employment and the aggregate amount of wages paid to such employees and further information required by the commission, which information shall be furnished on a blank or blanks to employers free of charge upon request therefor. Every employer receiving from the commission any blank, with direction to fill out the same, shall cause the same to be properly filled out so as to answer fully and correctly all questions therein propounded, and to give all the information therein sought, or if unable to do so, he shall give to the commission in writing good and sufficient reasons for such failure. The commission may require that the information herein required to be furnished be verified under oath and returned to the commission within the period fixed by it or law. The commission or any member thereof, or any person employed by the commission for that purpose, shall have the right to examine under oath, any employer, or the officer, agent or employee thereof for the purpose of ascertaining any information which such employer is required by this act to furnish to the commission.

Any employer who shall fail or refuse to furnish to the commission the annual statement herein required, or who shall fail or refuse to furnish such information as may be required by the commission under authority of this section, shall be liable to a penalty of five hundred dollars, to be collected in a civil action brought against said employer in the name of the State. All such penalties, when collected, shall be paid into the fund and become a part thereof.

Section 24. The information contained in the annual report provided for in the preceding section, and such other information as may be furnished to the commission by employers in pursuance of the provisions of said section, shall be for the exclusive use and information of said commission in the discharge of its official duties, and shall not be open to the public nor be used in any Court in any action or proceeding pending therein unless the commission is a party to such action or proceeding; but the information contained in said report may be tabulated and published in statistical form, for the use and information of other State departments and the public. Any person in the employ of the commission who shall divulge any information secured by him while in the employ of the commission in respect to the transactions, property, business or mechanical, chemical or other industrial processes of any company, firm, corporation, person, association, co-partnership or public utility to any person other than the members or employees of the commission shall be fined not less than One Hundred Dollars, nor more than One Thousand Dollars, and shall thereafter be disqualified from holding any appointment or employment with the commission.

Section 25. Each member of the commission, its secretary and all deputies appointed by the commission shall, for the purposes contemplated by this act, have power to administer oaths, certify to official acts, take depositions, issue subpoenas, compel the attendance of witnesses and the production of books, accounts, papers, records, documents and testimony.

Section 26. In case of disobedience of any person to comply with the order of the commission or any deputy, or on the refusal of a witness to testify to any matter regarding which he may be lawfully interrogated, or refusal to permit an inspection as aforesaid, the Probate Judge of that county in which the person resides, on application of any member of the commission, its secretary, or any deputy, appointed by it shall, compel obedience by attachment proceedings as for contempt, as in the case of disobedience of the requirements of subpoena issued from such Court on a refusal to testify therein.

Section 27. It shall be the duty of each member of a firm, and of the president, secretary, general manager and managing agent of each private corporation, including any public service corporation subject to this act, to cause such firm or corporation to comply with the provisions of this act, and any person or any member of such firm or any officer of such corporation referred to in this section who shall neglect or fail to comply with the provisions of this Act relating to the making of reports and the payment of premiums to the Fund shall be



guilty of a misdemeanor, and upon conviction thereof shall be fined not more than Five Hundred Dollars and the costs of prosecution. Such fine when collected shall be paid to the commission and placed in the State Insurance Fund.

Each day's refusal on the part of such persons, members of such firm or the officers of such corporations to comply with the provisions of this Act, after notice to said person, firm or corporation, including any public service corporation, from the commission to comply with the same, shall be deemed a separate offense and be punished as herein provided.

All courts exercising jurisdiction in cases of misdemeanor, including justices of the peace, shall have final jurisdiction of offenses under this section; but an affidavit charging such an offense shall not be filed unless the same bears the approval of the prosecuting attorney of the proper county or of the attorney-general.

Section 28. If the commission finds that any person, firm or private corporation, including any public service corporation is, or has been at any time after January 1, 1932, an employer subject to the provisions of this Act and has failed to comply with the provisions of this Act, it shall determine the period during which he or it was such an employer, which finding and determination shall for all purposes of this Act be prima facie evidence thereof. The commission shall forthwith give notice of said action to the employer who shall immediately thereafter furnish the commission with a payroll covering the period included in said finding, together with an estimated payroll of six months next succeeding the date of such finding, if such employer is subject to the provisions of this Act, and shall forthwith either pay into the fund the amount of premium determined and fixed by the commission for such period or shall comply with the provisions with reference to the direct payment of the benefits provided by this Act as self insurer.

If said employer fails, neglects or refuses to furnish such payroll and pay the premium for such period or to elect to pay directly such benefits during such period within ten days after receiving such notice, the commission shall then determine the amount of premium due from said employer for the period the commission found him or it to be subject to this Act, including the amount of premium to be paid by him or it for the next succeeding six months, if such employer is subject to the provisions of this Act on the date of such determination, and shall notify said employer of the amount thereof and shall order the same paid into said fund. If said amount is not paid within ten days after receiving notice, the commission shall certify the same to the attorney-general, who shall forthwith institute a civil action against such employer in the name of the State for the collection of such premium. In such action it shall be sufficient for plaintiff to set forth a copy of the finding of the commission relative to such employer as certified by the commission to the attorney-general and to state that there is due to plaintiff on account of such finding of the commission a specified sum which plaintiff claims with interest. A certified copy of such finding relative to such employer shall be attached to the petition and shall constitute prima facie evidence of the truth of the facts therein contained. The answer or demurrer to such petition shall be filed within ten days, the reply or demurrer to the answer within twenty days, and the demurrer to the reply within thirty days after the return day of the summons or service by publication. All motions and demurrers shall be submitted to the court within ten days after the same are filed. As soon as the issues are made up in any such case, it shall be placed at the head of the trial docket and shall be first in order of trial.

Unless said employer shall, within ten days last aforesaid, execute a bond to the State, in double the amount so found and ordered paid by the commission, with sureties to the approval of the commission, conditioned that he or it will pay any judgment and costs rendered against him or it for said premium, the court at the time of the filing of the petition, and without notice, shall appoint a receiver for the property and business of such employer, in this State, with all the powers of receivers in other cases, who shall take charge of all said property and assets of the defendant and administer the same under the orders of the court.

If upon final hearing of said cause it is found and determined that the defendant is subject to the provisions of this Act the court shall render judgment against said defendant for the amount of premium, provided to be paid by such employer for such period under the provisions of this Act. with

interest from the date of the determination of said amount by the commission together with costs, which judgment shall be given by the same preference as is now or may hereafter be allowed by law on judgments rendered for claims for taxes.

If any employer who has complied with this Act shall default in any payment required to be made by him or it to the fund, for a period of ten days after notice that such payment is due, the same proceedings may be had as in the case of an employer against whom the commission has made a finding as hereinbefore provided.

If the defendant is a non-resident of this State or a foreign corporation doing business in this State, service of summons may be made upon any agent, representative or foreman of said defendant, wherever found in the State, or service may be made in any other manner designated by statute.

The commission, for good cause shown, may waive a default in the payment of premium where such default is of less than sixty days' duration, and upon payment by the employer of the premium for such period, he and his employees shall be entitled to all of the benefits provided by this Act.

Section 29. The commission shall have full power and authority to hear and determine all questions within its jurisdiction, and its decisions thereon in each claim shall be final. Provided, however, that any employer or employee aggrieved by any order or decision of the commission may, within 15 days thereafter appeal such order or decision to the Court of Common Pleas of the county wherein said appellant is resident or was last employed; and said appeal shall be heard upon a transcript of the proceedings before the commission and said order shall not be modified nor reversed unless said Court shall find, upon consideration, of the record, that it was unlawful and unreasonable. Either party shall have the right to prosecute error from the decision of the Court of Common Pleas as in other civil cases.

Section 30. All claims for benefits under this Act shall be waived, unless made within sixty days from the date when unemployment began.

Section 31. Employment at any work for which provision for benefits is not required shall suspend the right to benefits. If the employee loses such employment within six months of the cessation of his employment by his previous employer his right to benefit shall recommence upon registration and expiration of the waiting period.

Section 32. If an employee undertakes such employment during the two weeks' waiting period it shall not affect the running of such period if it continues for one week or less.

Section 33. The employee shall notify the employment office at which he is registered when he begins and leaves such employment.

Section 34. The entire cost of the administration of this Act, including salaries and other expenditures required, shall be paid upon vouchers of the commission out of the general funds of the State.

Section 35. If any employer, employee or other person shall violate any provisions of this Act or shall do any act prohibited by this Act or shall fail or refuse to perform any duty lawfully enjoined, within the time prescribed by the commission, for which no penalty has been specifically provided, or fail, neglect or refuse to obey any lawful order given or made by the commission, or any judgment or decree made by any court in connection with the provisions of this Act, for each such violation, failure or refusal such employer or other person shall be fined not less than Fifty Dollars, nor more than One Thousand Dollars for the first offense and not less than One Hundred nor more than Five Thousand Dollars for each subsequent offense.

Section 36. Every day during which any person, persons or corporations, or any officer, agent or employee thereof shall fail to observe and comply with any order of the commission, or to perform any duty enjoined by this Act shall constitute a separate and distinct violation of such order or said section as the case may be.

Section 37. The sections of this Act, and every part of such sections are hereby declared to be independent sections, and parts of sections and the holding of any section or part thereof to be void or ineffective shall not affect any other section or part thereof.

Section 38. This Act shall be in effect on and after July 1, 1931; but no premiums shall be payable by employees or employers until on and after January 1, 1932.



## PART THREE

## Reports of Sub-Committees

## 1. REPORT OF THE REGULARIZATION BY PRIVATE EMPLOYERS COMMITTEE

## 1. Activities

Your Regularization by Private Employers Committee, as appointed on November eighth, met immediately after the meeting of the Pennsylvania Committee on Unemployment, at the Benjamin Franklin Hotel and discussed informally the scope and the prospective activities of the Committee. It was decided that probably the most effective method would be to hold a series of meetings at strategic industrial centers of the State, where important speakers could meet with and discuss the various accepted plans of regularization with the leading employers of that district.

Before holding the first of such meetings, it was deemed advisable to call in a few of the industrial leaders for their advice and counsel in both methods and scope. Consequently, a small group was invited to meet with your Committee at the Manufacturer's Club, Philadelphia, on Tuesday, November 18th. The attendance was not large but the enthusiasm and the practical suggestions expressed were of material benefit to us. The advice or regional meetings concurred without our own judgment, and as a result, a general meeting was called and held at the Manufacturers' Club, Philadelphia, on Tuesday, November 25th. This meeting was attended by the important industrialists of the Philadelphia Metropolitan area, including the counties of Philadelphia, Chester, Delaware, Montgomery and Bucks. The meeting was addressed by Senator Grundy, Dr. Clyde King, Mr. Morris L. Cooke, one of the Committee; Mr. Philip Gadsden, of the U. G. I. Company; Mr. Morris Leeds, another member of the Committee, and Dr. Billikopf, of the Lloyd Committee.

By resolution, three in number the meeting (1) called for the summarization and publication of the plans for Regularization as successfully operated in industry, (2) pledged itself to a program of plant betterment, extension and repair, and (3) pledged the distribution of available jobs among as many as possible by eliminating overtime through more shifts.

A second regional meeting was projected for the Bethlehem, Easton, Allentown, Stroudsburg section, by a close study of employment in that territory revealed that we have nothing to offer for the present emergency that is not being done. Our information is that payrolls of the industries of the Section in question are running about 60% of normal; that the work is being distributed, and that while incomes are materially reduced, there is no one out of a job who wants to work. There being no emergency, emergency measures are unnecessary. Hesitating to disturb a situation that is eminently satisfactory, we are holding in abeyance our meeting, but are in direct contact with the situation, and if the need becomes apparent, our ground work can be utilized in short order.

We next called and held a meeting in Harrisburg on Tuesday, December 9th, with industrialists from the central section of the State, reaching from Williamsport to York and from Lewistown to Lancaster and Lebanon.

This meeting aroused considerable enthusiasm, especially was it fruitful of stimulating the work of the County Committees in the sections represented. The meeting was addressed by Governor-elect Pinchot, Dr. Clyde King, Dr. Harlow Person, of New York, and representatives of the County and City Committees of that section.

This meeting likewise passed Resolutions (1) to foster plant extensions, betterments and equipment, and (2) to create as much employment as possible by shorter shifts and no overtime.

Further meeting, similar in nature are planned for Pittsburgh, immediately after the Holiday Season, and for Erie at a not-yet-determined date.

## 2. Results

Your Regularization by Private Employers Committee can already lay its hands on a single instance of the result of its activity. The E. I. Dupont de Nemours Company sent a representative to the Philadelphia meeting, who next day wrote for a synopsis of successful regularization plans from which would be devised a plan for installation in the far-flung plants of that corporation.

Undoubtedly others have been helpful in the emergency by instilling confidence into their employees, distributing employment, encouraging improvements, extensions and betterments and by creating an unemployment consciousness.

## 3. Co-operating Agencies

Your Committee found supporting co-operation from the Manufacturers' Association of Delaware County, Manufacturers' Association of Montgomery County, Manufacturers' Association of Lancaster County, Manufacturers Association of York, Waynesboro Manufacturers' Association and the Harrisburg, Bethlehem, Williamsport, Stroudsburg, Pittsburgh and other branches of the Pennsylvania Manufacturers' Association. The Philadelphia Chamber of Commerce sent invitations to our Philadelphia meeting to their membership.

## 4. Publications

Your Committee deemed it desirable to compile a synopsis of Regularization and Stabilization plans for distribution to industrialists. A folder consequently issued, which was the work of Dr. James T. Young, of the Wharton School, University of Pennsylvania, one of the Committee.

Approximately four thousand copies have been printed and about two thousand copies have been distributed.

(Signed) J. W. RAWLE,  
Chairman.

## 2. REPORT OF THE SUB-COMMITTEE ON EDUCATION AND TRAINING

WILLIAM R. STRAUGHN, Chairman.

L. H. DENNIS,

MRS. J. FRANK KERR,

RABBI PHILIP DAVID BOOKSTABER,

J. W. VICKERMAN,

C. J. GOLDEN,

MRS. SAMUEL SEMPLE.

The Sub-Committee on Education and Training submits the following report, in which the conclusions are arrived at after extensive research, involving many personal interviews, some group meetings, and much correspondence with leading educators, business men, industrial and labor representatives. The committee has approached the problem of the contribution which education can make to unemployment ills from the point of making long-time human adjustments effective.

Any system of education or training must have the co-operation of all constructive social agencies. The cost of public education is met by the business interests of the State; in turn business has the right to accountability from public education. It is but reasonable for business to know how the educational system functions to the advantage of the Commonwealth as well as of the individual. On the other hand, the business and social agencies must be acquainted with the State program of education. In this report, the Committee has tried to clarify the opportunities made available by the State, and to point out possible adjustments and advancements for future progress, with the hope that remedial measures employed now, and for years to come, may, in part at least, have something to do with alleviating social conditions in periods of distress. The program of Education and Training, as recommended by this Committee, can be carried out through the present administrative machinery of the Department of Public Instruction.

## Vocational and Technical Training

Industrial education can make its chief contribution to the Unemployment situation by developing an increased efficiency among the workers of tomorrow and by helping our youth to make more satisfactory occupational adjustments. Provisions should be made for retraining the workers who find it necessary to seek other employment or to meet new conditions brought about through the development of the mechanization of industry.

The high school curriculum must be made more flexible and more varied in order that the needs of the greatly increased enrollment of our youth may be more specifically met from the standpoint of occupational adjustment. The vocational training opportunities now offered by our high schools and evening schools should be greatly extended to meet the needs of those not now being served. A greater flexibility should prevail in the operation of vocational classes, permitting of vocational instructional opportunities for any group seeking such instruction. Provision should be made for the proper use of correspondence courses where needed.

Vocational classes should be organized and conducted where they will best serve the needs of the group receiving the instruction. In many cases such classes should be organized

within the plant where the men are employed, the classes being made under public supervision and control.

Efficiency in industry depends much upon the training of the worker and his adjustment to his job. These are some of the problems of the foremen who are the key men in industry. Foreman training opportunities should be made generally available in all of our industrial centers. These should be organized as a part of the vocational education program of the State.

The machine age and other changing methods and conditions in industry are making it necessary for many men to seek new fields of employment. Retraining opportunities should be made available wherever necessary.

The mining industry finds it necessary to employ new methods of production. These new methods involve a much greater use of machinery and the application of power. The industry needs men who are trained to meet the new conditions and methods. This involves the retraining of men now in the industry and the setting up of vocational training opportunities in the field of mining for the youth of the mining areas of the Commonwealth.

Adequate provision has not been made for training for technical occupations of a junior engineering grade. The vocational education program should be extended to meet this need.

Pennsylvania's well established vocational rehabilitation program should be definitely extended to include the educational phases of retraining.

Many workers out of employment will find it impossible to take advantage of retraining opportunities unless either lunches or carfare or both are provided. We recommend that the committee on relief give this problem very careful study.

A satisfactory development of industrial education opportunities throughout the Commonwealth will depend very largely upon the availability of the services of trained industrial education leaders. The committee recommends that definite provisions be made for the appointment of at least six district directors of industrial education. The development of the entire program outlined above can be quickly organized through the services of these district directors.

**Compulsory School Age**—A suggestion has been made to the committee that consideration be given to the raising of the compulsory school age limit from sixteen to seventeen or eighteen years. The committee after conferring with numerous educational leaders in this and other States, is of the opinion that the schools should first prepare themselves for serving this group before undertaking the raising of the compulsory age limit. It has been pointed out that many school districts are finding it exceedingly difficult to provide housing facilities for the group now in school and that to require the housing of additional groups on short notice would add many problems at a time when districts are finding it difficult to adequately finance public education.

It has been further suggested that to withdraw some youth from employment would be to take away the only source of income enjoyed by some families whose main wage earner is out of employment. The Committee feels that this matter should be carefully studied during the next biennium before recommending any legislation in the matter.

Communities should be encouraged to arrange attendance in the part-time continuation schools on a half-time basis. This will work to the educational advantage of the children and to the economic advantage of those by whom they are employed. To encourage this being done on a voluntary basis on the part of local communities, the aid of school districts for the operation of continuation schools should be increased whenever attendance in the continuation school is arranged on a half-time basis.

In order that school districts may gradually but effectively prepare themselves for the time when it will be found wise or even necessary to raise the compulsory school age, the development of vocational training facilities in continuation schools and secondary schools should be very generously encouraged.

#### Labor Certificates

No temporary relief in the unemployment problem appears to be in prospect by advocating a raise of the compulsory school age to seventeen or eighteen years. Undoubtedly some relief, and of a more permanent nature, can be obtained by seeing that the conditions under which labor certificates are issued shall be more closely investigated. More personal attention should be given by the supervising school officer who is responsible for the issuance of these certificates to children

between the ages of fourteen and sixteen. The truant officer, the school nurse, the visiting teacher, and even the principal himself or proper agencies to determine whether the labor of a child of this age is actually needed in the family. A sympathetic understanding of the family problem is necessary, but a vigorous effort to keep the fourteen-sixteen year old child off the streets and the highways will be an easement in acute and incompetent labor competition.

#### Education for the Readjustment of Adults

The purpose of Extension Education is to provide educational equipment for a ready and intelligent readjustment of individuals to rapidly changing social and economic conditions. No additional legislation appears to be needed to make this program effective. Either school directors are slow to adopt this program for the benefit of their communities, or the citizens themselves have not pressed for these opportunities. Perhaps the State as a whole is ignorant of the means now available to aid the readjustment of wage earners. The committee, therefore, briefly outlines the problems for the purpose of calling emphatic attention to the fact that much can be done now. Mingled with the problem of readjustment is the large and menacing phase of adult illiteracy. A few basic facts must be presented as a logical approach to this problem.

The total enrollment in all junior and senior high schools of the State is 383,261. Yet the total number of working boys and girls of 'teen age not in any school whatever is 650,000. The total number of adults unable to sign their own names is 312,699. Total number unable to read and write English understandingly is 1,250,000. Total number unable to speak English is 162,240. Total number unable to carry on conversation in English is 500,000. The total number of foreign-born residents above the age of 21 years who have not been naturalized is 708,743. It at once becomes clear that these are the groups first affected in a period of economic depression, as they are likely to be the first ones out of a job.

In order to eradicate illiteracy; to assimilate the foreign-born; to aid social, industrial and economic readjustment; to prepare for citizenship; to enrich appreciations, enjoyments and usefulness of adult life; and to insure successful participation in the life of the community and of the nation, the Commonwealth will provide (and does provide where demanded according to law): public school classes in English and citizenship for immigrants; public school classes in reading and writing for Negro and native white illiterates; home classes for foreign-born mothers; evening elementary schools; evening high schools offering intensive courses adapted to the needs of special groups, and evening high schools offering accredited courses of study with credit toward graduation.

The problem resolves itself into one of getting the adults and minors of the upper 'teen age into these schools, particularly during periods of unemployment, when the morale is low. School districts having vocational schools should make the vocational instruction facilities available to all groups who can profit by such instruction. Instruction should be offered at such hours, and under such conditions, as will best meet the needs of the groups involved.

We wish to direct attention to the provisions of present legislation.

#### Mandatory Provisions

1. Whenever twenty or more residents of a school district, above the age of sixteen years, make written application for instruction in any of the following fields, the board of school directors of such district shall provide such instruction:

- (a) English and citizenship for immigrants and native illiterates.
- (b) Elementary school instruction.
- (c) Secondary school instruction.
- (d) Citizenship for adults. (Section 4102, School Laws.)

2. Extension classes organized in response to such written application shall be provided in school buildings at any time not in conflict with regular day-school activities, as requested by such applicants. (Section 4102, School Laws.)

3. The minimum salary of extension teachers shall be \$1.00 per hour for the first year of service, \$1.25 per hour for the second year of service, and \$1.50 per hour for the third year of service. (Section 1210, Paragraph 19, School Laws.)

4. State aid shall be provided for all extension education classes at the same percentage of the minimum salary required as is paid to such districts of the minimum salary of regular day-school teachers. (Section 1210, Paragraph 19, School Laws.)



5. Extension class instruction shall be free but school districts may exact a deposit fee from each student of a sum not to exceed \$5.00, such fee to be returned at the close of each term to all such persons who have attended 75% or more of the class sessions of such term. (Section 4104, School Laws.)

6. Extension schools may not be closed until the average daily attendance for one month falls below ten. (Section 4103, School Laws.)

7. Extension schools and classes shall be a part of the public school system and shall be subject to all pertinent regulations governing the administration of day schools. (Section 4106, School Laws.)

#### Permissive Provisions

1. Boards of school directors may organize and maintain extension classes in any course of study which they may deem advisable. (Section 4102, School Laws.)

2. Extension classes may be maintained at any place which may seem advisable to the responsible board of school directors. (Section 4103, School Laws.)

Our sub-committee on Education and Training joins with the Adult Extension Education Bureau of the Department of Public Instruction in requesting that particular emphasis be placed upon the following:

1. Upon the reduction of illiteracy as a first prerequisite in the adjustment of individuals to their environment.

2. Upon more genuine assimilation of our foreign-born population as means of securing the contributions they are fitted to make.

3. Upon character education in our public school program with appropriate credit rewards for good citizenship as well as for scholastic attainment.

4. Upon education for our rapidly growing leisure.

5. Upon the development of intensive unit courses as emergency aids for individuals on the job.

6. Upon more widespread development of extension training courses for promotion to specific jobs.

7. Upon the development of junior and senior high school correspondence courses to provide extension education opportunities for rural districts and smaller communities.

8. Upon education in co-operative citizenship with special emphasis upon mutual interests of employers and employees.

9. Upon the development of extension schools and correspondence instruction in conservation and thrift; vegetable gardening; preservation of foods, preserving, cold packing, and storage; care of perishable foods; preparation of cheaper foods; purchasing and preserving clothing and footwear, remodeling and repairing old clothing; home repair and economies; budgeting (the wise use of income).

The committee recommends that an assistant be provided, if needed, in the Extension Education Bureau to carry out the provisions of this program.

#### New Adjustments in Present School Curricula

In discussing that phase of unemployment which arises because of the large number of immature boys and girls of teen age who have been thrust upon the competitive labor market, serious consideration must be given to the question whether the public school system today is functioning to the advantage of the State as well as of the individual; and whether or not it may be time to discard some old practices of promotion, to eliminate certain courses and minimize present values and time requirements. We are all agreed that education has no panacea, or cure-all, for the social ills that threaten us; in fact, except for slight variations, they are no different from the ills of former periods of depression. It is opportune, however, to raise the question whether new adjustments in the educational system may not be made with accruing advantage to the State. Waste in any form is socially undesirable and has much to do with the poverty and misery of individuals and communities—waste of money, of natural or acquired resources, of time or energy. Many of our leading educators and business men doubt that the present 12-year plan of the public school program is the best possible arrangement for social efficiency. Why 12 years—whether based on the 8-4 plan or the 6-6 plan? Why not eliminate a year, as has been done successfully in Kansas for the past several years, and organize on the 7-4 plan, or even better on the 6-5 plan—six years of elementary school system and five for the junior-senior high school? Or, perhaps best of all, why have any definite period of time, but adjust a flexible program of study to the child according to his ability to progress, instead of adjusting the child to a fixed program of study stated in terms of years? An active, en-

lightened program that challenges the child to his best effort, under competently-trained teachers, need not necessarily be expressed in terms of years, but in terms of accomplishments. Many children drop out of school because they have lost interest. If the so-called cultural subjects fail to arouse and maintain this interest, the school system should include vocational or technical schools to fit the needs of the boys and girls who have arrived at the age of 14, regardless of what grade they may have attained. The industrial and mining communities should be prepared to meet this need, and not further clog the ranks of labor with ill-prepared cheap labor. The State should make a further study of the possibilities of this suggestion, particularly to find out how other industrial nations have met the problem. Germany had to face this situation ahead of the United States, and we might well profit by finding out how she has attempted to solve the problem. Furthermore, our Commonwealth should encourage and support experimental schools in which these plans are tried before embarking upon a State-wide program involving changes in our present procedure. These experiments can be carried on under the actual conditions to be tested in the industrial and mining sections, and on the campus of some or all of our State Teachers Colleges. These schools are further discussed in this report under the heading of EXPERIMENTAL SCHOOLS.

#### Experimental Schools

In this report the committee refers to Experimental Schools. We wish this term to be understood to mean a school in which the Commonwealth, through the control of finances by the State Council of Education, shall test the soundness of its educational procedure, in which the cost can be estimated and determined, and the results checked. These really are opportunity schools in which the State by a controlled investment affords to those who attend an opportunity to enlarge their social and economic outlook; but the term Opportunity School is already in educational nomenclature with another meaning, so for the purpose of indicating a controlled test we are using the term Experimental School.

##### (a) Farming Districts

The Commonwealth should assume in a large measure the final responsibility for seeing that the one-room rural schools have enriched curriculum that will be attractive to farm boys and girls. In spite of efforts at consolidation, there will always be thousands of one-room rural schools that cannot be consolidated into larger units. These are the ones that should have special attention, because they are usually located where the farmers are taxed to the very limit with the result that the schools have only the barest necessities. The Commonwealth should provide an Equalization Fund, perhaps of \$1,200,000, to be placed at the disposal of the State Council of Education for the purpose of equalizing educational opportunities in the farming districts. A large portion of this fund should be used in the one-room schools. A phase of the unemployment situation is that many families have moved from farming districts to industrial centers, and during the economic depression, with factories and mills closed down, the wage earners of the families find themselves without means of livelihood. Many of these wage earners left the farms because of inadequate educational opportunities for their children; they would have remained on the farm had the school opportunities been right, or had the tax burden not been so heavy. The Commonwealth can aid in the proper distribution of its population according to the capabilities of the individual wage earner, by giving adequate support to the schools that are located in the farming districts. The committee therefore suggests that a large portion of the proposed two million dollars of the Equalization Fund be used for five hundred to one thousand of these rural schools during the coming two years for the purpose of experimenting on a large scale with an enriched program of studies that will make these schools attractive without adding to the burden of the farmer, and in fact to relieve him somewhat of his school taxes. The State Council of Education would, in co-operation with the County Superintendent and the local school boards, select these schools and see that they are adequately equipped to give modern instruction in the fundamental subjects of the curriculum; and in addition, in Art, Music and Literature, in the same manner that these subjects are given in our best schools. Every one of these rural schools should have some works of art, and every one should have some modern music records, with a phonograph, or perhaps a radio. The children of these schools



should have adequate reading material. We are training farm boys and girls for a future life that is comfortable to themselves, such comforts usually being expressed in the appreciation which one has developed in art, music and literature, as well as for the more practical economic necessities. Every one of these schools should have a motion picture machine so as to make modern instruction through visual aids. These schools should have a definite program in Everyday Science as applied to the farm in which the boys and girls have an opportunity to try out simple testing of seeds and soils. This program should also consider farming problems. In fact the problems of the farm, relating to housing, stock and poultry, as well as field culture and farm mechanics should have attention in the upper grades in the rural schools—not that we expect that all of these children should go back on the farm, but that they shall at least have an appreciative understanding of our national farm problems. Co-operative marketing and co-operative buying should be considered. This is in line with the thought that problems are rarely ever solved during the emergency. Only temporary relief can be had. Problems are solved by a long process of study and thought. If we teach farming problems with an appreciation and sympathy we shall be doing much to aid in farm developments.

There are approximately 8,000 one-room schools in the State. If this experiment proves successful in the coming biennium, the program can be put on an accumulative basis, over a period of years taking in most of the one-room schools until it shall appear that the State aid has enabled these isolated schools to conduct their own affairs on the customary legislative basis.

(b) Mining and Industrial Communities.

As an industrial State, Pennsylvania must give particular attention to mining and industrial communities. These are the key to an economic fluctuation. It is therefore of utmost importance in a long time program of training that the State shall sponsor new types of vocational schools for training and retraining of adults and minors. Educational, industrial and labor leaders favor the more complete use of present buildings and equipment. To establish additional buildings and vocational equipment in the industrial sections would be a very expensive proposition. The committee suggests that co-operative schemes be entered into with various school boards and industries, on an experimental basis, to aid in developing the plans as outlined under VOCATIONAL AND TECHNICAL TRAINING, the State to furnish \$300,000, controlled by the Council of Education, to supplement the equipment and resources of the local industrial districts that co-operate.

(c) State Teachers Colleges

Any proposed change in the time or content elements of the present public school curriculum might advantageously be tried out in the campus training schools of the State Teachers Colleges, or in an affiliated school system that co-operates with the Teachers Colleges. No additional legislation is needed, and probably no additional funds are necessary unless these experimental schools enter the field of vocational or technical training. The committee has particularly in mind that several of the Teachers Colleges might co-operate with a local school district, and devise a new course of study based on the 7-4 plan, or the 6-5 plan, or some other plan approved by the Department of Public Instruction, to break up the present grade by grade plan of 12 years toward which some criticism has been directed. It is probable that a saving in time, in public money, and a more enriched, yet condensed, course of study can be devised, beneficial alike to the individual and to the community. The first care should be the need of the child, and the child should therefore be the unit of attention, rather than the course of study. If it should be found that children complete the prescribed course of study in the elementary and secondary schools, and have saved one or two years in time, and are below the usual college entrance age, they will have the advantage of entering the local State Teachers College where further comparison can be made for their rate of progress. This experiment should be tried on a scale sufficiently large to test the values of the results. It has already been done, in several instances, in Teachers Colleges and in public school systems, in a small way, but not with adequate authority so that the results can be accepted as conclusive. Perhaps this experiment will mean a rather extensive change in the content of subjects now given as the State Course of Study, for which reason the Department of Public Instruction shall be the authority for the proposed experiment.

#### Equalization Fund

Failure of the Legislature to provide a larger unit of taxation, so as to distribute the burden now resting heavily on farming, industrial and mining, and distressed districts, compels us to seek relief in some other manner. We therefore recommend an Equalization Fund, of approximately \$2,000,000 for the biennium, to be placed at the disposal of the State Council of Education, in order that this body may give a measurable degree of relief in districts of the Commonwealth which need assistance, that the children may have equal social and economic opportunities. This Equalization Fund of \$2,000,000 would include the \$1,200,000 already suggested for the schools in the farming districts, \$300,000 for the Council to provide aid in the vocational schools in mining and industrial communities (to carry out the program as outlined under the heading of Vocational and Technical Training) and \$500,000 for distressed school. The past two sessions of the Legislature have provided some assistance for distressed schools but this is wholly inadequate to the necessities of the State. At the present time there are at least fifty school districts that are virtually bankrupt and unable to function, and hundreds of others that are so handicapped that they cannot do more than make a pretense to carry out the essentials of the State Course of Study.

#### Negro Education

Our investigation leads us to believe that Pennsylvania is not prejudiced in the matter of employing Negroes for certain types of jobs, but this very open-mindedness entails on us a responsibility to help meet an economic situation that will become more pressing during the coming years. The Negro has become a large economic factor in our present-day civilization, and with increases in his population, there must be more jobs for him to fill. The impulse of higher living has made him an applicant for jobs and positions above the purely manual type. What is Pennsylvania doing to make the Negro economically fit for skilled trades and professions? A few teaching positions in the State are available to Negroes and opportunities are offered to prepare for this profession. However, it is the Negro citizenry that we must think of: what type of education and training, as a part of our educational system, shall be made available for the Negro to be better equipped to adjust himself happily or satisfactorily in a civilization already interminably complicated by racial factors? The committee recommends a study of this phase of education and training in the light of future economic developments.

#### Unemployed Teachers

Much has been said recently about the number of prospective teachers who have been unable to secure positions for which they have been prepared. The committee has, therefore, attempted a survey of the situation as it affects the entire teacher training output of the State for the current year (1930). We realize our inability to secure definite information as it affects particular communities. Some of the wealthy favored communities have a super-abundance of applicants who desire to locate amid the most desirable educational opportunities, particularly in or near the large cities; on the other hand, in small and isolated districts, the school boards experienced difficulties in finding fully certified teachers. Due to splendid co-operation on the part of the Teachers Bureau, the State Council of Education, the State Teachers Colleges and the accredited colleges of the State, the committee has been able to make a complete survey of the situation as it affects a State-wide teacher situation, with the following results:

(a) State Teachers Colleges

In 1930 (May to August), the thirteen State Teachers Colleges and Cheyney graduated in all curricula a total of 3639 young men and young women. Of this number 2956 were placed, and 683 were not located in teaching positions. This shows an 81% placement. (Exactly the same ratio holds in the two-year curricula.) Only two (plus) per cent. of the graduates due to various causes such as marriage, removal or additional study did not care to be placed, leaving 17% unplaced. The study shows 100% placement in the special curricula of Home Economics, Art, Commerce; almost 100% in the special curricula of Music, and in Health Education. The Junior High School curriculum shows 77% placed. It will therefore be noted that the lowest placement is in the Junior High School curriculum (which is on a four-year level) and in the two-year elementary school curriculum, showing a possible trend toward overcrowding in these fields; or, in other words, the teacher preparation in the more recent special fields of



Art, Music, Home Economics, Commerce and Health Education, has not yet caught up with the State program for these fields. The tendency to overcrowd is in the fields where another important, but undetermined factor, enters, namely; during periods of economic depression many men and women who hold any type of teachers' certificate, perhaps obtained many years before on lower levels of preparation, again become applicants for teaching positions. Because they are usually older (with dependents) or more influential they frequently are the successful applicants. This situation leaves the younger college and normal graduates without places. The committee is unable to determine how many were thus affected this year, but believe that 5% to 10% is a safe estimate. Undoubtedly the same factor, in a slightly less ratio affects the teacher placement situation in the accredited liberal arts colleges. The committee wishes to call attention to the fact that the Teacher Training Schools of Philadelphia and Pittsburgh are not included in this study. These are highly particularized communities, and the graduates of their normal schools rarely become applicants for positions outside their city, or at least outside the immediate vicinity.

(b) Liberal Arts Colleges on the Accredited List of the State Council of Education

The Committee had a 100% response from the accredited colleges, giving the exact information or a close estimate as revealed by their records. These colleges graduated (May to August) 3230 who were enrolled as prospective teachers—almost the same number as the State Teachers Colleges. The number placed was 2109, but the number desiring not to be placed was 338, giving a total of those desiring positions as 73%, and 10% not wanting positions, and 17% unplaced. This will be noted as being identical with the situation in the Teachers Colleges. With few exceptions the Liberal Arts Colleges train for high school positions and for special departments. The teacher unemployment condition, therefore, appears to be about the same in the State Teachers Colleges and in the Liberal Arts Colleges, and about the same ratio in the elementary field and in the secondard field.

The Commonwealth should always have a reserve of well trained and fully certified teachers of perhaps 10 per cent. of the annual output in order to provide for the continued turnover due to marriage, death, sickness, leaves of absence. The annual turnover in Pennsylvania has been reduced to an average of less than 8 per cent. It might be unwise to draw too restrictive conclusions from the survey thus made, but it is apparent that the trend shows definitely that serious consideration must at once be given to the significance of preparing too large an output of expensively trained teachers who have no prospect of entering gainfully into the profession of their choice.

The committee recommends: (1) That the Board of Presidents of the State Teachers Colleges, with the approval of the State Superintendent of Public Instruction, shall develop a program to limit the number of students to be admitted to these colleges, on the basis of the needs of the State; (2) Raising the standard of teacher preparation for elementary grades to four years. This will reduce the number of persons applying for admission to the Teachers Colleges, and will raise the standard of teacher preparation, as well as relieve a possible overcrowding in the profession; (3) That the State Council shall make a study of the unemployment situation as it appears to exist from the information disclosed in this report, and if the Council finds that the schools of education in the Liberal Arts Colleges are turning out an over supply of prospective teachers, the Council should consider the advisability of moving slowly in authorizing the establishment of new curricula in these liberal arts institutions. It appears that the time has arrived when the State Teachers Colleges and the accredited Liberal Arts Colleges should devote more definite attention to the quality of the product rather than to the quantity of the product looking toward teaching as a profession.

#### SUMMARY OF RECOMMENDATIONS

##### Vocational and Technical Training

1. Greater flexibility and variety in the high school curricula.
2. Flexibility in vocational training—vocational classes in industrial plants.
3. Development of foreman training program.
4. Vocational training program for mining industry.
5. Development of technical education.

6. Educational program for those physically rehabilitated.
7. Carfare and lunch service through a relief committee for unemployed attending vocational classes.
8. Development of industrial education program through appointment of six district directors.
9. Establishment of classes in standards of living and use of income for workers and home makers.
10. Development of half-time continuation school attendance on voluntary basis through additional aid.
11. General development of vocational training in continuation and vocational schools.
12. Development of new types of vocational training facilities under direct auspices and control of the State Council of Education.

Budgetary Requirements—(See Experimental Schools.)  
Labor Certificates

To be issued only after the supervising school officer has satisfied himself that the boy or girl of 14 to 16 has a job, and his help is needed in the family.

Budgetary Requirements—None.

Education for the Readjustment of Adults.

A State-wide, 10-year program to be launched to reduce illiteracy, and to instruct in conservation and thrift and to educate for the wise use of leisure.

Budgetary Requirements—(See Experimental Schools.)

New Adjustments in Present Public School Curricula

Further study and tests to be made to eliminate wasted time and effort in the grades and the high school, and to vitalize the course of study.

Budgetary Requirements—Probably none.

Experimental Schools

The State to sponsor through the State Council of Education various controlled tests to the mutual advantage of the community and of the individuals.

Budgetary Requirements—\$1,500,000.

Equalization Fund

Sufficient financial aid from the State to equalize educational opportunities by means of the Experimental Schools in the farming, mining and industrial communities; and a general fund for distressed school districts.

Budgetary Requirements—\$1,500,000 for the Experimental Schools (listed above); and \$500,000 for distressed districts. Total, \$2,000,000.

Negro Education

Further study to be made of the need for additional vocational training.

Budgetary Requirements—None.

Unemployed Teachers

Restricting the admission of students, hence the output of all State-controlled and State-aided teacher-training institutions; and limiting the teacher-preparation curricula in the accredited liberal arts colleges.

Budgetary Requirements—None.

#### RECOMMENDATIONS ON RELIEF METHODS BY THE SUB-COMMITTEE ON RELIEF TO THE COUNTY COMMITTEES

It is recognized as fundamental that in times of depression and unemployment there are certain functions which must be assumed by those concerned for the public welfare.

1. Acute need must be relieved at once regardless of residence.
2. Employment must be secured for those unemployed, and who are physically and mentally able to work.
3. Long distance planning must be undertaken:
  - (a) In order to provide a non-recurrence of the economic depression and unemployment;
  - (b) To set up machinery so that there shall not again be the uncoordinated scramble to find ways and means of meeting the situation.

Each County Committee on Unemployment must clarify its own thinking or program in order not to do damage which may be irreparable because of the utilization of unsound social methods. Sources of relief may be roughly grouped into governmental source and private sources.

##### Governmental Sources

There is danger of assuming that state and national government may be justly called upon to provide relief in circumstances such as we now face.

Only upon the basis of appropriations which will result in creating necessary employment; and in appropriations made to pension systems, already provided in law, is there any justification for assuming that national or state government will provide "grants in aid" to meet local needs.

Law, traditional custom, and good social practice make it a sound assumption that efforts looking to immediate relief by "grants in aid" should come from local official bodies authorized by law to render such assistance.

In the State of Pennsylvania the Overseers of the Poor, the Directors of the Poor, the municipal governing bodies, through their public welfare agencies have the right to provide, and are able to provide the necessary funds to meet the emergency, if properly administered.

The statement frequently made that overseers and directors of the poor are "not permitted" to do certain things on behalf of the needy, is usually not based upon law or fact, and the limitations under which they operate are rules or ordinances imposed by themselves which can be changed to meet changed social conditions.

A study made by the Pennsylvania Department of Welfare of the expenditures of Poor Relief Taxation over a ten-year period showed that more than \$100,000,000 were used for the purpose of indoor and outdoor poor law administration.

In the year 1923 outdoor relief to the amount of more than \$1,300,000 was expended and this sum was known not to represent the total of expenditures, since records were not available.

It was also shown that far too much money went into overhead administration as contrasted with the amount of actual relief rendered; for example, one overseer expended \$15.00 in outdoor relief during the year and the cost of administering that expenditure, inclusive of his stipend was \$120.00. That kind of poor law administration is absurd and dangerous, and very costly to the taxpayer.

On the statute books of Pennsylvania are laws permitting counties to set up their poor law administration on a county basis, which is the sound method of administration for practical purposes.

#### Private Sources

Relief from private sources has its origin in fraternal, religious, and private philanthropic undertakings. Private philanthropy is always pinched in a period of hard times, and is less well able to meet pressing and long term emergencies.

It is evident that a co-operative undertaking involving public charity and private charity is essential if emergencies, such as now exist, are to be met.

The county committee on relief, now being appointed by the Pennsylvania Committee on Unemployment, should serve to bring combined forces of public and private charity to a focus for intelligent planning and administration to meet the local needs. Watch for and suppress charitable rackets of all kinds.

This is no time for "part time" and unco-ordinated effort! A competent, socially-minded executive, whose job it should be to promote co-ordination, is essential.

One pressing difficulty in some cities now is the number of floaters looking for work. Charity should go to those in need now but policies should look toward returning floaters to their residences.

The citizens should make their wish known to those responsible for appropriating funds in counties and municipalities for purpose of emergency relief, in order that there may be more adequate appropriations made for use during the winter.

A centralized clearing house should be set up for purpose of locating jobs, and these clearing houses should be both local, and on a county-wide basis. This would involve co-operation with employment agencies, public and private, and special effort on the part of the county committee itself.

A clearing house for the determination of actual need, and the elimination of undesirable duplication of relief should also be set up, and the mechanism of a social service exchange should be used both locally, and on a county-wide basis.

Administration of relief funds should be guided by sound social principles which were set up in the study made by the Department of Welfare and published in 1925 as Bulletin 1 of the Department.

#### Principle Involved

Proper comprehension of family case work. Frequently it is available through a good private agency which the public

officials can use, supplementing the funds of the private agency in order to enable them to secure sufficient personnel to handle the emergency.

2. Proper investigation of families to be aided. This does not preclude the provision of food, clothing and shelter immediately when needed, but the proper investigation should be carried on immediately thereafter, to determine the cause of the difficulty, the genuineness of the need, and the right method of relieving it.

3. Careful relief planning with the family's rehabilitation as the ultimate aim. This is the essence of good family case work.

4. In the case of children, mental cases, and defectives, consult the State Welfare Department as to advice and procedure.

5. Follow-up work and supervision. There is no sense in providing grants in aid or grocery orders, or what not, and permitting these things to be provided indefinitely.

6. Close co-operation as between public and private agencies dealing with family problems. (The phrase "family problems" is not to be constructed as exclusive of homeless men, "spinisters," and the aged.)

7. Keeping of adequate records. Bookkeeping of the human material is just as important as the accounting for funds spent, and failure to provide adequate records does not necessarily mean voluminous records which only clutter a file without giving a basis for action.

8. Employment of trained welfare workers to give their entire time to the relief situation.

It should be remembered that material relief is a two-edged instrument, which unless carefully manipulated by skilled hands, will do more damage than good, and will create in a community complacent paupers who look to the public treasury for their maintenance.

Public and private relief should be administered on a constructive basis and jobs at normal rates of pay for the work done are better medicine than grants in aid.

Any national or state appropriations for construction programs, or in the pension fund, should be within the purview of the state and county employment committees, and every effort should be made to distribute as widely as possible in the territories most in need—these funds representing jobs that need to be done.

It should be remembered that "democracy" implies not only that we must care for the unfortunate, but that as far as possible each individual in a democracy shall bear his share of the burden of that democracy. We can, therefore, not afford as a democracy to permit this emergency to render any considerable number of our citizens to become dependent.

In the religious field there is much unco-ordinated good intention. The county committees should strive to co-ordinate the good will of the churches in the collection of clothing, collection of funds, and a co-ordinated administration of these through the social service exchange, and the co-ordinated job-finding facilities.

The county committees should stimulate careful consideration by the schools of the needs of the children who are in attendance, and in order to minimize the grind of deprivation on these young lives, school luncheons should be provided and children representing special need should be followed back into their homes for constructive family case work.

#### To Summarize

1. The local committee should recognize that to them falls the responsibility of applying the good will of the community to those in need.

2. The major portion of relief funds, necessary in any community should be provided by that community, and state national grants should be considered only in terms of providing work on public projects that are needed.

3. To promote the public welfare in their community the committee should insure friendly co-ordination and co-operation between governmental and private agencies.

4. Where possible, a full-time worker, with an office location, should be designated at the executive of the county welfare committee.

5. The relief work should be done on a sound family case work basis, and major emphasis should be placed on finding work.

6. Governmental authorities, in their municipal and county fields, should be urged to make available out of tax moneys, the necessary funds to meet this emergency.



7. In cases where legal residence has not been established temporary aid should be given and then provision made after careful study to return such individuals at public expense to their legal residence, when investigation shows that this is advisable. Social workers should be reminded to seek aid and advice from the State Department of Welfare in mental cases, as to defectives, and as to children. Care will of course be used to take care locally of established families regardless of legal residence. The poor authorities will help in transportation.

#### REPORT OF COMMISSION FOR THE ELIMINATION OF TOLL BRIDGES BETWEEN PENNSYLVANIA AND NEW JERSEY AND FOR THE LOCATION AND COST OF CONSTRUCTION OF AN ADDITIONAL BRIDGE BETWEEN EASTON AND PHILLIPSBURG.

##### Introduction

By the provisions of Act No. 553, P. L. Pennsylvania, approved May 10th, 1929, the Joint Commission for the Elimination of Toll Bridges over the Delaware River, between Pennsylvania and New Jersey, was directed to make surveys, take sub-surface borings; make studies, investigations; to prepare plans, estimates of cost and determine the most suitable site for an additional bridge across the Delaware River between Easton, Pennsylvania, and Phillipsburg, New Jersey.

To this end an appropriation of \$2,500.00 was made contingent on concurrent Legislation on the part of the State of New Jersey. This legislation was enacted on the part of the Legislature of the State of New Jersey, and approved April 14th, 1930.

Section No. 2, of the concurrent act provides that a report on the findings of the Commission should be made to the Legislature of the Commonwealth of Pennsylvania, at the first Legislative Session after the completion of the work.

##### Preliminary Work

As a first step in carrying out the mandates of the Legislative Enactment, surveys and topographical maps were prepared to depict the topography in accurate and connected form on both sides of the river.

A number of locations were proposed and advocated for the proposed bridge, each with its supporters. In consequence, the Commission considered it wise to hold a public hearing and permit the advocates of each plan to give expression to their views, so as to inform itself upon the merits of each location. To this end, a sub-committee, consisting of Messrs. Lyon, Chairman; Buckman, Thomas, Kline and Focht, met on June 18th, 1930, in the rooms of the Easton Chamber of Commerce and conducted a public hearing which was well attended by local citizens and representatives of business organizations of Easton, Phillipsburg and vicinity.

After giving careful consideration to each of the locations advocated, the Commission adopted the line, extending from the northeast corner of Third and Bushkill Streets, Easton, to a point in Phillipsburg, near the new High School, connecting with Morris Street, by means of a connection to be constructed by the New Jersey State Highway Commission.

With the location of the bridge once decided on borings to determine the character of the sub-surface were started and carried to completion as expeditiously as circumstances would permit. These borings could not be taken until the location of the bridge had been fixed.

The accompanying plan shows the location adopted, together with the alignment, profile, grades, character of material encountered in the sub-surface test holes and the depths to solid bed rock. According to the plan adopted, the length of the entire structure would be, as follows:

Pennsylvania approach .....	1.465 linear feet
Main bridge over the Delaware .....	1.285 linear feet
New Jersey approach .....	1.675 linear feet
Total length .....	4.425 linear feet

As planned, the bridge will have a roadway forty-two (42) feet wide, in the clear, with two sidewalks, each eight (8) feet wide, making a total width, inside of parapets, of fifty-eight (58) feet. The width of forty-two (42) feet fixed for the roadway will provide four traffic lanes, two eastbound and two westbound, which will be sufficient to accommodate one hundred thousand (100,000) cars in twenty-four (24) hours, an ample provision for all present and future needs.

##### Necessity for an Additional Bridge

The necessity for an additional bridge to relieve the present daily congestion of traffic in Easton and in Phillipsburg hardly needs any argument, but a review of the situation will probably prove useful to those unfamiliar with existing conditions.

In the first place, Easton is located at the point of convergence of several important and heavily-traveled highways with the William Penn Highway and the Lackawanna Trail both passing through the heart of the city.

The situation at Phillipsburg is almost identical, with the Washington Pike and the Bloomsbury-Somerville Road meeting at the same point, namely, the easterly approach to the present bridge. The traffic over these arteries is augmented by north and southbound traffic moving to and from Belvidere and points north. In addition to the through traffic moving over these main thoroughfares and passing from one State to the other, there is a heavy local movement across the Delaware River between Easton and Phillipsburg.

To give an idea of the volume of traffic over the present bridge, an exact count, during the month of November, shows that the eastbound and westbound movement ranges from a minimum of fifteen thousand one hundred and eighty-nine (15,189) to a maximum of twenty-two thousand, eight hundred and forty-four (22,844) cars in twenty-four (24) hours, with a maximum density exceeding one thousand, eight hundred (1,800) cars per hour. On the foregoing basis, the volume will range from five million, five hundred and forty-three thousand, nine hundred and eighty-five (5,543,985) to eight million, three hundred and thirty-eight thousand and sixty (8,338,060) cars annually. These totals are rather below than above the maximum, as the travel during November is not so heavy as during the summer months.

As all of this traffic must pass over a bridge with a roadway but thirty-two feet wide and the movement complicated by the passage of trolley cars, it is not surprising that the congestion and practical stoppage of traffic is a frequent and almost daily occurrence.

A study of the map showing the main arteries of travel converging at Easton and Phillipsburg will show at a glance the reason for this heavy concentration of traffic at the present bridge, which is in effect, merely the neck of a bottle.

##### Reasons For Selecting Adopted Location

The problem of selecting a suitable location for an additional bridge, in this instance, was a two-fold one, as its solution, of necessity, involved a compromise between accommodating through, or State-wide travel and local traffic.

Had the problem consisted alone of accommodating through travel, a by-pass to the northward of Paxinosa Hill, with a high-level bridge across the River, connecting the high headlands at this point would have been the solution. This location is about two and one-half miles to the northward of Easton and Phillipsburg, but too far removed to take care of the heavy local travel.

To relieve the traffic situation, a location removed so far as possible from the congested centers of travel in each of the municipalities, but not so far as to be inaccessible, was essential. As the by-pass referred to was out of the question, the location selected and shown on the plan, was adopted.

In addition to the site to the northward of Paxinosa, locations to the southward of Easton and Phillipsburg were also considered, but these would have involved the construction of an additional bridge across the Lehigh River to connect with the main lines of travel in Pennsylvania and have led to costly and involved construction in Phillipsburg, without the possibility of making satisfactory connections with the main lines of travel, in and out of Phillipsburg, therefore, all thought of a line in this locality was dismissed.

Another location suggested was based on the extension of Ferry Street, Easton, across the River to Main Street, Phillipsburg. This location, however, would not have relieved the congestion in Easton, nor in Phillipsburg. In effect, it would have merely represented the substitution of a new bridge for the present structure. Also the grades on the bridge and approaches would have been prohibitive. In consequence, this location was discarded.

The adopted location, it will be noticed, abuts the southerly slope of College Hill, Easton, which is as far to the northward as it was possible to place it without going to the northward of

Paxinosa Hill. The line then extends to the most favorable supporting ground for the approach in Phillipsburg.

The location of the terminals of this line will afford ready access to all local traffic and to all through traffic entering and leaving Easton and Phillipsburg by any of the present lines of travel, when supplemented by the construction of a by-pass, around the easterly section of Phillipsburg, to connect the Clinton-Somerville Road (U. S. Route 22), (N. J. Route No. 28) with the Morris Pike, Route No. 24, a plan which meets with the approval of the New Jersey State Highway Commission and which they have signified their willingness to construct when the necessary authority has been granted by the Legislature.

In addition, the easterly terminus of the proposed bridge was located to connect with Morris Street, Phillipsburg, usually alluded to as the "Morris Pike" (Route No. 24), in order to afford direct access to the traffic moving over this road, as it is being developed by the State Highway Commission of New Jersey, as the principal line of communication between Phillipsburg, Newark and New York.

With the by-pass around the easterly section of Phillipsburg constructed, connecting the Morris Pike (Route No. 24) with the Bloomsburg, Clinton and Somerville Road (U. S. Route No. 22) (N. J. Route No. 28), all of the principal lines of travel will be afforded full access to the proposed bridge.

#### Congressional Sanction and Approval of the United States War Department Necessary

As the Delaware River has been classed by Congress as a Navigable Waterway, by virtue of the jurisdiction of the Federal Government over all navigable waters of the Country, conferred by the Commerce Clause (Section 8, Art. 3) of the Constitution, Congressional sanction for building another bridge across the Delaware will be necessary, before active steps toward actual construction can be undertaken.

Congress first exercised its general authority with respect to bridges by enactment of the River and Harbor Act of March 3, 1899, Section 9 and 10, and by the subsequent legislation of March 23, 1906.

According to the provisions of these Acts, plans for all bridges over navigable streams require the approval of the Secretary of War of the United States and the Chief of Engineers of the United States Army.

In consequence, a Congressional Act authorizing the construction of this bridge is essential as the first step, following the approval of the project by the Legislatures of Pennsylvania and New Jersey.

After Congress has acted favorably on the proposition, the next step necessary will be to submit plans to the United States War Department for its approval.

In localities similar to the one under consideration, the War Department is usually interested mainly in the clear span lengths, overhead clearances and the area of the available waterway, this latter factor principally to decide if sufficient allowance has been made to safely pass the flood discharges in the River.

The highest flood ever known in the River occurred on October 10th, 1903, the highest previous flood having occurred on January 8th, 1841, or about sixty-two years previous. According to the best information obtainable, the flood of 1903 was several feet higher than that of 1841.

According to the records at Easton, the maximum rise of the water in the River, during the flood of 1903, reached the bottom of the fascia plates on the sidewalks of the present bridge. The net submerged area at this point being eighteen thousand (18,000) square feet.

The net area of the waterway of the proposed bridge, between the bed of the River and the springing lines of the arches, is twenty-one thousand (21,000) square feet, when computed to the flood line of 1903. The elevation of the springing lines of the arches and this flood line having been made coincident.

Above the springing lines of the arches, there is an additional area of twenty-one thousand (21,000) square feet, although its efficiency cannot be considered one hundred percent (100%) effective for passing flood waters.

As a comparison between the effective area of the waterway of the proposed bridge, as compared with the present bridge, we have the following:

Proposed Bridge	
Net area, bed of River to flood line, October 10th, 1903 (springing lines of arches) .....	21,000 sq. ft.
Net area, springing lines to soffits of arches ....	21,000 " "
Total .....	42,000 sq. ft.

Present Bridge	
Net area, bed of River to under side of fascia plates, flood line, October 10th, 1903 .....	18,000 sq. ft.
Excess area of waterway of proposed bridge over present bridge, as follows:	

From bed of River to flood line, October 10th, 1903, excess .....	16-2.3%
From bed of River to arch soffits, proposed bridge, excess .....	133-1.3%

As the present bridge safely passed the flood waters of the 1903 freshet, which were greater, by the added discharge from the Bushkill Creek, thank the flow under the present bridge would be, it would seem sufficient provision has been made to take care of the maximum flood discharge, at the proposed point of crossing.

Considering the effective waterway from another standpoint, we find that the area of the watershed of the Delaware above Bushkill Creek, embraces four thousand, eight hundred (4,800) square miles. The estimated flood discharge in the River during the flood of October 10th, 1903, amounted to one hundred and forty-four thousand (144,000) cubic feet per second, in round figures. On this basis, the velocity of discharge through the proposed bridge, as compared with the present bridge, would stand as follows:

Present bridge, 18,000 sq. ft. of waterway, velocity .....	8.0 ft. per second
Proposed bridge, 21,000 sq. ft. to springing lines, velocity .....	6.86 ft. per second

This latter is not an extreme velocity during an extreme flood, such as the one under consideration and, as the River bed is composed of material not readily scoured at such velocities, no apprehension need be felt with respect to the adequacy of the waterway provided, especially as there is an additional twenty-one thousand (21,000) square feet of waterway in reserve, above the springing lines.

#### Legislative Authority to Construct Bridges

By the provisions of two concurrent acts, namely, Act No. 441 P. L. of Pennsylvania, approved May 10th, 1927, and Chapter No. 217, Laws of New Jersey, Legislative Session of 1928, approved April 3rd, 1928, the Legislatures of both States conferred on the Joint Commission for Elimination of Toll Bridges, full authority to construct new bridges across the Delaware River, between the two States. The authority thus conferred, provides for the selection of bridge sites; the acquisition of the necessary lands, by purchase, or condemnation, the preparation of plans and authority to construct. The authority thus conferred is therefore ample to cope with the present situation, once the approval of the Legislature of both States has been given and that of Congress and the United States War Department secured.

#### Type of Proposed Structure

In selecting the type of bridge best suited for this locality, strength, permanence and durability were given first consideration. With these objects in view, a concrete arch structure, with solid barrel arches was selected as the most appropriate type.

While the first cost of a solid type of arch is somewhat greater than the ribbed type, at the same time it affords greater security to a structure built over a river, subject to floods, as is the case with the Delaware. This advantage is due to the fact that the smooth inside surfaces of the arches offer less obstruction to the passage of flood waters and again afford no points for the lodgment of floating debris, such as would be presented by the separate arch ribs, as the lodgment of debris against these ribs might result in serious damage to the structure. Furthermore, in the design of the solid barrel type of arch, certain complicated details, usually unsatisfactory in action and costly to maintain, can be omitted.

To sum up the case, while the solid barrel type of arch is somewhat more costly to construct, on the other hand it is less complicated in design, but more desirable and less costly to maintain.



The total length of the entire undertaking is four thousand, four hundred and twenty-five (4,425) linear feet, extending from the northeast corner of Third and Bushkill Streets, Easton, to the point near Meadow Avenue, Phillipsburg, where the New Jersey State Highway Commission will connect. This is divided into three sections, as follows:

Pennsylvania approach .....	1,465	linear feet
Main bridge over the Delaware .....	1,285	" "
New Jersey approach .....	1,675	" "
Total .....	4,425	linear feet

The Pennsylvania approach comprises a double arch culvert over the Bushkill Creek, an overhead crossing over the Bushkill Drive, with a series of sixteen (16) arches of forty (40) foot span from the Bushkill Drive to the westerly abutment of the main bridge over the Delaware River. Total length one thousand, four hundred and sixty-five (1,465) linear feet.

The main bridge over the Delaware River consists of one central arch, span one hundred and sixty (160) feet in the clear, two flanking arch spans of one hundred and fifty (150) feet in the clear, with two end arches of one hundred and thirty-five (135) feet in the clear, making a total length of one thousand two hundred and eighty-five (1,285) linear feet.

The New Jersey approach, beginning at the easterly abutment of the main bridge, passes over the tracks of the Belvidere Delaware Division of the Pennsylvania Railroad, with an overhead clearance of twenty-six (26) feet; over Broad Street and North Main Street, Phillipsburg, by means of concrete and girder bridges until it strikes the open hillside between Meadow Avenue and Shafer Avenue. From this point it continues along this hillside to a point near Meadow Avenue, the end of the approach, where the New Jersey State Highway Commission proposes to connect. The total being one thousand six hundred and seventy-five (1,675) linear feet.

Between North Main Street and the end of the line the work will consist of side hill excavation and embankment.

Owing to the direction of the channel at the point of crossing, the piers of the main portion of the bridge across the Delaware, will have to be placed on a skew. This is necessary in order that the faces of the piers will coincide with the direction of the flow-line in the River. The most favorable angle obtainable is sixty (60) degrees with the centre line.

An arch bridge on a skew, while an undesirable structure from a constructive standpoint, can be safely constructed, although at an increased cost due to the greater quantity of material required to take care of the additional stresses resulting from the skew. In this case, however, a skew bridge is unavoidable.

In width, the bridge will be fifty-eight (58) feet inside of parapets, made up of two sidewalks, each eight (8) feet wide and one roadway, forty-two (42) feet wide between curbs, capable of accommodating four separate lanes of traffic, which

will permit the passage of at least one hundred thousand (100,000) cars in twenty-four (24) hours.

Two main factors control the height of the floor of the bridge, namely, the tracks of the Belvidere Division of the Pennsylvania Railroad and the elevation of the high water of the flood of October 10th, 1903.

As a result of these controlling factors, the main bridge and the approaches are necessarily elevated above the general level of the natural surface of the ground on the Pennsylvania and New Jersey approaches, with the exception of that portion of the line in Phillipsburg, between North Main Street and its easterly terminus. While this requirement adds greatly to the cost, at the same time it results in a structure exceptionally well adapted to handle economically and without congestion all of the traffic likely to pass over the bridge, at present and during the future.

With the exception of a five (5) degree curve on the Pennsylvania approach and a very short curve at the easterly end of the New Jersey approach, the alignment is straight, thus permitting free and uninterrupted movement of traffic at all points.

The maximum grade in any direction is three and one-half (3½) per cent., which will enable the heaviest trucks to readily operate without stalling.

A structure, such as the one contemplated, will require solid and secure foundations, hence, the footing of the piers and abutments, of the main bridge at least, should be carried down to bed rock. The borings taken show this bed rock to lie further below the surface than was at first believed to be the case. The conditions thus developed will operate to increase the cost. In view of the conditions disclosed by the borings, the possibility of shifting the line to a point where the surface of the bed rock will lie nearer the surface will naturally occur, but when the disadvantages of other sites are fully considered, with the probability that the underground conditions are unlikely to be more favorable than at the site selected, owing to the badly-folded nature of the rock formations in this locality, it is probable that the site selected will prove as advantageous in this respect as any other.

In order to control and regulate the north and southbound traffic passing through Front street, Easton, and over the Delaware River Road (Lackawanna Trail) and to correlate this movement with the traffic on and off the proposed bridge, a "Traffic Circle" has been located on the point of land just north of the Bushkill Creek. To properly approach this Circle will require a change in the alignment of Front Street, with an entirely new bridge over the Bushkill Creek. As the present bridge on Front Street, at this point, has apparently about reached the end of its useful life, no economic loss will result from this step. On the contrary, local benefits and advantages will result through the improvement resulting from the Park development proposed.

Estimated Cost of Proposed Concrete Bridge and Approaches,  
Easton, Pa.—Phillipsburg, N. J.

Section	Length Feet	Land		Total	Construction — Estimated Cost	Total Exclusive of Engr. and Contingencies
		Estimated Cost, Land and Buildings	Cleaning Site and Compen- sation a/c Damages			
Pennsylvania approach, Third and Bushkill Streets, to main bridge .....	1,465	\$303,000	\$25,000	\$328,000	\$1,318,500	\$1,646,500
Main Bridge over Delaware River .....	1,285	127,000	16,000	143,000	3,984,500	4,127,500
New Jersey approach, from main bridge to junction with N. J. Highway Route .....	1,675	209,700	34,800	244,500	844,000	1,088,500
Land and Structures .....	4,425	\$639,700	\$75,800	\$715,500	\$6,147,000	\$6,862,500
Engineering and Incidentals .....						337,500
Total, Bridge and Approaches .....						\$7,200,000
Plaza, North Front Street and Bushkill Drive						
Relocation of Bushkill Drive and North Front Street, Easton, Pa. ....		\$167,000	\$37,000	\$204,000	\$374,000	\$578,000
Engineering, Contingencies and Supervision .....						31,000
Total .....		\$167,000	\$37,000	\$204,000	\$374,000	\$609,000

This estimate of cost of the entire project has been carefully worked out in detail and checked against the costs of similar structures.

While the total represents a substantial figure, the following facts must be borne in mind, namely, that the topography of the locality is rugged; that at two points in the River the depth to reach a suitable foundation will approximate one hundred (100) feet; that in order to provide for the uninterrupted movement of traffic across the River, the Belvidere Division of the Pennsylvania Railroad must be crossed overhead, which fact lengthens the line, if grades suitable for the free movement of traffic are to be given consideration. All of these facts affect the cost.

Again, it was necessary to place the piers of the main bridge over the river on a skew, which, while adding materially to the cost, could not be avoided.

The cost could have been reduced somewhat by substituting a fill for the series of arches on the Pennsylvania approach, between the Bushkill Drive and the main bridge, but as this plan would not have permitted the ground to be utilized to the best advantage, with the further disadvantage of probable recurring settlements in the roadway throughout a number of years, the arches were adhered to as affording the more satisfactory type of construction.

A reduction in cost, amounting to about \$2,000,000, could be effected by substituting a steel superstructure for the portion of the bridge over the Delaware River, in place of concrete, but if permanence and durability, with decreased cost of maintenance and the elimination of future replacements are considered prime factors in a structure of this kind, the concrete type of construction, if substantially designed, will by far prove the more economical in the long run and, in consequence, is the type of structure recommended.

Minor savings could probably be effected in the plan submitted, when detailing, but these were not taken into account

at this time as it was thought unwise to trim the preliminary estimate too closely, on account of unforeseen contingencies which invariably arise during construction and offset any apparent savings of this character.

In preparing this estimate, all elements, such as drainage, paving, guard rails on embankments, lighting, etc., were taken into consideration and it is believed ample provision has been made to cover all possible contingencies, and arrive at a safe but reasonable result, that will require no supplemental appropriations to complete the work; and undesirable state of affairs and one to be avoided, so far as the exercise of ordinary foresight will permit.

Respectfully submitted,

CLARENCE J. BUCKMAN,

President, Joint Commission for Elimination of Toll Bridges over the Delaware River.

LOUIS FOCHT,

Superintendent and Engineer to the Joint Commission for the Elimination of Toll Bridges over the Delaware River.

FRED R. PARKER,

President, New Jersey Commission for Elimination of Toll Bridges over the Delaware River and Vice-President, Joint Commission for Elimination of Toll Bridges over the Delaware River.

Attest:

EDWARD J. PIERSON,

Secretary, Joint Commission for Elimination of Toll Bridges over the Delaware River.



REPORT OF THE BOIES PENROSE MEMORIAL  
COMMITTEE

Report of the Committee of the Joint Assembly of the State of Pennsylvania on the Memorial to Honorable Boies Penrose

Whereas: The Joint Session of the Assembly on Memorial to Honorable Boies Penrose, met in the House of Representatives May 1, 1923, with Honorable Davis Davies, Lieutenant Governor in the chair, and, at conclusion of the remarks made by Honorable William S. Vare, Honorable Augustus F. Daix and Honorable Charles L. Brown, in commemoration of Honorable Boies Penrose, on his life touch on the history of Pennsylvania and the United States, the Joint Memorial Committee of the Senate and House of Representatives was continued for the purpose of further expression by the Assembly as to the usefulness of Senator Penrose to the State of Pennsylvania and the United States.

And Whereas; your Joint Committee did so continue and, in the Session of the Legislature of 1927, presented an act to authorize the erection of a statue to Honorable Boies Penrose, in commemoration of his services to the State of Pennsylvania and his country, and that said act was passed and approved by the Governor of the Commonwealth, May 4th, 1927.

And Whereas; Governor John S. Fisher did thereupon appoint a committee to supervise the carrying into effect of the said Act of Assembly.

And Whereas; the said committee and the State Officials did perform their services and caused to be designed a full-sized statue in bronze of Honorable Boies Penrose, which said statue was, by authority of Governor John S. Fisher and the Honorable Benson E. Taylor, Secretary of the Department of Public Property and Supplies, erected in a prominent place in the capitol ground at Harrisburg, in the State of Pennsylvania, and now submit herewith the attached proceedings together with the addresses made at the unveiling of the Penrose Memorial Statue, on Tuesday, September 23rd, 1930, as a part of their record.

Your Joint Committee having fully performed the service for which it was designated and brought into existence, respectfully submits the foregoing report and ask that they be discharged from further regard thereto.

AUGUSTUS F. DAIX, Jr.  
EDWARD HAWS.  
ROBERT S. SPANGLER.

BOIES PENROSE  
MEMORIAL COMMITTEE

Appointed by  
GOVERNOR FISHER

HONORABLE JOSEPH R. GRUNDY  
United States Senator  
Chairman

HONORABLE CHARLES L. BROWN  
President Judge  
Municipal Court of Philadelphia

DOCTOR R. A. F. PENROSE, JR.

COLONEL JAMES ELVERSON

ALVA C. DINKEY

JOHN HAMPTON BARNES, ESQ.

OSCAR E. NOLL  
Secretary

THE PENROSE STATUE WAS AUTHORIZED BY AN ACT  
OF THE LEGISLATURE OF PENNSYLVANIA  
APPROVED MAY 4, 1927

THE BOIES PENROSE MEMORIAL COMMITTEE SUPER-  
VISED THE CARRYING OUT OF THE  
PURPOSE OF THE ACT

## BOIES PENROSE

Born in Philadelphia, November 1, 1860

Prepared for College by Private Tutors and in the Schools  
of Philadelphia

Graduated from Harvard College in 1881

Admitted to the Bar in 1883. Practiced Law in Philadelphia  
for Several Years

Elected to Pennsylvania House of Representatives from the  
Eighth Philadelphia District in 1884

Elected to the Pennsylvania State Senate from the Sixth  
Philadelphia District in 1886; Re-elected in 1890  
and again in 1894

Elected President Pro Tempore of the Pennsylvania State  
Senate in 1889, and Re-elected in 1891

Delegate to the Republican National Convention of 1900,  
1904, 1908, 1916 and 1920

Chairman of the Republican State Committee 1903-1905

Elected a Member of the Republican National Committee from  
Pennsylvania in 1904, 1908, 1916 and 1920

Elected by the Legislature to the United States Senate to  
Succeed J. Donald Cameron, and took his seat March 4, 1897;  
Re-elected by the Legislature in 1903 and 1909; Re-elected  
at the General Election in November, 1914; Re-elected at the  
General Election in November, 1920

First United States Senator elected by Direct Vote  
in Pennsylvania

Chairman of the following Committees of the United States  
Senate: Additional Accommodations for the Library of Con-  
gress; Immigration; Post Office and  
Post Roads; Finance  
Died December 31, 1921.

PROGRAMME OF THE EXERCISES ATTENDING THE  
UNVEILING OF THE PENROSE MEMORIAL STATUE  
HARRISBURG, PENNSYLVANIA, TUESDAY,  
SEPTEMBER 23, 1930.

## ORDER OF EXERCISES

## Music

Exercises called to order by  
HON. JOSEPH R. GRUNDY  
United States Senator  
Presiding

Presentation of Statute of Hon. Boies Penrose, on behalf of  
Boies Penrose Memorial Committee

HON. CHARLES L. BROWN  
President Judge  
Municipal Court of Philadelphia

Unveiling of Statue by Mrs. Spencer Penrose  
Acceptance on behalf of the Commonwealth of Pennsylvania by

HON. JOHN S. FISHER  
Governor

Acceptance of Statue for preservation by  
HON. BENSON E. TAYLOR  
Secretary  
Department of Property and Supplies

Presentation of  
SAMUEL MURRAY  
Sculptor

Music  
Star-Spangled Banner

Addresses and exercises

HONORABLE JOSEPH R. GRUNDY  
United States Senator  
Presiding

Address by

HONORABLE JOSEPH R. GRUNDY  
United States Senator

Governor Fisher, Other State Officers, Friends and Fellow  
Citizens:

This Committee having been appointed by the Governor, upon authority of the Legislature, we are here in fulfillment of the distinguished service entrusted to us. We are about to make formal presentation to the Commonwealth and its citizens, of a reproduction in bronze of one of Pennsylvania's truly great statesmen, the late United States Senator Boies Penrose.

My relationship with Boies Penrose was over such a period, and so intimate, as to create an admiration and respect which amounted to a deep and abiding affection—a feeling which I know many of you likewise had for him. Although there are some restrictions which apply, ordinarily, to a presiding officer, it would seem to me to be almost unnatural if, in this situation, I did not pay my own tribute to his memory and express briefly some of the thoughts which this occasion inspires.

Although Senator Penrose was, for a great many years, a national figure of outstanding prominence in the public and political affairs of our country, he was, first of all, Pennsylvania's own illustrious son. It is fitting, therefore, that this monument should be placed here, within the shadow of the capitol where his career began, and where his spirit abided and his power and influence so frequently were exercised, up to the very day of his death. History will record but few men in either branch of the Congress who so thoroughly knew the complex needs and requirements of their States, and who labored so long and faithfully and intelligently to meet those needs and materialize those requirements—always through policies harmonious with the development of the country as a whole—as did Boies Penrose for Pennsylvania.

He was intimately known to many of you. Of tremendous physique, he had an intellect proportioned to the size of his body. Coming as he did from a family whose every son achieved distinction in his chosen field, it was not surprising that he and a brother shared highest honors upon being graduated from Harvard, and that shortly thereafter his unusual mind and innate abilities should have won him the recognition which opened a career of rapid advancement in his own sphere of activity—politics, public service, statecraft.

His service of a quarter of a century in the United States Senate following upon a legislative experience gained in both houses of the Pennsylvania Legislature, covered a period which might be said to have marked the passing of a considerable part of the old order of things, founded in the fundamentals of our Government as originally contemplated, and the emergence of a new era of legislative and constitutional experimentation, with its varied and often unforeseen and sometimes almost tragic consequences.

Boies Penrose was elected to the United States Senate in the same year that William McKinley assumed the office of President. Hence he entered upon his Senatorial duties during the earliest days of what might be called the reconstruction following the disastrous second administration of Grover Cleveland, with its free-trade Wilson Tariff, which prostrated the country and almost destroyed its economic structure. Those who were at that time of an age to observe and realize the conditions that prevailed, need no reminder of the havoc that was nation-wide, reaching to every strata of society and falling with greatest severity upon our working people. How near the Government itself was to actual bankruptcy may be realized from the fact that it was driven to the desperate expedient of floating a bond issue to meet current expenses. And this at a time when the total cost of government averaged only

\$365,000,000 per annum, or less than one-tenth of what it is today!

Thus Penrose was a participant in the restoration which began under the able guidance of McKinley and which put the country again under the sound, constructive policies of the Republican Party. One of the first acts of the McKinley Administration was the enactment of the Dingley Tariff Law, in the course of which the then junior Senator from Pennsylvania laid the foundation of that comprehensive economic knowledge of his State and the country at large, which later made him invaluable to Pennsylvania and an acknowledged authority with vast power and influence in the Senate.

Republican economic doctrine, as expressed in the Dingley Law of 1897, followed by the Republican revision known as the Payne-Aldrich Act of 1909, survived until the disastrous split in the Republican Party in 1912, and thus covered a period of fifteen years. During that time Penrose had come to a position of leadership not only in the Senate, but in the councils of his party in the nation. This period, with its constructive legislation which bred public confidence and encouraged activity in every field of effort, gave full play to the inventive, managerial and productive genius of the American people. It gave us not only a practically uninterrupted national prosperity, but marked an era of the soundest and most sustained development and expansion of the great industrial structure of Pennsylvania, upon which the whole economic life of our Commonwealth rests.

During these years our great steel, glass, pottery and other mills of the western part of the State, and our textile, paper, cement, metal, woodworking and other diversified industries of eastern Pennsylvania, were brought to their highest development. Transportation, banking, real estate, general business, and every other activity, benefited. The same was true in each of the States which had encouraged industry.

In all of this Boies Penrose had an important and increasingly influential part, and had it not been for this period in our history, it is frightful to think what probably would have happened to the Allies in the recent World War, and, later, even to ourselves. Half of the iron and steel, and half of the coal which went into our activities during the World War, came from Pennsylvania.

I sometimes wonder just how much really serious thought our people give to the causes which bring conditions about. That era of sound prosperity and general advancement and development was no mystery. Nor was it brought about by any administrative miracle or legislative legerdemain. It was no secret to Boies Penrose. Upon the contrary, that entire situation arose from, and depended upon, that which was a fundamental of the Penrose philosophy of politics and government. It was founded upon sound policy, of course. But policy in itself is like permissive authority in a Constitution, without the enabling or enforcing legislation to make it effective.

If I were called upon to name the well-spring of the major part of all the material good which came to the American people directly and indirectly as a consequence of the national legislation of that period, I should say without hesitation: the party cohesion and solidarity which gave effectiveness to party policy as expressed in platforms and campaign pledges, and which enabled the people to know, and to act upon the knowledge, that once their mandate had been given it would be carried out conscientiously and honestly by their servants in the administrative and legislative branches of the Government.

In these days of rapid and almost complete disintegration of party loyalty and party spirit, and when many men in public life regard party as nothing more binding than a label with which to get votes on election day, it behooves us to think seriously of whether we are headed, and what chaotic consequences are likely to be.

Boies Penrose believed implicitly in party government. He saw clearly the dangers inherent in political irresponsibility. He hated the hypocrite, despised the opportunist, and loathed the demagogue. He had faith in the soundness of public opinion, but did not confuse it with every gusty expression which purported to be the voice of the populace. He had vision, and applied it in sound, constructive ways; but he never mounted the hustings to proclaim himself a prophet. He was at one and the same time a statesman and a political leader, with the requisite intellect and courage to enable him to be both. A strong man, of brilliant mind and determined purpose, he had



throughout his entire career tens of thousands of staunchly loyal friends, and, by very reason of the characteristics I have mentioned, he also had a not inconsiderable number of enemies, some of whom were sincere in their disagreement with his political philosophy, others of whom were actuated by no loftier motives than their own personal advancement, to which he was an obstacle.

As I already have said, his twenty-five years in the United States Senate embraced a period marked by many changes in the fundamental law and in our methods of political procedure. He witnessed the beginning of the weakening of party solidarity and party strength. He saw the old method of nominating by party conventions supplanted in Pennsylvania and most of the other States by the present system of primary elections.

Within his service in the Senate he saw the country adopt the 16th Amendment to the Constitution, providing for the Income Tax, one effect of which has been to saddle upon the people of the progressive and productive Commonwealths a large part of the burden of supporting the backward States of the nation; the 17th Amendment, providing for the direct election of United States Senators, the consequences of which are so well known as to require no comment; the 18th Amendment, which was to dry up the country and take liquor out of politics; and the 19th Amendment, creating equal suffrage.

He was three times elected to the United States Senate by the Legislature of Pennsylvania and was the first Senator from this Commonwealth to be elected by popular vote, as required by the 17th Amendment. Described by his detractors as one who did not have the confidence of the great mass of our citizenship, he entered a popular election within little more than a year after the adoption of the 17th Amendment and was returned to the Senate by a vote nearly twice that cast for either of his two opponents. Again, in 1920, he submitted his candidacy to the electors of the Commonwealth, and was elected by a vote of 1,067,989.

If there is one thought above others that the memory of Boies Penrose suggests to me at this time, it is that progress and prosperity are dependent upon sound governmental policy, that sound governmental policy can only be made effective through political integrity, that political integrity, in the large sense, only can be achieved and maintained out of party solidarity; and that party solidarity is impossible without capable and courageous leadership—leadership devoid of personal ambition, with an eye single to the good of the nation as a whole. This was the chart and compass of the man in whose honor we gather here today.

With those remarks, I take up the duties for which I was selected, and introduce the first speaker.

Fellow citizens, it is both a privilege and a pleasure to present to you the Hon. Charles L. Brown, President Judge of the Municipal Court of Philadelphia.

Address by

HONORABLE CHARLES L. BROWN

President Judge of the Municipal Court of Philadelphia

Senator Grundy, Governor Fisher, and Fellow Citizens:

We are here to chronicle an epoch in Pennsylvania, dotted by the existence of a man; just as all periods in the world's existence chronicle the life of some individual in the history of Statecraft Science and Religion.

Most governments are congregated under party heads. Ours is a government by parties, organized for concentrating the minds of the people on certain principles to be carried forward in the election of the party candidates. Pennsylvania was held for years largely in the Democratic party up to 1860; prior thereto the Republican party was formed and Simon Cameron became the dominating figure and, under him, its delegates caused the nomination of Abraham Lincoln in 1860; and from that time has been in the Republican column, under the leadership of the Camerons, Quay and Penrose. He succeeded Donald Cameron in the United States Senate. In the memory of a history of seventy years, with an occasional defeat of its candidates, the Republican party has given to the Commonwealth an efficient government. A man prominent in party government can vision and accomplish for the general welfare a real service only when he stands free from alignment with any form of business with which the Commonwealth has to deal, and this is singularly the case with the

man we honor today, who so recognized the peculiar equity of his trust, that upon his election to the United States Senate, he separated himself from the active and lucrative law firm of Page, Allison & Penrose and retired from the practice of his profession.

Party government, or its candidates is defeated when men, securing controlling influence in its management, direct its purpose to their financial gain.

He was graduated from Harvard University, specializing in political science, and gained his degree as Bachelor of Law; from that time he was a student of economics.

Senator Quay, in discussing Senator Penrose with me at the conclusion of his first term in the United States Senate, remarked his ability to absorb work and his knowledge of men in the Senate and said that in the six years he had never breached a single precedent of that body and had not made one public address. He worked in committee; he was learning the science of government, which is the psychology of man, and when he became Chairman of Post Offices and Post Roads he increased and perfected the service and enlarged the compensation of its employees and, at a function in the Union League, in Philadelphia, he was commended for his mastery of this intricate service by former Postmaster General, John Wanamaker.

He then became the head of the Finance Committee of the Senate and a master in finding ways and means to conduct the business of our government on land and sea and for her dependencies, with such fine balance that the financial affairs of the country's best interest were welded in security.

A division in the Republican Party brought a change in administration and distress stalked the land until we were drawn into the World War. All the mental calibre of the man, his knowledge of men and things, was given to President Wilson to bring to a conclusion that holocaust. Following its close came another change in administration and the herculean task arrived to reconstruct the government in its finances and return large business to their former owners, re-establishing initiative in our citizens.

Here, again, he evidenced his knowledge of men. I asked him, prior to President Harding's assuming office, if Mr. Mellon would be the Secretary of the Treasury—"Yes, he is now arranging his business affairs, retiring from everything that would touch government finance, prior to his acceptance. It will be a personal sacrifice but public gain, for most things to which that man puts his hand turn to gold." The people of this country have many evidences of Senator Penrose's foresight in the frequent "melons" he has cut in government taxes.

He knew men; he studied Mark Hanna and euchred him at his own game. No man had more to do with forcing the nomination of Colonel Roosevelt as Vice-President at the National Convention in Philadelphia, against the desire of both Roosevelt and Hanna, than Senator Penrose. He had knowledge that Hanna possessed, that because of organic disorder President McKinley could hardly stand the strain of another four years in office, and the battle was for a possible President of the United States. This information was not in the possession of either Colonel Roosevelt or Senator Platt. Platt wanted to shelve Roosevelt.

Hanna had disfranchised Pennsylvania in keeping Quay out of the Senate. Quay and Penrose desired to unhorse Hanna. A catastrophe removed President McKinley and spread sorrow over the land.

In Pennsylvania he was able to so guide important legislation that agricultural, mining, corporate, business and laboring interests were all measurably balanced to the benefit of the State. The continuance of her fiscal system, her Health Law and Pure Food Law, her Educational and Eleemosynary advancement, the State Constabulary, her fish and game preserves, all copied by other Commonwealths and some by the National Government, evidence the wisdom that guided their passage.

He was a man who understood the requirements of massed people and sensed the needs of the rural and agricultural communities and the people who produced from the bowels of the earth that which meant the comfort of all. He had the capacity to look at things in the large. He was firmly convinced that the largest liberty came from the minimum of statutes. Law that restricts individual initiative and binds us too close in our social relations is destructive of character and tends to slavery by the State. Education of our people,

in economics, particularly legislators and executives, may return much liberty that has been lost.

Although a marked man, recovering from what subsequently proved a fatal illness, he insisted upon returning to Washington to that stupendous work, day and night, as head of the Finance Committee of the Senate, using all his knowledge to readjust the economics of the country, striving, like Archimedes, for more time to complete his task. He was a statesman.

Governor Fisher, your Committee, designated to attend the work authorized by the Legislature, have followed closely the efficient manner in which Honorable Benson E. Taylor, Secretary of the Department of Property and Supplies and your Art Commission have performed their services and, through me, present to you for the Commonwealth of Pennsylvania, the Statue in bronze of

#### UNITED STATES SENATOR BOIES PENROSE

Senator Grundy (Chairman): The statue will now be unveiled by Mrs. Spencer Penrose.

The statue was thereupon unveiled by Mrs. Spencer Penrose.

Senator Grundy (Chairman): It is now my great privilege to present to you his Excellency, the Governor of Pennsylvania.

Address of Acceptance by

HONORABLE JOHN S. FISHER  
Governor of Pennsylvania

Senator Grundy, Members of the Committee, Invited Guests, and Fellow Citizens:

In a dedication of this monument to the memory and services of the Honorable Boies Penrose we are performing the crowning act of a duty imposed upon us by the Legislature. By Act of 1927 an appropriation of \$20,000 was made to erect a statue to his memory. Primarily, the duty of carrying out this mandate rested with the Department of Property and Supplies, headed by Honorable Benson E. Taylor. However, a committee of distinguished and able men, who were closely associated with Senator Penrose, took over in large measure the task, and this finished work of art is the evidence of their duty lovingly and faithfully performed.

This large gathering of friends and citizens, whose admiration and affection Senator Penrose held in life by the force of his commanding powers of intellect and those fine qualities of character which endeared him to all who were brought into personal relations with him, is in a sense a finer tribute than can be offered in stone and bronze, and raises this occasion above the formalities of an official function. The memory of Boies Penrose as a true and enduring friend and a courteous gentleman always is the magnet that draws us here.

Unhappily, his active career fell in a period when vilification of public men by speech and pen and pencil conveyed to the public, who were unacquainted with the victim, a distorted conception of every quality of person and character. The image of Penrose which his enemies sought to create in the minds of the public was utterly unlike the real man. Many good people who were denied the privilege of knowing him were, of course, deceived. He had little time from the exacting duties of his office and public employments to disabuse them by going among them and appearing publicly on the speaking platform. When he did, the effect was almost magical. But, in the main, he stuck to his work and left the rancor of faction and partisanship to exhaust itself by its own violence. Undoubtedly he was as sensitive as any other person but he learned to cultivate a spirit of patience and indifference—a little trying to his friends at times—which left him free to carry on with a disposition unclouded by passion and a mind unbalanced by personal grievance. I never knew any man who displayed so much indifference to personal wrongs committed against him as Senator Penrose. I once heard him say that he had become so accustomed to being kicked from the rear that he never turned around to see who was doing it.

Almost nine years have flown by since Senator Penrose closed his long tempestuous and distinguished career. Passions have subsided, party and factional rancor have abated, and the shadows of misunderstanding which enshrouded him in life have been dissipated. The true genius of his nature and

the really great qualities of his character and the accomplishments of his public career can now be seen and dispassionately appreciated. Just as this finished work of art truly represents his magnificent physique, so each one of us today who called him friend may raise in our hearts and minds the image of the living Penrose, who walked and talked and labored with us and for us through all the years of his toilsome life.

I like to think of his fine distinguished presence. This statue will preserve that for all time. My first impression of him still lingers. It was in the stormy Republican State Convention of 1896. The issue turned upon the election of a State Chairman. The contest was close and Senator Quay, whose leadership was assailed, as was usual with him in tight pinches, became the candidate of what was known as the stalwart wing of the party. In the preliminary caucus of the Quay delegates and on the floor of the Convention the young Senator from Philadelphia became the spokesman and floor leader of the Quay forces. He met the best the opposition had to offer, all experienced tacticians and debaters, and triumphed over them completely. It was his Convention speech that won the admiration of the young men of his party, made him known to the people of the State at large, and led to his election to the United States Senate the following year. When I returned from that historic Convention, I told friends back home that I had met the handsomest man I had ever seen, named Penrose. Senator William Flinn, of Pittsburgh, will be remembered as the doughty antagonist of Senator Penrose in that and many later contests. Not so long before the death of Senator Flinn I had the good fortune to meet him at the Duquesne Club at luncheon. In talking over old times, he warmed my heart with his generous tribute to his old foe and wound up by describing him as the handsomest young man he had ever met. Truly, nature lavished on Boies Penrose her rarest gifts of comeliness and manly strength.

But nature went far beyond these superb physical endowments. They were crowned with a mind of extraordinary gifts and strength. There was no weak spot in his mental equipment. Every faculty was up to full measure with every other. His was a beautifully balanced mind. It was perfected by the best training school and university could supply. I have been told that the mother did much to prepare her boys for college and encouraged them in the course of their studies. Whether or not that be the case, we know that Boies Penrose and his brother, the late Doctor Charles Bingham Penrose, author of the law creating our Health Department, graduated from Harvard in the Class of 1881, and that Boies stood second because the first honors went to Charles. I have heard it said that Charles Penrose had a perfect college record. Being thus gifted and thoroughly prepared, Boies Penrose was animated with honorable ambition and a determination to carve out for himself a successful career. No young man ever left college to face the fitful chances that life has to offer with fairer prospects of success.

It will certainly be of interest and, I trust, of profit to recall some of his distinguishing traits of character. These qualities have much to do with any man's life, whatever his gifts and opportunities. They are the touches that impart individuality and compose what we term "character." Senator Penrose possessed an abundance of personality.

His manner was ever courteous but reserved with those who had not been admitted to intimacy. He was always easy of access and was frank, open, and truthful with those who approached him on business, politics, or public matters. In the circle of his friends he was one of the most companionable of men. His conversation was a delight and was full of wit and information. There was a peculiar quality of voice and intonation and a piquancy in the use of words and phrases that were peculiarly Penrosean and left his expressions sticking like burs to the memory.

He was gifted with a delicious sense of humor. This was the saving grace that sweetened many bitter experiences. He could dismiss an ugly situation or pass over some act of littleness or meanness or disloyalty with a joke. He had the happy faculty of seeing the ludicrous side of thing. A book of highly amusing Penrosean anecdotes could easily have been compiled and yet some ill-informed people thought him solemn and austere because he was not given to peals of loud laughter. His enjoyment was likely to find expression in a quizzical smile. While he was still a big figure at the National Capitol an unknown author published a book called "The Mirrors of Washington," a rather satirical volume purporting to



delineate the leading statesmen of the time. Penrose was given a chapter, written not in an unfriendly vein, but the author held him up as a humorless person and gave in proof an incident which was certainly "mirrorless" in portraying this trait of the Senator. It appears that one of the well known members of the opposition had imbibed too freely and had come into the Senate with a rather uncertain gait. In his confusion he occupied the seat of Senator Penrose, who was giving his attention on the side to some committee matters. Senator Penrose took in the situation and finally walking down the aisle and addressing the presiding officer most politely requested that the secretary be directed to record the fact that he had not occupied his seat in the Chamber that day. Naturally, this drew the attention of the members and the galleries to the situation and the remark was met with peals of laughter. This was a characteristic Penrose joke but the author of the "Mirrors" thought he merely took this method of getting back his seat, without appreciating the ludicrous circumstance and the embarrassment of his Democratic colleague.

In the best sense of the term, he was a sportsman. He had the spirit of play, although little time to indulge in games, such as golf and the like. He longed for the sea and the mountains and the woods. He liked yachting and fishing and hunting. After a hard siege of work, he wanted to get away where he could relax and enjoy the beauties of nature. One of his favorite haunts in earlier years was the Jackson Hole country in Wyoming. He told me that he had spent weeks at a time living in the open and riding that gorgeously wild and rugged region. Later on in some of my visits to the same region I ran across traces of him. I took the liberty of asking him why he had discontinued going to "The Hole" and he said that the place had become too civilized. At that time it took only two days to ride in from civilization. It was this quality in him that led to his keen interest in the establishment of departments to restore wild life and forests throughout the State and Nation. Here in Pennsylvania he was ably assisted by his brother, Doctor Penrose, who served so long on the State Game Commission and did so much to set up the system of game refuges. We have not forgotten Senator Penrose's addresses in the interest of conservation and the great influence he wielded in bringing about the proper legislation.

He was possessed of tireless energy and a zeal for work. He never left a job half done. The bigger it was, the greater was the challenge to his energies. He mastered every phase. He dug out every detail. This accounts for the soundness of his judgment on matters of legislation and administration. This trait was manifested early in his career when he took the laboring oar in collaboration with his partner, Mr. Allison, in writing the history of the corporate development of Philadelphia. That work was done so thoroughly that no finishing touches have ever been found necessary. In the course of his research he found the original charter of the city, now regarded as a priceless treasure. This book is an authority and is still the resort of students on municipal subjects. Again, at the very height of his career, as Chairman of the State Committee on Post Offices, we see him plunging into a self-imposed three-year task in the investigation of the entire Post Office system. No similar work approaches this in its vastness of scope and detail. It resulted in the reorganization of the entire administration of the Post Offices of the United States. Its good results are still in force and effect. And to mention just one more illustration, may I call attention to his part in the preparation of the three tariff bills while he was either Chairman or minority leader of the Senate Committee of Finance. None of his colleagues approached him in the mastery of the schedules of the revenue laws and their influence on the finances of the Government and the business of the country. No Senator had ever surpassed him in this respect. Those of us who have seen him in his office, surrounded by a staff of twelve or fifteen secretaries, all working like mad, know how he poured out the exuberance of his great strength in the service of his constituents.

He was broadminded and tolerant of the views of others. This was manifested both in his leadership of party in the State and Nation and in his attitude toward colleagues and rivals who differed with him on public issues. During his entire tenure of leadership he never once arbitrarily dictated the selection of party candidates or the issues to be advanced in platforms or party declarations. He acted only after wide consultation with others who had a right to a voice and whose

opinions were entitled to respect. Among his fellow members of the Senate he had no personal enemies and many warm friends, even in the opposition ranks. This was because of his tolerant and open-minded attitude. Only on a few occasions was he ever the object of personal attack. We recall the rather vicious assault of the Elder LaFollette and Penrose's withering reply, in which he spoke of the Wisconsin statesman as the Doctor Munyon of politics who sought to apply patent nostrums to all the ills of the Nation. Immediately afterwards he repented these remarks and asked that they be stricken from the journal. In doing so he made a lifelong friend of one who had been a bitter political enemy. During the World War, Senator Stone, partisan Democrat of Missouri, in a studied address, charged Penrose and ex-President Roosevelt with party activities to the embarrassment of the conduct of the war. Penrose was credited with being the national leader of the Republicans. In his extemporized answer, Penrose expressed surprise at the mildness of his indictment as a loyal party man, begged the privilege of pleading guilty to every item, and took occasion to emphasize his sense of political loyalty. But he went on to say:

"There are many things that could be mentioned by way of criticism of the present Administration that, in my opinion, would bring vastly beneficial results to the country during the present war crisis; but I have kept scrupulously silent in this body, not wanting to embarrass the Administration in any way, and, with one or two exceptions, voted for every measure that was submitted by the various departments, in most cases against my judgment and my private opinion, simply to give them every opportunity to succeed."

These words exactly express his habitual attitude of subordinating his own views and interests to his sense of public duty. Numberless proofs of a similar nature might be recalled.

If I were asked to point out the dominant quality of his character, I should unhesitatingly answer "courage." Conscious of his superior strength and the power of his position, he never needlessly sought a quarrel or raised controversial issues for party or factious advantage. Nor did he ever fail to accept a challenge, whether offered without or within the party or by individuals or combinations of individuals. He counted not the odds if he believed in his cause and the rectitude of his course. In a great crisis he was never scared by the spectre of possible defeat. It was this stout-heartedness that won the devoted loyalty of his followers and the respect and often the admiration of his foes. In the famous Pennypacker-Elkin gubernatorial contest Penrose was the field marshal for Senator Quay, who was backing Judge Pennypacker. Those of us who were regarded as the younger element in the party were adherents of Elkin and went down to a defeat not altogether inglorious. After the battle was over Mr. Elkin said to me that "Boies Penrose is the boldest, most lion-hearted man I have ever met." It is needless to say that the breach between the two was eventually completely closed.

Owen Wister has recently written a most interesting book on Roosevelt, in which he refers to Penrose. He credits Senator Penrose with the defeat of Roosevelt in 1912. After that disastrous rift, he quotes Roosevelt as saying of Senator Penrose, "I like that big buccaneer." The book is right in claiming that Penrose was willing to join in nominating Roosevelt in 1916, for he advanced such a proposal to certain members of the Pennsylvania delegation. The old breach was not yet sufficiently healed for the success of such a move, but I believe that had Colonel Roosevelt lived, Penrose would have backed him for the Republican nomination for President in 1920. It was the fighting quality in each of these two men that led to a mutual regard, never completely broken, even in the hectic days of 1912, and which drew them together again after those stormy days had drifted by.

It is pleasant to dwell on the personal side of Senator Penrose, but the memorial we dedicate today is the tribute of the Commonwealth he loved and honored to his unusual public services. It is appropriate at this time that we briefly recount the steps in his brilliant career that opened with his election to the Legislature in 1884 and continued in unbroken succession until he closed his eyes in the last long sleep on December 31, 1921, clothed with the highest dignities and powers his fellow citizens could bestow.

In the earlier days of the Republic it was not unusual for young men to come to the fore rapidly. Things were then in the making and stirred into action the bounding spirit and



boundless faith and confidence of youth. The framing of the Federal Constitution called forth the creative genius of Hamilton and Madison and Pinckney when they had not yet reached an average age of thirty. Patrick Henry, Jefferson, Marshall, both the Adamases, Webster, Clay, Calhoun, and many others of little less renown, had attained national repute when still in their thirties. But in the day of Boies Penrose things had settled down and youth was compelled to fight for its place on the top rung. This was especially true with our conservative people, yet this young man broke through all barriers and reached the summit of his official dignities when only thirty-seven years of age. He proved that the young man still has his chance.

Once launched upon his career his progress was rapid and at times dazzling. There is inspiration even in the chronology of his advancement. Three years after graduation from college and one year after admission to the Bar, he is elected a member of the House of Representatives in the General Assembly. Two years later, in 1886, he is advanced to the State Senate, to which he is twice re-elected, serving as President pro tempore in the memorable session of 1889 and 1891. While still serving in that body he is chosen by his fellow members of the Legislature to succeed the distinguished Honorable J. Donald Cameron as the representative of Pennsylvania in the United States Senate. Thrice he is re-elected. Of his four elections, twice was by the Legislature and twice by popular vote. His political strength was subjected to every test. In both State and National Legislative bodies, he held committee assignments of the highest importance and unobtrusively performed a prodigious amount of labor. At various times he held Chairmanships of four United States Senate Committees, serving at the head of the Committees on Additional Accommodations for the Library of Congress, Post Offices and Post Roads, Immigration, and finally Finance. In the latter Chairmanship he succeeded Senator Aldrich and automatically became the leader of the Republicans in the Senate. The extent and variety of his service is apparent from his membership on the Committees on Naval Affairs, Commerce, Education and Labor, Railroads, Public Expenditures, Banking and Currency, Public Health and National Quarantine, Expenditures in the Department of State, and Expenditures in the Post Office Department.

While carrying this heavy official load, his services to the political party of his choice were no less onerous and distinguished. In 1903 he became Chairman of the State Republican Committee and from that time maintained his party supremacy until his death, with the exception of the upheaval of 1912, when he lost temporary control. His membership in the National Republican Committee began in 1904 and was continuous with but one interruption. He was a delegate to the National Republican Conventions of 1900, 1904, 1908, 1916 and 1920. Whether a delegate or not he exercised a powerful influence in formulating platforms and selecting standard bearers, beginning with the Convention which nominated McKinley in 1896.

By many of his admirers it has been thought that his activity in party management somewhat obscured his reputation as a statesman. I incline to the belief that had he been free to devote all his energies and talents to his duties in the Senate he would have added a lustre to his name that would not have been outshone by any other member in the history of that august body. And then it must be remembered that party leadership was thrust upon him and was not of his own seeking. He simply accepted its responsibilities as a call to duty. It was his fidelity to the trust thus imposed that maintained his sway over his party for a longer time than was ever wielded by any other State leader.

His reputation, in the last analysis, must rest upon his achievements as a legislator. In the field of legislation his labors bore abundant and enduring fruitage. No specific reference can here be made to the multitude of enactments in the Legislature and in Congress which bore the stamp of his authorship or had the needful support of his influence. That duty must be left to the leisurely pen of the painstaking biographer who will sooner or later perform that labor of love. We can only note the general trend of the measures he sponsored or advocated. His general attitude was determined by the spirit of the times in which he lived and the conditions of life with which he was familiar. He witnessed three of the greatest epoch making events in our new world—perhaps in the entire world. He opened his conscious life upon the scenes

of the Civil War; he entered the United States Senate just in time to participate in the measures incident to the Spanish-American War; he reached the zenith of his career and abilities to give of his best to his country under the heartrending strain of the World War. He absorbed his patriotic devotion in youth and lived it in his ripened years. The great weight of his influence was consequently always on the side of those measures which tended to safeguard and make serviceable the constitutional powers of government, to consolidate and strengthen the bonds of the union of our States, and to adjust and expand the laws to meet the everchanging conditions flowing from the exigencies of war and the transforming influences of modern life. His face was set against all sectionalism, class distinctions, and whatever tended to undermine and destroy our American institutions and laws. He always faced his flag when on duty.

In the compass of his life he was witness to the evolutionary changes in the business world. He fully comprehended their significance and wisely sought to weave their influences into the political and social fabrics of the times. With such a background it was but natural that his thoughts should be focused on measures for the protection and advancement of labor, the largest and most important factor in organized industry. He believed that general prosperity depended on the working man and that he was most valuable to industry and society when given reasonable working hours, safe and sanitary conditions while on the job, and good wages for a fair day. To him belongs the credit of writing and pushing through the law establishing the State Factory Inspector's Department, now enlarged into the Department of Labor and Industry. It was an advanced step and was vigorously opposed and attacked in the courts. But it stood the test and was followed by a long succession of kindred humane enactments, such as semi-monthly pay in lawful money, the protection of women and children in industry, the health and safety of the anthracite and bituminous coal miners, the safeguarding of tenement workers, the arbitration of labor disputes, the adoption and protection of union trademarks and labels, the granting of workmen's compensation and the establishment of the State Workmen's Insurance Fund. These and many similar measures had his approval and substantial support. In Congress he espoused numerous counterparts and his aid is still gratefully remembered by the Post Office employees and the railway and telegraph operators for the Eight Hour Law, and, by all who work for a living, for the bill creating the Federal Department of Labor.

Likewise, we may expect him to champion the cause of good business and sound economics, as he always did. He was a profound believer in the resources of America and sought to develop them in full for the expansion of industry and trade and the employment of labor and capital. He knew that one of the essentials to attain this end was a sound banking system with a currency that was flexible, ample, and stable in value. And so we find him arrayed against the "Free Silver" heresy and all forms of cheap money. The defeat of Mr. Bryan settled the money question. Then came the struggle for a national banking system that was really national in extent and power. This need had been in the minds of statesmen and financiers since the time Alexander Hamilton submitted his well organized plan for a national bank, and had persisted, although unsuccessfully, until the pressure of the World War broke down all opposition. Senator Aldrich had given the best of his life in the preparation of suitable legislation. He was ably assisted and supported by Penrose, but party and sectional opposition had defeated their efforts. When Woodrow Wilson became President, he it remembered to his everlasting credit, he reversed the ancient policy of his party, and with the aid of Republican Senators like Penrose and his associates, set up the Federal Reserve Bank, which made the financing of the World War a possibility and assures for all time to the United States a banking system stable as the Government itself and ample for the needs of every form of business.

The same motive prompted him to champion the protective tariff. His views and labors in connection with the tariff are too fresh in our memories to need amplification. It is sufficient to recall that he became, and for years continued to be, the commanding influence in support of the protective principle in the levying of impost duties. However, he applied this principle always in a reasonable measure. He did not seek to erect around America a "Chinese Wall" against world trade.



He fully realized the importance of keeping open the channels of commerce with foreign nations. But his endeavors were directed to the establishment of tariff rates sufficiently high to equalize the difference in the cost of production between the imported and the domestic article. He held this to be absolutely essential to the maintenance of the American wage scale as against the cheap wage paid in foreign competing countries. Neither did he believe the tariff to be a local issue. He wanted its benefits spread equally and impartially throughout the Nation and to every form of industry. He did not ask favors for his constituents that he was unwilling to extend to the citizens of every other State. He will long be remembered as the master or sane tariff legislation.

And may I touch just one more point in his career as a lawmaker. As I have intimated, he was sensitive to the great social and economic changes wrought by modern industrial methods and processes and keenly alive to the necessity of expanding governmental authority to regulate and control the new order of affairs. He was not a reactionary who opposed every move to advance the Government in harmony with the progress of business, nor was he a radical who would apply hampering and destructive methods to arrest the initiative and progress of an energized and enlightened people. His methods were rather of the deliberate, sane, sure order that looked to results with the least amount of disturbance and injury to the existing state of affairs. And in this spirit his hand was felt in the establishment, as I have said, of our Factory Inspection Department, now elaborated into the great Department of Labor and Industry, which jealously guards the safety of every industrial worker in the Commonwealth. It was also directly felt in the creation of the Forestry, Health, Highway, and Welfare Departments, and equally so in the expansion of other departments as occasion demanded. The United States Department of Labor stands as his monument to the workers of America. In whatever affected the prosperity and welfare of the people he effectively asserted the powers of his office and position in line with a progress marked by moderation. This attitude will be apparent to anyone who will examine his record in the Senate on legislation affecting railroads, merchant marine, telegraph and telephones, inland and coastal navigation, rivers and harbors, internal improvements, irrigation, national parks, conservation, and other measures of a like character. The scope of these activities mark him as a statesman of wide sympathies and wise actions.

And so, Senator Grundy, we accept from you, Chairman of the Committee in Charge, this monument as a lasting memorial to a great Pennsylvanian and a great Senator. You and your fellow members have discharged your duty in such manner as to merit the commendation of the Commonwealth for which you acted. I make grateful acknowledgement of your services and, as Governor, accept this monument from your perpetual property and solicitous care of the people who authorized its erection. I now transfer it to Honorable Benson E. Taylor, Secretary of the Department of Property and Supplies, to be protected and maintained in accordance with the provisions of law.

Address by

HONORABLE BENSON E. TAYLOR

Secretary, Department of Property and Supplies

His Excellency, the Governor of the Commonwealth, Senator Grundy, Ladies and Gentlemen:

In accepting the custody of this splendid memorial in behalf of the Commonwealth of Pennsylvania, I do so with appreciation of the great honor conferred upon me personally. However, I am not unmindful of the fact that I am acting solely as representative of the citizens of this entire State in taking possession of this statue, for, after all, it is now their property. I am happy to receive this beautiful work of art and humbly offer to the donors the slight expression of gratitude of the people.

Pennsylvania has many magnificent monuments erected to the memory of the great men and women who have passed on and who gave their best, even their lives to make this State the "key-stone" of them all. Therefore, it is highly fitting that one should be dedicated to the memory of that great statesman, the Honorable Boies Penrose. It is not for me to tell you today of the wonderful accomplishments of that splendid leader who for so many years represented Pennsylvania

in the United States Senate, but I desire to suggest that it is fitting that this statue should adorn the beautiful grounds of this State Capitol where years ago Senator Penrose, then a young man, began a career of public life which made his name famous not only in these United States but the world over.

Much credit is due to those whose efforts made this memorial possible and it will stand forever as a symbol of the wonderful love and affection that his friends, whose counsel he often accepted, had for him and which made him the great leader he was. Therefore, I can only repeat that in accepting this fine example of man's handiwork I do so in behalf of the people of the whole Commonwealth, and for each of them I now offer thanks to all those who had the honor of participating in this undertaking, knowing full well that for years to come it will stand as a monument to the accomplishments of one of Pennsylvania's foremost sons.

Senator Grundy (Chairman): It is now my very great privilege to present to you Mr. Samuel Murray, the genius who created this representation of the late Senator Boies Penrose.

The Sculptor thereupon arose, acknowledged the introduction of the Chairman, bowed to the assemblage, and retired.

Senator Grundy (Chairman): The exercises of this afternoon have now been concluded.

Music

The Star Spangled Banner

## REPORT OF THE COMMISSION ON PENAL INSTITUTIONS

### Commission on Penal Institutions

Hon. William C. Alexander, Chairman, Media, Pa.  
Mrs. Fannie Sax Long, Vice Chairman, Wilkes-Barre, Pa.  
Stanley P. Ashe, Pittsburgh, Pa.  
Hon. John J. Monaghan, Philadelphia, Pa.  
Dr. William E. Wright, Harrisburg, Pa.

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## Foreword

This report is the result of an investigation conducted by the Commission on Penal Institutions appointed by Governor Fisher pursuant to an Act of Assembly of the Commonwealth of Pennsylvania, dated the 10th day of May, A. D. 1927, P. L. 882. The Act imposed upon the Commission the duty to "inquire into the advisability of making the State Penitentiary at Rockview a penitentiary, separate and apart from the Western Penitentiary, to be governed and administered under the supervision of a board of trustees appointed

by the Governor; to investigate the several State and local penal institutions, their method of administration and the commitment, employment, care, and maintenance of inmates therein, and to suggest methods for the improvement of the same; to study and make recommendations relative to the transfer and retransfer of inmates to and from such institutions; and to inquire into the advisability of providing for the construction of district or central prisons or workhouses for the confinement of prisoners now confined in county and city prisons and workhouses."

The organization meeting was held in the Governor's reception room at the Capitol, in Harrisburg, on January 7, 1928. The Commission then proceeded with its labors.

In 1929 so much remained to be inspected and evaluated that the Commission held it advisable to present a tentative report concerning only Rockview and to ask for the continuance of the Commission during the biennium of 1929-31. Sufficient funds remained of the appropriation to finance the completion of the work. The request was granted and the Commission was continued by Legislative Act.

## Introduction

Public interest has been focused upon prisons and prisoners with a growing desire to understand the penal and criminal situation and to meet it with intelligence. The situation is hopeful, and the time has arrived for definite objectives to be set up and clarified, and for a comprehensive program to be formulated and put into practice.

This report may seem oversolicitous for the welfare of the criminal. On the contrary, the Commission holds emphatically to the proposition that few are imprisoned unjustly; that stern but wise discipline should be enforced; that society must be protected. But the Commission also holds, with equal emphasis, that society is responsible for some situations conditioning criminal behavior. The case histories of many criminals reveal how society often fails to provide the means of readjustment at critical times in the life of the individual, in spite of the fact that knowledge of his needs is not lacking.

One recognizes that some criminals cannot be restored to society, and that segregation is the only means society has for self protection. But a large number of prison inmates, under wise guidance and suitable education, can change their attitudes and develop their abilities, and in the end return to society and make a readjustment. The Lombrosian theory that the criminal is a creature apart from society, of a congenitally alien group, from which society must protect itself, is now in the discard.

Protection of society implies, not only the imprisonment of criminals for a period of time, but also the acceptance, on the part of society, of the grave and important responsibility of changing the prisoner's attitude, of developing his abilities to the limits of his native endowments, so that society may not be subjected to his depredations upon his release.

Dr. Richard Cabot has analyzed the old profitless way of treating prisoners, "one cannot break up a man's bad habit by locking him away for some months.—Some way he must be brought

1. to take a new interest in an honest job;
2. to have a new affection leading to finding it worth while to behave more decently;
3. to learn that crime doesn't pay."

To this end the penal and correctional institutions of the State should develop a well coordinated, scientifically organized socio-educational program of rehabilitation that shall use every available means for reaching, changing and developing the personality of the prisoner.

The effectiveness of such program will depend first, upon limiting of the number of inmates for each institution secondly upon the possibility of establishing a graded system of promotion within each institution, providing colonies for the inmates of the more promising type; and thirdly, upon the possibility of classifying the institutions as well as classifying the inmates. Without classification, the desired results cannot be obtained.

Any consideration of delinquency involves the inquiry into its cause and prevention. The Commission believes that, through the agency of the home and the schools, the problem of potential delinquency should be attacked. The average teacher, who now looks upon the troublesome, the truant and the defective as trying nuisance, must recognize in many of them the potential delinquent, requiring special care. Schools should be adjusted for such cases. For if effective reclamation work were done in the early stage of unsocial behavior of the



young, the population of our correctional and penal institutions would be materially reduced.

Other agencies should be utilized more widely. Attendance at prenatal clinics will warn of congenital disorders; baby clinics will discover and advise concerning physical maladjustments; pre-school clinics will help adjust health and behavior problems and guide the parents to better handling of the child and the choice of more suitable school. With the correction of his physical ills, many roads to delinquency will be closed and the State will have protected the child against an overwhelming environment.

The lack of preventive measures is well illustrated in the following.

On June 1, 1930, twenty-three girls, rated feeble-minded, were held in Muncy because all proper institutions for them were overcrowded. Of this group, one girl, aged 17, with a mental age of 10 years and 2 months is serving a term for her seventh offense. Had the Juvenile Court discovered her mental condition when she first appeared at the age of 14, much distress and cost would have been spared. Had the schools discovered it long before she was 14, the whole tragedy might have been averted and the child protected in a suitable institution.

In conclusion, the affairs of prisons and prisoners require wide technical knowledge and are of tremendous consequence to society. For the world of the anti-social is a world in itself, even behind prison bars. Within the limits of its age groups, it must meet problems of housing, physical and spiritual care, education, employment, leisure. In fact every problem that arises in the life of the socially minded, may arise in the prison world. The prison has the task of making over the anti-social into a social person. This task is made particularly difficult because normal family relationships are cut and the unhappiness of physical restraint is added.

In view of the complexity of the problem, it is necessary to have a highly developed and powerful organization handling the affairs of our penal institutions, an organization with specialized, yet well coordinated, divisions, subscribing to a uniform program, covering the whole field of commitment, treatment, restoration and disposition of the delinquents, with power and authority to put its program into effect.

## II.

### The Rockview Prison Project

A. The Relation of Rockview to the Western Penitentiary. After thorough study, the Commission is convinced that Rockview should not be "a penitentiary separate and apart from Western Penitentiary, to be governed and administered under the provision of a Board of Trustees appointed by the Governor."

Irrespective of other consideration the Commission holds it to the best modern prison policy to continue Rockview as a part of a system of classification and promotion for prisoners, to be more systematically developed in the future.

As a transfer prison, Rockview offers the opportunity of developing a graded system of classification in conjunction with the other penitentiaries of the State. With the establishment of a program of rehabilitation at the older institutions, Rockview receives those cases whose behavior, past history, criminal record, clinical and psychological record warrant a favorable prognosis. The time spent at Rockview represents the last stages toward rehabilitation and involves the preparation of the inmate for parole or release.

This policy, if fully developed, would be wholesome and desirable. It would involve the fundamentals of rehabilitation based on the man's normal desire to gain something, on his understanding the means by which he can gain, and on his practice of behavior leading to success. In this promotion scheme, the inmate would really learn the technique of social behavior, feel the satisfaction of personal recognition and would advance one step toward becoming a self-directing personality, having learned the facts pertaining to promotion and practiced the necessary self-control.

The Commission presents this relation of Rockview and Western Penitentiary in detail because on it depends the major argument for holding them as two units of one institution. To set aside this system, which gives major possibilities for rehabilitation, would be to renounce the advance in classification, in occupation and in the potentialities that it affords.

B. Finance. As a prison of first reception, Rockview would require a wall. This very large cost would be waste since those for whom a wall is necessary are taken care of at the Western Penitentiary under the present arrangement. A reparation of the prisons would entail a duplication of staff; dislocation of records and bookkeeping would increase the overhead without resultant profit.

The cost of transfer of inmates, trustees and records under the present arrangement is comparatively negligible and defensible in the purpose now served.

C. Administration. With the present policy continued, the single Board of Trustees can adopt a modern, integrated program of prison administration. A division would require not only two Boards but also two wardens. It would require other major staff officers for work not sufficiently manned. It would require records and bookkeeping now properly handled. It would entail a new program and policy and great physical changes of undiscovered benefit. It would eliminate the possibility of developing a very desirable scheme of prison control by removing incentives to good behavior that promotion offers.

D. Present Conditions at Rockview. We heartily recommend the type and construction of the new cell block which provides a room for each inmate, giving him privacy, calm and quiet; giving him opportunity to live with his personal possessions, to pursue personal interests and to feel the satisfaction of daily renewing social contacts and starting each day as in normal life.

We recommend the Psychopathic Ward at Rockview because it relieves the main institutions of their troublesome mental cases, placing the borderline cases in a specialized environment where some may be helped to return to the general group and where the true psychopath receives care and later placement for the best interest of society and himself.

We believe it inexcusable, however, to find double-decker beds in any State institution and particularly bad in the Psychopathic Ward at Rockview, where it may be a source of discontent and possible danger.

We believe the educational program is insufficient and calls for complete reorganization.

We find that a distinction is made in the wages paid by the institution and by the Department of Welfare for work of the inmates. We can find no reason why the Department should pay a man fifty cents per day and the institution ten cents to twenty cents per day when the work of each is equally necessary and often requires similar skill. We believe this to be unfair and a source of discontent and should be promptly changed. An honest day's work should rate the same wage in the institution.

Moreover, as now organized, the Commission finds that Rockview has served as a promotion institution for Eastern Penitentiary and other prisons. Though this condition has been less prevalent since the better type prisoner has been needed in the construction work at Graterford, it proves the desirability of developing Rockview, with its seven thousand acres, to its full usefulness as a promotion prison.

## III.

### Findings Relative to the Bureau of Restoration.

A. Present Organization. Under the present organization, too many bureaus and boards handle the affairs of prisons and prisoners. The Bureau of Prison Labor in the Department of Welfare, the Bureau of Parole and the Board of Pardons and Paroles in the Department of Justice have no related purposes and no coordinated program to follow.

The relation of the Bureau of Restoration within the Department of Welfare to the State, County and local institutions is friendly but casual. Effective authority to correct after its inspection, is not given by law or when given is practically nullified by conditions set within the law.

The Commission finds that the chief of the Bureau of Restoration is charged by law with duties that require wide diversity of talents and tremendous labors. But there is little organization for the functioning of these talents and few facilities are provided for the performance of the labors. The staff is wholly insufficient to carry out the laws or to put in motion an adequate program of restoration. There is immediate need for additional clerical aides and technical assistants, and sufficient appropriation of funds to enable the Bureau to function one hundred per cent.

Moreover great progress toward the execution of the recommendations of this report would follow without further Legis-



lation, if the Bureau of Restoration had a reasonable number of clerical aides and technical assistants.

Another important need is the coordination of the work of the Bureau of Prison Labor, the Board of Parole and the Board of Pardons and Pardoes with the work of the Bureau of Restoration. In fact, the Commission believes that the work done by these various bureaus and boards is of sufficient importance and magnitude to warrant its elevation to a ranking department of the State Government, as a State Department of Correction.

**B. Standards.** At present there are no state required minimum standards for any of the institutions or agencies that handle delinquents. There is need for the setting up of such standards to be applied to all institutions from city lock-ups to penitentiaries, giving the Department of Welfare power to enforce its orders as well as power to rate its findings.

**C. Conferences.** The Commission finds that recently the Director of the Bureau of Restoration has taken the initiative in calling separate conferences of the Wardens and Superintendents, Chaplains and other officials of the State Penal Institutions. This is a commendable beginning and should be extended to officials of county institutions as well. There should be district conferences as well as State conferences.

#### The Physical Conditions of Penal and Related Institutions

**A. Overcrowding.** Overcrowding is one of the outstanding evils in many Penal Institutions in Pennsylvania. The crowded conditions in certain districts of large cities are deplored and yet are tolerated in our state institutions. The use of double decker beds is a common means of doubling the number of inmates for which the rooms were designed. The Pennsylvania Industrial Reformatory, designed for a population of 800, on March 11, 1929, had a population of 1146; on February 13, 1931, its capacity unchanged, had a population of 1290. The Farview Hospital for the Criminal Insane, designed to house 397, on November 26, 1930, was housing 621. Similar conditions exist at Morganza Training School, with double decker beds in the boys' dormitories. No purpose is served in having Morganza a co-educational institution. A separate institution for girls would relieve this congestion.

In a recent report of the Bureau of Restoration it is stated that the Eastern Penitentiary is overcrowded by 90 per cent. the Rockview branch of the Western Penitentiary is overcrowded by 12 per cent, the Pennsylvania Industrial Reformatory is overcrowded by 60 per cent. and the State Industrial Home for Women at Muncy by 4 per cent., based on one inmate to a room.

There is immediate need for additional space at Laurelton, especially for defective women who are also delinquent.

Nearly all county institutions are cruelly overcrowded and in need of space for every purpose.

Overcrowding has many evils.

1. It is undesirable from an administrative standpoint. Close and frequent contacts between inmates lead to an increase in disciplinary cases. Individual treatment is much more difficult. In short, any program of rehabilitation is more or less doomed to failure where overcrowding exists.

2. Overcrowding conditions often have demoralizing and degenerative effects. When two or more men sleep in the same cell, practices may be indulged in by individuals who otherwise might remain normal.

3. Overcrowding is undesirable from the standpoint of hygiene and health. It reduces the amount of fresh air available for each individual in the cell; it raises the temperatures; it gives vermin opportunity to multiply.

4. It is desirable to have a cell for every inmate. This develops in the individual the sense of pride arising from the fact that the cell is his alone. He is made to feel responsible for its appearance, cleanliness and order. It provides him with a certain degree of privacy.

**B. Size of Institutions.** There is a tendency to relieve overcrowding by adding to the size of existing buildings or by squeezing new buildings within old boundaries. While this may be permissible in institutions of small size, it should be discouraged in institutions whose population is above a thousand, unless the expansion be for the purpose of giving more adequate quarters to the inmates already there. For efficient administration and for successful rehabilitative work, there is need for much more individualized treatment of inmates than can now be given. Such treatment can obtain only where the number of inmates is reasonably small, or the number of

attendants adequate. On the other hand, the Commission finds the State Industrial Home for Women at Muncy is pathetically small. With an unusually good site and location and an administrative force sufficient for an adequate institution, the small number of inmates accommodated is out of all proportion to the State's large need and unduly increases the per capita costs.

**C. Special Need of Certain Institutions.** Besides the lack of sufficient space for adequate housing of inmates, certain institutions lack buildings or space for special purposes. A comprehensive rehabilitation program calls for shops of various kinds, grounds or floor space, or both, for recreation and exercise, floor space for libraries, dining halls, educational buildings, buildings or wings for special classes of offenders, special discharges or pre-parole cottages or buildings. All of these are part of a rehabilitation program. Yet there is not one institution now fully equipped to carry out its own modest plans.

1. When a sentence reads "Solitary confinement at hard labor," one knows that this order of the court will not be carried out. Solitary confinement, except for discipline, is in the discard and hard labor or any labor at all is for the few. Shops are entirely lacking in almost all county institutions. In State institutions conditions are better, but certain needs are real. The reformatory at Huntingdon is well equipped to teach thirty odd trades. On the other hand, Muncy lacks facilities for canning, tailoring and weaving. The penitentiaries need more shops to give daily employment to a greater number of the prison population. Now, in order to give work to as many as possible, the jobs are divided, and a full days work is given to few of the inmates.

2. Other needs are of more specific nature. Muncy needs a discharge cottage to carry out the plan that the last months of detention shall be as nearly like normal living as possible. The enlargement of the psychopathic ward at Rockview is urgent and necessary to do away with its double decker beds and to increase its capacity. The county jails lack space for shops, schools, dining rooms, recreation, exercise. Few county jails provide any work in the open air or even outdoor exercise.

At Farview, the new administration building had but one suite of apartments for staff physicians. To man our institutions with the best type of officers and to lessen the turnover, greater consideration should be given to the conditions that will enable them to lead a normal family life. Particularly in institutions for the insane, the doctors in charge must have relief from the strain. Their home life, recreation, and vacation periods must be scrupulously guaranteed.

The State is in immediate need of an institution to take care of male defective delinquents. Such an institution would reduce the population of the penitentiaries, reformatories and county jails and enable those institutions to carry out their program of rehabilitation. The institution at Cumberland Valley promises this relief. Its functioning should be hastened with all possible speed.

**D. Present Status of Buildings and Equipment.** In general, increasing attention is being given to the physical care of State, Penal and Related Institutions. In county institutions improvement is noted in increased fire protection and fresh paint.

1. Security. In State institutions there is practically no danger of escape from lack of security. Even in county jails the question of security has been given adequate attention although nearly half of them do not meet the State requirements in every detail. Prisons, by definition, are institutions in which offenders can be securely kept. But the problem of making prisoners secure has been given too much attention and money, when compared with other problems of vital importance. Security is needed, but there is a tendency to go beyond the need with a consequent waste of energy and money. Walls of solid concrete separate one inmate from another; heavy steel bars, closely placed, are still found on every window of most American prisons. Little purpose can be served by placing heavy steel bars on a dining hall within a prison wall, unless one discredits all other means of prison control.

There is no better proof of the futility of our ponderous prison structure for certain type of prisoners than the fact that while Rockview and Graterford were being built, the inmates, who did most of the work, were housed in tents. These conditions existed at Rockview for almost ten years. It demonstrates what can be done with a selected group of inmates.



But the trend in prison building has recently taken a turn. The new cell block at Rockview has steel bars of considerably reduced thickness, although all windows open on the outside and there is only a stockade surrounding the buildings. Likewise, at the Western Penitentiary, the new dining hall will have no window bars.

2. Protection from Fire. The recent disaster in a neighboring state focused public attention everywhere, upon the question of fire protection in penal institutions. In State institutions, protection against fire appears to be adequate, assuming that the available apparatus will work in emergency. It is less adequate in jails. Some county jails are too poorly built to insure safety, but new fire extinguishers have been acquired and precautions are taken.

3. Ventilation. Provisions for proper ventilation seem adequate. In some State institutions, thermometers are placed in cell blocks and readings are taken at regular intervals. Data on the temperature of the buildings are thus made available. But this desirable system is by no means universal. County institutions vary.

4. Lighting. Lighting in the cells is generally poor because it must filter across corridors or through chink windows. Only where the outer wall of the cell block is provided with large windows extending the whole height of the wall is there ample light for each cell, but it is by no means general.

In the new buildings at Rockview, Graterford and the Delaware County Jail, all cell windows open on the outside. These are examples to be followed.

In some jails electric lights are available only in the corridors, but, in general, there is a light in each cell. This is placed in the ceiling and is usually too dim for reading.

5. Equipment. The equipment for hospitals, kitchens and general maintenance is fairly adequate. The furniture varies in quality and kind, but one feels the absence of a practical housekeeper's advice.

Beds and mattresses vary greatly in kind. Some county jails have no mattresses. The inmate rests on one inch steel strip latticework, sometimes with a blanket thrown over it. In larger county jails, canvass cots that fold against the wall are common. Where mattresses are in use, some are of hair and cotton, some entirely of cotton and some are tick filled with straw.

Sheets, slips and blankets, vary greatly in quality and in the extent of their use. Many county jails use only blankets; some supply one, others two, to each inmate. State institutions generally supply full bedding. As the number of commitments have increased, the double-decker beds have found wider use.

Benefit could be derived from the standardization of equipment in analogous institutions.

6. Fixtures. Toilet facilities differ greatly in State and county institutions. State institution cells are equipped with basins and toilets, but there are many county jail cells without them. Facilities for bathing and for washing clothes are satisfactory in State institutions, but are poor in many jails.

7. Special Equipment. In some institutions, the lack of sufficient equipment, renders available equipment practically useless. At Muncy there is a gymnasium, but lacks equipment. In other cases were found libraries without suitable books.

#### The Treatment of Inmates

A. General Physical Treatment. State institutions are doing well, under existing conditions, in providing for the physical needs of the inmates and for the maintenance of humane treatment. In most of our jails, however, no attempts have been made, in any phase of the program, toward individual readjustment.

1. Food. In all State institutions food is provided in sufficient quantities and is fairly palatable. Facilities for serving it hot and neatly are provided. There is often lack of variety and proper balancing of menus.

In county institutions the food varies greatly both in quantity and kind.

2. Clothing. Clothing varies in quality from fair to good and appears adequate. In some institutions a certain amount of freedom is permitted the inmate in the use of his own clothes rather than those of the institution.

3. General Cleanliness. State institutions are everywhere clean and practically free from vermin. In the county institutions every degree of cleanliness and its absence can be found, from scrupulous neatness to inexcusable filth.

4. Exercise and Recreation. State institutions recognize the value of, and attempt to provide, exercise, as far as possible, in the open air. This is much more effective than walking up and down the corridors. It is more effective because it is usually much more enjoyed, therefore more vigorously pursued and for a longer period of time. Wherever recreational exercise finds a place in the daily program of an institution, it reduces problems of discipline, and prevents brooding and scheming on the part of inmates.

In spite of the acknowledged need of exercise and recreation, except in State institutions, outdoor recreation is seldom possible. In most county jails, except where they have prison farms, the only form of exercise is walking the range corridors. Recreation there is none, except what the ingenuity of the individual prisoner may invent. Card playing and gambling are not infrequent. The situation for the women in county jails is in every way worse.

The seriousness of these conditions is great. For it must be realized that the county jails handle the greater number of offenders. Moreover, many of the inmates are waiting trial. With the possible exception of known recidivists, they should not be considered as criminals, not treated as such. Many of them are not convicted.

State institutions usually have some land available for outdoor exercise and recreation. Moving pictures, and occasionally stage shows, provide indoor recreation, supplemented by the institution bands. At Farview hospital the recreation program is not developed.

5. Discipline. Prison discipline, by tradition, tends to be repressive rather than constructive. The notion that the inmate is in prison to be punished is still dominant. The feeling of vengeance toward the offender is deep rooted. It is no surprise, therefore, if occasionally jurists or others still advocate the whipping post as a cure for crime. Nor [should] it be surprising to find occasionally in our institutions an administrator whose idea of discipline is almost synonymous with physical punishment.

Discipline is indispensable in prison control and management. But it should be constructive rather than repressive. Repressive discipline has been in vogue in the past, and still is the rule in some institutions, simply because it offers the easiest solution to the problem of management of offenders. Wherever it exists, it indicates inefficiency, ignorance, incompetency and lack of imagination on the part of those in charge.

The true disciplinary status of our institutions is difficult to ferret out. As far as can be known by inspection and questioning, it seems generally good. The trend is to treat inmates as individuals who will respond to humane methods of treatment. It is not uncommon to find reasonable privileges granted and responsibilities delegated to deserving and competent inmates.

Both at Huntingdon and Glen Mills a notable attempt is being made to replace severe military discipline with socio-educational treatment and to build upon, rather than stifle, boy spirits.

6. Training of Attendants. The Commission is convinced that the morale of an institution depends largely upon the type and training of the attendants. In order to carry on the kind of discipline now advocated, it is necessary to have attendants who are trained to understand the objectives. The majority of the attendants in our Penal and Related Institutions lack proper training.

Nowhere in the State is any formal attempt made to train attendants for the proper supervision and guidance of the inmates. Just as State schools are being established for those dealing with the apprehension of the criminal, so other schools should be established for the training of those responsible for his custody and rehabilitation. These could be readily established by a cooperative arrangement between the State penal and correctional institutions and the State aided universities and colleges.

In order to raise the standards of quality and training of attendants, it will be necessary to make their position secure and their wages proportionate to their tasks and responsibilities. At present, some of the attendants are paid wages so small for the best interest of the institutions,—as at Farview, among the criminal insane, where the work of attendants is really that of keepers.

B. Medical Treatment. Physical ailments are often the basis of social maladjustment. Medical treatment, therefore, is fundamental to any progressive program of rehabilitation.

1. State Laws Concerning Health. The Commonwealth of Pennsylvania has made many laws for the care of health in all institutions. But the laws seem to have gone little farther than her statute books. Frequently officials and governing bodies are little impressed with the necessity of carrying out the laws. As a consequence, the matter of routine physical examination of all sentenced prisoners, while well done in some institutions, is superficial or not done at all in others.

The difference between what is and what should be, is well illustrated by the appended letter sent by the Department of Welfare in December 1930, to Warden X., County Z, Pennsylvania:

My dear Mr. X.:

Pursuant to the duties imposed on the Department of Welfare by Act 175, 1929, section 2304b, visits and inspections have been made of all supervised institutions.

At the inspection of the prison under your control, conditions were found as are checked below, which, in the opinion of the Department of Welfare, are unlawful.

(1) One cell is occupied by more than one inmate. (Refers to prisons erected since the operation of the Act of April 8th, 1851, repealed by Act 447, May 2nd, 1929, Section 567.)

(2) Inmates are not segregated who are:

a. Physically diseased, Act 208, May 10, 1921, P. L. 433, Par. 2.

b. Mentally weak, Act 208, May 10, 1921, P. L. 433, Par. 3.

c. Evilly inclined, Act 208, May 10, 1921, P. L. 433, Par. 4.

(3) Venereal examinations are not made of all inmates. (Act of April 26, 1921, P. L. No. 150, Par. 1.)

(4) Physical examinations are not made of all sentenced prisoners. (Act of May 10, 1921, P. L. 433, No. 208, Par. 1.)

(5) Mental examination are not made of all sentenced prisoners. (Act of May 10, 1921, P. L. 433, No. 208.)

(6) Incoming and outgoing mail is not censored. (Act of May 11, 1911, P. L. 274.)

(7) All inmates found to be venereally diseased are not treated. (Act of April 26, 1921, P. L. 299, No. 150, Par. 1.)

(8) Exercise is not given to all prisoners, two hours each day, out of doors, when weather and safety permit, and out of cells when the weather is inclement or security does not permit. (Act of June 14, 1923, P. L. 755, No. 3061.)

(9) Physicians records of prisoners examinations are not kept in the prison. (Act of May 10, 1921, P. L. 433, No. 208, Par. 1.)

Very truly yours,"

2. The Status of Medical Treatment. The medical program is almost entirely remedial. Illness and pain alone call for medical service. Health in County institutions is almost uniformly on the cure-pain basis. Treatment of the near-sick, while carried on in a few state institutions, for certain types of cases, is not a State-wide practice. Inmates in poor health when they are committed, continue in poor health unless a change for the worse takes place. There is need for a State-wide policy of discovery and treatment.

State institutions take some care of the tubercular, by segregation and special diet. Genito-urinary cases are likewise segregated and treated. Psychopathic cases at the Western Penitentiary and Rockview receive commendable attention, who the ward has double decker beds and additional housing is sorely needed. Huntingdon Reformatory has a splendid new hospital building and fine equipment.

Hospital facilities at both Eastern and Western Penitentiaries are not good.

At present there is not sufficient cooperation by correctional and penal institutions with the facilities already available in the State Department of Health. There is need for a Director of Health in the Bureau of Restoration in the Department of Welfare to coordinate the work of State and local hospitals, State genito-urinary clinics and State mental clinics and make their services available to state and county penal institutions.

It seems altogether possible, in a plan for health rehabilitation, that wings in jails in certain climatic locations could be designated for the care of special ailments; that the affected prisoners could be exchanged between prisons, each county paying for its own prisoners.

3. The Status of Prison Physicians. The remuneration of prison physicians, like that of many of the personnel of penal and correctional institutions, is generally too low for the amount of service demanded by law. As a consequence, too much latitude is often allowed the physician with regard to the time and the services he renders to the institution.

C. Educational Program. Formal education can not be regarded as the panacea for all criminal evils. The majority of the inmates of penal institutions are literate and a few of them have had the benefit of a high school education. Yet many of them are classified as habitual delinquents. Formal academic training is necessary, but it is only a phase of education. In a progressive program of rehabilitation, education carries a wider meaning and becomes of fundamental importance. Its principal function should be to rebuild the character of the inmates, to develop their personality and to provide training in habits that will lead to successful social adjustment upon release.

1. Lack of State-Wide Policy of Education. While here and there it is possible to find a good class in this or that branch of education, there is no State-wide policy, either for minors or adults, in our penal and correctional institutions. There is no definite objective toward which the educational programs of the different institutions aim. Certain institutions limit their educational activities to "bringing illiterates to fourth grade" before their minimum expires and others to teaching "something useful upon release."

The Commission finds no relation between schools of penal institutions and the State Department of Education, no policy for requiring certificated teachers, no supervision, no special curricula or course of study by said department. The whole program is often left to the judgment of the Warden or Superintendent, who may or may not have knowledge of the modern technique of education. This, coupled with insufficient funds, makes the education of inmates in penal institutions, on the whole a haphazard, unorganized, unscientific activity, rather than a purposeful rehabilitation project.

The State, so vigilant in the education of non-delinquents, fails to accord similar opportunity to those confined in county and State institutions. As it provides a specially trained teacher for any twenty non-delinquent illiterate adults, it should provide similar facilities for the teaching of adults in penal institutions, where the need is equal and where attendance and time are assured.

In order that the available educational agencies of the State may be coordinated and that a comprehensive socio-educational program for penal and correctional institutions may be formulated, there is need for a Socio-Educational Director, whose duty should be to establish a relationship with the State Department of Education through the divisions of Special Education, Adult Education, etc. and to plan the education in all penal and correctional institutions, suited to the varying grades, ages and abilities of the inmates.

2. The Status of General Education. Education in our institutions suffers from three defects. In the first place little use is made of the modern findings of pedagogy and psychology relative to best methods of teaching adolescents and adults. Secondly, there is a lack of material and equipment. With few exceptions, all State institutions lack illustrative material, up to date books, adapted to the intelligence and age of the inmate. Libraries are usually poor. In some institutions books are available in large numbers, but many of them are either very old or treat of subjects in which the average inmate is not interested. On the other hand, magazines find wider circulation. Many of the inmates subscribe to various magazines and pass them around to other inmates.

Other available sources of education are restricted in their usefulness because of lack of equipment.

The third major defect is the lack of trained teachers. The teachers are usually inmates, in most cases with a limited educational background. While they may have some capacity and a willingness to teach, they lack in training, experience and knowledge.

3. Training in "Life Interests." The Commission believes that one type of education should be introduced as far as practicable for every inmate. This "Life Interests Education" includes those skills which every woman should have as a woman and every man as a member of a household. It is the obligation of each penal institution to equip each inmate with the correct technique of daily living and to attach real importance to well rounded standards of home making. The study of the methods and materials of the household should be correlated with school, recreational and social studies and should constitute an important part of the educational program. Every girl and woman, upon release, should have the skill and technical knowledge to make a bed according to hospital standards, to clean various types of rooms, to care for, prepare and serve food, to budget and plan means, to give



first aid and child care, to darn and mend, to know something about materials and their costs, to use a pattern, to operate a sewing machine, to know something of flowers, songs, games, stories, needle work, to know how to spend her leisure pleasantly and profitably and to meet her civic obligations.

There is absolutely no intention to minimize the importance of "wage earning" education. A fifteen hour day for three hundred working days of the year holds time for many types of activity. It is important to remember that while operations in present day factory work are easily learned, the technique of good housekeeping is far more difficult and the opportunity for learning it far more rare. Penal and correctional institutions are the logical places for this kind of training. One cannot over-emphasize the importance of focussing the attention of institutions upon character building and the skills which equip a woman to make life happier and so lead away from criminal acts.

This training in "life interests" is equally advisable for male inmates. During his incarceration each one should progress through a routine performance of simple household tasks in carpentry, plumbing, electricity, gardening, firing, first aid, camp cooking, etc. and the meeting of his civic obligations.

4. Vocational Education. Recent investigations on the usefulness of trade training in penal institutions have brought new problems. The New York Crime Committee reports that "exconvicts abhor the trade taught in prison." The study made of the Massachusetts Reformatory disclosed that 66 per cent. of the boys released did not follow the trade learned while in the reformatory. The Fishman report states: "It is open to question whether any considerable per cent of the prisoners who do learn trades actually pursue such trades after they are released."

These reports do not disclose why trades learned in prisons are not followed on the outside. The data only show that they are not followed by 66 per cent. of the cases.

The fact that ex-convicts must often take any job that is offered them, may be one comment on the situation. Moreover, trade training acquired in prisons is often not given recognition on the outside.

But the Massachusetts report shows that 34 per cent. of the released do follow the trades they learned in the Reformatory. This proportion makes trade training worthwhile. In fact this percentage is only 18 per cent. lower than the percentage of those who attend Pittsburgh trade schools for 1½ years. Fifty-two per cent. of those follow the trade after leaving school. While on the average, the boys of the Massachusetts Reformatory trained only 12 to 15 months.

So, while highly elaborate, expensive shops set-ups may not be advisable, such shop set-ups as are reasonable and modern should be encouraged. Prisoners should be taught to do one marketable thing absolutely and unqualifiedly well. The State's aim should be to give every person coming out of a penal or correctional institution that feeling of security that skill in at least one trade gives. To be able to do one job well gives an interest and a reinstrument with which to escape the old world of the unskilled, unindustrious or predatory group and to enter a state of self directed, decent and self-supported living.

The aim of industrial rehabilitation is to fix work habits, to increase dexterity and to broaden social understanding and to teach technique so that each inmate can adjust himself to whatever outside employment he may find.

In vocational education, as in other phases of education, there is no State-wide policy. At Huntingdon there are well organized facilities to teach thirty odd trades. Considerable progress is being made along this line at Glen Mills, and the progress thus being made is highly commended by the Commission. At Muncy typewriting, hairdressing, power laundering and commercial banking are taught. At the Western Penitentiary attempts are being made to teach machine shop work, plumbing, carpentry, cabinet making, mechanical drawing, auto mechanics, auto painting, barbering, etc. But everywhere there is lack of coordination, of materials and personnel for supervision.

5. Physical Education. At present, there is a lack of organization, facilities and apparatus for purposes of physical education. In some State institutions much is done in athletics, baseball, volley ball, basket ball, football. This is commendable. It affords entertainment and recreation for all and exercise for the players. Nevertheless, there is conspicuous

need for physical exercise in which every inmate may take part.

6. Special Educational Phases. There are phases of special education which have not as yet received the attention they deserve. Morganza has an "Opportunity Class" for low mental cases. But there is need for further provision for all mental defectives of both sexes and all ages. For such cases there must be proper institutions. In the meantime, special effort should be made to procure training for the troublesome high moron and borderline cases.

Studies made by Doctor Van Nuxen at Laurelton and by others, show that individuals with relatively low intelligence can become useful and self-supporting if properly taught, properly placed and properly watched.

Institutions are increasingly making use of music as a means of developing the personality and powers. We commend the success and efforts of Doctor Van der Wall in musicotherapy, which coordinates moods, education and character building. His work at Muncy should be considered as a precedent to be followed by other institutions.

7. Education in County Institutions. Only three county jails out of sixty-six make an attempt to educate their inmates.

D. Prison Employment. Whatever else may be lacking in a penal or correctional institution, lack of employment should not be tolerated. Employment per se, is the greatest need in prison administration.

All penologists claim that as a rehabilitative force, work for prisoners has no equal. To a largely unindustrious group, such as are found in penal and correctional institutions, it gives the most important lessons in life. It fixes habits, gives opportunity for earning money and owning it and a feeling of satisfaction, independence and pleasure from earned rest after work. It is the most effective discipline. It occupies the prisoner's mind otherwise left to brood and scheme. It occupies time otherwise used for fraternization of the duller or more dangerous sort. It provides an incentive for good behavior and makes clear that the loss of work means the loss of income and of privileges.

Work for inmates is the greatest and most immediate of prison needs. The idleness of prisoners is everywhere denounced as an inexcusable burden on the taxpayer and wholly demoralizing to the prisoner. It defeats all purposes for protecting society because instead of salvaging the individual prisoner it strengthens his bad habits. What little work is available pertains to daily tasks necessary to prison maintenance and the routine demands of prison life. In State institutions there is usually some shop work and occasionally trade training giving wage-earning skills. Steady work, however, is available for only a few of the inmates and practically no employment is available in county jails.

Moreover, different wages are paid to those who work for the Department of Welfare and those who do institution work. The Department of Welfare pays as high as 65 cents a day while the institution pays 10 cents to 20 cents a day for work which is fully as important and often carries greater responsibilities. This is obviously unfair.

Besides maintenance and shop work, inmates often do hand work in beaded bags, cabinet making, novelties, etc., on their own account. Such activities are highly commendable and should be developed systematically. Closer study of changing styles and new patterns would increase the real sales value of the articles.

The Commission does not approve of the employment of inmates in the handling of confidential histories of other inmates.

Some ruling should be made in institutions by which the inmate is required to send a portion of his wages to his dependents on the outside.

1. Handicaps to the Development of an Adequate Industrial Program. The Commission finds that this disastrous condition of unemployment is due to the absence of a proper market and the lack of scientific relationship between production and disposition. If the market for prison made goods were adjusted and inter-institutional commerce, known as "State use" were set up. Free Labor would find in it a tax relief rather than serious competition.

It would be advisable to make a list of all the needs of the institutions of the Commonwealth, and to equip certain institutions with facilities to manufacture articles not produced at present. A steady market for prison goods could thus be provided by requiring each institution to purchase from the



institution producing. If this were done, institution maintenance could be paid for with little or no appropriation and the prisoners could earn for their dependents and thus to some extent relieve county poor agencies.

Of further help would be the standardization of equipment and merchandise used in similar institutions so that opportunity for large scale production of needs would be provided.

Another serious handicap lies in the present methods of accounting. The Commission believes that the Department of Welfare should arrange a system of bookkeeping whereby each institution is given credit for whatever it sells or manufactures.

In brief, the Commission finds the present industrial program in penal and correctional institutions hampered by

- a. the lack of information concerning demand,
- b. an unreasonably limited market,
- c. the lack of mandatory legislature for "State use",
- d. the lack of standardization in equipment,
- e. inadequate provision for farm labor and insufficient set-up for industries,
- f. the fluctuating population in county jails.

F. Classification. Classification of inmates is of paramount importance even in institutions where there is no program of rehabilitation. It is of material aid to prison administration and management. In a progressive program of rehabilitation it is indispensable.

1. Within the Institution. Various types of classification are possible within the institution. Inmates can be grouped, according to the prospects they offer for rehabilitation, into the corrigible and the incorrigible. The latter group could be further classified into smaller groups as psychopaths, mental defective and others.

Classification serves also as a disciplinary measure; it affords possibilities for the permanent segregation of the incorrigible type commonly known as the "hardened criminal."

The corrigibles, the majority of the inmates in any penal institution, may further be classified into graded classes; the members of the lowest class promoted to higher classes after requirements are met and improvements in the behavior of the individual becomes manifest.

This type of classification, for its full fruition, would necessitate the building of discharge units for those who are about to be released and whose conduct and demeanor has warranted their being promoted to conditions as nearly like those on the outside as practicable. Discharge cottages are needed at Muncy, Huntingdon, Glen Mills and all other institutions where a graded classification is now attempted. This system provides for varying degrees of security, from "tight house" for the "hardened criminal" to "discharge unit" for the inmate meriting such promotion.

Wide range of ages and difference in sex are often factors that make proper handling of inmates difficult. The range of ages at Morgantown and the housing of boys and girls on the same grounds add to the administrative problems and hamper development. Most jails house men and women in the same building. This is not advisable in any institution.

Classification is often necessary as a medical measure. In some State institutions there is segregation of the tubercular, in some there is segregation of mental cases. This practice should be universal.

In general, adequate attention is given to social diseases. But the practice should be established of retaining inmates in the institution beyond the limit of his minimum term if the disease is not sufficiently under control by that time to warrant release.

Psychological and educational tests are not infrequent, but the results should find far wider use. Psychological and social findings, in fact, are indispensable for many kinds of classification. Studies of individual inmates should help to determine sentence and to clear many prison problems in administration, classification and vocational placement. But psychology is not a cure and classification is only a setting for treatment.

2. Classification by Institution. In a graded system of rehabilitative penology the most approved procedure is to classify the institutions themselves, and to transfer the inmates accordingly, as they advance or depart from the norm of the institution in which they find themselves. This system lends itself to the transfer of inmates for purposes other than those of promotion or demotion. Rockview, for example, not only provides a place to which the more deserving inmates

of the penitentiaries may be promoted, but it also provides a ward for their psychopathic cases.

A classification of prisons as wells of prisoners, might well be introduced immediately. A jail in certain climates could be designated to house to treat all the tuberculars in a given prison district; another jail could be adapted to house all women prisoners of the district; a third could care for the defective delinquents until suitable State institutions are built.

Institutions for mental defectives and for defective delinquents are a very urgent present need. Fairview cannot accommodate all the criminal insane. There is immediate need for a new institution for criminal defectives to relieve the reformatory, penitentiaries and jails.

There is very urgent need for a system of State Industrial Prison Farms to receive prisoners sentenced to county jails for not less than 30 days. Most of our county jails are not and cannot be equipped to develop a satisfactory rehabilitation program. Yet many county jail inmates can be improved under proper treatment. A prison farm satisfies more problems in providing work, exercise, health, and general rehabilitation than any other form of penal institution.

G. Post-Institutional Supervision. The period immediately following release is most critical for the ex-convict. It is the period of readjustment when he most needs, and receives least assistance. Usually he can get no employment, if he honestly states who he is and where he has been. The first thing he does is to deny his identity, to assume a name. He endeavors, to lay the foundation of good conduct by telling falsehoods. For these reasons the man just out of prison needs sympathetic and wise guidance as he never needed it before. Little provision is made for such guidance.

A woman jailed seventeen times in 1930 is a mathematical problem as to the cost of a bad sort of "protecting society," and is a spectacular comment on her "preparation for release."

1. The State Parole System. Under the present system, every inmate upon release from a penitentiary receives new clothing and ten dollars. This amount is too small unless the prisoner returns home and his home is not too far from the prison. Jails do less or even nothing for the released.

Recently a State system of parole supervision has been organized with a superintendent in the Department of Justice. At present actual supervision covers only six counties in the Philadelphia district. For the rest of the counties, parole supervision amounts to little more than form filing. Not enough money is available to permit the parole officer from the institution to undertake actual field supervision.

It follows that no friendly contacts and no preventive supervision can be established. Parole violation is discovered only when someone reports such violation to authorities.

2. County Parole System. Few county institutions provide supervision for their released prisoners. Occasionally, county probation officers charged with the oversight of juveniles on probation, do supervise some of the ex-inmates of county jails. State institutions also, at times, call upon these county officers for supervision of their cases. Many counties have no probation officers. There is urgent need for more and well qualified probation and parole officers.

Because of the importance of supervision to society and to the released prisoner, and in the absence of a State-wide county parole system, the State Bureau of employment should be enlisted to find jobs, and outside agencies, "Service Clubs" and others should be enlisted in the work of supervision. These agencies should act as a contact between the inmate and his family during his imprisonment and definitely prepare a home for the reception of the prisoner when released and help to secure employment when discharged. If these "Volunteer" services are not acceptable, then it will be necessary for each institution to employ certificated social case-workers who shall hold together family interests, make contacts with outside agencies, and help to bridge the difficult period of adjustment when the "released" reenters society.

H. Codification of Penal Laws. The Commission finds such a large number and variety of laws and regulations for the management of penal institutions and the custody and treatment of prisoners that a State wide program is easily discounted by a local condition. It would be of great advantage if all laws concerning prisoners and prisons were codified.

I. Excessive Variation in Sentencing. The Commission finds that the length of sentences imposed by different judges for similar offenses differs too greatly and should be given serious consideration.



## APPENDIX TO THE

1. The Sentencing Board. While the Commission is not wholly in agreement on this matter it may be that the allocating of the sentencing power to a special group, created to perform that particular function would bring relief to the courts, and based upon full information concerning the prisoner more equitable sentences would be imposed. The Commission holds it advisable to call attention to this important subject for serious consideration and further study.

## The County Jail Problem

A. Importance of the Problem. Because the protection of society and the general good of the whole State is bound up, not only with State Institutions, but with the whole Penal institutional problem and because jails and other institutions of counties and communities are feeders to State-owned institutions, it is highly necessary that State-set minimum standards should be made mandatory in every Penal institution in the Commonwealth. Until very recently, nowhere was there a good word to be said for jails and even now only a very few. In a progressive penal set-up, the jail will be little more than a clearing house.

On the day of the last State inspection in 1930, the jail population of the various districts was as follows:

District 1. Philadelphia County .....	2254
2. Allegheny County (Jail only) .....	613
3. Delaware .....	251
Bucks .....	49
Montgomery .....	200
Chester .....	109
Island .....	120
.....	799
4. Berks .....	172
Lehigh .....	112
Northampton .....	141
Carbon .....	10
Monmouth .....	12
5. Luzerne .....	152
Lancaster .....	163
Wayne .....	11
Susquehanna .....	17
Washington .....	7
Pike .....	1
.....	389
6. Dauphin .....	160
Lebanon .....	250
York .....	123
Adams .....	1
Cumberland .....	20
Franklin .....	70
Ferry .....	11
Juniata .....	12
.....	632
7. Lycoming .....	45
Snyder .....	2
.....	3
Potter .....	10
Clinton .....	20
Sullivan .....	3
Center .....	30
Cameron .....	5
Northumberland .....	61
.....	279
8. Columbia .....	36
Union .....	1
McKean .....	39
York .....	10
9. Cambria .....	150
Clearfield .....	31
Indiana .....	10

Somerset .....	32
Bedford .....	14
Fulton .....	3
Huntingdon .....	13
Mifflin .....	17
.....	365

2. Washington .....	151
Greene .....	32
Fayette .....	120
Westmoreland .....	113
Beaver .....	86
Butler .....	17
Armstrong .....	39
.....	573

10. Venango .....	49
Lawrence .....	68
Clarion .....	12
Jefferson .....	10
Mercer .....	86
Crawford .....	20
Erie .....	151
Warren .....	12
Forest .....	2
.....	409

The total number of inmates for the county jails was at that time 6930. Considering the larger turnover of the county jail, (15,989 cases during 1930), it is evident that they play a far more important part in the penal system of the State than the State institutions themselves. Nevertheless, they are much more poorly conducted than the latter. The last 1930 rating of the State inspectors shows the following:

In 66 county jails, in a possible score of 1000 points, 47 jails rated under 600 and the lowest rated 230.

23 counties rated zero for employment of inmates except for domestic work.

49 counties rated zero for recreation including libraries.

63 rated zero in educational program.

49 rated zero for shops and farm work.

70 have no exercise grounds.

39 are without adequate provisions for security.

In security, over half rate the highest mark. Over half rate lowest in segregation, discipline and religious and moral instruction.

In the light of these findings, it is absolutely necessary that State minimum standards be set up and enforced by law.

B. Physical and Hygienic Conditions. A few new jails are of the most approved type. Some old ones are fine examples of what can be done. From the physical side, many jails are so poorly constructed that they present definite fire hazards, although everywhere fire precautions have been taken.

1. Sanitary Conditions. Sanitary conditions are bad in many jails. Basins and toilets are in poor condition. The county jail is at constant war with vermin. In some, the odor of disinfectant betrays the need of soap and water.

2. Food. Food is usually far below the standards of State institutions. Poor planning, poor buying, poor cooking, poor serving is the rule. A few exceptions occur. It suggests that one of the State inspectors should be a woman qualified to give technical housekeeping advice as well as to "rate" conditions.

3. Medical Treatment. Medical treatment and supervision in general are inadequate. There is no adequate segregation and treatment of the tubercular and the sick. Extra-mural facilities are available only for the acutely ill.

4. Exercise and Recreation. Except on prison farms, provision is seldom made for exercise or recreation for men, beyond walking up and down the corridors and small yards. Even less is available for women inmates.

C. Moral and Educational Conditions. With few exceptions, practically no attempt is made to improve jail inmates. Attempts at health education are made only in a few jails and consist of a few "setting-up exercises."

Idleness is the order of the day almost everywhere, partly due to inertia and precedent, partly to the indifference arising from the enormous increase of jail populations and partly due to the lack of market for prison-made goods.

The discipline in county jails is fair, considering the facilities provided, although occasionally it is repressive and severe.

There is no attempt to change the attitude of the inmates, nor to prepare them for release.

To relieve certain jail problems, it would be expedient to designate a wing in strategically located jails for special purposes and to transfer certain types of inmates to such jails. For example:

1. all sentenced women of the prison district,
2. all tubercular inmates of the district,
3. all first offenders of the district.

#### The Juvenile Delinquent

A. Importance of the Problem. Regardless of how complete and effective a program of rehabilitation may be developed in our penal and correctional institutions, its aim can be only to correct that which society failed to prevent and its activities can be only remedial. The majority of first offenders already have a history of delinquency, and are first offenders, not because they have broken the law for the first time, but because they have been convicted for the first time. Many first offenders are really recidivists. Many of them have a history of truancy, running away from home, petty stealing, and other anti-social activities anti-dating their first appearance in court. So that by the time of their commitment, bad behavior-patterns were well established. In a study made of 1490 reformatory boys, it was found that 60 per cent. had "been given a chance" more than once before being committed. Truant officers or the police knew them long as troublesome.

Society can often put its finger on its own sins of commission and omission, which set up situations that condition criminal behavior. Many juvenile delinquents come from broken homes; many are misfits in school; many have some physical handicap, and many others have been denied the material things that every child should have in a world of fair play. Some day it will be reckoned economical to spend money on a State-wide program of probation for the beginning delinquent, to set up schools, camps, health agencies, where misfits shall be evaluated, properly handled and suitably placed. Probation, now carried on in a few counties, is insufficient and sometimes lacks direction and co-ordination. In some places "Big Brother" and "Big Sister" groups and other agencies, function well. Schools for "misfits" are few.

The State has in the past not performed its duty, but is gradually becoming aware of its responsibilities. Appropriations, in many instances, have been made blindly and without a systematic program respecting the original purpose of juvenile institutions, namely, the reformation of those sent to such institutions. There can be no better investment than for the State to finance full facilities for all of its juveniles.

After a minor is committed, the State should not fail him again. During the years of exposure to the highly artificial environment of an institution, society must use every means possible to prepare him for readjustment. It would be extremely wasteful for the State to do less than the very best, and to follow any but the most progressive, most scientific methods in its treatment of the delinquent child. In its first contact, the State must compensate for the failure of society, to prevent delinquency.

B. The Present Status of Institutions of Juvenile Delinquents. The Commission finds that the most immediate need in all juvenile institutions is for more space. All are now housing more inmates than they have room to accommodate. This makes classification and a graded system of promotion very difficult.

Overcrowding has forced the use of double-decker beds and the placing of two inmates in one cell—a wholly undesirable condition. The overcrowding at Huntingdon has necessitated feeding many of the boys in their cells. The Superintendent and the Commission hold this practice to be highly undesirable. Relief should be immediate. This could be obtained by building an inexpensive cottage colony for the promising type and by removing the defective delinquents to suitable institutions.

The educational problem in county institutions is generally old-fashioned and inadequate. In State schools great improvement is noted. Vocational training is being modernized and extended. Huntingdon and Glen Mills are carrying a fine new program of correlation of trade with academic training. At Sleighton Farms also many of the latest methods of reconstructive education are carried out. But the Commission feels the need and urges the prompt introduction of routine, progressive, "Life Interests" training.

Because the primary function of juvenile institutions must be rehabilitation, they, more than other penal institutions,

have need for qualified attendants. Instead, the "driver" type of attendant is often found, although some splendid men and women are also at work.

The effectiveness of institutional training on the character and welfare of the juvenile delinquent finds its real test during his parole period. But at best, readjustment cannot be complete at the time of parole. The process goes on for some time after that. Hence, there is need for effective supervision during parole. At present supervision is practically non-existent. It consists primarily in giving the responsibilities it involves to the same relatives who failed to control the delinquent's behavior before he was committed. The parolee is returned to the same environment from which he came. Meanwhile institutional life may have done very little toward preparing him to resist old pitfalls. The wonder is that not more of them become repeaters.

The Commission cannot too vigorously urge that the standards of health and schooling, so rigorously set for children at large, while different in kind, shall at least with equal conscience, care, continuity and supervision, be offered to the child in every correctional institution in the State, from detention home to State reformatory.

#### The Need of Research

A. Present Status. Penology offers many opinions but relatively few principles based on scientific facts. In no field is reliable information more difficult to obtain than in this, yet, little attempt is made to do real research work. Experimentation in penology and criminology is practically unknown, in spite of the rare opportunities that are offered.

Commissions have come and gone, have investigated and reported and yet comparatively little has resulted from their labors. Interest soon wanes, while inertia persists to such an extent that even units organized for the purpose of research do not function. The Statistical Unit in the Department of Welfare cannot function to its fullest extent because of lack of sufficient personnel. The Bureau of Restorations is inadequately manned to carry out the large program of fact-finding to make its work more effective.

B. The Needs. To make research possible and findings available, there is need to align all agencies now collecting data into a properly manned Bureau of Research. The collection of facts and the prompt assembling of accurate data relative to crime and the criminal, is necessary if programs are to be developed and purposes defined on a scientific basis. To facilitate the collection of information, it should be made mandatory upon district attorneys, clerks of courts, justices of peace, aldermen, police magistrates, coroners, police officers, etc., to furnish the data.

To this end, simple but uniform record forms should be adopted.

Pure research in criminology could be advanced by promoting cooperation between penal and correctional institutions and State-aided universities and colleges. Students would find rare opportunities for useful research and internship.

#### A Penal Affairs Advisory Commission

The Commission has found in many places vigorous efforts to bring about this or that in penal affairs. Private organizations are making surveys and printing information. Committees are raising funds, extending membership, recommending buildings, advising practices and introducing and supporting measures in the Legislature, aimed to improve penal affairs. Their continuity of purpose and wisdom of programs have accomplished much in the creation of public interest and the correction of this or that featured evil.

The Commission believes, however, that though this uncorrelated activity of various groups, each working alone, has real use in itself, it is without the larger values that combined efforts could accomplish. Nor do special temporary commissions do very much more than present pictures already fairly familiar.

There is great need for the coordination of all interests and for making available to the Department of Welfare and the Bureau of Restoration all the information that concerted effort may bring. This piece-meal sniping at one bad condition does not solve the whole penal problem. It leads the Commission to believe that a permanent penal affairs advisory group should be created and should include a representative of each of the five major groups now working on penal affairs, three members at large, the Director of Bureau of Restoration and the Secretary of Welfare, ex-officio, and for the purpose of testing the usefulness of such a group, we deem it advisable to create a



Commission which will function in the next biennium, as herein set forth, which will report to the next Session of the Legislature in 1933.

## IV

## Recommendations

The present penal system of the State of Pennsylvania suffers from grave defects, the remedy of which would require very radical changes.

A. It is recommended that State Regional Prison Farms, be established, one in each prison district of the Commonwealth, to take care of the sentenced prisoners now in county jails. These prison farms to receive only those prisoners whose term is not less than thirty days.

B. We recommend that in addition to the present penal institutions, the establishment of a Psychopathic Hospital for the care and treatment of psychopathic cases that cannot be classified as "criminal insane;" persons sent to this hospital to be held for an indeterminate period and to be released only when the Board of Physicians certify him fit to return to society.

C. It is recommended that a comprehensive study be made of the variations in present methods of sentencing and of sentences, and full consideration be given to the possible establishment of a Sentencing Board, whose function shall be to relieve the courts of this particular duty, who with a complete record of the persons convicted and with such recommendations as the trial judge may deem proper, and after a proper study, shall be empowered to make suitable disposition of the case and to send the convicted offender to the proper institution.

D. Department of Correction. We recommend the establishment of a ranking Department of Correction, which shall include all State bodies that deal with the affairs of prisons and prisoners.

## Non-Institutional Recommendations

A. Staff and Appropriation for the Bureau of Restoration. It is recommended that the staff and the appropriation for the Bureau of Restoration, under the Department of Welfare, be increased so that it may function to the fullest extent of its powers and that its powers be augmented.

B. A Penal Affairs Advisory Commission. It is recommended that a Penal Affairs Advisory Commission be created to pool present activities of the various bodies interested in penal affairs, to make a continuous study, and to confer with and recommend to the Secretary of Welfare and the Director of the Bureau of Restoration on matters pertaining to prisons and prisoners.

It is recommended that such a Commission include a representative from each of the five State-wide organizations now doing work in penal affairs.

The Pennsylvania Prison Society.

The Committee on Penal Affairs of the Public Charities Association.

The Association of Directors of the Poor, Charities and Correction of the State of Pennsylvania.

The Division of Correction and Restoration of the State Federation of Pennsylvania Women.

The County Prison Officials Association.

Three citizens of the Commonwealth, who, by reason of outstanding interest in penal affairs would be appointed by the Governor.

The Director of the Bureau of Restoration, ex-officio.

The Secretary of the Department of Welfare, ex-officio.

It is recommended that this Commission elect a chairman and secretary and meet to consider a program and plans in keeping with its important and comprehensive program and plans, and that it give immediate consideration the recommendations of this report.

It is recommended that the unexpended balances of moneys, heretofore appropriated to the present Commission on Penal Institutions, be reappropriated to the above Commission for the biennium for the work of the Commission in making investigations and inspections and for clerical and other assistance. The members of the Commission shall serve without compensation but the expense incurred by the individual members, not affiliated with the Department of Welfare, in attending meetings, inspection and investigating penal and correctional institutions, shall be paid on warrant duly signed by the chairman and drawn on the Department of Revenue.

C. The Socio-Educational Director. It is recommended that a qualified specialist as Socio-Educational Director shall im-

mediately be added to the staff of the Bureau of Restoration. It shall be the duty of such Director to plan and organize a State-wide program of education for all penal and correctional institutions and that a cooperative relationship be established between his office and the Department of Education through the Division of Special Education, Adult Education, Vocational Education, etc.

D. The Health Director. It is recommended that a Director of Health be added to the staff of the Bureau of Restoration whose duty shall be to formulate and introduce a state-wide program for the physical care of the inmates of penal and correctional institutions, and that a cooperative relationship be established between his office and the State Department of Health and other health agencies.

E. The State Board of Parole and Probation. It is recommended that the State create a State Board of Parole in the Department of Welfare whose duty it shall be to supervise effectively those released from State institutions and from District Prison Farms.

F. Criminal Research. It is recommended that facilities for research be increased by reorganization of the agencies conducting such work into a Bureau of Research; that contacts be established between universities and colleges of the State and penal and correctional institutions and that funds be appropriated for research projects.

## Recommendations Relative to the Building Program

A. Relief of Over-Crowding and Facilitation of Classification. It is recommended that building projects should be considered from the angle of State-wide development of a balanced program to relieve over-crowding and to classify for rehabilitation, rather than from the unrelated need of each separate institution.

1. Cumberland Valley Hospital for Male Defective Delinquents. The Commission very urgently recommends that the construction of the proposed Cumberland Valley Hospital for Male Defective Delinquents be hastened with all possible speed to answer to the very urgent need.

2. Eastern Penitentiary and Graterford. It is recommended that Graterford be held as one unit in a scheme of classification, and that the future development and usefulness of the Eastern Penitentiary and Graterford be given serious study.

3. Western Penitentiary and Rockview. It is unqualifiedly recommended that these two institutions be continued in their present relationship, and that further housing facilities be provided at Rockview by one additional cell-block similar to the newest unit there; it is further recommended that Rockview with its seven thousand acres of land be developed to its full usefulness.

4. Huntingdon Reformatory. It is recommended that the Reformatory be enlarged by providing a cottage colony outside the walls at a sufficient distance from the town, or in movable camps. Such a colony should be the highest stage in a graded system of promotion and classification.

5. Muncy. It is recommended that Muncy be immediately enlarged by the building of additional cottages of an economical type, so as to accommodate all sentenced women prisoners, except those defective delinquents who should be provided for at the institution at Laurelton, and that all present legal restrictions as to age, etc., be removed.

It is recommended that housing facilities take precedence over other building projects to afford the opportunities of this fine institution to a greater number, and to reduce the large present per capita cost, and that thereafter the requests for a cannery, tailoring shop and loom room be granted, and that the building program include a discharge cottage.

6. Laurelton. It is recommended, because of the great relief that would come to all women's penal institutions in the State, that Laurelton be enlarged to accommodate all defective delinquent women.

7. Morganza. It is recommended that a girls' division, at some distance from the present school, or a new school for girls, be constructed to relieve the over-crowded housing and cramped development at Morganza. It is recommended that the present institution be continued as a school for boys only.

8. Farview Hospital for Criminal Insane. It is recommended that sufficient housing be provided at Farview to accommodate all the criminal insane of the State.

It is recommended that the accommodations for the medical staff be improved.

## Auxiliary Methods for the Relief of Over-Crowding

A. To aid in the relief of over-crowding it is recommended:

1. That there be a more judicious use of probation under better qualified and a greater number of probation officers;
2. That delinquency of juveniles be checked by
  - a. Early classification by schools, health agencies, juvenile courts, etc., to determine the kind of treatment needed;
  - b. Early placement of the unfit before he becomes delinquent;
  - c. Close co-operation of the juvenile and other courts with the State mental health agencies, etc.
3. That recidivism be lessened by
  - a. Proper rehabilitation program within institutions aiming to change the attitudes and build up work habits of the inmates;
  - b. Proper re-introduction of the released convict into society;
  - c. Greater use of State Employment Bureaus and private agencies to place the released on jobs;
  - d. Proper parole supervision after release.

#### Miscellaneous Recommendations

A. A Market for Prison Products. To insure a market for prison products, it is recommended that it be made mandatory upon each State and State-aided institution to purchase from the other State and State-aided institutions, commodities manufactured by these and needed by the purchasing institution.

It is recommended that after the various needs of the institutions are itemized, the practicability of producing a given commodity in one institution be considered, along with the possibility of installing equipment for the production of commodities not now produced by any institution but needed by many.

It is recommended further that prison equipment be standardized in like institutions.

B. Minimum Standards. It is recommended that the State shall set and require minimum standards for county jails, reformatories and all other penal and correctional institutions.

It is recommended that one of the State inspectors in the Bureau of Restoration be a woman with technical housekeeping training.

It is recommended that the power to enforce its standards be given to the Department of Welfare.

C. Training School for Prison Attendants and Other Officers. It is recommended that a training school for prison attendants and probation and parole officers be established, through the co-operation of the penal and correctional institutions with the State and State-aided universities and colleges.

It is recommended that as soon as practicable every attendant in penal and correctional institutions be required to show a certificate of fitness as to physique, character and technical training.

It is recommended that both men and women now employed as attendants be given opportunity, in rotation, to take three months' training after the above mentioned school shall have been established.

#### Recommendations for Rehabilitation

A. Physical Rehabilitation. It is recommended that the laws of the Commonwealth relating to health be brought to the attention of all in charge of State and county institutions, and to the governing bodies, and that power be given to the Department of Welfare to enforce the laws.

It is recommended that more widespread attention be given to the treatment and segregation of the tubercular and sick in penal institutions; that a block in jails be designated as prison health wards and that prisoners be transferred for special treatment.

It is recommended that more emphasis be put upon preventive and curative medicine and health activities in penal and correctional institutions.

B. Social Rehabilitation. In order to obtain the maximum returns for money expended, it is recommended that the whole educational program of penal and correctional institutions be placed under the direction of a Socio-Educational Director so that it shall be unified and organized according to the best scientific developments in the education of delinquents; and that such program utilize every available force that will contribute to rehabilitation.

It is recommended that greater attention be given to the classification of inmates in order that the policies and programs may be more readily carried out.

C. Industrial Rehabilitation. In order to fix desirable habits and to give marketable skills it is recommended that an

intensive program of industrial education be worked out in all penal and correctional institutions so that idleness and its demoralizing effects may not defeat the purpose of rehabilitation; and that each inmate be taught a trade within the limits of his abilities to master.

It is recommended that wage scales in prisons be equably adjusted and that no discrimination be made.

It is recommended that persistent and sincere attempts be made to secure a State-use market for prison-made commodities.

#### Concerning the Codification of Laws

It is recommended that the Laws of the Commonwealth of Pennsylvania affecting prisons be codified in order that conflicting and obsolete material be discovered and said laws be revised to fit present needs, and the progress of the Commonwealth.

It is recommended that provision for such codification be made through the Legislative Reference Bureau.

WILLIAM C. ALEXANDER,  
Chairman.

FANNIE SAX LONG,  
Vice Chairman.

JOHN J. MONAGHAN,  
WILLIAM E. WRIGHT,  
STANLEY P. ASHE.

#### PETITION TO PENNSYLVANIA LEGISLATURE FOR UNEMPLOYMENT INDEMNITY

Whereas, hundreds of thousands of Pennsylvania workers are unemployed because of conditions over which they have no control, and in consequence are unable to provide the necessities of life for themselves and their dependents; and

Whereas, the most just and efficient method of immediately relieving this deplorable condition, is by the payment of Unemployment Indemnity from a fund to be raised one-half by collection from the employers of the state and one-half by appropriation of the Commonwealth itself; the Commonwealth's share to be raised by income taxes on incomes of \$5,000 and over; and

Whereas, House Bills Nos. 30 and 34, introduced by Darlington Hoopes, Socialist Representative from Berks County, provide for the accumulation of such a fund and the payment of indemnity to unemployed workers, now therefore

We, the undersigned citizens of the State of Pennsylvania hereby urgently requests the Senate and House of Representatives of Pennsylvania to act favorably upon the said House Bills Nos. 30 and 34, so that the dire privation of our unemployed workers may be promptly relieved.

#### RESOLUTION FROM PHILADELPHIA CITY COUNCIL REQUESTING THE LEGISLATURE TO PASS HOUSE BILL NO. 427 OVER THE VETO OF THE GOVERNOR.

Clerk's Office, City Council,  
Room No. 492, City Hall,  
Philadelphia, May 9, 1931.

To the Members of the General Assembly of the State of Pennsylvania:

This is to certify that the following is a true and correct copy of the original Resolution passed by City Council and approved by the Mayor on the ninth day of May, 1931.

Resolution requesting the members of the House of Representatives and the Senate of the General Assembly of Pennsylvania to pass over the veto of the Governor, House Bill No. 427, authorizing an increase in the emergency borrowing capacity of the City of Philadelphia to eight million (\$8,000,000) dollars, and directing the presentation of this resolution to the Mayor for his approval or disapproval.

Whereas, The House of Representatives and the Senate of the General Assembly of Pennsylvania by unanimous vote passed House Bill No. 427, authorizing an increase in the emergency borrowing capacity of the City of Philadelphia to eight million (\$8,000,000) dollars and the Governor of Pennsylvania has since vetoed the said Act;

And Whereas, The said Act was introduced in the Legislature after a series of conferences between the Governor of



Pennsylvania, municipal officials, civic leaders and those directly interested in the Committee for Unemployment Relief, known as the Lloyd Committee;

And Whereas, City Council by resolution passed March 26, 1931 (certified copy of which was presented to the Governor of Pennsylvania), pledged the City of Philadelphia and the Council of such City to appropriate out of any money borrowed under authority of the said Act, in the event it became a law, such sum or sums of money, not exceeding in the aggregate three million (3,000,000) dollars for the relief of the unemployed in Philadelphia as may be requested by the Executive Committee of the Committee for Unemployment Relief;

And Whereas, The remaining sum of three million (3,000,000) dollars authorized by said Act was to be used exclusively toward the payment of the wages of police and firemen for the present year;

And Whereas, This desired increase in the emergency borrowing capacity of the City of Philadelphia for the year 1931 only, is occasioned by reason of the economic conditions which unfortunately prevented many taxpayers meeting their obligations to the City, aggregating nineteen million (19,000,000) dollars, of which sum approximately eleven million (11,000,000) dollars represents unpaid taxes during the year 1930;

And Whereas, The municipal Budget for the present year was cut to the bone, as it was deemed in the interest of the taxpayer to keep the rate of taxes at the lowest possible level consistent with requirements and municipal needs;

And Whereas, The granting of the right to the City of Philadelphia to borrow this additional sum will have no direct bearing on the tax rate for the year 1932; therefore

Resolved, By the Council of the City of Philadelphia, That the members of the House of Representatives and the Senate of the General Assembly of Pennsylvania be and are hereby requested to pass over the veto of the Governor, House Bill No. 427, authorizing an increase in the emergency borrowing capacity of the City of Philadelphia to eight million (8,000,000) dollars.

Resolved, That a copy of this resolution, when approved by the Mayor, be forwarded to the members of the House of Representatives and the Senate of the General Assembly of Pennsylvania.

Resolved, That the Clerk of Council be directed to present this resolution to the Mayor for his approval or disapproval.

Attest:

DAVID W. HARRIS,  
Clerk of City Council.

Office of the Mayor, Philadelphia.

I am adding my signature to the above resolution, because I know the absolute necessity of this legislation in behalf of the City over which I have the honor to preside at this time. \$3,000,000 will in no way alleviate a most unfortunate situation. On the other hand, \$6,000,000 is absolutely needed to save Philadelphia from a very great trouble.

One-half of this amount would be applied to the maintenance of that great army of unemployed that must be helped to save it from starvation, and the other half will pay the salaries of a great group of public officials who are just as deserving—the police and firemen—who guard the safety of our citizens and protect their property.

I am signing this as a friend of Governor Pinchot, to save him from the almost unanimous disapproval that would follow sustaining his veto. There is not the slightest criticism in my mind as to the Governor's action when I approve this resolution. Those who would attribute to him any other motive than one inspired through misinformation, do not represent either City Council or this administration.

The Governor is thoroughly mistaken in his attitude toward this legislation. It was drafted by the most eminent lawyers of our City, brought into the service of the Lloyd Committee for the relief of the Unemployed at the instance of our leading bankers and business men, taken to Harrisburg by the Chairman of the Finance Commission created by me—composed of the most representative citizens of our City and headed by Edward Hopkinson, Jr.

Therefore, the Governor's well-known aversion to the Philadelphia Republican Organization has led him into the mistake of associating this legislation with that organization and the members of Council of our City. This legislation is entirely disassociated with any political agencies. The Governor charged Council with not creating a sufficiently large budget

to provide for the expense of running Philadelphia during the current year. It must be remembered that had Council done that in making the budget, there would have immediately been a rise in the tax rate which we are now trying to avoid for next year.

The Governor again has been mistaken in a statement that more money could be saved for our payrolls by the elimination of useless places. We have pared our personnel to the very lowest possible number.

The Finance Commission which I appointed, composed of independent and high-minded business men, studied this situation for months. The Subcommittee on Disbursements sat with my Directors, the President of Council and the Chairman of the Finance Committee all through our budget hearings. We increased the number of working hours for the City employees, decreased their number as well as their remuneration, and presented to Council a budget that represents the last cent in saving.

We, therefore, have a present situation which can be solved alone by the Legislature of Pennsylvania.

I respectfully submit that the tax rate is a question for the people of Philadelphia to decide. I believe Council should have written a twelve months' budget last December. I repeatedly said so in messages, but that body was moved to protect the taxpayers of Philadelphia by taking the chance of the people being able to pay their taxes. That situation has not yet been established.

The resolution recites the facts in respect to the effect of this legislation on next year's tax rate. The Governor in no way will be responsible for any possible effect of this legislation. That is clearly established in the public mind. Therefore, my signature is attached to this resolution as an act of friendship to the Governor, as much as in behalf of the helpless poor of our City and our faithful police and firemen.

HARRY A. MACKEY,  
Mayor.

#### RESOLUTION FROM PHILADELPHIA CITY COUNCIL REQUESTING THE PASSAGE OF HOUSE BILLS NOS. 1800-1801-1802-1803-1804-1805-1806.

Clerk's Office, City Council,  
Room No. 492, City Hall,  
Philadelphia, May 15, 1931.

To the Members of the General Assembly of the State of Pennsylvania:

This is to certify that the following is a true and correct copy of the original Resolution passed by the City Council on the fourteenth day of May, 1931.

Resolution Directing the Legislative Committee of City Council to call to the attention of the members of the House of Representatives and of the Senate of the Commonwealth of Pennsylvania, that the Council of the City of Philadelphia recommends and requests the passage of House Bills Nos. 1800-01-02-03-04-05-06.

Whereas, The amount of outstanding writs of mandamus against the City of Philadelphia threatens to interfere with the financial program of the City;

And Whereas, Twenty thousand (20,000) dollars has been appropriated for the purpose of investigating and presenting a remedy for this situation;

And Whereas, A Commission appointed by the Mayor has visited a number of the principal cities of the United States to ascertain the methods of land condemnation employed therein;

And Whereas, The Commission has as its report presented seven bills which have been introduced in the Legislature and are now before certain Committees thereof;

And Whereas, This pending legislation would be of benefit both to the City of Philadelphia and to the citizens whose land it is necessary to take, injure or destroy through the creation of public improvements; therefore

Resolved, By the Council of the City of Philadelphia, That the Legislative Committee of City Council be instructed to communicate with members of the House of Representatives and the Senate of the Commonwealth of Pennsylvania, enclosing a copy of this resolution and advising them that this Council deems the passage of House Bills Nos. 1800-01-02-03-04-05-06, all relating to methods and procedure in the con-

demnation of land for certain public uses, beneficial to the best interests of the citizens of Philadelphia.

Attest:

DAVID W. HARRIS,  
Clerk of City Council.

**PRELIMINARY REPORT OF THE PENNSYLVANIA COMMISSION FOR THE BI-CENTENNIAL CELEBRATION OF THE BIRTH OF GEORGE WASHINGTON**

To the General Assembly, Commonwealth of Pennsylvania,  
Session of 1931:

A joint resolution of the Congress of the United States for the purpose of commemorating the 200th anniversary of the birth of George Washington, was approved December 2, 1924.

In pursuance of such action on the part of Congress, and conforming with the desires expressed therein, that the States and their political subdivisions co-operate with the Federal Government, a joint resolution of the General Assembly of the State of Pennsylvania was approved May 6, 1925, and the following commission was appointed:

Mrs. J. Willis Martin, Hon. Allen W. Hagenbach, Hon. Charles C. Henderson, Hon. S. Everett Sproul, Hon. Samuel W. Salus, Hon. Thaddeus S. Krause, Hon. George T. Weingartner, Hon. Charles W. Sones, Hon. Augustus F. Daix, Hon. Francis H. S. Ede, Hon. Edwin E. Emhardt, Hon. William C. Alexander, Hon. W. Albertson Haines, and Hon. Aaron B. Hess.

The first meeting for the formation and organization of the Pennsylvania Commission for the celebration of the 200th anniversary of the birth of George Washington convened in the office of his Excellency, Hon. John S. Fisher, at Harrisburg, Pa., on April 15, 1930, at 2:00 P. M.

The propriety and necessity of their being organized having been suggested by his Excellency John S. Fisher, and that a chairman and secretary be nominated, the Hon. Thaddeus Stevens Krause, Philadelphia, was nominated for chairman and Hon. S. Everett Sproul, Chester, was nominated for secretary.

Upon motion made and carried, Senator Krause was unanimously elected chairman of the Commission, and Mr. Sproul, secretary.

Hon. Allen W. Hagenbach, Allentown, Pa., was nominated and unanimously elected vice-chairman.

The first meeting of the Pennsylvania Commission, after its organization was held on February 19, 1931, at Philadelphia, Penna.

The chairman presented to the meeting the program of events as suggested and outlined by the Federal Commission. This program was discussed, and after consideration, was adopted, with some modification; the celebration days of April 19th (Patriot's Day) and February 20th, were eliminated. The program is as follows:

Feb. 21. Commemoration services in all the churches in memory of George Washington.

Feb. 22. General display of flags and decorations. Special newspaper features, school exercises, assemblies with patriotic addresses made by speakers selected by the county committee who are most likely to give the best eulogy of George Washington; pageants, plays and music. Public meetings with appropriate programs so timed as to receive broadcasting of address by the President of the United States. At the close of the President's address, singing of "America" led by the Marine Band, broadcasting from Washington.

April 19. Patriot's Day. Anniversary of the Battle of Lexington. Special exercises everywhere under the auspices of patriotic organizations.

May 30. Memorial Day. In addition to the regular memorial exercises, special attention should be given to George Washington and his fellow soldiers of the Revolution. This can be done by an appropriate address and the placing of flowers before an arch, portrait, or other material memento of George Washington.

June 14. Flag Day. The flag should be flown everywhere and exercises should be held and addresses made in its honor. Newspapers and other means available should be used in requesting citizens to display the flag.

July 4. A public reading of the Declaration of Independence and explanatory addresses thereon. Parade with floats depicting especially the life of George Washington. The Governor of the State will be asked to broadcast a speech on this day.

Sept. 5. Labor Day. In exercises customary for this day, tribute should be paid to George Washington and referred to as the liberator and laborer for the good of mankind.

Sept. 17. Constitution Day. Special meetings and programs under the direction of the Bar Association in every county of the State of Pennsylvania, devoted to serious consideration of the United States Constitution and the part which George Washington played in its preparation, adoption and ratification, especially as regards the type of government he and his collaborators intended it should be.

Nov. 11. Armistice Day. The leadership of the celebration is usually held under the auspices of the American Legion and other veteran groups of the World War. Other military organizations could be asked to participate in parades with floats depicting the military phase of George Washington's life; pageants, cantatas and plays could be held in schools and other meetings of fraternal organizations.

Nov. 24. Thanksgiving Day. In the customary Thanksgiving services as held in the various churches, reference should be made to George Washington's character and the efforts he put forth towards the establishing of liberty, security and happiness. Concluding remarks giving thanks for the life and services of George Washington.

A suggestion was also made and accepted that particular attention be given to Valley Forge, Washington's Crossing and the Battle of Brandywine. The celebration at the site of the Battle of Brandywine to be held on the anniversary date of said battle.

A subsequent meeting of the Commission was held in Philadelphia on April 17, 1931. The elimination of Patriot's Day was reconsidered and thereupon made a part of the program.

The beautification of entrances to cities and towns by the planting of trees and shrubbery was suggested and considered. Upon motion made, it was carried that this idea be adopted and included in the State program, and Arbor Day was designated as the time for this work.

The Commission has communicated with the civic organizations of the sixty-seven counties, and a goodly number have already formed committees and have, for many months, been functioning and arranging for a year of State-wide celebration along the lines of the program adopted by your Commission.

It is the belief that by September 1, 1931, all of the sixty-seven counties will have been thoroughly organized.

In conforming with the resolution of the General Assembly, this preliminary report is respectfully submitted

THAD. S. KRAUSE,  
Chairman.

S. E. SPROUL,  
Secretary.





COMMONWEALTH OF PENNSYLVANIA

APPENDIX TO THE

# Legislative Journal.

Session 1931

129th of the General Assembly

HOUSE OF REPRESENTATIVES

## Proceedings of and the Testimony Taken Before the Committee of the House Appointed Under the Provisions of House Resolution No. 10.

COMMITTEE OF INVESTIGATION ON  
RESOLUTION NO. 10.

Pursuant to the call of the Honorable D. Glenn Moore, the Committee met in the hall of the House of Representatives on Thursday, March 5, 1931, at 1.00 o'clock, P. M.  
There were present:

Messrs. D. Glenn Moore, Chairman  
Bart Richards  
Martin Memolo  
Louis W. Hagmaier  
Ellwood J. Turner  
Frank L. Bowers  
Chester H. Rhodes  
Harry J. Crawford  
Father James R. Cox  
Harold Evans, Esq.  
John J. Walker, Esq.

**THE CHAIRMAN:** This hearing this afternoon is held in pursuance of Resolution No. 10, passed in the House of Representatives on February 17. It is not the desire nor the intention of the Chairman of this Committee to burden the record with a speech. I am going to ask Mr. Harold Evans, counsel of the Committee, to state briefly the purpose and the scope of the hearing contemplated.

**MR. EVANS:** On behalf of the Committee, I would merely like to say that it is the purpose of this Committee to go into all of the facts pertaining to the regulation of public service utilities in the Commonwealth of Pennsylvania, and the activities of public utility companies, with the sole view of bringing out the actual facts.

The Committee has limitations, both in time and in the facilities at its disposal, but so far as it is possible, it is the desire to hear all who desire to be heard, no matter on what side of the problem they may be.

As the Chairman has said, this hearing today has been scheduled at the request of the citizens of Lackawanna and Luzerne Counties, to hear their feelings and views of the situation in regard to the water rates in their locality.

All the members of the Committee are present at this hearing, and two of the three representatives appointed by the Governor are present at this hearing. The third representative appointed by the Governor, Mr. Morris L. Cooke, is out of town and will not be able to take part in the hearings until the week of March 15, but that I assure you, shows no lack of interest on his part in this investigation.

I am not sure whether Father Curran has yet come into the room or not, but it had been our intention to hear from him first, as he has been one of the outstanding citizens of Wilkes-Barre who has had this matter under consideration.

Father Curran, we will be very glad to hear from you at this time.

FATHER JOHN JOSEPH CURRAN sworn

BY MR. EVANS:

**Q.** Father Curran, I understand you have a statement which you desire to make to the committee in regard to the situation in Lackawanna and Luzerne Counties in regard to the water rates there. The Committee will be very glad to hear what you have to say.

**A.** Now then, Mr. Chairman, and ladies and gentlemen all, I would first like to make a correction of previous misstatements made in the newspapers on the 26th of February last. The first error which appeared in the newspapers was that I had made a request to appear before the Senate Committee, which of course, is not true. I did not make such a request, but I was requested to appear, and was very glad to have the opportunity.

Now, again there was another mistake in regard to my address which was misquoted, I live at 134 South Washington Street, Wilkes-Barre, they had another number. Then there was another serious mistake in regard to what I said about Mr. Downs. I stated that in 1918 Mr. Downs was delegated by the Public Service Commission, as I understand, to go to Wilkes-Barre, the Wyoming Valley and the Lackawanna Valley and make an appraisement of the valuation of the water properties. Now, I understand from good authority that the company itself, the old company had valued the water works property at about \$13,000,000 in 1918—

**Q.** When you say old company, you mean the Spring Brook Water Company?

**A.** The Spring Brook Water Company. Then Mr. Downs presumably made that survey and took the appraisement of the water properties in the two counties, and I understand that on his return he presented the valuation appraisal to the Public Service Commission, and stated that in his opinion the valuation amounted to \$16,000,000, that is \$3,000,000 more than the company itself had appraised the property. I further understand—make that 13. At the last hearing it was \$30,000,000, it is \$13,000,000, not \$30,000,000. Now, I understand that at the first session afterwards of the Public Service Commission Mr. Downs made that report, the property was worth \$16,000,000 in his opinion, and the report as I understand was accepted by the Public Service Commission, but at another session later they added \$1,000,000 more to the 16, making \$17,000,000, without any provocation whatsoever. Now then, I stated in my testimony on the 26th of February—

**MR. TURNER:** May I ask you, to desist for a moment, Father Curran, to ask Mr. Evans to inform Mr. Curran not to



refer to the testimony before the Senate Committee, that is not a part of our record, nor are we members familiar with what transpired before the Senate Committee.

THE WITNESS: This was simply a correction of the newspaper accounts.

MR. TURNER: We are not concerned, as I see it, in determining what the newspaper report of Father Curran's statement was.

THE WITNESS: Now, there appeared in the Wilkes-Barre Times-Leader, dated December 29, 1927, an advertisement as follows: Neither the Spring Brook Water Supply Company nor the Pennsylvania Water Service Company, which now controls it, have taken any steps to increase the rate. That advertisement was printed on December 29, 1927. Now then, on the first day of January following, that was only about four days after the 27th of December, there was printed a list, rather a schedule of new rates printed by the Spring Brook Water Service Company—that was four days after this statement was made—that they had not taken any steps to raise—increase the rates. Now, four days afterward here is what was printed, but not published. The Spring Brook Water Supply Company and subsidiary companies filed with the Public Service Commission of Pennsylvania a new tariff, P. S. C. Pa. No. 17, superseding P. S. C. Pa. No. 16, to become effective January 1, 1928. That was four days after this had appeared in the papers. Now, the tariff filed with the Public Service Commission contains increased rates for all flat rate and metered water service, the new rates are uniform in all the territory. Now, remember this was a schedule printed by the Spring Brook Water Service Company four days after this statement was publicly made by way of advertisement in the Times-Leader on December 29, 1927.

BY MR. EVANS:

Q. Father Curran, the paper from which you have just been reading is a photostatic copy of the original?

A. Of the original—

Q. Original paper of the company?

A. Of the original. The original can be had if you desire it.

Q. Was that notice which you have just read ever issued to the consumers?

A. Never. This notice that was printed and dated January 1st, was not published, nor distributed among the consumers, but it was on the second day of May next, four long months intervening, before this schedule was published, and distributed among the consumers. Now the question is, what happened after this statement was made that the company had taken no steps to increase the rates, on the twenty-ninth of December and the first of January, what happened in the meantime? I would say that the company woke up to their error, because the second schedule or the new schedule printed on the first of January, would contradict this statement advertised in the Wilkes-Barre paper on the twenty-seventh of the previous month, and they saw that nobody with its eyes open could detect their deception and they therefore did not publish the new schedule on the second day of May, 1928. Now, I would say also that Mr. Downs stated before the Public Service Commission at the opening, I think it was, of the session, that the water rates were too high under the old company even, when he was questioned at a later session of the Public Service Commission for trial, or investigation, he denied that he said so; and on another occasion he did not deny it, but that his memory could not go back that far, and he did not know whether he said it or not, whether the schedule of the water rate bureau was too low or whether they were too high, back in 1918.

Q. Father Curran, just remember that the Committee is not as familiar with the situation as you are.

May I just ask you a few questions, which perhaps will clarify the situation? The Company filed a new schedule of rates that was effective July 1, 1928, did they not?

A. Yes, it was effective in July.

Q. And there was a complaint filed against those rates?

A. Yes sir.

Q. In which the city of Wilkes-Barre and the city of Scranton and a great number of complainants joined?

A. That is correct.

Q. The company then asked to be allowed to temporary increase its rates and the Commission—is that correct?

A. Correct.

Q. And the Commission, on December 21, 1928, issued an order approving the temporary increase in rates?

A. As far as I know the date is right; yes.

Q. And that order was made retroactive to July 1, 1928?

A. Yes.

Q. And those rates have been in effect ever since?

A. The rates were the temporary rates agreed upon by the authorities of the various municipalities. They have been in force since.

Q. They were slightly changed from this rate schedule as filed, were they not?

A. Well, maybe slightly because in the final decision made by the Public Service Commission there was a difference of two per cent from the valuation of the appraisal of the water works; so it may be that the company will eventually reduce the rates by two per cent.

Q. And now, the Mr. Downs that you have referred to is an engineer of the Engineering Bureau of the Public Service Commission, is he not?

A. Correct; he was at that time.

Q. Yes, he was at that time, and when you have referred to the sessions, I suppose that you were referring to the hearings before the Public Service Commission involving these complaints?

A. Correct.

BY MR. RHODES:

Q. May I ask who inserted that advertisement of December 27? By whom was it signed?

A. It was signed by the Spring Brook Company.

BY MR. EVANS:

Q. No. I don't think that is the one Mr. Rhodes referred to. The one from which you have been reading, Father Curran, who signed that?

A. It was signed by the Spring Brook Water Supply Company; I think Mr. Isaac S. Walker, vice-president and general manager.

BY MR. RHODES:

Q. Is that the same company that filed the schedule?

A. Correct.

BY MR. MEMOLO:

Q. Four days later?

A. Four days later. Now, in another advertisement appearing in the Wilkes-Barre Record of May 2—

BY MR. EVANS:

Q. In 1928?

A. 1928; this statement occurs:

"The purchase prices were fixed on the frank understanding that the well-known rules of law which call for a fair return upon actual value of property devoted to public use, justified and required a substantial revision of water rates which had not been materially changed for upwards of thirty years. It is well known that during this period the cost of living has practically doubled and the wage standard trebled."

That was the ad that appeared in that newspaper, the Wilkes-Barre Record, on May 2nd.

Q. What is the purchase there referred to?

A. The purchase of the waterworks; of course, the old company.

Q. Was it the purchase of the Spring Brook Water Company and the Scranton Gas and Water Company?

A. This is . . . yes; I would say so, but I would put it this way; I think so, because of the figures that are quoted below.

Q. I think it would be helpful if you would just read the whole advertisement, at least the first two or three paragraphs of that to the Committee, so that they will get the whole picture.

A. Very well, then, continuing with the same paragraph—

Q. Can't you begin with the first paragraph?

A. Very well.

"The new owners of the water properties of the Scranton-Wilkes-Barre District desire to maintain with their consumers the friendly relations which have existed for so many years between the public and the local interests owning the Spring Brook Water Supply Company and the Scranton Gas and Water Company. The bringing together into common ownership of properties serving contiguous communities naturally calls for some adjustment and equalization of rates, and

the company proposes to put such rates into effect on July 1st by the filing of revised tariffs on May 29th. This notice is given in order that the public may understand exactly what is being done and why.

"The present owners have acquired these two great properties at a cost in excess of \$52,000,000. Nearly the whole of this sum has been paid over to citizens of these communities, and this capital, therefore, is released for home investment and development."

Now, then follows the paragraph which I quoted. Do you wish me to read that again?

Q. Yes, if you will.

A. Very well.

"The purchase prices were fixed on the frank understanding that the well-known rules of law which call for a fair return upon actual value of property devoted to public use, justified and required a substantial revision of water rates which had not been materially changed for upwards of thirty years. It is well known that during this period the cost of living has practically doubled and the wage standard trebled."

"The present owners made this large outlay (\$52,000,000) only after a most careful inspection and appraisal of these properties, carried on by a corps of forty men over a period of several months, supplemented by real estate valuations of well informed local people, who were entirely independent of this organization. The study resulted in the valuation of these properties, with no allowance for water rights, at \$62,000,000. The current net revenue is producing a return of less than 5 per cent upon the cost of these properties, before any allowance for depreciation, and only 4 per cent upon their value as fixed by our engineers. It will be admitted by all fair-minded persons that this is inadequate.

"This management wishes to deal fairly with the communities that it serves, and recognizes that as water is the prime necessity of the life and health of the community, the rates should be kept as low as consistent with efficient operation and with a fair return on investment. The new schedule of rates, therefore, has been adjusted to produce a net revenue of only 6 per cent upon fair value instead of 7 per cent to which the company is legally entitled.

"Under the new schedule, the average monthly bill will be \$2.12 made up of a service charge of \$.667 and a consumption charge of \$1.455. This is an increase of 36 cents per month per family, or at the rate of slightly more than one cent a day.

"In Wilkes-Barre and neighboring communities, where domestic service is not metered, the increase will be slightly larger, but the rates can be brought to the same level by consumers who elect to install meters.

"Industrial rates in the Scranton district at present cover nine different divisions, the first being for monthly consumptions of less than 250,000 gallons, and the last two for monthly consumptions of over 24,000,000 gallons and over 64,000,000 gallons. There are but two customers in the highest division and but five in the next highest.

"In the Spring Brook district, there are but seven divisions starting with a quarterly consumption of 12,000 gallons, and ending with a quarterly consumption of 600,000 gallons."

BY MR. TURNER:

Q. What is the date of that advertisement?

MR. EVANS: May 24, 1928.

THE WITNESS: Now, in commenting upon the pretended rate schedule as quoted in one of those paragraphs that the raise in the price of water under the new schedule of rates would not average much more than one penny a day, as I understand it, that covers both the Luzerne and Lackawanna county valleys.

To show you what a terrible deception that is, one penny a day, I will quote for you the inflated rates of our charitable institutions in the city of Wilkes-Barre alone.

The old rates to the General Hospital of the city of Wilkes-Barre amounted to \$1,562.64; and new rate, \$4,285.53.

BY MR. EVANS:

Q. For what period of time are they?

A. One year.

Q. One year?

A. They say there that the average amount or advance would amount to one penny a day, and here is a difference for one institution alone of \$1,562.64, and \$4,285.53.

Now, the Mercy Hospital paid under the old rate \$831.40 per year, under the new inflated rate, \$2,930 per year.

The Homeopathic Hospital under the old rate paid \$306.99; under the new rate, according to the new schedule, \$1,800—almost six times the amount.

The Y. M. C. A. boys' department under the old rate paid \$250 per year; under the new \$1,308 per year.

The Y. M. C. A. men's department under the old rate paid \$316.20 per year; \$1,435.08 under the new.

The Wilkes-Barre schools all had been paying \$6,068.40, were taxed the amount of \$14,336.84 under the new rate.

Now, these should be sufficient—these quotations should be sufficient to give you an idea as to the deception manifested in those advertisements, which I just read for you.

Then, under the old company the city of Wilkes-Barre paid for their water plugs at the rate of \$20; now, under the new rate and new company, the city must pay at the rate of \$55 per year.

Q. For each plug?

A. For each plug, each fire plug. It was raised from \$20 to \$55.

BY MR. HAGMAIER:

Q. Have you at hand what the rates are in the average family?

A. The average family, I would say, according to the flat rate, about fifty cents—or fifty per cent. May I call on one of my—

BY MR. EVANS:

Q. We will get that later.

A. Yes; I think fifty per cent. And now, while there are many angles from which this examination of the Public Service Commission may be viewed, I would suggest this, although it would take time and money too, that you gentlemen should ascertain from the records and minutes of the Public Service Commission during the trial, which lasted nearly two years—obtain the cost of the engineering, the accounting of the various phases of the properties, the legal reports, and all of the minutes of the Commission dealing with the water case. If you could look that up, trace it up, you would come to the conclusion, I am sure, that the testimony rendered from the consumer's side of the case was altogether ignored in the trial of the people before the Public Service Commission. The evidence and proofs brought forth during that long trial and the testimony rendered by our representatives were altogether ignored, and the testimony produced by the representatives of the water company alone taken into consideration.

BY MR. TURNER:

Q. Upon what do you base that conclusion?

A. I base that conclusion upon the fact that—take, for instance the engineers, the Lantz boys, the Lantz brothers, John and William Lantz, worked for years, I suppose, as engineers for the Spring Brook Water Company, the old company; worked for that company for years, and finally quit it, for what reason I don't know; they were the expert engineers in appraising the valuation of the Spring Brook Water Service Company, the valuation of their property. And, now, they claimed and told me repeatedly that their appraisal and the appraisal of the real estate men, who knew the values of properties and buildings in our community, said that their appraisal was very liberal, that their allowances were very liberal to the company, and that, according to the testimony rendered by them, they feel that they were altogether ignored, that is the reason why I would have you gentlemen, if you possibly can, trace up the evidence of both sides of the case; the water company's side and the consumers' side; if so you would conclude or deduce the fact that the real evidence, the testimony given by our representatives was ignored, and only the testimony given by the other side taken into consideration.

BY MR. EVANS:

Q. Has the Commission rendered a final decision in the case?

A. Rendered the final decision. The water company claimed the valuation as something over \$44,000,000. In the final decision of the Public Service Commission they reduced that valuation quoted by the water company by two per cent only, which is practically the same.



BY MR. TURNER:

Q. Pardon me, at what was the valuation put by the Lantz brothers?

A. It was put by the Lantz brothers at \$11,000,000, and the company, as far as I know and understand, \$23,800,000 for the property which was valued by our engineers and real estate experts at \$11,000,000.

Q. How do you explain the statement that they say they paid forty some millions?

A. Well, that was for the Scranton Gas and Water Company and the Spring Brook Water Service Company, the two areas taken into concern. For ours they paid \$23,800,000 and for the balance of the forty-four to the Scranton side. Of course, they purchased the gas works up there. I have the impression there has been some misunderstanding. That the Lantz Brothers, as I understand, fixed the valuation of the property at somewhere around \$25,800,000, the whole property, yes.

Q. Do you include in that the Scranton property?

A. Yes.

Q. And the company's highest appraisal was something over fifty-seven million.

A. Yes.

Q. The final was fifty-two million.

A. I am not so familiar with the Scranton side of the case as with the other. That is true. I have the same evidence here in one of my manuscripts. Now in the case of the Public Service Commission of course we cannot swear as to whether they entered upon an agreement or an understanding as quoted here with the Spring Brook Water Service Company or not. But there can be no other inference than they did enter upon an understanding with this water company prior to the water company's taking over the Spring Brook Water Company properties. And the inference stands to reason from this point of view.

MR. EVANS: In other words, Mr. Curran, if I understand what you mean, the Federal Water Service Company was buying out the Spring Brook and the Scranton Gas and Water Service Company and on the basis of the earnings of these companies an investment of fifty-two million dollars, or whatever the figure was, would not show a return on the investment that was attractive.

A. Without inflating the rates to consumers.

MR. EVANS: But you say it was understood, you mean there must have been some understanding that the rates would be increased?

A. That they would be increased, the rates, and I conclude that such an understanding was reached between the Public Service Commission of Pennsylvania and the Federal Water Power of the United States of America. That is my answer.

MR. TURNER: You say that is your personal opinion.

A. It is my personal opinion and impression.

Q. You understand that any agreements between the seller and the buyer would have nothing to do with the Public Service Commission and the rates?

A. No, but in the first place I understand that the public utility must obtain from the Public Service Commission permission to raise the rates of the utility and in this case they must have had permission from the Public Service Commission to raise or inflate the rates to the extent they did, so that in time they would get back twenty-four or fifty-seven millions as the case may be, property.

Q. That is your opinion?

A. That is my understanding and my impression.

MR. EVANS: The actual value placed on the property by the Public Service Commission in its decision was \$43,650,000, was it not?

A. Yes.

Q. Do you happen to know what the percentage of increase in rates was that the Commission allowed? My impression is that it was something like forty or forty-one per cent of an increase, something like that?

A. That is the question you asked me before. I claim it is fifty per cent, between forty and fifty per cent, that is on the basis of the flat rate.

Q. I meant taking the total rate.

A. I think it would average at least one hundred per cent. You will get that testimony later. Now if you wish I will add this: I don't know whether it is in order or not, but an item that appeared in the Scranton Times Tuesday, March 3rd—

this is a news item—in regard to the sale of some stock, and I guess that would not be pertinent. Very well.

MR. EVANS: I would like to ask you what the attitude of the community is towards the decision of the Public Service Commission?

A. Fine. Fine. In answer to that request I will say this: We went to the Public Service Commission or rather the Spring Brook Water Service Company advertised their rates and distributed the new rate schedule among the consumers of the Wyoming Valley and the people got up in arms I might say then and swore that they would not pay a cent over and above the old schedule, the water rates charged by the old company, and I say for one, and my companions of the Water League up there advised the water consumers of Wyoming Valley and for that matter of the Lackawanna Valley, not to pay a cent more to the new company than they had been paying to the old company and the consumers obeyed orders and did not pay a cent. While the company sent out its workmen and shut off the water, I think they shut off the water on 548 or 550 hydrants and pipes leading in to private homes and public buildings, and so forth, nearly 550 shut-offs were made by the company, there were certain vigilantes who turned the water on instantaneously when these men shut it off, and the people united in the determination not to pay a cent more for the water consumed to the new company than they had been paying to the old company and it struck terror into the hearts and minds of the Spring Brook Water Service Company and they came to see us. They came and met me in my own home with a delegation from the Water League of Wyoming Valley, and they entered upon an agreement with us that they would not raise the water prices above the level of the old prices until such time as the Public Service Commission would make its final decision, and further, that if the case be appealed to the Superior Court the collection on the basis of the new rates would be postponed until the Superior Court would make its final decision. So our people are united today as much as they were at the beginning, and more so. They are determined no matter what the consequences they shall not pay a cent more for the water consumed to the new Spring Brook Water Service Company than they had paid to the old Spring Brook Water Company regardless of the consequences, and I want to tell you that there is danger ahead for this water company, and if this water company would dare to shut off the water and go into the homes and other institutions in the Valley, there will be trouble.

Yes further, here is another point which to me is absolutely unjust whether or not the State permits it, perhaps it does, that the water companies charge for two months rental for water consumption while the water is not being consumed. They charge two months in advance; for instance, the water consumer on the first of January up to the first of April gets a bill. If that bill for the three months be not paid by the thirty-first day of January, the water consumer is charged ten per cent. penalty so that he has a three months bill although only one month water allowance has been consumed, the three months bill is charged and if not paid at least by the last of January a penalty is put on the consumer.

MR. RICHARDS: Are you paying the old rates or the new rates now?

A. We are paying the old rates.

BY MR. TURNER:

Q. May I ask counsel, Mr. Evans, whether it is not the law of Pennsylvania where they publish the rates and make an application to the Public Service Commission, then they put these rates into effect?

MR. EVANS: The law, Mr. Turner, I think is where a rate or charge is changed and complaint is filed, that rate becomes effective and the burden then is on the company to justify the rate and while the case is going on the new rate is collected by the company.

MR. TURNER: That is the law of Pennsylvania?

MR. EVANS: Yes, sir.

MR. TURNER: Then do I understand you Father Curran to say you advised these people notwithstanding that was the law of Pennsylvania to pay the old rate only?

A. Yes, sir, and refuse, and that is absolutely true because it is an unjust law.

MR. TURNER: That may be but it is the law of Pennsylvania.



A. It is, but it is a law made for the monopolists and the public utilities and is against the interests and good of the common people and for that reason I say "No."

Q. That may be, but it is the law in Pennsylvania.

A. That may be the law, but the law is wrong. The law is not just. It is unjust to the rank and file of the citizens of the State of Pennsylvania.

Q. That is a question to be determined by the Legislature and not by individuals.

A. Well, unless the individuals get together and protect themselves, what is going to happen to our State and our Nation?

Q. Revolution?

A. A revolution is bound to come if there is not a change in politics and honesty in business. These utility corporations, the monopolies, or trusts, great combination of wealth, predatory wealth, they are planting the seeds today for a revolutionary harvest tomorrow, unless there is some change made.

Another thing. I want to say, Mr. Chairman, that I have stood for, am standing for, and will ever stand for, the state and for the nation and for the preservation of the laws and our Constitution, for the well being of the State and Nation and the people at large, for the high, low and middle classes, rich or poor, but I shall stand for honesty in every case for my fellow citizens in the country and I will not stand for dishonesty, and will not stand for any group of men in this country to plant the seeds of bolshevism, communism, or draw the dollar out of the pockets of the poor working man, or as it were to gouge and gobble up every dollar that is on the face of our blessed Nation. I won't stand for that, law or no law. And now, if we had not had a battle of Lexington a battle of Concord, a battle of Bunker Hill, a siege of York town we would not have a United States of America.

BY MR. EVANS:

Q. Father Curran, in order to clear up this point in regard to the payment of rates, am I correct in understanding that the present arrangement between the company and its consumers is that the consumer may either pay the old rate, and if the decision of the Commission is upheld by the courts, will then be charged the difference plus a penalty of 10%?

A. Retroactive plus a penalty of 10%, retroactive.

Q. Or, if the consumer desires, he can pay the new rate, and the company then agrees if the decision is against the company, they will refund the excess with interest at 6%, is that correct?

A. That is correct.

Q. I just wanted to get that clear. Now, Father Curran, Mr. Arthur Hull is here, sitting as counsel for the Public Service Commission, and he has asked me to ask you this question: Is it not a fact that an appeal has been taken by the Scranton Spring-Brook Water Service Company, as well as by certain municipalities to the Superior Court of Pennsylvania?

A. Correct.

Q. Have these appeals not been consolidated for hearing before the Superior Court and listed for argument on March 15, 1931, at Pittsburgh?

A. I so understand it.

BY FATHER COX:

Q. When you protested these rates did the water company show an arbitrary attitude or one of conciliation or otherwise?

A. Absolutely otherwise.

Q. Always feeling that they were protected by the Public Service Commission, feeling that they will make you do what they want you to do?

A. I suppose that was their intention.

Q. Did they ever show such a thing as a civic conscience?

A. No. Another thing that to me is proof of dishonesty and chicanery, I really did have some respect and regard for the president of the Federal Water Power Company—

MR. EVANS: Federal Water Service Company?

A. I did have some respect for him, but there was one of the representatives, one of the highest men of the company, Mr. Green, who came to our town perhaps two and a half months or so ago, and requested that the representatives of the municipality should meet the representatives of the Federal Water Power Corporation, so that between the two representations an amicable agreement or conciliation might be made, before we go any further in these suits that we have entered.

Mr. Green said to myself, "We are spending a great deal of money, and it seems to me," he said, "that it is useless. You are spending a great deal of money from your side, and we consider it as useless. Therefore, why not get together and thresh out our difficulties and come to an amicable agreement, or to a compromise." I said, "Mr. Green, there is no compromise excepting that you, the company, go back to the old schedule of rates, or the schedules charged by the old water company. That is the only conciliation, the only compromise, that I would allow from our side." He said, "That is no compromise." "Yes," I said, "from our point of view it is a compromise, because the old rates are too high, and were too high, and therefore to settle upon the basis of the old rate to me is a real genuine compromise." At any rate, he went home to New York City, and on a certain occasion we were notified that the president of the company with others was coming to a meeting there in Wilkes-Barre, and wanted a meeting of the representatives of our league, of some of our best citizens of the city, to consider the proposition of a compromise. When I said—I was appointed chairman of the meeting, and again I said, "There is no compromise, but one, that is to go back to the old rates, the rates charged by the old company. That is the only compromise." And the president said that was impossible, and he also said that he didn't know what this meeting was about, he didn't know why he was called to Wilkes-Barre, he was ignorant, after his own vice-president made the arrangements for that meeting with the members of the Chamber of Commerce and other men, and the Water League of Wilkes-Barre, after his own vice-president, I think he is, Mr. Green, made the arrangements for this meeting, the president did not know anything about it. He did not know what brought him to Wilkes-Barre. He was told to come to Wilkes-Barre by his representative there, but he didn't know what the meeting was about when he got there, after his own vice-president made arrangements for the meeting, so that from then on I have considered them dishonest, and I would say they were public liars, that it all,

BY MR. EVANS:

Q. Father Curran, how long have you been a resident of Wilkes-Barre?

A. Over 35 years.

Q. Is this situation that now exists in regard to this situation something that is new in your experience?

A. Oh, absolutely new, because we never had any difficulty with the water rates heretofore, nobody complained, although everybody admits now, and those particularly on the inside that work for the water company, all admit that the old water rates were too high in comparison with the income of the company, and in comparison with the water rates charged elsewhere in the State and outside.

Q. Have you got any suggestions at all as to how the situation could be remedied up there?

A. Up there, yes, I have. If these men are honest, of course, the situation could be temporarily arranged. If the representatives of the water company are honest and if they have sense enough to realize that it would pay them to compromise with us and say they were going back to the old rates, throw oil on the seething waters of Wyoming Valley, but at the same time, would not enter into the fight, because we are going to present a bill here to both houses of the Legislature demanding the power of authority of the Legislature to take over the waterworks, the water properties to municipal ownership. We are going to do that.

BY MR. BOWERS:

Q. Father Curran, how long have the old rates been in existence?

A. I think from 1896 to 1928, I think so.

BY MR. HAGMAIER:

Q. Do I understand you rightly to say that they made you pay two months water bills in advance for water you have not received?

A. Correct, that is true. There was a priest come down with me, Monsignor Covalesski, and he handed me his bills for 1927, 1928, 1929 and 1930, showing the contradiction of the advertisement, which I read, that the raise in rates, would not average more than a penny a day. Monsignor Covalesski showed me, with this report he gave out to his congregation, the annual report, that in 1927 his water bill was \$91.80; 1928



the water bill was \$203.94; 1929 his water bill was \$359.84 and in 1930 \$309.07. There was a little drop in 1930, and I think that was because Monsignor Covalesski has moved out of his residence, the parochial residence, torn it down and is building a new residence, and I suppose the lack of consumption in the old homestead reduced the rates, you know, for the year.

BY MR. CRAWFORD:

Q. Is that a metered rate?

A. No, a flat rate.

BY MR. BOWERS:

Q. After the new company took over the old company did they make any improvement and do anything that might give the consumers better service?

A. No, not anything to mention. No, practically none; not that I know; not that anybody else knows. Of course, we all have to make improvement around our homes once in a while, but I mean substantially, no improvements as far as I know.

BY MR. TURNER:

Q. Were the old rates based on a tap charge, based on so many spigots, and so forth, and were these new bills based on meters?

A. No, the rates are based on flat rates, in our water area, the Wyoming Valley, all the private consumers.

Q. The bills that you read to us of these institutions, they charged there a flat rate?

A. No, they were all on meter rates.

BY MR. EVANS:

Q. Both under the old rates and the new they are metered, are they not?

A. Yes. Further than that I could quote you an instance of people who told me—and the thing has been advertised in the newspapers, that the company advised some private water consumers and other public water consumers to put in meters and those that obeyed the orders, having put in the meters, they were sorry because the water rent went way up to the sky.

BY MR. BOWERS:

Q. What is your meter rate?

A. I really cannot tell you.

BY MR. EVANS:

We will have another witness to give that more in detail.

The WITNESS. Now, here is a case in question, that you can hardly believe it. I spoke to a gentleman there, a prominent one, in our town, and he told me after he put in the meter, I was in the office one day, and he said to me this: I used to pay only \$36.00 a year on the flat rate in my own office and institution and he said I was advised to put in a meter, and what do you suppose they charge me now at the meter rate per year. I said, "I don't know." He said, "One thousand dollars." From \$36.00 to \$1,000.00. I could give you the name, but I don't wish to. From \$36.00 to \$1,000.00, from the flat rate to the meter rate.

BY MR. CRAWFORD:

Q. What kind of an institution did he have?

A. Institution? Well, I don't want to give him away now. He had an institution wherein, I think, there must have been some thirty or forty employes anyhow; thirty or forty, I cannot whisper it to you, but I want to—

BY MR. EVANS:

Q. Is there anything else Father Curran, that you wish to say?

A. No. I think now the other stages, material to be placed in evidence, will cover all of the questions, you know, which you wish to discuss, but I wish to repeat myself again, that if you gentlemen examine the record of the Public Service Commission of the trial between the Water Company and the water consumers before the Public Service Commission, if you could examine those records, you would come to the same conclusion that I have come to; that the decision was one-sided, all together in favor of the Water Company as against the water consumers. If you have time, I think it would pay you and it would pay us; I think so.

Now, I thank you, gentlemen, and as I said to the Senate Committee on the 26th of last month, I never have opposed any man or party or company of men in getting what was duly and honestly coming to them. I will stand by the rich as I would by the poor, when the rich are honest and the poor dishonest. That has been my record for forty years, and thanks be to God I haven't changed it, and if the company came into our valley and continued to charge the people for water consumption on the basis of the old rates, there wouldn't have been a word said, and they would have obtained the good will of the water consumers. As stated in the advertisement by Mr. Chenery, that the old company has the good will of both valleys, it would have retained that good will if they had continued the service at the low cost accorded by the old company, that good will would have existed between the consumers and the company, but unfortunately they simply wish to act the hog, and they are paying for their own blunders, that is all, and if they go back to the old rates, we will do all we can. We promised that in our agreement, that the members of the Water League of the Wyoming Valley will do all in their power to have the people pay up under the old rates, but they wish to hog it, and now I think they are very sorry.

Q. We are obliged to you, Father. And thank you very much.

A. I hope God will bless you all, and that everything will come out well. Now, I hope that the State of Pennsylvania and the people in the State of Pennsylvania will be benefited by this trial.

Q. We all hope so, Father.

A. Good-bye and good luck.

The CHAIRMAN. Before we call the next witness, the Chair wishes to make a brief request, with which I think you all will agree. I have known for a great many years Father Curran, and I love him. I have served on a Board of a State organization along with him. I appreciate the applause, Father, but I hope that hereafter, the next witness, in order to save time only, that we will not have any applause, because we have a crowded afternoon, and we wish to get through. I thank you.

JOHN LIPPKO sworn.

BY MR. EVANS:

Q. Where do you reside?

A. I reside in the section of Parsons, in the city of Wilkes-Barre.

Q. Are you connected with the Municipal Water League of Wilkes-Barre, are you not?

A. Yes; I am the manager of the office.

Q. Where is the office located? When was it formed?

A. Our organization was organized on June 13 in the year 1929, but it was some time in July, I think, about the 3rd of July, before we had an office.

Q. This was after the new rates in this section were effective, was it?

A. The rates were effective January 1, 1929.

Q. And what was the purpose of organizing the league?

A. To take care of the people and see that they get justice in this fight and to promote municipal ownership in the Wyoming Valley.

Q. Municipal ownership of the waterworks?

A. Yes.

Q. How many members has the league?

A. The league has approximately something like nineteen thousand members.

Q. As manager, have you had occasion to check the bills of the consumers of the Scranton Spring Brook Water Service Company?

A. Yes; I have, and I have checked in the neighborhood of about sixty-five per cent of the bills in the Wyoming Valley.

Q. Will you tell us, briefly, how the old rates were determined prior to the increase; that is I mean, for instance, with the domestic consumers, did they have a flat rate or a metered rate?

A. The domestic consumers had a flat rate, but it was divided into three sections in the Spring Brook territory.

Q. In other words, three territorial sections?

A. Yes.

Q. What was the domestic rate for the first hydrant in the old Spring Brook territory of Wilkes-Barre?

- A. In the Wilkes-Barre section it was \$8 per year.  
 Q. And what was it in the Nanticoke section?  
 A. \$6 per year.  
 Q. And what was it in the Plymouth section?  
 A. \$7.20.  
 Q. And now, under the new schedule of rates, what is the flat rate for the first hydrant?  
 A. \$10 over the whole territory.  
 Q. What proportion of the consumers of the Spring Brook territory, the domestic consumers, are on the flat rate?  
 A. I should say about in the neighborhood of ninety per cent of the flat rate schedule.  
 Q. How often are these flat rates charged to the consumers?  
 A. One every quarter, January, April, July, and October.  
 Q. The new rates became effective on July 1, 1928, did they not?  
 A. They were effective and collectible on July 1, 1929—or were effective about July 1, 1928.  
 Q. That was under the order of the Commission?  
 A. Yes; a temporary order that was.

BY MR. TURNER:

- Q. Mr. Evans, will you pardon the interrogation, when you say \$6 and \$7.20 and \$8, do you mean the annual rate?  
 A. That was an annual rate.

BY MR. EVANS:

- Q. Now, turning to the meter service, has that been a substantial increase also from the old rates?  
 A. It has been increased in the neighborhood of 100% to as high as 500% in some instances.

BY MR. TURNER:

- Q. I don't like to interrupt your examination, but I am afraid I am missing these questions. When you say increased from 100% to 500%, do you mean in the rates, or in the bills?  
 A. In the bills.

BY MR. EVANS:

- Q. Now, after the new rates went into effect, you had complaints, I understand, from members of the League in regard to their bills?

A. I believe on the 6th day of July, we started to get complaints in the office, complaints or suits filed by the company against some people.

- Q. And did you as a result of any complaints investigate the bills as presented?

A. The water company would not co-operate with us in the beginning of our fight, but after the old rate agreement they co-operated with our office.

- Q. What did you find was the cost of the increase in the bills when you investigated them?

A. Some of the increases were due to additional fixtures, which after inspection by the water company officials were found not to be there.

- Q. In other words, now, let me get that clear, as I understand the flat rate was a charge of so much a year for different fixtures?

A. Yes.

- Q. As, for instance, I think you said in the Wilkes-Barre territory their charge was \$8 for the first hydrant, and then I suppose there was a charge for a bath tub.

A. And a toilet.

- Q. Toilets, wash basins, tubs, and so on?

A. That is right.

- Q. You say that some of the increases were charged for additional fixtures?

A. Yes; additional faucets, or additional toilets or something like that.

- Q. Did you have a considerable number of those inspected by the company, to see whether the additional fixtures were there?

A. Some of the adjustments were made over the telephone, and the water company acknowledged that they would take care of the matter and send an inspector within the next two or three days. After they sent an inspector, in about seventy-five per cent of the cases they found that these fixtures were not there, and they were taken as far back as July, 1928, where they were charged from. Some of the adjustments ran in the neighborhood of twelve or fourteen dollars on the bill with a penalty that may have amounted to about \$16.

- Q. In addition to the increased rates, you have the problem of the increased number of fixtures, which in some cases; at least were not justified?

A. That is true. Our agreement was entered into December 13, in the year 1930—1928—and the water company, the people came to our office to have their bills checked up; some of them are still coming in to have the bills checked up, but they have not all turned up yet, and I don't think the whole territory has been covered. There may be cases that are still out that have overcharges on them yet.

- Q. Let us take the case of the small domestic consumer who has a hydrant, bath, toilet and wash basins and tubs; taking the city of Wilkes-Barre District, what would have been his annual bill for the small installation?

A. It would be \$21 under the old rate and \$26 under the new rate.

- Q. 26 or 26 and something?

A. \$26.50; that's right.

- Q. \$26.50?

A. \$26.50.

- Q. That is an increase of \$5.50 a year?

A. Yes.

- Q. And what percentage of increase would that be?

A. That would be about 26 and some tenths percent.

- Q. In the Wilkes-Barre District?

A. That's right.

- Q. Now, in the Nanticoke District, what would have been the old bill, the annual bill for that consumer then?

A. \$19 against 26 under the new rate.

- Q. \$26.50?

A. \$26.50 under the new rate.

- Q. That is an increase of \$7.50?

A. That's right.

- Q. And that is an increase of \$7.50; and approximately what percentage of increase is that?

A. It would be about forty per cent.

- Q. And that shows a difference of \$20.20 as compared with \$26.50 the fixed charges today against those in Nanticoke?

A. Yes, sir.

- Q. Have you checked any bills on metered consumption?

A. Yes, I have, I have checked a few hundred I think.

- Q. Are all commercial consumers on a metered rate?

A. I should think about half the consumers were under the flat rate service until this company got in and they put them on metered service.

- Q. We are dealing with commercial and industrial consumers as distinguished from domestic consumers?

A. Some were and some were not.

- Q. Under the new rates they all have to be?

A. They all have to be, that is right.

- Q. I show you two photostatic sheets headed Dutchess Underwear Corporation, 476 Jefferson Avenue, New York, located at Old Forge; what are they?

A. They are copies of the originals of the ledger of the water company.

- Q. Covering?

A. Covering the account of the Dutchess Underwear Corporation located at Old Forge.

- Q. It is in the Wilkes-Barre district?

A. No, in the Spring Brook district.

- Q. I notice on the bottom of this sheet there is in handwriting "O. K." Hooper. What does that mean?

A. That is the O. K. of the manager of the water company in Wilkes-Barre.

- Q. In other words, Mr. Hooper has O.K.ed the correctness of these accounts?

A. That is right.

MR. EVANS: I think these should be offered as Exhibit No. 1 before the committee.

(Ledger sheet identified as Exhibit No. 1 by the official reporter.)

BY MR. EVANS:

- Q. Mr. Lippko, this sheet is divided into columns, and as I understand it covers the bills of the Dutchess Underwear Corporation, first for a four-inch meter?

A. That is right; and also an eight-inch fire hydrant.

- Q. And the second sheet covers the eight-inch meter which I understand is the fire service?

A. That is right.



Q. Taking up first the four-inch meter, the bills apparently run from July 24th, 1928, to June 17th, 1930?

A. That is right.

Q. At the old rate for the consumption indicated during that period that would have been how much?

A. \$474.88.

Q. And that is composed of a service charge of \$300.00?

A. Yes, sir.

Q. And a consumption charge of \$174.88?

A. Yes, sir.

Q. What does the charge for the same consumption under the new rate amount to?

A. Under the new rate the charge for that consumption plus penalties would be \$936.70.

Q. And that is composed of a service charge of \$600.00, and a consumption charge of \$336.70; is that right?

A. Yes, sir.

Q. Now turning to the second sheet covering the eight-inch meter, what was the old charge for this fire protection service?

A. Before I go into that, Mr. Evans,—I think the old service rate was something in the neighborhood of a hundred dollars, which was not on the schedule. That was a special price given to the Dutchess Underwear Corporation by the old company but upon investigation by myself and Mr. Evans of the water company they decided to set a rate near the amount which the Public Service Commission allowed on this old tariff, which was \$16.88 instead of \$32.00 under the new rate.

Q. That is the monthly service charge?

A. Yes, sir.

Q. On that basis of charge under the old rate it would have amounted to how much?

A. \$317.46.

Q. And this covers the consumption from October 2, 1928, to June 17, 1930?

A. Yes, sir.

K. What is the charge under the new rate?

A. \$684.81.

Q. That is how much of an increase over the old rate?

A. An increase of \$367.35.

Q. Now have you, Mr. Lippko, gotten from the water company the charges for this particular consumer down to the last meter reading in February?

A. Yes sir, I have.

Q. What does that charge for the four-inch meter amount to?

A. The charge for the four-inch meter amount to \$1371.01.

Q. That is under the new rate?

A. Yes sir.

Q. What would it amount to under the old rate?

A. \$763.48.

Q. Now how about the eight-inch meter? What would the charge have amounted to at the old rate down to the current reading?

A. To the current reading it would have been \$917.38 under the new rate.

Q. What would it have been under the old rate?

A. \$400.81.

Q. Now if you combine the two bills and bring them up to date what would have been the total charge under the new rate for both the four-inch and the eight-inch meter?

A. \$2,288.39.

Q. As compared with what amount as charged under the old rate?

A. \$1,008.74.

Q. And what is the percentage of that increase?

A. The percentage over the old rate is 126.87 per cent.

Q. Roughly, it is 127 per cent.

A. 127, yes sir.

Q. Have you anything else that you wish to say in regard to the increase in bills or other matters?

MR. LIPPKO: No, I think I have taken up everything, Mr. Evans, on the whole subject of these bills.

Q. What have you to say in regard to the general attitude of the community in this situation?

A. They are very much incensed over the increase. It seems some were paying for water consumption and they had additional fixtures put in their homes under the old company which they were not charged for, and with that increase being put on by the new company on the bills along with the in-

crease on the new rate this ten per cent penalty, it seems to be a great deal to them.

MR. TURNER: Do I understand that Mr. Lippko says there were consumers that had fixtures they were not paying for?

A. Some of the consumers had fixtures put in in January, 1928, and the old company was not as strict as the new company, which gave this new company a very big increase on the fixtures along with the increase in the new rate.

MR. MEMOLO: This Duchess Underwear Company, how many employees do they have?

A. I don't know.

Q. You don't know the average number of employees then, either?

A. No I do not.

MR. RHODES: What is the nature of the business?

A. I think they are in the underwear manufacturing business.

Q. Is it knitting or weaving?

A. A knitting mill, I believe.

MR. TURNER: Can you tell me under the old rate on the valuation the company had what return it showed?

A. That I have not figured out myself.

Q. Is there anybody here that has that?

MR. EVANS: We will have that tomorrow. We are taking up the rate increase today and will take up the valuation tomorrow.

FATHER JAMES R. COX: How are you able to organize these people so well?

A. We have meetings arranged in different districts and we have people to speak to them and we have different committees who go out and solicit membership, and in that way we increase our membership.

Q. There must have been real opposition right along then.

A. There was.

Q. From the very beginning?

A. Yes sir.

Q. They realized the injustice?

A. Yes sir.

BY MR. RHODES:

Q. Does each member pay some dues?

A. They pay a membership fee of one dollar or more per year.

BY MR. EVANS:

Q. There was a similar organization in Plymouth Township that covered the opposition to the electric rates?

A. I don't know that.

Q. What membership do you have?

A. I judge 19,000 and up.

BY MR. TURNER:

Q. How many consumers have you that take service from this company?

A. All of them.

Q. How many people are there in Scranton and Wilkes-Barre district?

A. 650,000.

Q. You have 19,000 in your group?

A. That is right.

Q. Are there any mercantile or manufacturing or industrials in your association?

A. Not that I know of.

Q. They are all small home owners?

A. That is right.

Q. Have you made any comparison of the rates you pay with what is paid in other districts of the State?

A. I believe Mr. Geiser can give you that. I don't have any data on that at all.

JOSEPH GEISER (Sworn)

BY MR. EVANS:

Q. Where do you live, Mr. Geiser?

A. Wilkes-Barre, 206 Hazel Avenue.

Q. You have been a resident of Wilkes-Barre some time?

A. All my lifetime.

Q. Were you at any time connected with the Spring Brook Water Company?

A. Yes Sir.

Q. In what capacity?

A. Secretary to the general manager.

Q. And you were in that capacity familiar at all times with these rates and bills of consumers?

A. Yes.

MR. TURNER: May we ask between what periods he was secretary?

THE WITNESS: From January 1, 1898 till 1900.

BY MR. EVANS:

Q. Now, Mr. Ceiser, can you tell us very briefly of the consolidations that have taken place among water companies up there within the last five years; are you familiar with that situation?

A. Within the last five years? Yes, they have consolidated the Spring Brook and its subsidiary, the North Mountain, with the Scranton Gas and Water Company, the Consolidated Water Company, the Hyde Park Gas Company and the Olyphant Water Company.

Q. And was the first consolidation that in which the Spring Brook Water Service Company was concerned, was that the first one that took place?

A. That is the one that took place in the last five years.

Q. And then subsequently the Scranton Gas and Electric was consolidated with that into the Scranton Spring Brook, is that correct?

A. Yes that is correct.

Q. Can you state approximately when this last consolidation took place?

A. They took charge of the property on the first day of October, 1927.

Q. That is, the consolidation between the Scranton and the Spring Brook.

A. Yes.

Q. I show you a photostatic copy of a printed notice headed, "Notice to the consumers of the Scranton Spring Brook Water Supply Company," and ask you what that is a photostat of?

A. This is a photostatic copy of the original rate schedule as contemplated by the new consolidation, which was not put into effect.

Q. You heard Father Curran's testimony?

A. Yes.

Q. Is his the paper that he referred to as having been printed and later destroyed?

A. This is the paper.

Q. And you have the original from which this photostat was taken, have you?

A. I have the original.

Q. This notice to the consumers provides for the following consumption charges: For the first 25,000 gallons, 30 cents per thousand gallons per month; for the next 225,000 gallons, 15 cents per thousand gallons per month; for the next 2,500,000 gallons, 10 cents per thousand gallons per month; all over 2,500,000 gallons, 8 cents per thousand gallons per month. Were those the rates that were actually put into effect on July 1, 1928?

A. No sir.

Q. I show you a printed sheet headed, "Notice to the consumers of the Scranton Spring Brook Water Service Company," and ask you what that paper is?

A. This is the one that was put into effect on the first day of January, 1928.

Q. And when was that notice sent out to the consumers, as far as you remember?

A. This was sent out to the consumers I think in June, 1928.

Q. June, 1928. And the consumption rate provided in this notice, which I understand is the actual rate that was made effective—that is correct, is it not?

A. That is correct.

Q. Provides for the first 25,000 gallons, 30 cents per thousand gallons per month, for the next 225,000 gallons, 20 cents per thousand gallons per month; for the next 2,250,000 gallons, 15 cents per thousand gallons per month, and all over 2,250,000 gallons, 5 cents per thousand gallons per month?

A. That is correct.

Q. In other words, the actual rate for large consumers, all over 2,500,000 gallons per month was under the new rates five cents per thousand gallons as against eight cents per thousand gallons shown in the notice which was not issued, and correspondingly the rates of the smaller consumers have been increased, the rate which was not issued provided for a charge of 15 cents per thousand gallons per month for any consumption between 25,000 and 225,000, and the actual charge put into effect was 20 cents for those consumers.

A. Correct.

Q. Have you checked the actual bills of consumers in the district to see what the effect of the increase has been.

A. I have.

Q. I show you a typewritten sheet covering tabulations of a number of bills, and ask you whether that was prepared by you or under your direction?

A. This was prepared by me.

Q. And that covers tabulations of some thirty-five bills, does it not?

A. Fifty.

Q. I think it is only thirty-five.

A. Whatever is on there; I didn't count them myself.

Q. I think it is thirty-five.

A. That is correct, thirty-five.

Q. And in taking those bills, the first one is the bill for A. Tissot.

A. Correct.

Q. 224 Danna Street. The first column shows the amount of \$18.00, what does that mean?

A. That means the old rate to the old company.

Q. The next column shows \$23.50, what does that exemplify?

A. That means the increased fixtures charged at the old rate.

Q. Increased fixtures charged the old rates. The next column shows \$39.00.

A. That is the bill sent out by the company.

Q. Under the new rates.

A. Under the new rates.

Q. And similarly for each of these bills. What is the total of these thirty-five bills at the old rates without any charge for increased fixtures.

A. \$774.00.

Q. And what is the total of these bills at the old rate including increased fixtures.

A. \$1185.00.

Q. And what is the total at the new rate including increased fixtures.

A. \$1640.66.

Q. What is the percentage of increase this new rate is over the old?

A. 107.2. Now, for the information of the Committee, probably it is good for you to get this, Attorney John R. Geyer, fighting the rate case, for six months attempted to get at the hidden revenue of this company. They promised to allow a certified accountant, J. F. W. Heinbokel, of Scranton—they promised to let him go into the company's office and make an investigation as to the hidden revenue and every time Mr. Heinbokel came they refused him admittance. For six months the attorney was unable to get at this hidden revenue, so he sent for me one day to come to Harrisburg, and he asked me if I could get the hidden revenue. I said, Yes, I have a house full of bills that the people have brought to me." When these bills were first mailed, they were mailed at the beginning of February, about the tenth day of February, and prior to that there were no bills made out, so that when these bills were mailed out, and the amounts were so enormous the people brought them to me and asked me to check them up and the result was that a lot of these bills remained in my possession. Some of them have no increase whatsoever, were paying the old company more than they were entitled to pay, but didn't know the difference, so I told him I would tabulate these, and I tabulated them and brought him down four copies, just like this one here, and when I brought them I brought the bills with me to show that the bills were absolutely in accord with the copy here. He said, "That is what I want. That is the most important part in the testimony." He said, "This shows you the actual increase, the hidden revenue and everything." "Absolutely," I said to him. This was put up in front of the Public Service Commission and we almost got into fight, me and the attorney for the water company. He put his fist under my nose, and he said, this is not going out over the air, nor does it go into the papers. I got mad myself, I put my fist under his nose and said that it was going over the air and that I was going to put it into the press myself, which I did, but nevertheless it was stricken out of the record by the Public Service Commission. You won't find it there.

BY MR. TURNER:

Q. Was it offered in evidence?

A. This was offered in evidence and taken off afterwards. This shows that the increase here is 59.3 per cent over the old rate without increasing the rates whatsoever.



BY MR. EVANS:

Q. Just for the increased fixtures?

A. Just for the increased fixtures. After making a thorough investigation—you will find in the record of J. F. W. Heinbockel's testimony, that his investigation showed that they received 43.2 per cent, without an increase of rates. That is the reason this was compiled.

BY MR. TURNER:

Q. Were those fixtures in these dwelling houses, or were they not?

A. They were in, that is, I didn't make an investigation, I took this in accordance with the bills and what they told me, asked them whether they had these fixtures, and if they had, I charged them accordingly with the old rate.

BY MR. EVANS:

Q. In other words, Mr. Geiser, if the company had left in effect the old rates but had charged for the additional fixtures which had been overlooked perhaps by the old company, they would have gotten an increase in rates on this basis of 53%?

A. Correct.

BY MR. CRAWFORD:

Q. Figuring there as you did on the increased fixtures, would you call that an increase in the rates?

A. Well—

Q. Or did the company just get what was coming to them at the old rate?

A. Well, they are fixtures that this company charged for in the schedule that the old company never listed or never charged for, such as a steam boiler. The old company never charged for any steam boiler.

BY MR. TURNER:

Q. Was it in their schedule of rates?

A. Not when I was with the company, but I understand that it was put in later on, but they never charged for that.

BY MR. CRAWFORD:

Q. I understood from your statement there that they charged up for stuff not on the books, is that correct?

A. Correct.

Q. Would that be an increase in the rate, or the company just getting what was coming to them under the new rate?

A. An increase in revenue.

I have here also a letter. Now, this was written to a gentleman in Wilkes-Barre. Sometime in May he addressed a letter to the Public Service Commission, and this is the reply from the secretary.

Dear Sir:

"The rate charges for service have no relation to, nor will be controlled by the purchase price of stock, nor can such purchase price of stock have any legal effect upon the rate charges.

Rates are based upon actual value of property, and not upon any inflated prices which a holding company may pay to secure stock control.

Our jurisdiction is in no way influenced by a charge of stock ownership, and such a change therefore does not require a commission approval.

Yours, John G. Hopwood.  
Scry., P. S. C."

I think it is the 8th day of May. It was published on the 13th day of May.

Q. 1927?

A. 1927.

Q. And what change of stock ownership was then being made or contemplated in connection with the situation?

A. At that time the Federal Water Service Company had been going around Luzerne and Lackawanna counties purchasing stock in the old company.

Q. That is, the stock of the Spring Brook Water Company?

A. The Spring Brook Water Company. They called on a gentleman in Wyoming who had purchased, about nine years prior to that time a block of stock in the Spring Brook Water Supply Company, for which he paid \$7,500. The gentleman came over there and wanted to buy that stock, and he refused to sell, stating that that stock was a very good investment; it was paying 7½ per cent on his money, and he refused to

sell, because he couldn't invest his money in any other proposition better than he had it already invested in. So he left, and came back again; he came there about four or five times. So, at last this gentleman said, "Now, you might just as well sell your stock to us, because we are going to get the controlling interest in this company, and you will be out of luck, because," he said, "the Public Service Commission has guaranteed an increase of rates before we purchase any stock in this company."

BY MR. RHOADES:

Q. Do you know the name of the man who made that statement of the Public Service Commission, who guaranteed an increase in rates?

A. I was informed the other day his name was Ripley. Personally I didn't meet him.

BY MR. EVANS:

Q. Ripley, did you say?

A. Mr. Ripley.

BY MR. RHOADES:

Q. And what is the name of the man to whom the statement was made?

A. James Egan of Wyoming, and a relative of his told me this, and I wasn't satisfied. So, I sent some friends of my own over there to make this investigation and find out whether it was true, and they reported back that those statements were made.

Q. And that was before the purchase by this outfit?

A. Yes.

BY MR. EVANS:

Q. What was the name of the owner of that stock, James Egan?

A. James Egan of Wyoming.

Q. How is that spelled?

A. E-g-a-n.

BY MR. TURNER:

Q. What is his address?

A. Wyoming, Luzerne County

BY MR. RHOADES:

Q. He is not here today?

A. No; the gentleman is very old, but I have a friend of mine who made this investigation, who will verify that statement.

Q. Did he sell it or keep it?

A. He sold. He got \$15,000 for his \$7,500 worth of stock.

BY MR. CRAWFORD:

Q. Do you know the name of the man who made the statement that the Public Service Commission guaranteed it?

A. No; I couldn't tell you.

Q. Mr. Egan knows it?

A. No, I don't think he does. I don't think he mentioned his name. He simply stated that they had a guarantee that they would get an increase in rates.

Q. Do you know the gentleman to whom he was talking?

A. No; outside of the fact that he had his name on a paper or something like that.

BY MR. EVANS:

Q. Perhaps I misunderstood you. I understand you to say that the man's name was Ripley?

A. Ripley, I understand. Someone told me a week ago he was the gentleman who made that statement. Who he is, I don't know. I never met the gentleman.

BY MR. RHOADES:

Q. Is he connected with the Federal Water Supply Company?

A. That I can't tell you. There was another fellow that made another statement; I have forgotten it; but I am not going to say anything, I looked for him last week, but I couldn't find him, I wanted him to come down here and state it himself.

BY MR. EVANS:

Q. As I understand it, this man whose name you say is Ripley was an agent of the concern that was trying to buy Mr. Egan's stock?

A. That's it.

Q. And in the course of the conversation he made this statement that you have referred to?

A. In the course of the conversation; yes.

MR. EVANS: I just wanted to be sure I was correct.

BY MR. TURNER:

Q. When was this transaction, approximately?

A. That was in 1927.

MR. RHODES: I think a man of that kind ought to be brought here.

The WITNESS: Well, we can probably find out where he lives. We will make an investigation and bring him for you.

Now, those are some of the things that Father Curran didn't touch on. I brought them along with me.

BY MR. EVANS:

Q. Proceed.

A. Those are some of the firms that have sent them to me.

Q. You have here certain bills—

A. Yes.

Q. —of industrial concerns in the community who have sent for you in connection with their water charges?

A. Correct; and they stated to me that unless we would lick this company they will be compelled to pull up stakes and get out of the community, because they couldn't stand the increases.

Q. "Company" referring to the Scranton Spring Brook Water Company, I presume?

A. That's it. They referred to the Scranton Spring Brook Water Company, yes.

Now, here is one concern that worked full time; the Fromberg Silk Company of Pringle (that is over at Kingston). In December, 1927, their bill run—for the last three months, rather in 1927 the bill averaged \$19.22 per month working full time. Now, from December to March, 1928, the average was \$20.51.

Q. This is in 1928?

A. This is in 1928, the first three months; and from March until July, 1928, the average per month was \$20.40.

Now, from July until October, the average was \$20.37, but under the new rate, which wasn't put into effect at the time, the average would have been \$49 per month from \$20.37; and then from October to December 22nd, which is another three months, 1928, the average was \$24.10 under the old rate, and under the new rate \$55.63 per month.

BY THE CHAIRMAN:

Q. Repeat those figures, if you please?

A. Under the old rate \$24.10 per month; under the new rate \$55.63 per month.

BY MR. RICHARDS:

Q. Is that an entirely new rate or does that include fixtures not charged for?

A. That is a meter bill.

Q. That is a meter bill?

A. Yes. This is a small silk throwing concern in Kingston.

Q. How many employees do they have, approximately?

A. Well, I don't know. I would judge probably about 200. Now, for March—

BY MR. CRAWFORD:

Q. Is that mostly made up by the increase in the price of water for—

A. The increase in the price of water. You will notice that the monthly bills run practically always alike, and the rest is the increase in the price of water. Now during that time they were working full time. When I went over and got this they were working about one-half time, and the last bill that I got from them they were working half time, and the new rate only; I haven't got the old rates; \$58 per month. Otherwise it would run about \$116 per month if they worked full.

BY MR. HAGMAIER:

Q. \$58, on half time?

A. Yes.

Q. They had better work at full time at \$58.

A. But, you see, that is where they went up again. And, here we have Edward Johnson, 103 Gillingham Street.

BY MR. EVANS:

Q. That is in Wilkes-Barre?

A. That is in Wilkes-Barre.

Q. Is that an industrial consumer?

A. It is a small machine shop employing fifteen men altogether. They have a sprinkler in there, for which they were paying \$18.75 a quarter or \$75. a year, and they raised his sprinkler from \$75. to \$325 a year or \$81.25 a quarter, against \$18.75. Now, this man took my advice and refused to pay the bills when I advised the people they refuse to pay after they started coming out about the tenth of February, 1929, and they attempted to come out there and shut off this man's sprinkler system, and when they came there he came outside—he happened to be home—"What are you going to do?" "We are going to shut up this sprinkler system." "No, you aint." "Oh, yes we are." He says "you are not going to shut it off." "Why aint we?" "Because there are fifteen men inside who are raring to go. And now, you just attempt to shut it off." Several weeks after that one of the officials of the company came to this gentleman, Mr. Johnson, and made a settlement with him at the rate of \$100 a year against \$325, their schedule. And that is the one that Father Curran spoke about.

BY MR. HAGMAIER:

Q. I would like to ask you right on that point, have they made the same kind of agreement with other people for a reduction of the bill without the consent of the Commission?

A. I have heard, but I can't give you the names of any, they have made the same kind of agreement.

BY MR. RICHARDS:

Q. You say that this man's name is Johnson, with whom they made the adjustment of the bill?

A. He told me himself that they made it \$100.

Q. The rate schedule—

A. The rate schedule calls for \$325, and the old one \$75.

BY MR. CRAWFORD:

Q. Is that the approved rate by the Commission?

A. The approved rate by the Commission is \$325.

BY MR. RICHARDS:

Q. Did Mr. Johnson appear here today?

A. No.

Q. Where does he live?

A. He lives in the southern end of the city. I think he lives on South Franklin Street.

BY MR. EVANS:

Q. Wilkes-Barre?

A. Wilkes-Barre.

BY MR. RICHARDS:

Q. What is his name?

A. Edward J. Johnson. You can reach him at 103 Gillingham Street. That is where he has his machine shop.

Now, this is one that the Reverend spoke to you about. Here is the actual bill (indicating). The old rate that they had to pay was \$36 on the flat, and they were induced to put in a meter, stating that they would get their water rent for less money, and at the meter rates the water rent runs for one month \$81.38, or an average of \$975.56 a year.

Q. Is that a manufactory?

A. No, a small place in Hanover Township where they make sausages. Two men are working there. Now this is another silk mill (indicating, paper) where Johnson is. This silk mill is in the rear of Johnson's machine shop on Gillingham Street. They have motors in there also. The old rate for September, 1928, figured out \$17.00 and on the new rate \$39.00. The bills for November, 1928, from October to November figured \$11.96 for the old rate and at the new rate \$25.64. Then we have here one for January from the 12th of December, 1928, to January 2nd. They have it down, \$3.73, but they have the new rate down here for \$18.86. Then we have one for May, 1929, here under the new rate only \$21.96, and the next month it is \$24.16, the next month it is \$26.16. This is a small throwing plant where Johnson has his machine shop, in the same building.



BY MR. RICHARDS:

Q. What do you mean by throwing plant?

A. A silk throwing plant. Here we have some individual families. Here is a widow, Sophia Sovitsky, 350 Main Street, Wilkes-Barre. These are actual bills and the bills call for 0. show the charges for seven tenants, and the bills call for \$60.73. Under their rate schedule as filed the bills should be \$35.49, an overcharge of \$25.24.

BY THE CHAIRMAN:

Q. An overcharge?

A. Yes sir,

BY MR. BOWERS:

Q. How long do they cover?

A. Three months.

BY MR. RICHARDS:

Q. There would be no back charge in that?

A. That is for the actual three months there. Here is a gentleman, retired, now he has six tenants and for three months these bills call for \$90.57.

Q. On buildings?

A. Six small dwellings, they got it \$48.99 an overcharge of \$41.58.

BY MR. BOWERS:

Q. Are these on meter or flat rate?

A. Flat rate. This man here settled, they settled with him and he paid \$132.50, and they had him charged \$452.75.

BY MR. TURNER:

Q. Was the \$452 charge according to their rates?

A. Some of them are and some are considerably overcharged.

BY MR. RICHARDS:

Q. Will you let me see that specific bill that you speak of?

A. That includes all the dwellings.

BY MR. EVANS:

Q. Was that overcharge due to charging for fixtures that were in there?

A. That I cannot tell you, what the overcharge was for. I figure the overcharge to the consumers of the Spring Brook Valley territory on this list you have here, I went over them very carefully afterwards, and I find the difference between the new rate and the actual amount of the bills runs over two million dollars for the quarter.

BY MR. CRAWFORD:

Q. If that was due to an error, was the error corrected when found?

A. If you went there and fought strong enough it would be corrected.

BY MR. EVANS:

Q. When you say that it amounted to two million dollars, do you mean that you applied that same per cent of errors to all the consumers?

A. Yes, sir, in that division. Here are some that have been paid and the rest have not been collected. This is a widow lady living in Nanticoke. She should have paid \$13.00 under the old rate but paid \$27.75.

BY MR. BOWERS:

Q. What is this discrepancy due to?

A. Errors in their bills.

Q. Are they clerical errors?

A. Whether they are clerical errors or Deliberately made I don't know, but every bill seems to have an error and the error is always in favor of the company.

BY MR. TURNER:

Q. How did you figure the error?

A. I took the fixtures into consideration and the number of people in the home and figured out the bill in accordance with the rates.

BY MR. RICHARDS:

Q. On the old rate or the new rate?

A. Some are figured on the old rate and some on the new rate. Here is a widow lady—

MR. EVANS:

Q. When you rechecked these bills you have used the rate which was applicable at the time of that bill?

A. Yes sir. This one was figured on the old rate and here is one which was figured on the new rate.

BY MR. CRAWFORD:

Q. What is that error?

A. It shows here.

BY MR. BOWERS:

Q. Could those errors be due to the figuring you did. Is it a difference in the figures you used and the ones they used or where is the error? What did you base the error on?

A. Why, they charged this lady \$2.50 a quarter for a hydrant at the new rate, \$10.00 a year, and they have charged her \$2.00 for six months in addition where they should have charged her \$1.00 for that period. They were retroactive.

BY MR. EVANS:

Q. That is up to January 1st, that is from January 1st to April 1st, 1929?

A. Yes.

Q. This is during the period that the retroactive order of the Commission was effective?

A. Yes sir. We have here a \$2.00 extra which was put on her for which they claim they found an extra fixture. The extra fixture could be nothing but a toilet, and for this period it would amount to \$1.00 and they charged her \$2.00. On the next bill is the same thing. On the next bill they charged \$2.50 and it should have been \$1.50.

Q. Did you take any of these complaints up with the company to see what the explanation was?

A. No sir, those were paid before my attention was called to it. The next one is for \$2.50 and should have been \$1.50, the next one is the same way. Now this one here is figured entirely on the new rate and is paid for and receipted for and everything.

Q. Whose bill is this?

A. Mrs. Catherine Franks.

Q. What is the address?

A. This is a double block which she owns. She lives at 220 Hazel avenue, which is her home. She has a barber shop in front in the home run by her son, and she has a double block of 431 and 433 South Main street, Wilkes-Barre.

Q. What are the dates of those bills?

A. These bills are January 1st, 1929, to April 1st, 1929. Now figuring this in accordance with the rate schedule allowed by the Public Service Commission the 21st day of December, 1928, and in accordance with the schedule printed here and allowed by the Commission, this lady should have paid \$34.86 but she actually paid \$44.34.

BY MR. RICHARDS:

Q. On what rate, Mr. Geiser?

A. The flat rate. Those are the conditions that we find all through the Wyoming Valley.

Q. Let me see that one with the six dwellings? (Paper handed to Mr. Richards by the witness.)

BY MR. HAGMAIER:

Q. What excuse do they make when they settle with you, or do they make any?

A. Since we organized and have been fighting them so vehemently, they don't make any excuse; they adjust anything we complain about except in the Pittston division. In that division they pay no attention to anyone that goes in there unless they see a Water League button on his lapel, and if they see that they will settle immediately.

BY MR. MOORE:

Q. If it is a fair question to ask, do they disregard the printed and allowed schedule in making those settlements?

A. Oh no. A settlement is generally made at the present time on the old rate because we have an agreement signed on the seventeenth day of December, 1928, in which they agree to accept the old rate until after a decision is handed down by the highest courts in the State of Pennsylvania.

Q. If I get you right—there were some that were settled then for less

A. Yes sir. This Mr. Johnson they settled with him and agreed to take \$100.00; which was agreeable to him.

BY MR. EVANS:

Q. Was that on the old rate?

A. No, the old rate was \$75.00 and the new rate allowed by the Commission is \$325.00 which he refused to pay and then they agreed to accept \$100.00.

BY MR. HAGMAIER:

Q. Did they give him a receipt for \$100.00?

A. In full for \$100.00.

BY MR. TURNER:

Q. Were complaints made to the Public Service Commission about those overcharges?

A. Yes sir, I did myself.

Q. Were they verbal or written?

A. Verbal, right in the hearing.

BY MR. MOORE:

Q. Was any complaint made of these settlements under the schedule?

A. No sir, I don't think that it was.

BY MR. EVANS:

Q. Have you any idea at all as to how many citizens of the community have come down to the hearing here today?

A. Close to two thousand.

Q. How many bus loads came down this morning?

A. Thirty-five or thirty-six.

Q. Are these people paying their own expenses down?

A. They are paying their own expenses.

BY MR. MEMOLO:

Q. Mr. Geiser, when they asked for a certificate from the Public Service Commission—when they asked for a certificate of public convenience, they certified here in Section 4 that the purchase of the franchise of the Scranton Company, the Scranton Spring Brook Water Service Company, will permit unification of the operations of the company and result in economical and simplified operation of property, will avoid the burden of making numerous separate reports and returns, particularly in relation to Federal and State taxation, will benefit the service now being rendered to the public, and will permit of a more economical basis for financing the existing indebtedness of the companies, upon refunding thereof, and future capital requirements for additions, extensions and improvements to and in the properties of the company. Now, I believe when this certificate was asked for, didn't the people up there in that territory feel that in making this merger they were going to get a reduction in rates instead of an increase, on the basis of this section here?

A. On the basis of that section we should have received a reduction. That is the way we understood it. This is the kind of reduction that he promised us in the presence of council in the city of Wilkes-Barre. They published a full page advertisement asking the people in the city of Wilkes-Barre to be present at a certain council meeting in June, 1928, at which Isaac B. Walker, who was president, was going to explain to the public in the city of Wilkes-Barre and suburbs how they could receive their water for much less money than they paid heretofore for the same. Of course, I was inquisitive myself, and I was there in the Council Chamber, there was a crowd of probably 75 to 100 people or more, in there, and Mr. Walker was invited to address Council as well as the public there. So he said they did not contemplate making any increase whatsoever when they purchased this property, but they were compelled to make an increase because certain citizens of the city of Wilkes-Barre had seen fit to file a protest against an increase which was not to take any effect whatsoever, it was not contemplated, but he said since they had filed this protest, they are compelled to employ attorneys, and the result is they have got to pay these attorneys, and that means that they have got to spend more money, consequently they have to get an increase in rates. That was his explanation. When he made that explanation I got up and I showed him this schedule. Now, I said, this does not verify your statement. You said that you did not contemplate any increase in rates whatsoever.

BY MR. EVANS:

Q. Now, when you say this schedule, you mean—

A. I mean the one that was destroyed.

Q. The notice to the consumers which was never issued?

A. It was never issued. When he saw that, he got as red as a beet, he didn't know what to say, because he had figured that every one of these had been burned up, that was the understanding, that everyone was destroyed, and none of them were out in the hands of the public, but this one here escaped the burning. So when he saw that, then his excuse was that the old company did not make more than 4% on their investment, and consequently they were compelled to increase the rates. Well, I and several men there testified that they received 7½% on their investment. In addition to the watered stock that was issued by the old company. When he could not get away with that, he said the reason they had to raise the rates in the Wyoming Valley was on account of the enormous mine cave-ins. He said, "We have had 8,000 mine caves." I looked at him and said, "My God, how long have you owned this company?" "Eight months." "And you have had 8,000 mine caves in the last eight months?" and he said, "Yes." I said, "You are the best natured liar that ever came to the Wyoming Valley." You can contemplate it for yourself, if we had 8,000 mine caves, that would be 1,000 a month, and there would not be a house left in the Wyoming Valley on the surface. Well, he got real mad, and he said, "We are going to raise these rates, and we are going to get this money, and we don't give a damn how we get it." That was his expression. During this discussion he also tried to show the people how to get their water rates for less money. "Now," he said, "according to our schedule, you people, all you have to do is to allow us to meterize your homes, and you use 3,000 gallons of water a month, and our rate being 30 cents a thousand, that is 90 cents a month, and our ready-to-serve charge being 97 cents a month, that will be \$1.57 a month, and that is less than you are paying now." So I disputed that, I said, "That is more than I am paying now, because I am paying now \$18 for an ordinary home—"

BY MR. EVANS:

Q. Per year?

A. And according to the way you figure it, it would be \$18.84, and then if I take your advice, that would enable me to take about one bath a year, and if I took more, I would have to pay considerably more. Well, that didn't go down his craw. I met Mr. Walker in the Hotel Sterling about three weeks after he took charge of the Spring Brook System in the Wyoming Valley, I was introduced to him there, and he didn't know me at that time, nor did I know him, but we had several drinks together, and some people when they get a drink of anything outside of water, they become very talkative, and others shut up. So we got to talking about this water proposition, and in the conversation that we had in this hotel this evening he told me how they had put it over on the people of Chester, Pennsylvania. He said, "We went into the city of Chester and we purchased the waterworks, and we went around to show the people how they could get their water for less money by putting meters in there." Then he said they were successful, they all put in meters, and, "After we had Chester meterized, we went to the Public Service Commission and doubled our rates." "Now," he said, "we have got them right by the throat, they have to pay for their water or they don't drink." That is what he contemplated doing in the Wyoming Valley. Of course, when he talked to me, I think he talked to the wrong chap.

WILLIAM H. GILLESPIE sworn.

BY MR. EVANS

Q. Mr. Gillespie, you are a member of the bar of Luzerne county?

A. Of Luzerne county, I am.

Q. And you are chairman of the Law Committee of the Water League Association?

A. Of Luzerne county, yes.

Q. You have been familiar with this water situation in the vicinity up there?

A. To a certain extent, yes.

Q. Have you anything to add to the testimony that has already been given here in regard to that situation.

A. Nothing in particular. No. I am only familiar with the legal aspect of it. We had charge of the preparation of the case, which was presented at the Public Service Commission, by way of appeal for the complainants, the united municipalities of Luzerne county, in conjunction with the municipalities of Lackawanna county.



Q. Did you take any legal steps in this case to try to protect the interests of the consumers.

A. Yes, through this organization, through this executive committee, or law committee as you might call it of Luzerne county, and as I said in connection with, or conjunction with those of Lackawanna county, we prepared appeals in the various municipalities, with the assistance of the solicitors of the various municipalities and school districts, townships, boroughs, and cities, and those appeals are now pending before the Superior Court.

Q. You were formerly the mayor of Pittston.

A. I was from January, 1926, to January, 1930. I am now city solicitor of the city of Pittston.

Q. And I understand you also helped raise funds to make this fight for the consumers.

A. Yes, that was part of my work, yes. Mr. Loveland, attorney Loveland, is treasurer of the committee.

Q. Have you anything to say as to your own experience with the increase in rates.

A. No, only in a general way, knowledge I obtained, general knowledge.

Q. I mean, what for instance has been the increase in the rates in your own bills, have you got them.

A. No, I am not rich enough to own a home, I rent. The landlord pays our rent. I know in Pittston city they raised the rates as testified to here, \$20.00 for fire plugs to \$30.00—or \$55.00 I am not sure which.

Q. It was \$55.00.

A. Yes.

BY MR. EVANS:

Q. Would the members of the committee like to ask Mr. Gillespie any questions?

Are there any other ladies and gentlemen who have come down to this hearing who care to be heard briefly, just to state what your own experience with the increased water bills has been. We don't want to cut anybody off, and we don't have the names of a number of people who may perhaps want to be heard.

THE CHAIRMAN: Mr. Evans, Mr. Hagmaier would like to recall Mr. Geiser.

JOSEPH GEISER recalled.

BY MR. HAGMAIER:

Q. Mr. Geiser, you have been in the water business for sometime, have you not?

A. No, I have not been in it since 1900.

Q. You have had some experience.

A. Oh, yes.

Q. Then would it be your idea that the consolidation of all of these companies would be to put the company to less expense for operation of office work, and all the various things, that the rates should really have been decreased rather than increased?

A. Absolutely.

Q. And in this petition here of merger they state plainly that they were taking over all the companies and all this work would be consolidated, and therefore their operation would be less expensive, and therefore the general public in that vicinity should reap a benefit by this consolidation.

A. Yes.

Q. You have not received that benefit?

A. We have received it the other way.

BY MR. TURNER:

Q. Would that opinion be sound legally?

A. That was for the purpose of consolidating the companies.

Q. I understood you to say that in the operation cost they could not determine whether the rates could be reduced or not?

A. Well, if you consolidate—we consolidated the two companies in 1896. The Springbrook Water Supply Company was formed first to take possession of the Wilkes-Barre company, and take possession of the Crystal Spring Water Company, and Kingston, and Plymouth and several others. The Wilkes-Barre company charged \$6.00 a year for the first faucet and \$4.00 a year for a toilet, but we used to have water six months out of the year. The other six months, in the winter time, we would have to melt snow or procure our water elsewhere. The result was that the Lehigh and Wilkes-Barre Coal Company

laid their mains throughout the southern section and the heights section in the City of Wilkes-Barre, and furnished the people with water there, and we all left the old Wilkes-Barre company and tapped onto the Crystal Spring. We got water at \$6.00, the same as the old company and \$4.00 for a toilet, and then, through one of our councilmen, the company was compelled to put in a meter plant at Huntville, which cost them \$68,000. That broke the old company, because they lost all their consumers through the Crystal Spring Company coming in, and the result was they went on the rocks, and the Spring Brook was a small company furnishing water in the upper end of Luzerne county and a portion of Lackawanna county, and they came in and merged the Wilkes-Barre, and the Crystal, and Plymouth, and Kingston, and several others; built a dam at Mill Creek; put up a pumping station on the Susquehanna River to give us a supply of water at once, and two years later they raised the water rate from six to eight dollars. We added \$2 to the original spigot. It was contemplated raising it to ten, but I being in the directors' meeting when the discussion was taking place, I fought that very vehemently, and told them if they raised it from six to ten dollars the people would refuse to pay this increase, and the result would be that they would have a fight on their hands. Tom Watkins, one of the directors, said, "if they won't pay, we will simply shut off their water," and the argument became very vehement, and finally President L. A. Watres, he got up in this directors' meeting, and he said, "now, listen, Tom, don't get up on your ear. If we raise this water rent from six to ten and the people become united, we are not going to collect that \$4. An individual fighting a company like us hasn't got a leg to stand on." He said, "We will shut off the water, but—" he said, "if they become united," he said, "you aren't going to shut off their water." He says, "Do you realize, Tom, that they pay us \$4.50 for the corporation cock that is attached to their main and the lead, and that is their property, and we have no right to touch their property. You can't shut off their water." Now, he says, "if they become united, we can't shut it off," and he says, "I won't stand for anything except \$2." That's the reason we got the \$2 rate, and they did become united and had a committee of people in Wilkes-Barre and vicinity looking up the territory and trying to find ways and means to take this property, but finally we got rid of the committee. There is one man from Wilkes-Barre here to-day who stuck to that committee all along, but that's the reason we didn't get a four dollar increase in 1898.

BY FATHER COX:

Q. Do you find many bills through the error of the company? Do you find them by chance?

A. No; they were brought to me at my home. When the bills were first sent out, they couldn't understand them and they came to me knowing I was a former employe of the company, and asked me if those bills were correct.

Q. I thought that possibly they have taken thousands from those who haven't noticed it.

A. There is no doubt in my mind that they have taken it, because every receipted bill I have found so far is more than the rate calls for.

Q. It might be well to make an organized effort at this time. You need the money up there.

A. You bet we need it.

MR. EVANS: If the Committee please, I think this finishes the testimony that we had in mind in regard to the rates, and if the Committee is willing, to-morrow we propose to take up more fully the question of valuation, and I think Mr. Loveland, who was referred to here to-day, is expected to be down to-morrow, and we could take up other matters.

MR. TURNER: It seems to me Mr. Chairman, that the Committee ought to get together and first see what Mr. Evans has to say, and then we can determine what we have to do. We have a few minutes.

MR. RICHARDS: How many witnesses will there be on the rate proposition tomorrow?

MR. EVANS: Tomorrow I don't expect to take up very much in regard to rates. It was more a question of the valuation and the financial set-up of the company.

MR. RICHARDS: Is there anybody here in that connection?

MR. EVANS: I think not. Nobody is here now.

Adjourned to meet at the call of the Chair.

COMMITTEE OF INVESTIGATION ON RESOLUTION  
No. 10.

Pursuant to the call of the Honorable D. Glenn Moore, the Committee met in the House Caucus Room on Friday, March 6th, 1931, at 10.30 o'clock a. m.

There were present:

Messrs. D. Glenn Moore, Chairman,

Louis W. Hagmaier

in Memoriam

Crawford

Esq. R. Cox

Esq.

Esq.

CHARLES N. LOVELAND, sworn.

BY MR. EVANS.

Q. Where do you live?

A. Wilkes-Barre, Pennsylvania.

Q. And what is your occupation?

A. Lawyer by profession.

Q. I think you have served as one of the city commissioners of Wilkes-Barre?

A. One of the original commission in 1913, and then again in 1918 and 1919, a second term.

Q. You are also, I believe, a member of various boards and so on in Wilkes-Barre, are you not?

A. I have been devoting quite a considerable amount of time recently to that work.

Q. What are some of the boards you are connected with?

A. The General Hospital, on the executive committee; the United Charities, first vice-president; the Welfare Federation; and I have had official connection with that since it was started.

Q. And you have interests in Wilkes-Barre.

A. Yes, largely real estate matters.

Q. Are you at the present time active in a political way at all?

A. I gave up, after three campaigns for mayor, I am not in politics any longer—unsuccessful I might say.

Q. Now, will you be good enough to tell the Committee a little bit of the physical situation, describing the territory served by the Scranton Water Company and the territory served by the Scranton Gas and Electric Company, so that we can get a little picture of that?

A. The northern coal field map gives a fair idea of this whole territory. It extends from Forest City south to Nanticoke, a distance of about fifty miles. The line of the two districts is in the southern part of Scranton. The Spring Brook territory extends from the lower part of Scranton including a part of it, south to the end of the coal measures, practically. That territory in the Wyoming Valley is very thickly settled, and it is only about four miles wide; has mountain ranges on both sides and streams from the mountains running down into the valley emptying into the Susquehanna, all along this narrow valley. In this Spring Brook territory is a population of 400,000 people; it is very thickly settled. There are about forty municipalities in that district.

The reason for the number of municipalities is that the communities grew up around the collieries, and then many communities merged together; forming in this territory, counting Scranton, four cities. Of these forty municipalities, thirty-five of them are in Luzerne County, and five or six of them are in Lackawanna County. The upper district is what is called the Scranton District, and was covered by three water companies, the Scranton Gas and Water Company, the Olyphant Water Company and the Consolidated Water Company. These three had been merged and were operating together before this merger took place, which was about three years ago. The upper district of Scranton is rolling country, is not a narrow valley, and the population is very much smaller, something over 200,000. To show that these figures are right, the number of domestic consumers in the Spring Brook District is 81,000, and the number of consumers in the Scranton District, including the three water companies is 41,000. The height or elevation of the Scranton territory is several hundred feet higher. It is not the same situation with regard to the furnishing of water and it was developed absolutely differently from the development of the Spring Brook section. The

Spring Brook Water Supply Company was a very efficiently developed and handled business. The Scranton, Olyphant and Consolidated had not the same efficiency of construction or handling. The values of the two plants, according to the testimony of both the respondents's witnesses, all of their different groups of engineers, engineering companies that valued it, and also of the complainant's witnesses is almost identical. According to the respondents, each of the two plants were worth about \$27,000,000; according to the complainants, each of the two plants is worth about \$11,000,000. We therefore have two territories, one of them with 400,000 population and 80,000 domestic users, with an economically constructed plant, with natural resources furnishing those plants, furnishing a compact population in every item, making it a very valuable asset to any public utility, having a location in every way excellent for the public service of water. Not a gallon of this water is pumped. The elevation is so great that it runs down in the mountain streams all along the whole distance of 30 miles—35 miles, and the reservoirs were therefore built very economically in those gorges of the streams of this territory. The upper district, the Scranton Gas and Water Company was a pet of Colonel Scranton, who expended money lavishly in wonderful granite,—not granite, but stone reservoirs, parking, roadways, more extravagantly constructed, heavier pipes, deeper trenches, did not attempt to save money in his management in any way. It was also metered, so that the cost of maintaining the meters and the cost of reading those meters, their maintenance expense was several hundred thousand dollars a year more than the Spring Brook territory, although the Spring Brook served a much larger clientele.

Q. Mr. Loveland, then if I understand you correctly, the engineers were agreed that about 50 per cent. of the value of the consolidated companies was in the Scranton District, and 50 per cent. in the Spring Brook District?

A. Yes.

Q. And there also is no question that the population of the Spring Brook District is twice that, or approximately—

A. Practically twice.

Q. Practically twice that of the Scranton District?

A. Yes.

Q. And the ratio of domestic consumers in the two districts is about 2 to 1?

A. Yes.

Q. Now, was there anything more that you wanted to say on that particular question of the layout of the systems?

A. No.

Q. In September of 1927 I understand a complaint was filed against the rates of the Spring Brook Water Supply Company, is that correct?

A. Yes.

Q. Who were the complainants in that case.

A. A Dr. Tobias and a man named Gillis. Then, following the purchase of the Springbrook Water Supply Company on the 15th of September, that plant was turned over to the new owners represented by the Pennsylvania Water Service Company, I think it was.

Q. Now, the Pennsylvania Water Service Company is a subsidiary of the—

A. The Federal.

Q. The Federal Water Company?

A. Yes.

Q. And it acquired this system on September 15, 1927?

A. Yes.

Q. And shortly after that these complaints were filed?

A. Yes.

Q. What action did you take in regard to that complaint?

A. In the latter part of October I became an intervenor. I had been in charge of streets under the first commission form of government and was acquainted with the public utilities of the city and of the use of the street, and then, at a later time, I was in charge of the fire department and understood the connection and the use of water for fire protection. I had realized that the rates—I had also for years been—had known of the Springbrook Water as an investment proposition. We had held originally bonds in our family and the bonus stock, which cost us nothing, and I disposed of this stock when I became a commissioner of the City of Wilkes-Barre, so as to be absolutely free in dealing with public utilities. I, therefore, felt that it was wise to become an intervenor in this case.



Q. And you were allowed to intervene as a complainant in the case before the Public Service Commission?

A. Yes. Shall I describe the form that it took?

Q. Yes; if you please.

A. We were called upon to come to Harrisburg and appear before Mr. Ainey about the 6th of December and there we met the attorneys for Dr. Tobias and Mr. Gillis, and my attorney, and myself, and Mr. Ainey suggested—ordered the calling of an engineering conference, and turned us over to Dr. Snow, and we went—let me see; before we were turned over to Dr. Snow in the hearing before Mr. Ainey the Downs report was submitted as a basis for finding the value.

Q. Now, may I first ask you what the Downs report was?

A. The Downs report was the report made by Mr. Downs, who is now the head of Day & Zimmerman. He was then an employe of the Commission, and as a young man, made in about 1917 or '18 this report, and that was entirely an ex parte valuation; the public took no part; no objection being made to any of the valuations, and that was introduced as a basis for the values to be put, and the values, which had been expended by the company, were to be added to that. Our attorney, Mr. Geyer, entered his objection to that, as it was an ex parte valuation and was not evidence in such cases.

Q. The Downs report was made for the purpose of a certificate of valuation to be issued by the Commission in connection with the securities of the Springbrook Company?

A. Yes; that's right.

Q. Was this meeting, to which you have referred, with Mr. Ainey a public hearing of the Commission or was it a conference in his office?

A. It was in his private office, and a conference—we were sent from there to Dr. Snow's office with the idea of calling an engineering conference. That engineering conference was set up with Mr. John Lance, as my attorney, a representative of Mr. Parry—

Q. You mean engineer when you refer to Mr. John Lance as your attorney?

A. Yes; and a representative of the Commission and a representative of the water company.

Q. This Mr. Parry, that you referred to, was an engineer of the Commission, was he not?

A. No. A strange situation arose there. Mr. Parry was not known to the attorneys of Mr. Tobias and Mr. Gillis, and was not of record for them, although he was placed as their attorney. I then first heard him called as attorney for the Federal Water Company at that time. He was well known to those gentlemen but not to us.

Q. When you spoke of him as the attorney of Tobias and Gillis you meant engineer?

A. Engineer; that is right. I thank you.

Q. Do you remember what Mr. Parry's first name was?

A. I don't remember. Following that Dr. Snow insisted on rushing matters, and we had two days inspection of the reservoirs, going over the plant.

Q. Now, Dr. Snow is the chief of the bureau of engineering of the Public Service Commission?

A. Yes; and he insisted that the thing must be hurried very much, very much indeed. They met, and went over the plant for two days, and then the engineers were to gather and decide on unit costs. The engineers met, and did some little work, and then matters were slowed up, very definitely slowed up; a very noticeable slowing up, after a tremendous rush, there was no hurry. On the 5th of January I was called to the office of Chairman Ainey, and there I was requested to withdraw my complaint. Chairman Ainey stated that this—the figures that we were objecting to—the rates that we were objecting to were rates that had been in force for a number of years, and that we had the burden of proof in such a case; that we were at a disadvantage, and that it would be wise for us to withdraw, and he gave us the impression although he may not have definitely stated, that there was no question but that this company would increase their rates. I agreed to withdraw my complaint, and on the 7th I took it back to my attorney in Wilkes-Barre, and we signed the withdrawal; sent it—these dates are quite important; we sent it back to the Commission, and on the 9th it was presented to the Commission.

Q. That is, the 9th day of January, 1928?

A. The 9th day of January, 1928. On that very day the Federal Water Company purchased the Scranton district plants; the three companies. We were not aware—

Q. When you say the "three companies," were they not already consolidated into the Scranton Gas and Water Company?

A. Yes, but they are called by the three company names in all our evidence.

Q. Yes?

A. On the 21st of February the two companies, the Springbrook and the Scranton district companies, were merged. There was no information to any municipality or to any of the complainants, although that was given to us—I read from the order of the—I can read it, showing that we were supposed to have the opportunity to file complaints again.

When I withdrew it was reserving the right to file complaints against this company's rates. When the company's rates—by that merger it was made impossible for me to file complaint against any rates of the Springbrook Water Supply Company which went out of existence without notice to me and without notice to any of the municipalities interested.

BY MR. EVANS:

Q. May I interrupt a moment? Mr. Loveland, was this conference in Chairman Ainey's office on January 5th, and who else was present?

A. Mr. John Lance and Mr. John Geyer, my attorney.

Q. This was not a public hearing?

A. No, it was supposed to be confidential. Mr. Ainey took the position of doing a great favor in helping us out. I believe I should have been, if I had remained a complainant, I should have been notified of what was going on in the purchase of the Scranton-Springbrook Water Company, and of the proposed merger, but having withdrawn I was not notified and had not the right of being notified.

Q. May I ask when you say the Scranton Gas and Water Company was purchased by the Federal Water Company on January 9th I suppose you mean that the stock of that company or the controlling interest was purchased?

A. I understand that was a fact.

Q. Now, at the very time that you met with Chairman Ainey on January 5, 1928, the Spring Brook Water Supply Company had in contemplation an increase in rates, had it not?

A. I believe so.

Q. There was yesterday reference to a notice to the consumers of the Spring Brook Water Supply Company covering an increase in rates which was never issued and the notice destroyed. I show you a photostatic copy of that and ask if that is familiar to you?

A. Yes sir, I have seen it.

BY MR. HAGMAIER.

Q. What is the date?

A. It shows that it was to become effective on January 1, 1928.

Q. What was the date again of the withdrawal of your complaint?

A. The seventh it was, the date of my withdrawal petition, and the 9th of January, 1928,—

Q. You withdrew on the 7th?

A. The 7th day of January, 1928, and it was presented to the Commission on the 9th day of January, 1928.

Q. Now Mr. Loveland, I think it would be well for you to read into the record the letter that you received from the Commission in regard to the action of the Commission?

A. This is addressed to my attorney, John H. Dando, Esq., and is dated January 10, 1928. "In Re: Gilles and Tobias versus the Spring Brook Water Supply Company."

BY MR. EVANS:

Q. Does it give the docket number?

A. 71329. "Dear Sir: The Commission had before it at its executive session on January 9, 1928, the petition of the part of the complainant in the above entitled proceedings joined in by the intervenor praying for the privilege of withdrawing the complaint without prejudice should the respondent later file a new schedule of rates increasing the charges now made for services rendered. The Commission granted the prayer of the petition and directed that the record be marked closed." closed."

BY MR. EVANS.

Q. That is signed by whom?

A. Signed by John E. Hopwood, Secretary.

Q. Now, the Commission permitted the merger of the Spring Brook Water Supply Company and the Scranton Gas and Electric Company under date of January 21. What was the next development in this situation?

A. On the 30th or 31st of May new schedules were filed covering the Scranton-Spring Brook Water Supply Company to become effective July 1, 1928.

Q. Did these new rates provide for a considerable increase?

A. In many particulars, yes. It provided for an increase to the domestic consumers of 37½%. It provided for an increase to the meter users, we will say the medium size meter users, running from 100% to 300%. It provided a 300% increase for sprinkler system users. It provided for 175% increase on all fire plugs in the Wilkes-Barre district. I think that was a little more than in the Scranton district because of the fact that Scranton owned its fire plugs. It provided for a decrease of three cents a thousand gallons for the water users using beyond a certain amount a month. That meant, from expressions that I was able to obtain from some factories who were able to get over the line, that the dividing line was 9,000,000 gallons a month. The excuse given for that was that of the expense, that in large amounts it was a great deal less. In water it is very different from electricity because where a greater amount in mass is used the tremendous increase in the consumption of water required a greater storage capacity, it requires them to go further back with longer lines of pipe, it means a greater expense for the construction of this storage capacity. This does not work in the same manner that it does in electricity. The greater expense except for one thing, in the collection of bills, which is a minor detail.

Q. That is, the large consumer, in your opinion, in the water case is not entitled to the reduction of rates as he is in the electric case?

A. Yes sir.

Q. The rates that were to have been effective on the part of the Spring Brook Water Supply Company on January 1, 1928, provided for a rate of eight cents per thousand gallons for over two and one-half million gallons per month?

A. Yes. The other rate provided for a five cent rate for anything over two and one-half million gallons a month.

Q. That is, the rates were to be effective on January 1, 1928?

A. Yes sir.

Q. And there was in these later rates a corresponding increase to the small consumer?

A. Yes sir. The manufacturing interests of our community were most tremendously penalized.

Q. Do you know approximately what difference in the total rate would have been caused by the new schedule; first, in the Spring Brook district, and then in the Scranton district, revenue to the company I am speaking about, in round figures?

A. They testified to the fact that the increase in the Spring Brook territory under the new rates would amount to nine hundred and fifteen or nine hundred and seventeen thousand dollars per year. That the increase in the Scranton territory would be approximately five hundred thousand dollars per year.

BY MR. EVANS:

Q. Now, you are treasurer, I believe, of a citizens committee in Wilkes-Barre that has been interested in this situation, are you not?

A. Yes. I would like to bring out just one more point on this \$915,000 of increase. It developed in the trial of the case that a flat rate is prevalent in all domestic consumption in the Spring Brook territory, and inspectors were sent about and there was an addition to the income through this inspection of \$150,000 per year over the amount that was, by finding new taps in the houses which the old company had never added.

It was also testified to that there was \$91,000 due to the company for certain previously favored corporations, corporations which had sold out reservoirs and companies to the Spring Brook in their organization and had entered into contract that they should not be charged anything, or a very small amount, for their water. The company's witness testified that this amounted to \$91,000, which under the rules is a collectible amount.

That would make the Spring Brook territory increase from this addition to the schedule of rates, from the finding of new taps, from the collection which they were entitled to receive from these companies, about \$1,150,000.

Q. As compared with an addition of something like \$500,000 in the Scranton district?

A. \$500,000 in the Scranton district.

Q. Now, will you tell us a little bit about this citizens committee and what it is and what interests are backing it and so on?

A. During the month in which the complaints had to be filed, there were a number of gatherings of protestants, a number of organizations that took the matter over, business men who realized what they were facing. The group of the Pennsylvania Manufacturers Association met. I am very well acquainted with the president. I met with this group. We told them the situation. I was called upon to do it. And they agreed with me that they would stand back of me in a fight, retaining Mr. John Lance as the engineer and Mr. John R. Geyer as our counsel.

There was then a group of prominent business men that met at the Hotel Sterling and formed a committee of which the chamber of commerce head was the president, and an executive committee of that was formed, of which the then Mayor Gillespie of Pittston, who I understand testified yesterday, was the chairman of the executive committee. Mr. Joseph G. Schuler was chairman of a finance committee.

There were a number of business men and prominent people of the whole region on these committees. There developed at the courthouse another group, the solicitors of the 35 municipalities who were interested, and those solicitors developed a meeting and had several meetings at the court house. Finally I was asked to appear before that meeting, and I was made a sort of liaison officer between the two or three groups that were working together, and it was agreed that I should act as treasurer.

The solicitors said that they were willing to back me up in every way in this fight, and the business men also did, and added me to their committee, especially on the finance committee, as treasurer.

Q. And then I understand after the filing of these rates and before their effective date, a number of complaints were filed by the municipalities and individuals affected by the increase?

A. Yes.

Q. Were Messrs. Gillis and Tobias among those complainants?

A. They were not.

Q. Have they shown any interest in the proceedings since their original complaint was withdrawn?

A. They haven't. Their attorneys haven't taken an active part in the case either.

Q. Have you attended most of the hearings before the Public Service Commission in these cases?

A. Practically all of the hearings, extending from July, 1928 up to December 1929, held in Scranton, Wilkes-Barre, and the balance in Harrisburg. There was one or sometimes two hearings a month. Very few months were skipped. Those which I did not attend I read carefully the evidence, except the last few hundred pages. 7,000 pages of evidence were taken in the matter.

Q. When were the hearings concluded, if you happen to remember?

A. It was early in December, 1929.

Q. Do you happen to know when the briefs were filed in the case before the Public Service Commission?

A. I don't remember the date exactly, but they were filed sometime in February, I think.

Q. In the spring of 1930, that would be?

A. Of 1930, yes. February or March, 1930; and the oral argument was held in April, 1930.

Q. Before the Public Service Commission?

A. Before the Public Service Commission.

Q. When was the case decided by the Public Service Commission?

A. December 4th, I think it was,—I have it here—1930.

Q. December 9th?

A. December 9th, yes. I will correct that. December 9, 1930.

Q. Did you in the course of your attendance at the hearings get any impression as to the attitude of the sitting commissioners in regard to the case?

A. Numerous objections were made by both sides, as is customary in a matter of this sort. One that especially comes to my mind was an objection made by the—in regard to real



estate, in the hearing in Scranton. The Commission ruled a certain way and against the complainants, and the law was definitely in favor of the complainants, and they withdrew that decision on the following morning, having been shown that they were incorrect, and they ruled in favor of the complainants.

I should say that three-fourths or more of the decisions were in favor of the respondents. Generally—the impression was so great that it was commented on in the newspapers.

As the trial of the case grew—I would like to go into this—as the trial of the case grew, the confidence of the public in Wilkes-Barre, which had filed these complaints, began to wane. In January, 1929, a large number of—or the bills went out for the new rates, and an accumulation of the difference between the new rates and the old rates,—

Q. Back to July?

A. Back to July, which made the bills very large indeed, and at that time there developed the group who came here yesterday, who objected to the payment of those rates and were very greatly stirred up by them. They had not taken an active interest in this fight up to that time. Their attitude was one of absolute resistance. They believed they should not pay those rates, and they refused to pay the rates, until the company started to turn off water, and then they resisted that, riots occurred, almost occurred. This was entirely a different attitude from that group which had commenced their case before the Public Service Commission. They believed that was the right thing to do. The law had been laid down—the law had laid down that method to obtain redress, and that method was being followed out in the very best way that we knew. We were backed with funds, we were backed with ability, both as to attorneys and engineers, we knew that fact, and we presented the best case we knew how. We believed we would get redress for our case was so absolutely plain that we were betting on it. However, as the decisions were rendered, or were made in the hearing time and again, the remarks that developed among the conservative business people showed the change of confidence, until before the end of the time I would say that hardly one man out of ten believed that the Public Service Commission in the State of Pennsylvania is honest. Lawyers, business men, conservative men who have always been conservative, men like the treasurers of the hospital. The figures given to the Senate were not quite correct in that respect. The hospital paid in 1927, \$1,500 and they were called upon to pay in 1929 \$5,900.00 for water served to a charity. The figures I believe were correct, but the irritation and anger grew. Then it grew from one thing into almost discouragement. It was a question of correcting the funds to meet the expenses, that was the struggle which we had to make. These thirty-five municipalities had not all of them joined in the complaints, but of those thirty-five municipalities, I am speaking for Luzerne County, as it was agreed that Lackawanna County should collect for themselves, of those thirty-five municipalities twenty-eight contributed towards this fund, although not nearly that many appear as complainants in the paper book. There did come a time when the expenses amounted up, especially at the presentation of the complainants exhibits in May of 1929, and when our engineer Mr. John Lantz, was called for cross examination, following that, I believe there are fifteen hundred pages, of John Lantz's cross examination, and we were required to furnish at the request of Mr. Berne Evans, attorney for the respondents a tremendous amount of material. He had a force of men working night and day to gather this material, to bring it in the shape that was required by the company. It was at this time that the question of funds, when the amount of the cost of this hearing grew, when Mr. Lantz was required to hire men to do the work which he and his brother were unable to do, and they were working there all summer long of 1929, gathering this material for the cross examination. It was at that same time that by decision of the Supreme Court of this State, that \$60,000 was cut from the appraised valuation of the municipalities which were maintaining this fight. It meant a rearrangement of their whole financial position, and they were absolutely stranded, many of them, some of them practically bankrupt, because the valuation of coal under the surface is a very great part of their taxable value. At this time I understand Mr. John Fox Weiss, attorney for the Commission, stated that there were delays due to the fact that there were not payments made. I want to say that absolutely. There was never any delay in any way ~~due to the fact that there was not payment made. They were~~

gone, the Lantz Brothers, and our attorneys. I want at this time to bring onto the record the attitude of mind of Mr. John R. Geyer, who was our counsel, and who charged an insignificant retainer at the origin of the case, and refused to set any figure which he would finally charge. I have never been able to obtain from him what his charges would be. He had received during those two years and a half, or three years, very little, that if he had not been more or less independent, he could not have given his time, and the tremendous amount of time that he did give to this case. I will have to bring out again that he stated that he was interested in this case mainly from the fact of giving justice to the people, and that he would fight that case through if he never got a cent, and he fought it through to the end, and it was this matter that killed him, absolutely.

Q. How much money, Mr. Loveland, did your committee raise, or has it raised so far?

A. This Luzerne County Committee, we raised from the municipalities and the county of Luzerne about \$60,000. We raised from the manufacturers, who are also, remember, taxpayers, about \$9,000. We raised from sprinkler users about \$1,000, who were also parties paying money, and they had paid under the manufacturers account. We raised from business people in the city of Wilkes-Barre, stores, laundries, hotels, office buildings, and practically all the prominent business people in the city of Wilkes-Barre are contributors to our fund, and those are the funds which I account for as treasurer of this concern, that totalled practically \$71,000. Outside of that we raised probably \$4,000, which was spent, not under this treasurership, but the Municipal League has raised, as I understand it, between 18 and 20 thousand dollars, which has been spent entirely outside of this water fight, on this water rate.

BY MR. HAGMAIER:

Q. Is this League in Luzerne County too?

A. The Municipal League is entirely in Luzerne County, it does not extend into the Scranton area.

BY MR. EVANS:

Q. Do you have any idea at all, Mr. Loveland, what the total expenses to the complainants and consumers in connection with this rate case will be, taking everything altogether?

A. I could give an estimate. I have it pretty well figured out. I would say—before that I want to say that the Scranton municipalities—the Lackawanna County municipalities, which cover some of the Springbrook municipalities, have expended practically \$60,000 in their fight. There are—the amount of the unpaid bills is problematical. There are some charges, which were made to us, which our finance committee have not approved. We are uncertain as to what should be the compensation for Mr. Geyer. Possibly our total expenditures, if that was figured, would go about \$280,000 in the two districts, but I doubt, possibly not that much; between 250 and 280.

Q. And of that somewhere between \$135,000 and \$140,000 has been raised in the two districts, as I understand it?

A. Yes. I would like to bring this out: I was present when it was testified that up to October 1, 1920, the company had expended \$48,000 in their side of the fight. I would like to say this, this is one of the things that we wondered at the commission: Our attorney requested that the way in which this was spent should be detailed to us, as we were willing to detail every expenditure of ours, and they refused to do so, and the commission didn't press the matter. We should have been very much interested to know in what way this money had been spent. There are no expenditures for six months after that date.

Q. I understand that as the complaints were filed before the effective date of the raise, the burden of proof was put on the respondents to establish the fairness of the new rates, and, therefore, they presented their case first; is that correct?

A. Yes; that's right.

Q. And then, after they presented their case, the complainants presented their evidence, and you have referred to the testimony of the Messrs. Lantz.

A. Yes.

Q. After the complainants had finished their case, was the company allowed to introduce evidence in rebuttal?

A. The company was naturally allowed to introduce evidence in rebuttal, which, of course, should be confined to rebuttal of the evidence which we had presented in chief, on our side of the case; confined to rebuttal of that evidence. That was not done by the Commission. An entirely new valuation was placed upon it, on this total property, by Winston and



Company, which was introduced in late October, 1929, at the very end of the hearing. That report of those engineers was made in January, in the winter of 1928-29, and the report was in the hands of the respondents before they had closed their evidence in chief. They held it back, although it was practically not in any respect rebuttal; it couldn't be rebuttal of our evidence, because they didn't know our evidence at the time it was made. It was permitted by the Commission, that this be introduced, which is against all rules of evidence, of trial procedure in any court. The effect of this, as Mr. Geyer told me one month ago, just before he died—he said that that was what broke me down. The Commission required that he should go at once upon introduction of this evidence, with a lot of new material, possibly go in, and demanded that he go in and cross-examine within two or three days. They were trying to rush this case tremendously at this time. I know that he fainted in the trial of the case before the Commission. He revived and went on that same day. He says that it was that attitude of the Commission, rushing him on cross-examination, which was the thing that broke him. He did a most wonderful job, working night and day, and he was able to cross-examine, and we were able practically to throw out the value of this Winston Company's evidence, as we felt, by this teamwork of Mr. John Lantz and Mr. Geyer, working night and day, and the Commission had their final hearing in December.

Q. Who were the commissioners who heard the evidence in this case?

A. Commissioner Brown and Commissioner Young. I should like to speak about Mr. Geyer's preparation of this brief. He was then ill. He was—did a great part of the work of the preparation of this in bed. He worked night and day. He had this great pile of evidence in his library at home, and he worked into the night. He worked on Christmas day. He carried on, and he finished this, getting some help, but the burden was on him, and he prepared this, and he also prepared, which I wish to call attention to, a small brief before the Public Service Commission, that separate brief in behalf of the City of Wilkes-Barre et al and consumers in the old Spring Brook Water Supply Company. That brief was presented to the Commission with the other briefs, but it was not argued, because of the irritation which the Scranton district attorney felt before its introduction. It sets forth the facts, on which there should absolutely have been a different schedule of rates for the two territories. It sets forth the facts that—what I wish to bring out, and I didn't bring out, when the merger was consummated on February 21, 1928, it made it possible for this new company to get \$500,000 more from the Springbrook territory than could have ever been gotten if the Springbrook territory had had a rate base, and the figuring of the rate base in a separate organization, and these two great systems are only connected by two six-inch pipes, which can not influence two per cent of either of the districts in supplying water back one to the other, but that merger made possible the infliction upon the Springbrook consumers of \$500,000 a year, which couldn't otherwise have been inflicted upon them if that merger had not taken effect.

Q. This was the merger that was approved by the Commission in February of 1928?

A. Yes, sir. The Commission in their decision makes absolutely no mention of this paper book which was prepared and introduced and which is incontrovertible.

BY MR. EVANS:

Q. Mr. Loveland, was there any intimation in the community as to what the decision of the Commission was going to be prior to the time its decision was rendered in 1930?

A. Gossip only. But there was sufficient gossip to make it advisable for your body to go into every detail of this set-up of your agents. You as members of the Legislature have as agents this Public Service Commission—go into every detail of the way in which this thing was handled and I believe—and I have it from several sources, but they are such sources that I cannot testify to them, and it is more or less gossip, but I am convinced it is true, and if you will go into this you will find a mare's nest, you will find things which will astonish you and which will show that your agency, the Public Service Commission of Pennsylvania, is not a servant of the people of the State of Pennsylvania.

Q. How early were these reports current as to what the decision would be?

A. I have the dates in my mind of July, 1930. I was fully—practically fully—informed of the amount which would be found by the Commission. It varies only in the amount of the overhead which they charge, the overheads which I understand they were to charge were forty-five per cent. The decision showed thirty per cent the rate basis practically the same in every case.

Q. Is there anything else that you want to add before the committee, Mr. Loveland?

A. I would be very glad to answer any questions at all. I have been thoroughly interested in this whole thing from a public standpoint. I would like to say that the attitude of mind which was expressed here before the Commission is the attitude of mind of the whole group of people, of these four hundred thousand; it is an attitude of mind of more people than you would expect and I would say this, and when we talked to manufacturers and big business men in the City of Wilkes-Barre, many of them say, "I thought we were throwing our money away when we tried the case before the Public Service Commission." Although they paid us, they stated that they thought it would do no good, and they were right. It is a question of despair today as to whether any justice can be obtained or will be obtained.

BY FATHER COX:

Q. What is the name of that booklet that you say has not been introduced? Why would it not be a good thing to introduce it into the records of this committee?

A. It is a booklet showing the difference between the Spring Brook conditions and the Scranton district conditions.

Q. Don't you think it would be good to introduce here?

A. That is for you to say.

Q. What is your idea of the best manner in which things in this connection can be adjusted? You have had so much experience with this Public Service Commission that possibly you might be able to make the suggestion?

A. I appeared before the original Public Service Commission, the board that was formed soon after 1913. I was then a Commissioner in charge of streets and public improvements in the City of Wilkes-Barre. I appeared before them to obtain a right to construct an aqueduct at Butler Street in the City of Wilkes-Barre, an outlet to the east of the city. That Commission gave us justice and our petition was handled in the proper way and they awarded three-fourths of the expenditure of the construction of that bridge to the railroad company where one man a year had been killed for a period of fifteen years previously. I also was before the Commission one or two other times during my time as Commissioner and this early Commission seemed to do justice. I believe a change has come about.

Q. Do you feel from your experience that you could get justice from a Commission appointed as this Commission is appointed?

A. That is a matter of conjecture. I don't know whether my opinion is very valuable, I would be glad to give it, but personally I would prefer the appointed Commission.

BY MR. HAGMAIER:

Q. In the district which you represent they are paying their bills at the advanced rate?

A. I would say this; in the district they are not paying the bills at the advanced rate, very few are. The dockets are filled with cases against the municipalities by the Spring Brook Water Company. The municipalities have the excuse, many of them that they do not have the funds. I know for a fact the company made bargains with certain users. In order to pay the old rate the company has set up a fund to meet the new rate when the time comes. They do this but there was no direction to do it. Knowing of that fact I advised the public who had been paying the new rate—I personally paid the new rate because I was a complainant and I was obeying the law and order of the Commission. I paid the new rate up to the point where the information came that they were giving this right to others to pay the old rate. I then paid the old rate and notified inquirers that they could not distinguish and that they were entitled to the same terms as any others. So I have since been paying the old rate, and I have advised others to do so, and I might say I have a considerable number of houses myself, and I represent in one charitable trust a large number of other houses, which is the same thing.



BY MR. HAGMAIER:

Q. In your observation of the bills under the new rate have you found any discrepancies in their charges or anything such as was brought out yesterday?

A. Their bookkeeping arrangements were a mess. They had to readjust and re-change, and the adding of penalties which by the way is the most unjust thing to have going on during this contest—the penalties pile up and are cumulative all of this time, ten per cent added each time, while the thing is in contest. And I wish to call your attention to one more thing. Did I answer that?

Mr. HAGMAIER. Yes, thank you. We had considerable complaint yesterday about bills going out that were two or three dollars higher than they should be?

A. I think there were many mistakes. I would like to call your attention to one matter before the Commission which Mr. Geyer told me within two weeks. He called attention to the fact that the water company refused to accede to the order of the Public Service Commission by reduction of their rates saying that they were not getting as much as the Commission said they were entitled to get, and the Commission handed down a decision fixing a sufficient rate. The way they handed it down was not in accordance with the schedule as filed—the ruling was not the same and it is left uncertain whether the consumer shall pay nine dollars for his sink for hot and cold water, or fourteen dollars. No one knows today what they ought to pay. The bills which went out on January first were on a rate which since has been changed by the Commission. Nobody knows what they ought to pay and the company doesn't either. That is the way in which the Public Service Commission has handled this job.

BY MR. EVANS:

Q. As I understand it, both the complainants and respondents have appealed from the decision of the Commission of December 9, 1930?

A. Yes sir.

BY MR. EVANS:

Q. And that case is now pending before the Superior Court?

A. Yes.

BY FATHER COX:

Q. Monsignor Curran suggested yesterday stubborn resistance and defiance to present laws and conditions. Now, to my mind that is not necessary, there is another way of getting around it. Do you feel that things are so bad before the Public Service Commission that there is absolutely no chance of obtaining justice?

A. As it has been constituted, I do not think we will ever obtain justice, where we have reason to expect justice. The people who would a few years ago, have laughed at the idea of municipal ownership, are today saying that it is possibly our only salvation, because we could probably, with the rates that are charged in the—were charged beforehand in the Spring Brook district, and at the value which is set forth in the Public Service Commission's own report of the value, if we should buy that property at that value, or practically that value, we could probably collect enough money from the old rates to pay for the whole matter, because we could borrow on our water district and could set up a sinking fund which would probably pay off the cost of this in a number of years. The rates would be reduced to approximately what other cities with municipally owned water plants are paying today, such as Harrisburg and Allentown and many others which you people are probably acquainted with.

Q. Well, is there any system which you can suggest with a public service commission, either elected or appointed, that would make it possible to obtain justice? You have had the experience, that is the reason I am insisting on that point.

A. I would say that if your body was really active, such a body as this, was really active in checking up from time to time, that is the wisest thing to do. They are your agents, and you are responsible for them, and if something was done of that sort from time to time, with watchfulness of an executive also, we would have a better possible opportunity for obtaining what we should.

BY MR. CRAWFORD:

Q. It was brought out yesterday in some of the testimony that upon change of hands or change of ownership of the

properties they found a lot of connections that were not on the books of the old company?

A. Yes.

Q. Now, is it possible that the addition of those newly found connections to the bills as rendered by the new company might not cause a part of this—

A. Oh, that does explain it. That does explain it, and they are justified in adding that in this census, because the old company had been anxious to sell out for many years, as I forgot to bring out—I forgot to bring this thing out—in 1920 I was asked by John Lantz, who was then our engineer, who had then just left the water company, who came into my office and told me the fact that there was about to be an increase of water rates, he was quite confident; in fact, to tell the truth, that is the reason that he resigned from the company, about the time of the Downs report completion. He resigned at that time. A friend of mine who was connected with the water company said that after that, and I would like Mr. Evans to hear this, after his father's death, he was offered the management of the company, sometimes after his resignation.

Now, Mr. Lantz came to me and stated that fact with regard to the Downs report, that it was constructed with that idea in view. The company was going out to try and sell. They were a local concern, and they could not jump rates. They wanted to pass it over to an out-of-town concern, who could jump rates and get an excuse for jumping rates and stand the gaff, and they did so, and they did not carefully collect, and they gave reductions to charities, and they played to the public, because the owners were members of the public, lived in the community. Some of the large contributors to this fight are people who sold their stock and who realized the enormity of what has happened since.

BY MR. EVANS:

Q. Now, Mr. Loveland, just in that connection, as I understand it, Colonel Watres was the controlling stockholder of the old company?

A. Yes.

Q. And he is a resident of this Springbrook district, is he not?

A. No, he lived in Scranton, but he spent a large part of his time in Wilkes-Barre, and members of his family live in Wilkes-Barre, his nephew.

Q. The Pennsylvania Water Service Company and the Federal Water Company are controlled in New York, are they not?

A. They are entirely controlled by New York capitalists, as I understand it, and their securities were distributed by New York bankers.

BY MR. MEMOLO:

Q. Mr. Loveland, notwithstanding the owners of the Springbrook Company were very philanthropic, you might say, in dealing with the people up there, they made a lot of money, didn't they?

A. I would just say this with respect to my own experience in the matter. My father was a stockholder in the old Wilkes-Barre Water Company, which was merged into the Springbrook in 1896. He received bonds at 90 for his stock, and he received a 20 per cent stock dividend. The stock which was issued at that time was not worth one single cent. It was entirely velvet. It had no value. In fact, the bonds, according to the testimony in this case, were only worth about 60. The value in this plant was only at 60. The stock received dividends after a few years steadily and it received a 50 per cent stock dividend, increasing the five million of stock to seven million and a half, and then a further dividend of 33 1/3 per cent, increasing it to ten million, and then it was sold at 150, so that represented fifteen million, which in that time had been—which in 1896 had been worth nothing.

So, there is no question but what the original rates were high, under which we were existing, because there is a very unusual situation for providing water cheaply in this locality, and I will give Colonel Watres the credit of being a very unusually good business man, an efficient man, and that John Lantz, as the engineer, in designing these reservoirs, saved money for John Watres, and he knows the reservoirs from the bottom up, and the Commission says that it pays very little attention to his testimony.

BY THE CHAIRMAN:

Q. They have a gravity system?

A. Gravity system entirely.

BY MR. MEMOLO:

Q. No pumping?

A. No pumping, not at all, in the Springbrook. There may be some pumping in the north end of the Scranton. My memory is not correct about pumping from the Lackawanna River for Carbondale. I am not sure about that.

Q. No, there is no pumping.

A. I am not sure about that.

Q. In other words, coming back to the Public Service Commission, the ink was hardly dry on the permit for a merger before they filed a schedule for new rates?

A. They have found—let me explain how I read this, what happened,—they had these rates all fixed for the Springbrook Water Supply Company—

Q. That was before the merger?

A. Before the merger—they had been working on an appraisal, and they found that they could buy the Scranton district companies and then by the merger they could increase the rates very materially,—could justify these rates better than they could with a separate company. That was withdrawn when they found that was impossible, and when they found I want to say that my withdrawal as a complainant, the whole facts which they had, and which I am convinced Mr. Ainey had in his possession when he made that decision and I was requested to withdraw, because I could have, if I had had that information of the first year and the values and size of the two properties, which I have since acquired through the trial of this case, I think we could have made a very decided fight and carried it out objecting to such a merger, because some properties are distant and the conditions are absolutely different,—the conditions of handling it. The cost of maintenance in the Springbrook territory is about, an average for five years, \$320,000.

Q. That includes depreciation?

A. Not including taxes or depreciation, exclusive of depreciation. The Scranton territory cost something like \$600,000 a year. They have meters to install and they have to read the meters. We have so much water that we didn't have in the Springbrook's territory, and just by a little inspection and a little care we still have plenty of water there in spite of the fact of this long, prolonged drought, I won't say any excess of water, but it has not been necessary for them in any way to enforce regulations, or cut down in the use of water.

BY MR. EVANS:

Q. Mr. Loveland, this stock that you spoke of, which you or your father received as a bonus—

A. In 1896.

Q. In 1896, were dividends paid on that stock.

A. They were. Only a few years afterwards, the dividends commenced, then the stock dividends and the dividends on that additional stock.

Q. And they were paid continuously up to the time that you sold your stock?

A. Right up to the time of the taking over by this new company.

Q. Right up to that time?

A. Yes.

Mr. EVANS. Are there any other questions?

Thank you very much, Mr. Loveland.

ROY HUSSELMAN sworn.

BY MR. EVANS:

Q. Mr. Husselman, where do you live?

A. Lakewood, Ohio.

Q. And what is your occupation?

A. I am a consulting engineer.

Q. Will you give the Committee briefly your experience as an engineer?

A. I have been engaged in the practice of consulting engineering in the city of Cleveland, Ohio, since 1915. During the past ten years, or since 1920, I have had my own office. Prior to that time I was a member of the firm of F. W. Ballard and Company, also consulting engineers.

Q. What did their work consist of largely?

A. The work consisted of analysis of public utility properties, the valuation of public utility properties; the prepara-

tion and presentation of rate cases to commissions and courts. During the past few years in my practice I have been retained by the Public Service Commission of Indiana in a merger case involving the merging of 14 or 15 different utility companies in the State of Indiana, with six or eight other large public utility concerns. These properties involved water properties, gas properties, electricity, steam heat, ice, interurban and urban street railway properties. That was the so-called Insul Merger Case, in which that organization asked for authority of the Commission to merge various properties and issue securities to the extent of about \$83,000,000. More recently I have appeared for the city of Martinsville, Indiana, which was an intervenor in the case of the Wabash Valley Electric Company against the Public Service Commission of Indiana in the Federal Court of the Southern District of Indiana, as engineer for the city. In 1928 I was retained by the Department of Public Utilities of the State of Massachusetts in the Cambridge Electric Light Case, which was another case in the Federal Court of the District of Massachusetts.

Q. Does the Department of Public Utilities of the State of Massachusetts correspond in general to our Public Service Commission?

A. Yes. This was a case involving the valuation of the properties and studies of the accounting and operating expenses of the Cambridge Electric Light Company, and assistant to counsel in testifying in the case. Prior to that I was retained by the same Commission in the Worcester Electric Light Case, also in the Federal Court. I have appeared before a great many Commissions in various cases involving rates for electricity, water, gas, street railway service. I have been before the Pennsylvania Commission, back in 1916, in 1919, 1920, up to 1923. Before the Indiana Commission, before the Ohio Commission, and the Massachusetts Commission. I have made a number of appraisals of various sorts of public utility properties for cities for use in service at cost franchises in street railway properties and for other purposes.

Q. You were at one time retained by Elwood City?

A. I was retained by the borough of Elwood City, Pennsylvania, in 1929, in connection with the municipal light plant. I was retained by the city of Richmond, Indiana, in 1930, to make a survey and report of their municipal light plant. I have been retained by various municipalities in connection with the construction of various utility properties, and have designed and constructed filtration plants, water plants, electric light plants, and have engaged in the general practice of engineering. I might say that from 1912 to 1916 I was in the employ of the Division of Light and Heat in the city of Cleveland, Ohio, and under the chief engineer had charge of the designing and construction of the Cleveland Municipal Electric Light Plant, which is quite a large property. Prior to that time I was engineer in the office of the chief engineer of maintenance of way of the Pennsylvania Lines west of Pittsburgh for six years. Back in 1906 and prior to that time I was with Coates and Burchant, public appraisers and accountants, of Chicago, Illinois. For two years I was engaged in the appraisal of various industrial properties throughout the United States. I am a member of the American Civil Engineers and the Cleveland Engineering Society.

Q. Were you involved in any way in the Luzerne County Gas and Electric Case before the Public Service Commission of Pennsylvania?

A. I was the engineer for the complainants in the so-called Luzerne County Gas and Electric Case, which ran from some time in 1918 to 1923.

Q. Have you ever been employed by investment bankers to make investigations and reports on utility properties?

A. I have. I have made a number of reports—surveys of properties and reports for various investment bankers to be used as the basis of purchasing the property or for the issuing of securities. Those properties involved a number of water properties, and gas properties, and electric and street railway properties.

I might say that I was associated with some bankers in the formation of a holding company and in the purchase of some electric operating properties, the financing of such properties, and was a director and officer in the companies that were organized at that time and were later sold. I am not now connected with any public utility properties at all.

Q. Mr. Husselman, have you made a study of the record in the case of the Scranton-Springbrook Water Service Company, recently decided by the Pennsylvania Commission?

A. I have, sir.



Q. Will you tell us, briefly, what the record shows in regard to the increase of rates; not going too much into detail but giving us a general summary of it?

A. The record and the decisions of the commission show that this Scranton-Springbrook Water Service Company, in filing its rates, which were to become effective as of July 1, 1928, requested a rate which would return a revenue of \$1,750,000 per year, and it shows that the rates, which were in effect at that time, had produced revenues of \$2,295,000 per year.

Q. \$2,999,000?

A. \$2,999,000. I think that is what I said.

Q. I thought you said \$2,295,000.

A. In this increase, there was provided for in the schedule filed, a percentage over the whole range of customers which amounted to something over 60 per cent. This increase was asked prior to any definite information being furnished by the respondent company as to the value of the property used and useful in rendering this service, and immediately the rate increased—the new schedule was filed, the various communities protested and filed complaints against such rates becoming effective, and some of the municipalities set up the claim that their budgets for the year had been made up prior to that time and they were not in a position to increase their revenues from taxation, and, as a result of this and a conference with the Public Service Commission, and in which the Public Service Commission, as such, could not take any part, an agreement was reached between the counsel for the municipalities and the company to suspend the effective date of those rates to January 1, 1929, the understanding being that the bills would be rendered at the new rates, and show the old rates, that the company would accept payment at the old rates and ask for—to recoup any difference between the old rates and the rates finally fixed by the commission.

Now, the rate case proceeded, and the respondent, having the burden of proof, put in its valuations of its property and its other evidence, and in December, it being obvious to everyone that the case could not be concluded and the commission reach a decision by January 1, 1929, the commission issued an interim order at the request of the company, in which it required the company to file a new schedule of rates, which reduced the estimate of the company's revenues under the rates which were to become effective as of July 1, 1928, in an amount of \$245,000. That is what the interim order of the commission states. How that figure was arrived at, I do not know. In compliance with that order of the commission, a new schedule was filed and became effective as of January 1, 1928.

Q. 1929?

A. 1929, and thereafter the bills were rendered at that rate, and that rate, of course, under the law of Pennsylvania became the legal and effective rate.

Now, the complainants then proceeded to present their evidence in this case, and the usual procedure was followed in conducting this case, in which evidence was taken at great length from engineers and accountants, particularly engineers, as to the value of the property involved.

Q. When were the hearings closed?

A. The hearings were closed on December 6, 1929. The briefs were filed in March of 1930. I think the case was argued in April of 1930, and the decision of the Public Service Commission, fixing and establishing the value of the property at \$43,560,000 and fixing and prescribing the rates came down on December 9, 1930, and I understand that has been appealed by the—or the company has taken an appeal to the Superior Court of Pennsylvania.

Q. Now, what did the commission estimate that the new schedule of rates, which it ordered effective as of January 1, 1931, would produce in the way of gross revenue?

A. \$4,219,000 per annum.

Q. And this was a reduction of about \$530,000 from the rates originally filed by the company, as estimated?

A. Yes. In other words, the interim order reduced the company's demand by about \$245,000, and this increased the reduction in the rates, as requested by the company as of July 1, 1928, by an amount of about 530.

Q. How much of an increase was it over the old rate?

A. It was \$1,224,000 of an increase or about 41% over the old rate.

Q. That is taking it over the entire Scranton-Spring Brook system?

A. Yes sir, over the whole range of the property involved in this case.

Q. Now then, does the record disclose the price at which the property was set up on the books of the Federal Water Service Corporation when it purchased the stock of the new company?

A. Yes sir, \$54,770,000 in round figures.

Q. Now what was the original capital invested in these properties as shown by the record?

A. \$6,856,000.

Q. And the property was built up by plowing back the earnings into it from that original investment?

A. Yes sir. I would like to say that this capital originally invested in these properties of \$6,856,000 was increased from earnings. That is the earnings derived from the sale of water in these communities were used for various purposes, to pay interest on funded debt and to pay dividend on stock and to create a surplus and to construct additional new properties. (At this point a chart was brought in and set up for the information of the Committee). This chart shows in the first column what the city claims in March 1928 is the capital that was actually invested in the property, \$6,856,000.

Q. That is the white portion of the column at the bottom?

A. That is, yes. Now the complainants employed a Mr. Heinbockel, an accountant, of Scranton, in this case before the Commission to ascertain from the books and records of the various underlying companies, the amount of fixed capital, that means the money expended and carried on the books of the company for the property in use, and after a diligent search through the records and books of this company he arrived at the figure of \$24,286,000 which he found as representing what is called the money expended for plant and property.

Q. Was there any serious contest in regard to that figure shown by the record?

A. No. The respondent claimed that by reason of the great number of companies that were involved and that had been assembled into this final Scranton-Spring Brook Water Company, that they could not ascertain the original cost. However, Mr. Heinbockel went on the stand as a complainant's witness and stated that he arrived at this figure of \$24,286,000 as being the money invested in this property both out of contributions and bondholders and money reinvested out of the earnings.

Q. And what did the amount earned amount to?

A. \$17,430,000. That is the title of the charge, reinvested capital.

Q. What was the value added to that by the complainants making the total fair valuation of the property?

A. That figure is \$1,164,000. Now that explanation is not the proper explanation. The complainants in this case also employed engineers to make an inventory and appraisal of this property on the basis of cost of reproduction new less depreciation. The work of making that inventory and appraisal for the complainants was under the direction and done by Mr. J. H. Lantz, who was an engineer, the chief engineer of the Spring Brook Water Supply Company for a great many years, and under whose direction as an engineer a great many of the structures on that property were built. Mr. Lantz and his brother, Mr. William L. Lantz, who is also an engineer in the employ of the Spring Brook Water Company for a number of years, were as I say in charge of making this inventory and appraisal of all these properties on the basis of the cost of reproducing them new and estimating the depreciation to arrive at the depreciated figure for these properties. The testimony shows that they with a great many assistants made a complete inventory of the property and a complete appraisal of it, and they arrived at a figure of \$25,450,245, which included not only the physical properties but also such working capital, materials and supplies or so-called overheads that are usually allowed in making an appraisal of this kind, to the extent as I recall of thirteen per cent or thirteen and a half per cent of what they found to be the total cost of reproducing the physical property and they therefore arrived at a cost of reproduction new of this property as of March, 1928, in the amount of \$25,450,250, which was the figure presented by them to the Public Service Commission and argued as the proper figure for the consideration of the Commission in arriving at a fair value of the property to be used as a basis for fixing and determining rates of the Scranton-Spring Brook Water Company.

The two figures, as shown on the chart, have no real relation, in that one was made by an accountant from an examination



of the books and records of the various companies going to make up this Scranton-Spring Brook Water Company, and was an attempt on his part to determine the actual cost or the actual investment in the property, which, in the theory of rate making as it has come down to us, is one of the elements for consideration by a rate making body when it determines the fair value of a property.

BY MR. EVANS:

Q. And that was \$25,450,245, including the \$17,430,000 of invested profits?

A. That's right.

Q. Now, if you have finished with that column, Mr. Husselman, what did the company claim as the value of the property as of March, 1928?

A. The company claimed \$58,000,000 as the cost of reproducing that property new.

Q. And how is that made up as shown on your chart?

A. I don't want to have any questions about this thing. The company never of course made any claims of the \$6,856,000 of reinvested profits, because it claimed that it was impossible to ascertain the original cost or investment in these properties. That was shown that way on the chart merely to carry those various items across in the right proportion, to show the make-up of what the city claimed goes to make up the company's claim of \$58,000,000.

Q. In other words, if Mr. Heinbockel's analysis was correct, \$24,000,000 roughly of the \$58,000,000 comprised actual investment in the property?

A. That is right.

Q. And will you explain what the rest consists of?

A. Well, the company retained various engineers, chief of whom was a Mr. Harrop, chief engineer of one of the subsidiary companies of the Federal Water Service Company.

Q. Well, what company is he connected with? Let us have the actual name of the concern, if you have it. Public Works Engineering Corporation, is it not?

A. Yes, the Public Works Engineering Corporation. They had an appraisal of this property made by Mr. Harrop and introduced and testified to by him.

Q. Had he ever had any connection with the property prior to this time, that you know of?

A. Not according to the record. He testified, I believe, that his first knowledge of this property was in March, 1927. The respondents also had an appraisal made by Day and Zimmerman, in charge of Mr. Ehlers, Henry E. Ehlers, who was formerly assistant engineer of the Public Service Commission of Pennsylvania.

They called other witnesses to substantiate or attempt to substantiate various other items going to make up this appraisal. The total of the appraisal claimed by the company for these water properties was \$58,000,000, in round figures, which included their figures of cost of reproducing the properties new, the physical properties new, and various allowances for water rights, for omissions and contingencies, for promotion expenses, for organization and administration, for cost of financing, and for going concern value. Their claim for going concern value was in an amount of \$4,000,000, which is included in the total of \$58,000,000.

Now, in the second column of that chart, there is an item marked promotion expenses. When this property was purchased, I should say when the stock of this property was purchased, from the holders of the stock of the underlying companies, the price paid for the stock of the Scranton Gas and Water Company by the purchasers was \$24,780,000. The price paid for the stock of the Spring Brook Water Company was \$14,997,000 and the company assumed the then outstanding bonds of the companies in an amount of \$11,505,000, which made a total purchase price of \$51,282,000, and this figure included the Hyde Park Gas Company, which is eliminated from the figures shown on the chart.

Now, they said this—they made other expenditures for various items in connection with the acquisition of these stocks, in the way of commissions paid to agents, in the sum of \$674,000. They had considerable expense for legal fees, for auditing, and for engineering fees, which go to make up that item referred to on the chart as promotion expenses, in the amount of \$3,485,310.

Q. Now, just to get this clear, Mr. Husselman, as I understand this, the Federal Water Service Company or its subsidiary, the Pennsylvania Water Service Company, in acquiring

the stocks of these two systems paid roughly \$51,000,000 for property which had a fixed capital value of something a little over \$24,000,000?

A. Yes, sir, that is right.

Q. And then the promotion expenses,—what are some of the large items that are included under that heading? Those commissions and fees and things of that sort?

A. Yes. I gave some of those.

Q. Did you? Well, pardon me

A. Commissions,	\$674,000,
and legal fees,	135,000,
and appraisals,	82,000,
auditing,	17,000.

Q. These were just on the Scranton property that you are reading now?

A. Those were, yes, but I have been adding them together.

Q. I see. Then they opened up their books with an entry of how much for the property? I suppose the sum of the \$51,000,000, and the \$3,000,000 roughly, didn't they?

A. Yes, they opened up the books of the Scranton Springbrook Water Company with an entry of \$54,770,000.

Q. On which they had to try to earn a return?

A. Exactly. That, as said before, included the gas property, and this figure of \$47,855,057, as the figure of that amount that is applicable to the water department.

Q. Now, Mr. Husselman, you have testified that you have been familiar with the methods used in financing and promoting these companies. From that experience, what is your judgment as to how this transaction actually was carried through, as far as you can see from the record?

A. Well, I can not say of course the exact thing that happened in this transaction, or in this particular transaction.

Q. Well, just give the committee the benefit of your experience in similar transactions.

A. My experience in a similar transaction is especially in the years 1923 till the middle of September of 1929. Bankers and brokers were very desirous of securing public utility deals to finance. Bankers and brokers legitimately live by being able to sell the bonds and securities of utility concerns and other securities, and it was difficult at times to get securities that were attractive to the public, to enable a good presentation, and out of which the bankers could make their living. A great many bankers and brokers engaged in the search for a utility property in this period, and of course, that search directed itself towards the properties, the stock of which was owned locally, stock which could be acquired, and which would enable the promoters to assemble various properties under one company. This was done largely through the medium of the holding companies, and agents were sent throughout the country to locate these properties which could be purchased, or the stock of which could be purchased, and assembled into large holding company proposition. I personally know of a great many instances where these agents of the holding companies went to the principal stockholders of a utility company and offered them terrific prices for that stock. From the fact that in this case, of the Scranton-Springbrook Water Company, commissions were paid, it is obvious that there were agents in the employ of the Federal Water Service Company, looking for properties of this kind, and the fact that a commission was paid to such agents indicates that this deal, as it was called, was brought into the Federal Water Service Company by such agents.

Q. In gathering these properties for the purpose of merger, are the promoters primarily interested in the value of the property, or its earning capacity, in its past earning record, and in what the possibilities of the future may be made to show?

A. I have personally been employed by investment bankers in connection with these matters, and I know that they have very little interest in the so-called value of the property for rate-making purposes. They don't care what the cost of reproducing new is, or what its actual cost was. They are interested in knowing, "What price can we acquire that stock for, and if acquired how much can we increase the rates to enable us to pay the interest and the dividends on that cost price." Now, there is a point beyond which, of course, they could not go in paying a price for these properties, and that point was limited by their conception of what they could charge in the way of rates, and limited by that only. In other words, if they could buy the stock of the company and assume its outstanding bonded indebtedness and show a return on the



present rates of say seven or eight per cent on that price that they would have to pay they felt justified in purchasing that property—seven or eight per cent or better.

Q. They could sell the securities to the public on such a basis?

A. Yes, on such a basis and that was regardless of the amount of the stock, or the value of the stock that was outstanding at the time, but, of course, if the price asked by the owner of the stock was such that under the basis of rates which could be economically charged would not return them up to 6% on the price that they had to pay, of course, they could not afford to purchase the property. In other words, it came to just a matter of how much will the traffic bear, and how much can we get out of the Public Service Commission in the way of rates to justify the amount that we can pay for the stock.

Q. Mr. Husselman, to justify the rates of any given amount, they realize that they will at some time have to have the property valued for rate making purposes, do they not?

A. Well, they realize that, but they don't fear it very much.

Q. Why is that?

A. Because by the employment of experienced counsel and experienced engineers and accountants, they have been able to present evidence to Commissions and Courts, in the way of fictitious values, which have influenced the Commissions to fix values on the property somewhere near the amount desired by the companies.

Q. In other words, built up a reproduction cost estimate of the property, I assume you mean?

A. Exactly. That is one of the reasons behind the reproduction cost theory, and by the making of an inventory on a property, and by engineering estimates which are after all only estimates, they have been able to build up sums as to value of property very much in excess of the original or actual cost, or of the money invested in it, either from money contributed by the original stockholders and bondholders in reinvested earnings. These costs of reproduction now, which are wholly theoretical, and are made as the basis of estimates by engineers, can be made to show very greatly in excess of the real investment, or real value of the property.

Q. Now, in turning to this particular case, what did the company's engineers use as the basis for their appraisal of the value of the property.

A. The record shows that all of the appraisals made by the respondents in this case were based upon a so-called appraisal of the Springbrook property made by Mr. Downs in 1918, Mr. Downs then being an engineer in the employ of the Public Service Commission of Pennsylvania.

Q. And that was an appraisal made of the valuation for security purposes, was it not?

A. That was an appraisal made—

Q. For a certificate of valuation, as it is called?

A. As the basis for a certificate of valuation.

BY MR. MEMOLO:

Q. That was just the Springbrook property; not the Scranton Gas and Water Company?

A. No; not the Scranton Gas and Water Company. However, there was another appraisal made of the Scranton properties different from the Downs appraisal, which was also used by the respondents' engineers in making this present appraisal. However, the Downs report, as it was called throughout the testimony, was the basis not only of the unit prices applied by the respondents, but also of the quantities of pipe and concrete and so forth finally carried into this appraisal. Now, this Downs appraisal was made for the purpose of fixing capitalization, and in its order the commission sets forth that it was not to be used in the future or at any future time for the basis of rate making. That is required in the law of Pennsylvania, and it was so covered in that order, but nevertheless this Downs report was used by the respondents, or the company, as the basis of their inventory and of their unit prices, those unit prices used way back in 1918, which were then made up on the basis of the five year average prices, were trended down to get at the cost of reproduction new as of the date of this particular appraisal.

BY MR. EVANS:

Q. That is to say, when you say "trended" you mean to take the indexes of commodity prices and so on and either increase them or decrease them accordingly?

A. Yes; especially the labor prices.

Q. Was that the Scranton Gas and Water appraisal made before the Downs appraisal was made?

A. Yes.

Q. Sometime before?

A. Quite a while. As I recall it, they refer to that as an appraisal made by Mr. Fuller of Pittsburgh in 1912.

I might say this, from my examination of the record in this case, it is quite certain that this so-called Downs report, being made for the purpose for which it was made, was not made with the care and the precision that would ordinarily be followed in making an appraisal for a rate case.

Q. It was an uncontested proceeding? There was no contest in connection with it?

A. There was no contest. The public, of course, were not represented. In view of the fact that the law provides that those capitalization appraisals are not to be used in future rate making proceedings, the public is not very much interested, and that was made in an uncontested case without any examination on the part of the public into the figures set up in the appraisal.

BY MR. MEMOLO:

Q. You say that in this rate making case they had there they used the Downs report figures all the way through; did you say?

A. No; I want to get this straight. They used the quantities of material—

Q. Yes.

A. —and then took the unit prices that were shown in the Downs appraisal and trended them by applying factors for labor costs in 1918 as compared with 1928, and trended those unit prices down and used them. Now, that is not as good, in my opinion, as to go out in 1928 and built up new prices and apply them to the quantities of material, because you bring in a questionable factor when you try to take an old price that you don't know very much about the basis of anyway; except somebody else's prices made years before, and then try to factor them down to the present day. I never do it, and I don't believe that it is an accurate way to do it.

BY MR. EVANS:

Q. If there was an error, for instance, in the unit prices of any material in the Downs appraisal, if it was too high, it would be greatly increased by trending that finding from the 1918 prices up to the 1928 prices, would it not?

A. Well, that wouldn't necessarily follow.

Q. Wouldn't it?

A. No, sir.

Q. I thought that system of trending prices always ran the risk of magnifying the errors.

A. It might magnify errors or it might not, but the fact of the matter is, it not a proper way to make a reproduction in an appraisal.

Q. Now, in turning back to the chart for a moment, and looking at the second column, you have in the red portion a figure of \$11,367,967. What does that represent?

A. That simply represents the inflation due to a write-up, you might say, of the value of this property by reason of the acquisition and refinancing.

Q. In other words, the original property—the valuations of the original property were raised to something around \$35,000,000 from the \$24,000,000 that is shown as the investment in the property?

A. Yes, sir.

Q. Then, what does the next figure above that represent, the \$6,919,380?

A. That represents the write-up due to the intangibles and overheads.

Q. Well, now, you mean all sorts of engineering overheads?

A. And going concern value.

Q. And going concern value and things of that sort?

A. And cost of financing and things of the sort; costs which are not certain to have been incurred, but they are entered on the books as an item of value in the opinion of somebody presenting the case for the respondent.

Q. Now, the next item I think you already have explained, of \$3,488,310?

A. Yes, sir.

Q. And above that is a figure of \$1,793,408 marked "Non-utility property." What does that represent?

A. That is property owned by the company but not used and useful in rendering service to the consumer, and, therefore, not to be included in the rate basis.

Q. Now, the total up to that point seems to amount to \$47,855,057. What does that difference between that and the fifty-eight seem to represent; it seems to be blank.

A. Well, those two figures, again I should say, should not be in the same column, because one of them represents the cost of the stock; that is, the \$47,855,000, represents the cost of this property to the utility company—to the Federal Water Service Company.

Q. I thought you said that was about \$51,000,000?

A. No; I said that that 51 million included the Hyde Park Gas Company.

Q. I see. That is just what I wanted to get straight, and this excludes the Hyde Park Gas Company?

A. This excludes the Hyde Park Gas Company, because the gas rates were not in question in this case so that eliminating that Hyde Park Company gain, the cost of the stock and the bonds assumed by those new purchasers for this property amounted to \$47,855,000. Whereas they then go before the Public Service Commission, disregarding figures and amounts paid for the stocks, bonds assumed and the capitalization or anything of that kind and come in and attempt to justify the figure of \$58,000,000 as the right basis for the water company for which they request the Public Service Commission of Pennsylvania to allow them rates. In other words the \$58,000,000 is their claim for a rate basis or a rate based on the cost of reproducing this company, including a water right and going concern valuation and every other valuation they could find.

Q. Do you know whether, Mr. Husselman, in regard to these reinvested profits, these profits were expended in the payment of reasonable dividends to the stockholders?

A. No sir. The records show that for the period up to 1928 cash dividends in the amount of \$12,671,000 were paid to the stockholders of these various companies and that stock dividends in the amount \$11,543,000 were paid. So that at no time were the stockholders denied a return on the investment and the rate must have been fixed throughout all those years that enabled the company not only to pay interest on its funded debt but dividends on its outstanding stock and also to plow back into the company in the way of extension and betterments out of these earnings of \$33,477,000.

Q. Take briefly this third column and explain what it represents.

A. The fair valuation as fixed by the Commission on June 30, 1929.

Q. That figure was?

A. \$43,650,000. However I want to get that straight. This amount of \$43,650,000 was not arrived at by the Commission in consideration of the capital actually invested or reinvested profits and certainly not on the basis of revaluation of the property by experts, but was arrived at by the Commission, I presume, on a consideration of the evidence presented by the respondent and some little evidence presented by the complainants on the cost of reproducing this property including some overheads and intangibles.

Q. You have read the report of the Commission; does it indicate the basis on which it did find the valuation?

A. It does not.

Q. It is quite a long report?

A. It is a twenty-eight page typewritten report, more than one-half of which is used in describing the property and not deciding facts and figures as between the parties. So it is impossible to report how they arrived at their valuation. May I just read—I cannot find it. I wanted to read the statement by the Commission in this order setting forth that there was great dissension between the engineers of the complainant and the respondent over the unit cost applied and there was great controversy over that, and no good purpose would be served by the Commission setting forth how it arrived at this figure. It simply shows in the decision the column in which it sets up the figure claimed by the company, another column the figures claimed by the complainant, and then sets down the figures used by the Commission for the several classes of property allowed by the Commission in the figure of \$43,650,000, which it finally finds is a fair valuation of that property for rate-making purposes.

Q. Well now, taking this third column on the chart, what does it carry?

A. It carries the Heinboeckel estimate as to the investment in the property, \$24,280,000.

Q. Will you explain the portion of the column above that?

A. Yes sir. The first \$1,344,388, was for additions, that was to bring the value of the property down to the one the appraisers made in March, 1928, and June 30, 1929. That is the money expended by the company in the improvement and betterment of the property, and a perfectly proper figure. The next item represents the cost allowed by the Public Service Commission over and above the amount invested in the property up to March 31, 1928, by the original owners and out of reinvested profits, in the tangible property, that is the \$9,360,000 was put into this and shows the final determination of the value issued for just a write-up of that additional initial fixed capital account, due to the use in the case of reproduction valuation. The next item of \$8,663,000 is the amount that shows the overheads and intangibles allowed by the Public Service Commission which is also a write-up of the original investment in the property.

Q. Well now, I want to be perfectly clear. You said that it is impossible to tell from the Commission's report how it arrived at this total valuation. Does the report show a figure, for instance, of \$8,663,000?

A. Yes, it is possible to pick out the separate items going to make that up, and they consist of what are commonly known as overheads and intangible values. The Commission allowed \$2,600,000 for going concern value and it allowed \$1,900,000 for cost of financing, and it allowed interest during construction in the amount of \$1,342,000, and it allowed insurance and taxes during construction of \$313,000, administration and legal expenses of \$485,000, promotion and organization of \$627,000, engineering and superintendence of \$1,396,000, and omissions and contingencies of \$960,000. These items go to make up that total of \$8,663,000 shown on the chart.

Q. Representing about 20 per cent of the total value?

A. Yes, sir. I might say that in its appraisal the Commission allowed overheads and intangibles in addition to the physical property to the extent of about 29 per cent, which in my opinion is an excessive and unwarranted allowance.

BY FATHER COX:

Q. Real values never enter into the consideration in these mergers, do they?

A. They do not.

Q. It seems to me that the public then simply guarantees, by the necessity of having a water supply, that it will always pay a handsome dividend on the inflated stock of these mergers; the public is not considered at all, as to whether they are able to pay or whether they should pay, but they simply must pay in order to keep up the inflated value of a merger.

A. Exactly. In other words, this company would be in—having issued these securities and having—the new company now has \$33,780,000 in four and a half and five per cent bonds outstanding, whereas prior to the merger the funded debt was \$11,505,000. Now, that is pretty near three times as many bonds out after the merger as there were before, and it has \$1,207,000 of five per cent no par preferred and \$5,792,000 of six per cent preferred outstanding, and a declared common stock outstanding of \$5,000,000, or a total of \$45,780,000.

You will notice how close to that figure the securities, let us call them securities, outstanding, the \$43,650,000 are.

Now, with those securities outstanding, what you say, that the public must pay, in order that those companies may have the money with which to pay their interest and their dividends regardless of the real value of that property, the public has to pay it or somebody has to lose interest or dividends on its money that it has paid and that somebody is again the public.

Q. And the necessity of having guarantees that they are always going to get the dividends, no matter what inflation it is?

A. I can not see how it can be guaranteed, because I don't believe that a public service commission has the right to guarantee any public utility a return on whatever stock it may issue. Now, this is one of the things that is wrong with regulation, that these companies come to the commission and must come, under the law, and get their amount of securities that they may issue approved by the commission before they can be sold.

Q. Is that right in Pennsylvania?

MR. EVANS: No, they do not have to get the approval of the commission in Pennsylvania before they issue securities.



They have to file certificates of notification after, or at the time they issue the securities, and if the securities are issued illegally, it is the commission's duty to certify the matter to the attorney general for his action, after they are issued.

**THE WITNESS:** Well, in practicing before the Public Service Commissions of Indiana and Ohio and New York, where no company can issue,—I mean no operating utility company can issue any securities unless they are authorized by the commission, the commission approves those authorities rather perfunctorily; in other words, there is no contest about it. But the commission having once approved them and the securities are issued and sold to the public, then of course, regardless of the fact that the amount of those securities outstanding is not presumed to have any effect upon the determination of fair value for rate-making purposes, the companies come back and say, well, this stock or these bonds are owned by widows and orphans, and we have got to have enough money from rates to pay for it, or those poor people are going to lose their money.

**BY MR. EVANS:**

**Q.** Now, Mr. Husselman, what is the total of the bond interest and preferred stock dividends out of this system now? What do they amount to annually?

**A.** The figure is \$2,094,913.54.

**Q.** And on the basis of the commission's estimate of the revenues of the company under these rates which they have fixed, how much will there be available for common stock dividends? Have you got that figure?

**A.** Yes, sir. \$960,587.

**Q.** This is no par value common stock, I understand?

**A.** Yes, sir.

**Q.** What is the stated value of that no par value stock?

**A.** \$5,000,000.

**Q.** And what then will be the percentage of return on this common stock?

**A.** 19 per cent.

**Q.** 19 per cent?

**A.** Yes, sir. May I say that in setting up its table of allowable earnings, the commission allowed a seven per cent return on this \$43,650,000, or \$3,055,500 per annum, and of course, after bond interest on \$33,780,000 of bonds and on the preferred stock there is left \$960,000 for dividends on the common stock, which is at the rate of 19 per cent.

**Q.** Now, Mr. Husselman, after reviewing the record in this case, and as an engineer, would you say that the company was entitled to any increase in the old rates or not?

**A.** It is my opinion that, with all reasonableness and fairness, that that company would have been entitled to a slight increase in the old rates which were in effect prior to July 1, 1928. Forming my judgment on the record in the case, I should say that that increase would not have been more than ten per cent, giving full effect to cost of reproducing the property new and to every element of value that could possibly exist in it.

**BY MR. MEMOLO:**

**Q.** I think, Mr. Husselman, that with some of the consumers that we have down there, they all seem to agree that the old company was a little lax in checking up on all of the fixtures in the properties, and I believe that if all the fixtures were checked up and the people had to pay on all the fixtures they had in their homes, that the ten per cent would more than have made up,—under the old company I am about talking now.

**A.** Yes. Well, I think probably you are right. In going over this testimony, and going over this record, I didn't find any mention of that thing that was stated by Mr. Loveland this morning.

**Q.** There is no question about it, because I know. I have fixtures right in my house under the old company, and they omitted several fixtures—

**A.** Yes.

**Q.** Now, with 25% increase, or 30% increase in my rates, my water rates, they would have been increased to \$44, but that is because they found several fixtures that were not paid for?

**A.** Yes.

**Q.** Now, I think that is probably true in the whole valley of the Spring Brook Company, not in the Scranton System, because they are metered. Under the Spring Brook Company

there were people who had several fixtures that were not charged for by the old company, and I think they went into the matter very thoroughly and checked up on the fixtures that the people had in their homes, that 10%, insofar as the Spring Brook Water Company was concerned, could have been made up very easily?

**A.** It could certainly have been made up on that basis you have mentioned, in going through and re-surveying all the consumers, and getting them charged properly on their bills for the new fixtures, and if they would put in a very small, probably reasonable increase on fire hydrant service.

**BY MR. EVANS:**

**Q.** When you spoke of 10% increase in rates, I assume, you were dealing primarily with the revenue of the company, not how it was increased, whether it was increased in fixtures or increased in the actual rate?

**A.** Their revenues of the year before this merger were \$2,995,000. Now, the thought that I have in mind, and want to convey, is that I believe they were entitled to 10% increase in this revenue, and that they could get it out of a re-survey and proper listing of the fixtures in the territory and the proper billing for those fixtures, and another slight increase, and I don't believe there would have been any complaints filed—a reasonable increase of 10% in that revenue, because it would not have affected the rates. However, I tried to figure out what my bill would be in my house from the rate schedule prescribed by the Public Service Commission, and regardless of the fact that I am more or less familiar with the rates for all kinds of utility service, I could not tell just how much my bill would be if I had that house in the valley up there. It is a great deal more, however, than where I live, and I am glad of that, because the water in my house costs about \$16 a year, and I got up as high as \$70, if I got up in that territory, so that is the comparison.

**Q.** Something to be thankful for?

**A.** Yes.

**MR. EVANS.** Are there other questions the members of the Committee want to ask this witness?

If not, Mr. Chairman, that is all we have for today.

**THE CHAIRMAN:** We will adjourn then until Wednesday, March 11, at 2 o'clock.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10

Pursuant to the call of the Honorable D. Glenn Moore, the committee met in the Hall of the House on Wednesday, March 11, 1931, at 2:00 o'clock P. M.

There was present:

Messrs. D. Glenn Moore, Chairman,  
Chester H. Rhodes,  
Louis W. Hagmaier,  
Ellwood J. Turner,  
Bart Richards,  
Harry J. Crawford,  
Harold Evans, Esq.,  
John M. Walker, Esq.

**THE CHAIRMAN:** The hearing will now come to order. Before we begin, the committee would like to have the names of the boroughs that are represented here and who is to speak for them. We have a partial list, but we feel certain there are some here whose names have not been turned over to us. May I suggest that you will just name the municipality and the person who is to represent you so that we can get a complete list.

#### BOROUGHS REPRESENTED

Borough	Represented by
Brackenridge	Messrs. George H. Dickey
South Greensburg	William Rollason
West Lawn	William F. Burns
Ligonier, Bolivar and New Florence	W. B. Evans
Columbia	D. K. Lockard
West Wyoming	Stephen J. Chainey, and M. P. Gagoline
Aspinwall	H. E. Lee
Quakertown	Victor Smith
Mount Holly Springs	J. Harvey Line

Conshohocken  
Corona and Oakmont  
Danville

Hanover  
East Stroudsburg  
Northumberland  
Lewistown  
Farrell  
Freeport  
Beech Creek  
Latrobe  
Meyersdale

Homer City  
Tarentum  
Kutztown  
Larksville  
Sharpsburg  
Tower City  
Scottdale  
Exeter  
Hughestown  
Portage

Lykens  
Brookville  
Stoneboro  
Greenville  
Swoyersville  
West Pittston  
Wyalusing  
Union City  
Clearfield  
Avoca  
West Conshohocken  
Roseto

Harvey D. Herbert  
Fred. Shoemaker  
W. John Stiteler, and  
Ralph Kisner  
C. A. Eggbert  
Sterling Cramer  
Frank J. Kelly  
S. Will Shunkweller  
C. G. Scowden  
C. M. McLaughlin  
John A. Hill  
J. E. Smith  
S. W. Mittner and  
Charles Uhl  
W. E. Guthrie  
A. B. Davidson  
W. J. Fry  
Michael Fender  
Henry Kraus, Jr.  
W. F. Jones  
J. F. Wallace  
John Sabata  
Charles Fritz  
Edward Miles, and  
W. H. Hess  
W. Roy Keith  
W. M. Conrad  
R. M. Gilkey  
J. N. Little  
Al. J. Kane  
O. C. Foster  
J. R. Lilley  
F. P. Adams  
Daniel Leffler  
John R. Riap  
Joseph McElhatten  
D. B. Martino

Mr. HULL. Before you proceed taking testimony today, I desire to present the reply of the Commission, to the letter of the Committee of March 4, 1931, wherein all the data requested, so far as it has been possible to assemble it to date, is transmitted. I will say there are additional copies of all of this, and if the Committee desires additional copies, if you will make such requests known to me we will give you such additional copies as you may require.

In response to your letter of March 5th, I am handing you the information that is requested there, with the exception of the second request, the Scranton Springbrook Water Company. These engineering sheets, if the Committee please, consist of approximately large volumes of loose leaves. They are the only copies that are in the possession of the Commission, and they are in the opinion of the engineering department very valuable, particularly in view of the fact that that case is now on appeal, and in the event of a reversal these engineering sheets would be absolutely necessary to a reconsideration of the case. We will present them and ask the suggestion of the Committee as to how these forty volumes shall be handled, where they shall be kept, so that they will be available for return to the Commission in the form in which they are presented. I don't have them physically in the room, but they are assembled and can be brought in at any minute. I am asking the Committee to consider how they can receive them and keep them for return in the order in which they were presented to you. The rest of the information is here.

MR. MOORE: We appreciate your promptness and courtesy, and we appreciate also the valuable documents, and we will take the proper care of them.

MR. HULL: That is the purpose of calling them particularly to your attention.

MR. EVANS: The first witness we desire to call for examination is Mr. Thomas Chrostwaite, who is President of the Pennsylvania State Association of Boroughs.

THOMAS T. CHROSTWAITE sworn.

BY MR. EVANS:

Q. Mr. Chrostwaite, you are president of the Pennsylvania State Association of Boroughs, are you not?

A. I am.

Q. How long have you been president?

A. Since its organization in 1909.

Q. Where was it formed, and can you give us a little of the history of it.

A. The association was formed in 1909, and in 1915 there was an Act of Assembly authorizing the formation of an association of the character which had previously been formed. It is the only association in the State, that is, the only association of boroughs. There are a number of county units of this association, six or eight. The association holds an annual meeting. It held its 21st annual meeting at Harrisburg about two weeks ago. There are approximately 950 boroughs in the State, and a population of about 3,000,000. At the Harrisburg Convention there were representatives to the number of 886. Some of these representatives represented two or more borough, and some sent more than one delegate. We feel that in the association there is approximately 80% of the total population of the boroughs. The association issues an annual bulletin, or a monthly bulletin, and an annual report. I have with me the annual report for 1930, and copies that will be submitted to the members of the Committee and anyone else who cares for them.

Q. Has the association ever considered the question of public service companies, and the problems of public utility regulation?

A. During the past ten years at all our conventions the matter of public utilities and the operation of the public service company law has been one of the dominant features. It becomes so important as to almost obscure all the rest of the legislation we have been proposing from time to time. The association has passed resolutions asking for the abolition of the Public Service—for the repeal of the public service company law, and we have presented from time to time bills on that subject, none of which, of course, passed. The question of rates has come before the association, particularly the question of postponing the effective date of rates, and on several occasions during the past ten years we have presented to the Legislature on that subject. We have been able to get those bills through the house, but we never have been able to get them through the Senate. I think every Legislature during the past ten years has had bills of that character presented.

Q. What was the reason for the Association suggesting the repeal of the public service company law, if you can state.

A. The sentiment of the association—the delegates coming from all parts of the State, without any apparent co-operation or any apparent agreement among themselves—this subject has sprung up on the floor of the convention, and as soon as it did pendemonium existed, you might say, from all over the hall, and one could hear the cry of "Repeal the Public Service Company Law!" We tried to control it. We tried to show at times that it didn't need repeal, but revision, but apparently the delegates from back home were of the opinion they didn't get fair treatment, that in the rate cases that have been heard they were not given due consideration, and they felt that the only recourse would be to repeal the law, and go back to the status that existed prior to 1913.

BY MR. TURNER:

Q. Now, Mr. Evans, might I ask Mr. Chrostwaite whether he is stating an opinion as to what they said about it or whether that was what was said by them?

A. That is what they said. That is the result of motions we passed, and I don't think there was a single motion passed that was not voted upon unanimously by everybody present. It is not my own personal opinion.

BY MR. EVANS:

Q. What action, if any, was taken at the convention of the Association in 1930?

A. In 1930, there were two actions taken, one was for the repeal of the Public Service Company Law, and on the following day that was modified by a resolution asking for certain amendments to the Public Service Company Law and the appointment of a committee. The appointment of that committee was left in my hands, and I appointed a committee of five, two or more—Mr. Walker is one, and Mr. Conrad is another, and Mr. Rockenstein, the Burgess of Freilom, another Mr. Hagmaier, and Mr. Mawson of Scottdale, and that committee has met during the period from early in 1930 down to the present time, and have framed an act, which they presented, known as House Bills Nos. 20 and 22.



Q. They are now before the House?

A. They are now before the House, but a number of amendments are being made to House Bill No. 22, which will be embodied in the bill.

Q. Have those bills ever been acted on by the Association?

A. House bill—I am afraid you will have to call upon the persons who were present at the last convention. I was unable to attend the last convention owing to illness.

Q. Now, Mr. Chrostwaite, can you give the Committee any particular instances within the last say, four or five years in which the Association has had before it cases involving utilities and their relations to the boroughs?

I do not want to get into great detail, but if you could just give us a few examples of what has caused this feeling that you have spoken of in the Association?

A. I have in this bulletin (indicating) made out a report which will contain some of those matters. As a specific instance, we will note in this report that we have recommended that boroughs be freed from paying any portion of the cost of eliminating railroad crossings. A specific instance of that character is the borough of Exeter, in which the Commission required or allocated to that borough a sum for the elimination of a railroad crossing—a sum greater than the total possible municipal indebtedness that the borough could incur under the constitution. Another instance, where the Commission has permitted—I am not quite sure of the name of the borough, but I can supply it to the Committee later; I have it in some other data—where the Commission permitted certain street railway companies to abandon tracks in boroughs without requiring the removal of the tracks and ties, causing in this particular borough a nuisance to exist which will entail the expenditure of several thousand dollars without requiring the utility to remove the nuisance, and without notifying the borough that the condition would exist. There is a complaint among the boroughs on the question of reparations, that if a utility charges excessive rates, and this has been so determined by the Commission and the courts, that it is almost impossible for the consumer to get back the excess rates paid. It is necessary for him to go through several processes before the Commission and in the courts in order to get back any excess rates. They feel that the wheels are greased for the increase of rates—

MR. TURNER: Now, Mr. Evans, don't you think that we ought to have Mr. Chrostwaite—being a member of the bar, I realize that this is not a court, and we can not confine this to the rules of evidence, but on the other hand—I should say, Mr. Chairman, that I do feel that we ought not to have opinions that are purely personal opinions or suppositions that are not based on experience, knowledge, and so forth.

MR. EVANS: Mr. Chairman, that is, of course, a matter for the Committee to decide, what evidence it wants to hear. It has been my understanding that the purpose of this Committee in these open hearings was, first, to get a picture of the attitude of the public and the consumers toward regulation as it exists in Pennsylvania today, and later get a picture from the Commission and the utilities, and finally try to work out some remedy for the situation, and I think that Mr. Chrostwaite can speak for the Association of Boroughs, of which he has been president for twenty odd years, and give the Committee the benefit of the attitude of that Association far better than we can if we go out and try to call in eight hundred boroughs throughout the State to appear before this Committee, which would mean that we would never get through. We, of course, realize much of what will be said will be opinionative, and is subject to answer by others, but it does seem to me that the Committee needs to hear the opinion of qualified witnesses as to these matters; but, of course, it is entirely for the Committee to say how far they wish to go.

MR. MOORE: This matter will be taken up later in executive session, but for the present we will continue the way we started last week and are continuing now, with this admonition, that the witness should not go too far afield.

BY MR. RHODES:

Q. The specific instances you have mentioned can all be substantiated by the testimony from the boroughs affected, can they not?

A. They can. We can ask them to be present.

Q. In each instance you know of, the witnesses could be called before this committee to testify in detail concerning that which you have mentioned to us today.

A. Yes sir. I was saying that the Association feels that the wheels are greased for the increase of rates. That is, you can

increase the rates by filing your schedule but to decrease the rates is more difficult; in order to get excess revenue all you have to do is to file a schedule, but in order to get back the excess you have to go through four different processes before the Commission and before the courts and each individual must carry his own case through these individual processes.

BY MR. EVANS:

Q. As I understand you, you mean that a utility filing a schedule of increase of rates with the Commission, these rates become effective within thirty days or at the expiration of thirty days. If complaint is filed, these rates are collected during the hearing of the complaint?

A. Yes sir, and if they are later found to be excessive the individual consumer has to take his personal proceedings in order to recover the excess that he has paid.

BY MR. TURNER:

Q. Is that not the fault of the law?

A. That is one of the changes that I suggested.

Q. Mr. Chairman, I don't want to suggest too much, and I want everything possible to be brought out and want to help the witness all I can. I happen to have a very close connection with the gentleman on the stand through the association of boroughs. I do think there is a limit to which personal opinions ought to go and I think Mr. Chrostwaite understands that perfectly well.

MR. CHROSTWAITE. Another specific instance, another matter which will devolve itself around a specific instance, is the fact that the Commission will allow the cost of litigation to be placed on what is practically, what is known as the rate base, so that the consumer must pay the cost of the litigation to the public utility, even though the public utility loses the case. For instance, the borough of Hanover, of which I am solicitor, had a case against the Conewago Gas Company. The Company asked permission of the Commission to permit them to put in \$20,000 worth of costs, amortizing over a period of five years, making \$4,000 a year. The Company lost the case, you understand, but they asked the consumer to pay \$20,000 of their costs. While the Commission did not allow the \$20,000, they did allow \$10,500, amortizing three years, making the consumer pay to the company \$3500 a year for losing the case. Now, the amortization over the three year period was practically the same as amortization of the \$20,000 over a five year period. The worst effect of that is, after the \$3500 was paid on the rate basis and paid by the consumer back about 1918, that they have this \$3500 still in there and the consumers are now paying a penalty of \$3500 a year because they won a case against the utility, and they will continue to pay that forever or until they go in and fight another rate case.

BY MR. EVANS:

Q. Now Mr. Chrostwaite, in order to clarify that, I understand you first to say that costs to the extent of \$10,500 were amortized over a period of three years, by which I understand you to mean it was charged as an operating expense over these three years, is that correct?

A. I don't know how they entered it on their books, but that is what it means.

Q. If it was handled as an operating expense over three years, then it would not have gone into the rate base?

A. No it would not. That would be a matter of bookkeeping. The money is still in there and we are still paying it. There is no change in their rates. Our recommendation for the Committee, if you please, is that at the end of the amortization period the company should be required to forthwith withdraw that sum without the necessary contest, withdraw that sum from the amount of money they collect annually.

Q. Do you mean to say the company in this instance has kept on including \$3500 a year in the operating expenses after the three year period?

A. We never examined the books and don't know what they have done, but we do know they have not changed their rates from that time on. Whether that has been consumed in additional salaries or how they fixed it on the books we don't know, but we do know that \$3500 was allowed for three years and after that it continued on as before.

BY MR. TURNER:

Q. Did you give the name of that company?

A. Yes sir, Conewago Gas Company.

BY MR. RHODES:

Q. Mr. Chrostwaite, could they raise the rate in order to include that \$3500 charge?

A. No, the company lost the case and were obliged to reduce the rate, but they were allowed \$3500 as an item in that reduction so that the rate was not to be reduced below that.

BY MR. RHODES:

Q. At that time the rates took into consideration the necessity for this \$3500 a year income?

A. Yes sir.

Q. The rate has remained the same since that time?

A. Yes sir.

Q. How many years?

A. I would say about twelve. During the War.

Q. Did you have any examination made of the reports which this company has filed with the Commission each year to see whether or not this item has been included?

A. No sir.

BY MR. EVANS:

Q. Are there any other types of cases you wish to call to the Committee's attention?

A. Well, there is the Borough of Hanover which has a case that will be brought before the Committee I believe on the proper occasion. The people feel that the company has not provided for any impounding dam or any filtration sufficient to meet the local conditions and we feel that they have been charging excessive rates so that they should have prudently provided for this emergency out of the excessive rates which they charge, but these excessive rates instead of being prudently placed aside to meet the emergencies, have been distributed to the owners of the company, so that now when we are asking them to rehabilitate their plant they will charge against us on the cost of this rehabilitation the regular cost, whereas they should have provided for that out of the excess moneys which they collected and which they distributed to their owners. There will be something further come before the Commission on that subject in that specific instance, that has come to our attention this year.

Q. Is that a matter which has been brought to the attention of the Public Service Commission?

A. It has.

Q. Have you taken any action in regard to it?

A. The Commission sent an engineer down there, but this engineer did not seem to know what the requirements are in a community, and did not seem to be able to meet the situation.

Q. About when was that?

A. That was last fall.

BY MR. TURNER:

Q. Is this the same company?

A. That is the Hanover and McSherrystown Water Company.

BY MR. RHODES:

Q. Speaking about the filtration plant, Mr. Chrostwaite, that they didn't set aside money to take care of the proper filtration plant, do you mean that now the supply of water is not what it should be, that there should be a new filtration plant?

A. Yes, the supply of water ceased in July, and up to the present time the local Health Board does not recommend the use of water. At this time nearly all the inhabitants of the borough of Hanover, for a period of nine months are buying their water or going to springs and wells in the vicinity, a community of 20,000 people.

Q. Has that been brought to the attention of the State Health Department?

A. Yes.

Q. Do you know the rate of dividend that this company is paying?

A. The company does not pay any dividend on its stock, we consider it has twice as many bonds against it as its fair value.

BY MR. TURNER:

Q. Mr. Chrostwaite, the rate that the people in that community were paying was based on the valuation of the plant, wasn't it?

A. No valuation ever made.

Q. No valuation made for the old rate?

A. No valuation ever made by the Public Service Commission.

Q. How did they arrive at the old rate?

A. They just filed it; no complaints filed, and they filed an increase, and no complaints filed.

BY MR. RHODES:

Q. What was the complaint, can you give us some of the base rates, flat rate or meter rate?

A. I would say that a house that has a bath, with all conveniences, will pay about \$28 a year—28 to 30 dollars a year.

BY MR. EVANS:

Q. Mr. Chrostwaite, do you have any information you could give the Committee in regard to the approximate cost, the average cost to the members of your association in fighting rate cases before the Public Service Commission?

A. I would say the average cost to the municipality, or the community, is approximately \$10,000, taking it through. Some would run \$50,000, some may only be a couple thousand, but to fight them they must employ experts, in order to put an adequate case, and on an average it will run \$10,000, I would say. I have been asked time and again by different boroughs how much it costs them to fight their case, and I will tell them, "Don't start it under \$10,000."

BY MR. CRAWFORD:

Q. Where does the company get its supply of water within the vicinity of Hanover?

A. Within a radius of a couple miles—well four miles.

Q. In the vicinity, from the creeks?

A. They have one small creek, and then they have a basin in the hills, and they have two or three wells. I would not like to take up your time on that, we have our health officer and engineer here, and I would be afraid of taking up too much time to enter that.

BY MR. EVANS:

Q. Is there anything else, Mr. Chrostwaite, that you wish to add to what you have stated to the Committee?

A. We had a great deal of complaint from the boroughs where free service has been given to the boroughs by the utilities under their franchise agreements. Now, the objection is not so much that they withdraw that free service from the municipality, or from the schools and the churches, but the reason they want to withdraw that is because they say that it does an injustice to the consumer, but the point is that they withdraw that from the municipality, requiring the municipality to pay for their fire plugs, and so forth, without requiring the utility to take that off, take an equal sum out of the rate base, and give the benefit of it to the consumer. In other words, the utility gets that benefit rather than the consumer. There is no requirement in a new scale to take that out on the rate basis, which is paid by the municipality, and we think that is unfair.

MR. EVANS: I think the members of the Committee have been furnished perhaps with copies, of the Borough Bulletin of March, 1931, which on pages 23 to 26 contains twelve recommendations of the Borough Association in regard to the changes in the law.

BOROUGH OF LATROBE.

J. EDGAR SMITH sworn.

BY MR. EVANS:

Q. What position do you hold in the Borough of Latrobe?

A. President of council.

Q. Have you any statement you wish to make to the Committee in regard to the attitude of the Borough of Latrobe on the subject of regulation of public utilities?

A. None, except the water rates, and the service that is given.

Q. You have prepared a written statement here?

A. Yes, that was prepared by our solicitor.

Q. This is a complaint in regard to the service rendered by the Latrobe Water Company, and the matter of rates is involved also?

A. Yes.

Q. Does the Committee wish this witness to read the statement?



MR. MOORE: No; I think we will just put it in the record.

BY MR. EVANS:

Q. You may submit this statement on behalf of the borough of Latrobe covering your situation?

A. Yes sir.

A copy of the statements read as follows:

TO THE HOUSE OF REPRESENTATIVES COMMITTEE  
AT HARRISBURG, PA., INVESTIGATING CORPORATIONS  
ENGAGED IN RENDERING PUBLIC SERVICE, OR TO  
WHOM IT MAY CONCERN:

The Borough of Latrobe, Pennsylvania, through its Council, has the following general complaint to make against the service of the Latrobe Water Company:

Although the Borough has paid for a number of years the price asked per plug for fire protection, upon repeated investigation and examination by the Fire Marshal and members of Council, the pressure on many plugs in the First Ward especially on the North Side of the First Ward, in the Sixth Ward, on the East end of the Second and Third Wards, and in a number of places in the Fourth and Fifth Wards, is much below the pressure necessary in case of fire. If a severe fire were to occur in these localities, almost incalculable damage would be done before the pressure could be increased so as to render anything like adequate fire protection.

There are many places in the Borough where it is almost impossible to draw water in anything like a satisfactory manner for domestic use. There is a bitter complaint coming from the eastern part of town, where most of the best residences are located, that they are unable to draw water upstairs when water is being drawn downstairs at all, and that they suffer many inconveniences in this line. The Latrobe Water Company, months ago, purchased a location for a stand pipe in this locality, which the residents believed would remedy most of their difficulty, but, up to this time, the company has persistently refused to place the stand pipe, even though the company does own the ground.

Complaint has been made directly to the company setting forth at length the location of the fire plugs complained of and all the other things indicated but has taken no steps whatever to remedy the difficulty.

Of course, the Borough feels and has felt for years that the rates are excessive and ought to be inquired into anew.

Respectfully submitted,

J. EDGAR SMITH,

President Latrobe Borough Council.

TO THE HOUSE OF REPRESENTATIVES COMMITTEE  
AT HARRISBURG, PA., INVESTIGATING CORPORATIONS  
ENGAGED IN RENDERING PUBLIC SERVICE, OR TO  
WHOM IT MAY CONCERN:

As a fairly typical case of one branch of the complaints in the Borough of Latrobe, Westmoreland County, Pennsylvania, the following is a description of the situation at the Main Street residence of a prominent citizen of this Borough:

Prior to the 1st of July, 1922, this citizen appeared at the office of the Latrobe Water Company, asking for the price for water to be used through a meter, and was told that the minimum rate would be \$2.00 per month, with 30 cents additional for each thousand gallons in excess of 1,000 gallons. After considerable delay, the meter was installed; but when the first bill came it was charged \$4.00 minimum rate per month, and when complaint was made it was explained that the \$2.00 rate had been given by mistake. The total amount of water used from the 1st of July, 1922 to the 1st of July, 1925 (3 years) was

197,010 gallons	
Average water used per year (3-year period)	65,670 gallons
Average water used per month (3-year period)	5,456 gallons
Average water used per day (3-year period)	180 gallons
Average water used per capita per day	53 gallons

The average cost per gallon used in the three-year period from July 1st, 1922, to July 1st, 1925, was 73 cents per thousand gallons, as the total paid for the 197,000 gallons was \$141.00.

The first year, with a family of three, 57,540 gallons were used; the second year, with a family of three, 66,330 gallons were used; the third year, with a family of four, 73,140 gallons were used; and, of course, the \$4.00 charge per month was collected during the entire period.

On the 17th day of July, 1925, a well known employe of the company came to this residence and said to the people in the house, "I want to do some work on your water meter and will have to turn the water off a little while." He took the meter out that day without notice and it was never re-installed, although the actual price paid for water since that time was substantially the same as before.

Respectfully submitted,

J. EDGAR SMITH,

President Latrobe Borough Council.

#### BOROUGH OF CONSHOHOCKEN

HARVEY D. HERBERT sworn.

BY MR. EVANS:

Q. You are the borough manager of the borough of Conshohocken, are you?

A. Yes sir.

Q. How large a borough is Conshohocken?

A. Eleven thousand.

Q. You have a statement to make to the Committee in regard to the matter before it?

A. Yes sir.

Q. What do you have particularly to say?

A. We complain on the excessive rental rate on fire plugs.

Q. By what company is the borough serviced?

A. The Philadelphia Suburban Water Company.

Q. And what is the rate on fire plugs in the borough?

A. \$60 per year per plug.

Q. How many fire hydrants are there?

A. Seventy.

Q. Is there sufficient water in the lines at times of fire?

A. No sir.

Q. Have you brought this matter to the attention of the Public Service Commission?

A. Not recently.

Q. Why not?

A. Well, Council thought it was useless to spend public funds to take it to a body that didn't know just what authority they had; in other words, a party that dealt with the public utilities.

Q. In other words, they thought it a waste of money?

A. Yes.

Q. What other matter, if any, have you to lay before the Committee?

A. Well, on the so-called high pressure hydrants or steamer hydrants hooked up to a sixteen-inch high pressure main, there is a charge of \$60 a year and a two-way plug hooked on a four-inch main, that has been in the ground fifty or sixty years, with a certain amount of sedimentary waste in the pipe, which has decreased the volume, and still we pay \$60 a year for that particular plug.

Q. Any other utilities that serve your community, that you have any complaints of?

A. That is the only one in the borough.

Q. Is there anything else that you want to answer?

A. That is all.

Q. Have you any other data as to the fire hydrant rate paid in other municipalities throughout the Commonwealth comparable to Conshohocken?

A. Bolivar, Pa., pays \$1.30 a year, and Hanover pays \$1.25 a year.

BY MR. HAGMAIER:

Q. What size of main do they have?

A. Well, I don't know what size of main.

#### BOROUGH OF BRACKENRIDGE

GEORGE H. DICKEY sworn.

BY MR. EVANS:

Q. What position do you hold in the borough of Brackenridge?

A. Secretary.

Q. How large a borough is this; what is the population?

A. I don't just recall the figures of this last census. There were five thousand nine hundred and eighty-seven in a former census—about sixty-two hundred and something.

Q. You have a statement which you wish to make to the Committee, in regard to the situation in Brackenridge?

A. Yes sir. In 1909 the borough council granted to the P. W. Phillips Gas Company and a similar franchise to the Philadelphia Company, which have since been succeeded by the Equitable Gas Company, valuable franchises for piping the town and supplying individual consumers, as well as the manufacturing interest, with gas. There was no money consideration for those valuable franchises, but in lieu of that they agreed to furnish the borough with eight thousand cubic feet of gas per year. They agreed in these ordinances that the rate would be twenty-seven cents a thousand cubic feet.

Q. When was this?

A. In 1909. You have copies of the ordinances (indicating). That consideration at that time amount to \$200 a year. There was a discount of two cents a thousand on the gas which made it a flat twenty-five cent rate, and by the provisions of these ordinances, each company would have paid an equivalent of \$200 a year for these franchises. In 1919 the Commission nullified our ordinances in so far as enjoying free gas was concerned, and immediately upon the expiration of the five year time in this contract the gas company from time to time advanced the rates until about 1925 or 1926, they advanced to sixty-three cents against the twenty-seven which was provided for in this ordinance. That today would mean \$480, would be the value of the franchise were we allowed that gas. The gas was given to the school districts for heat and light of the buildings. I went over the books of the Secretary of the School Board, and the average cost of heating and lighting their buildings per year during the last three years was \$759.11. That is what the borough is deprived of by reason of the Public Service Commission nullifying this ordinance. When the last rate was applied, the city of Pittsburgh protested against the rate and invited the adjoining municipalities to join with them in the fight and contribute on the basis of ten cents per population; at that time our population was four thousand nine hundred eighty-seven. I believe I stated fifty before, but forty-nine was what it was, in 1920; forty-nine hundred eighty-seven was the population in 1920; it is about sixty-two hundred now. We joined with the city of Pittsburgh and protested this increase before the Public Service Commission but it didn't get us anything at all. Another complaint we have, after the creation of the Public Service Commission; the Allegheny Valley Water Company was supplying water to residents of our district but they had an old dilapidated plant that was not capable of supplying the demand and had innumerable leaks all over the line, and in order to keep up the supply they would shut the water off at six o'clock in the evening and not turn it on again until about seven o'clock in the morning. The town is supplied by gravity, the water being pumped to a reservoir on an elevation great enough to supply all the residents in town, but we lost a \$500,000 manufacturing plant by reason of there being no water in the reservoir it took fire at night and burned. We appealed at two different times to the Public Service Commission for relief but didn't get anywhere. We employed a consulting engineer, Leo Hudson, of Pittsburgh, to conduct our case. We were put to the expense of \$750 for witness fees and attorneys, besides \$200 we paid to Leo Hudson, and the Commission handed down a decision against the water company, requiring them to supply us with sufficient water but they would not enforce it. We appealed to them to give us some relief but they never made any effort to enforce this ruling. The water company changed hands and was taken over by the Tri-Borough Water Company, a bunch of Scranton people. I was present on the day of the sale and read the decree of the Public Service Commission to them so that they had knowledge of it. We appealed again to the Commission to make the new owners live up to this decree but we didn't get anywhere, and we were compelled in 1921 to take over the plant to relieve ourselves.

BY MR. EVANS:

Q. Did this affect your fire ratings at all in the borough?

A. Yes sir. When we lost the Tarentum Glass Company the Board of Underwriters took us out of the protected class and our insurance rates were practically doubled. The water

company, however, continued to charge us a plug rate for fire protection when the underwriters ruled we didn't have any.

Q. When was the water shut off?

A. Six o'clock in the evening.

Q. When was it turned on again?

A. About seven o'clock in the morning when the men came out to work.

Q. What industries does the community have?

A. At that time we had three large glass plants and a brewery and they were the only industries that were directly in the borough.

Q. Is there any steel—

A. The Allegheny Steel is just over the line. We furnish fire protection to the Allegheny Steel. We have plugs along their frontage and furnish them with fire protection.

Q. Since 1922, since the borough took over the plant, what was the situation?

A. We have had our credit restored and we furnish a twenty-four hour service.

Q. What price did you have to pay in order to take over the plant?

A. \$46,500.

Q. Is there anything else you think of to add?

A. They also reduced the pole tax on our Bell Telephone poles and on the Pittsburgh Plate Glass telephone poles. They cut them down from one dollar, which was provided in the ordinance, to twenty-five cents, and practically stripped away all of our income except that from taxation.

Q. Do you mean the Public Service Commission reduced them?

A. Yes sir.

Q. Under what provision of the law?

A. That it was an unusual charge and as it was an inspection charge twenty-five cents was ample for the service rendered.

Q. Can you state approximately the date when they entered that order?

A. It was ten years or more ago.

BY MR. HAGMAIER:

Q. Do we understand you right, they reduced it from one dollar to twenty-five cents?

BY MR. EVANS:

That is what he says on the pole tax.

## BOROUGH OF SOUTH GREENSBURG

WILLIAM ROLLASON sworn

BY MR. EVANS:

Q. What position do you hold in South Greensburg?

A. Borough Clerk.

Q. What is the population of the borough?

A. About 2300.

Q. And what have you to say to the Committee in regard to your situation as to the utilities?

A. We are all of the impression that the proposed increase of water rates are very excessive and unwarranted at this time.

Q. What company is serving you?

A. The Westmoreland Water Company.

Q. Have they filed a schedule of their increased rates?

A. They have.

Q. When is it to become effective?

A. April first.

Q. Do you happen to know whether the Westmoreland Water Company is controlled by any other corporation?

A. I cannot say positively, but we are told that they are controlled by a New York corporation.

Q. Do you happen to know the name of that corporation?

A. I do not. I endeavored to get it before I left home but was unable to.

Q. In what boroughs are the new rates to be effective?

A. There are eight known as South Greensburg Borough, Southwest Greensburg, Greensburg, Jeannette, Penn, Manor and Irwin.

Q. What did the increase in rates amount to in brief?

A. Increase in what we call the private consumer or house amount to fifty-five per cent?



Q. What is the present rate on the first 100,000 gallons?  
 A. The present rate per one thousand gallons is eighteen cents, and the proposed rate is twenty-eight cents.

Q. An increase of ten cents per thousand?

A. Yes sir.

Q. What is the present rate to the consumer of over 100,000 gallons?

A. The present rate per month is twelve cents per thousand gallons, the increase as proposed is to be sixteen cents a thousand gallons over 100,000.

Q. Has any official action been taken by the borough council in regard to this matter?

A. The South Greensburg Borough Council I believe is the first borough to get a notice of the increased rates. We received these on the last day of February, and on the second day of March our council met. The entire community was up in arms about it. Later the adjoining boroughs met at various intervals and they also protested against it and they have now organized an organization jointly of these eight boroughs to protest and fight the rates.

Q. Have you filed a complaint with the Public Service Commission?

A. It had not been filed when I left home but it evidently will be filed this week.

Q. What are your fire-plug rates in South Greensburg?

A. At the present time they are nine dollars per plug per year rental. We are charged by the Westmoreland Water Company a service charge of \$485 for each and every mile of 4-inch pipe that is in the borough.

Q. How many miles of 4-inch pipe are there in the borough?

A. Why, I think our bill calls for 4.3 miles.

Q. 4.3 miles?

A. Yes.

Q. At \$485 a mile?

A. Yes.

Q. Is there any increase in those rates proposed in the new schedule?

A. None proposed at the present time.

Q. Is there anything else you wish to add for the information of the Committee?

A. The only thing I might say is with reference to our water. The reason that we think the rates are excessive, is that prior to the establishing of the present rate, filed before the Public Service Service Commission in 1914, I believe we paid for the water, as we used it per meter, with the exception that there was a flat rate of \$1 per month. If you didn't use \$1 worth of water, we paid it, and if we used over a dollar's worth of water, why, we paid by the meter rate. After the new rate went into effect, the water we used stood at 18 cents a thousand gallons for the first 10,000 gallons of water served each consumer, and as I understand it, on the number of outlets that you had in your home, it makes a service charge of \$2.25, \$2.50 and \$2.75. My service charge is \$2.50, and I think I am just about a normal user.

Q. In other words, in addition to the regular charge there is also a service charge?

A. A service charge.

Q. Is there any increase proposed in the service charge in the new rates?

A. No sir.

Q. Just in the consumption?

A. Just the consumption. I believe that is all. The boroughs that I have mentioned have said that they are going to send representatives here, but I failed to meet them, but I went to make it known that we are jointly operating against the proposed rates.

#### BOROUGH OF COLUMBIA

D. K. LOCKHART sworn

BY MR. EVANS:

Q. You are burgess of the borough of Columbia?

A. Yes.

Q. What is the population of the borough?

A. About 12,000.

Q. Have you a written statement which you wish to submit for the Committee?

A. Yes.

MR. EVANS: Is the Committee willing to have this written statement go into the record without taking the time of the witness to read it?

THE CHAIRMAN: Yes.

"The agreement with the borough of Columbia and the Water Company was that the borough was to have free water for fire service. It did have that from the time of its existence up to the new rate, in 1927 when on October 1 the consumers and the borough protested the raise with the Public Service Commission and spent considerable amount of money, namely \$3,200.

"When the smoke cleared away we found that the borough after granting the Water Company the use of the streets some 75 years or more ago for free water now will have to pay \$56.70 per plug per year, for fire service, while as a matter of fact we do not use \$100 worth of water a year. This gives the 100 fire plugs a clean profit of \$5,570 for what they call a ready-to-serve. Now let us see what they have to serve during the last year. We had several fires and for the first fifteen minutes we had to pump out mud, sand, and gravel that presumably came in from the reservoir. The cement top had all disintegrated and fallen down into the water. We have five gas engine pumpers, any two of which on most of the lines will take away the water. As a matter of fact we have had to move away from some plugs because of no water.

"There are quite a few four and six-inch water pipes in the town. They are corroded with rust and whatever else may happen to get in the pipes that we do not have a proper flow or pressure. This happens especially on dead ends. On Friday, October 3, 1930, Professor Kennedy of the Columbia schools complained to me about the water at the Manor Street school that there was not a drop of water in the basement of the school, much less on the first and second floors. There was no water for drinking purposes for the children for they—some 400 of them—have nothing to say about fire service. Yet the schools have to pay a meter charge or ready-to-serve charge with nothing to serve.

"This same conditions occurs in the higher elevations of the town. When water was tapped for the first time in the upper end of the borough we did not get one quart of water in five minutes. I could drink it that fast, yet the consumers have to pay a meter ready-to-serve charge.

"When the new rate went into effect in 1927 the meter charge was 75 cents a month. That went on for a year or two, then the commission ordered the water company to change the meter rate to 50 cents a month, after a protest from the people. But they never got the 25 cents back. Even at 50 cents a month each consumer pays for a meter each year. You can buy them for \$6.75 in car lots, hence you see the profit in meters alone. But when the Water company changed the meter rate to 50 cents it raised the water rate from 30 cents per thousand to 40 cents. So that if you used 5,000 the water company would still be ahead.

During the past year the mains have broken in several places after serving some 75 years. In two instances, one in particular, the pipe broke at Lancaster avenue and Cherry street and ran over and under the street for five days before the water company was able to shut it off. They tried it at thirteen different places before they shut it off and it took five days for that. I don't think they have any kind of an accurate plan as to where any stops are. All this negligence and expense no doubt the Public Service Commission will allow as necessary expense and the public will have to pay the bill. We would probably have been better off to keep the money we spent in protesting before the Commission.

"The Columbia Water company had a capital stock of \$200,000 and has been in operation for 75 years. It certainly has depreciated at least half of that. Yet the Commission allows them a value of \$410,000 for a rate base.

"It is my impression that the value arrived at was from the revenue received or expected to be received and not from a physical appraisal of the property. It appears to me that the construction put upon the law by the Public Service Commission or in other words their interpretation of the law is entirely favorable to the public service utilities.

"The Public Service Commission it seems can and does scrap any franchise or obligation made with any municipalities. No matter of how long standing. That seems to be a German method, certainly not an American method. It seems very strange that whenever there is any doubt in the mind of the Public Service Commission the decision is against the public,

It is my opinion that whatever the law is, unless you have men who will deal fairly both with the public and the utilities, there is no hope for the masses. The law seems to me to be a foundation to build upon and not to hide behind. These holes in the law should be properly plugged up so that there will be no hiding place. I would like to see a law enacted to give boroughs the opportunity to putting in their own water plants especially without first having to drag along through the courts the Commission and a multitude of other authorities before you have a right to talk about it.

"I have made a comparison of 80 water companies taken throughout the State of Pennsylvania, 40 of them owned and operated by private concerns, the average rate per year per family being \$37.69; the 40 other plants are owned and operated by municipalities in which the average rate per year per family being \$22.35, making a difference in favor of the municipal owned of \$15.34. This is notwithstanding the fact that the municipal plants are probably run by politics and whatever else you may charge against them. Nevertheless there is the saving of \$15.34 per family per year. This would indicate in itself that there is some monkey business going on in rate fixing values.

"The company frankly tells its customers that no connections for water will be made between December 1 and April 1. Now to show you the sympathetic feeling between the water company and its customs during this winter's unprecedented hard times it found it convenient to shut off the water of a poor family, a widow and six children, while every person in town was straining every nerve to assist and some even sacrificing to alleviate the suffering. Now just how and where the utilities hope to gather any sympathy from the public conditions I do not know. They will have to get it some other place.

"In 1923 the Public Service Commission superceded this act by their own decision, thereby annulling it. I claim the P. S. C. has not the right to annul an act of the Legislature. This act was passed April 9, 1867. It reads:

"Section 3. That it shall be the duty of the said water company to supply water for extinguishing fires in Columbia, free of expense, to such hydrants, or plugs only, as shall be erected by the borough of Columbia; and the said borough is hereby required to erect such hydrants and plugs as may be necessary to supply water in time of fire."

Title of act: "A supplement of the act, entitled 'An Act authorizing the Columbia Water Company to hold real estate, and so forth' approved February 10, 1865."

"The water company's valuation for State taxes is \$268,512.09. For rate-making purposes it is \$410,000.00 Allowed by the Commission.

D. K. LOCKHARD,  
Burgess,  
Columbia, Pa."

Q. Have you anything that you wish to add to that?

A. I don't have anything to add. I would just like to say that in 1867, the Special Act passed, which I referred to in there, Columbia was to get free water service as I mention in there, and it appeared that the Public Service Commission agreed to that.

Q. That is covered in your statement?

A. Yes.

MR. EVANS: Very good, Mr. Lockhart, thank you.

#### BOROUGH OF ROSETO.

D. B. MARTINO Sworn.

BY MR. EVANS:

Q. What position do you hold in the borough of Roseto?

A. Borough secretary.

Q. What is the population of the borough?

A. 17—between 17 and 18 hundred.

Q. You are in Northampton County?

A. Yes.

Q. You have a complaint against the water company?

A. Yes.

Q. Have you prepared a written statement covering your complaint which you wish to submit to the Committee?

A. I have.

MR. EVANS: The Committee is willing to have this statement go into the record?

THE CHAIRMAN: Yes.

#### "BOROUGH OF ROSETO

County of Northampton

Pennsylvania

"Bangor and Roseto Water Company

vs:

Borough of Roseto

"June 16th, 1924, Bangor Water Co., was notified for the last time to remedy the water shortage in the Borough of Roseto.

"August, 1924. A suit was brought before a Justice of the Peace in order to bring the Water Co. to terms so the town would be supplied with water, but at that hearing no amicable agreement could be reached therefore the company waived the hearing and the case was brought before the Northampton County Court.

"At this time the Borough of Roseto also had a claim for money due to them for the reason that the said Water Co. had excavated several hundred feet of trenches in the said Borough without any permit from the Town Council and Chief Burgess, and for these reasons the Borough of Roseto had to retain Attorneys Kent & Rockwell to represent the Borough in the case.

"September 1924. A committee composed of members of the Law Com. was instructed by Town Council to confer with the said above mentioned Attorney's and find out what had been done in regards of the Water Co. and the report was that no agreement had been reached. Therefore the Council ordered that the Water Co., make the necessary repairs on the said streets which the Water Co., had excavated without permission.

"March, 1925. A delegation of Town Council attended a Convention of the Borough Association at Harrisburg in the previous month and took the opportunity to confer the matter before the Public Service Commission in regards of the said water shortage in the Borough of Roseto (for which two-fifths of the town was without water at this time) and they were told that the matter would be taken up immediately.

"At this March meeting of Town Council a petition was received by numerous citizens and tax payers protesting to Council and asking the said Town Council to impose on the Public Service Commission to see that the situation be remedied so there will be sufficient water supply and at this same meeting a letter of the Water Co. addressed to the Public Service Commission asking the said Commission to dismiss the complaint of the Borough of Roseto for water shortage and that the costs be placed on the complainant. Therefore a motion was made by Mr. Michael Ninno and seconded by Mr. Michael Ronco that secretary be instructed to notify the borough solicitor, Mr. Everett Kent to further notify the said Public Service Commission asking for a hearing in this case of water shortage and complaint, in re: Roseto Borough vs. the Bangor and Roseto Water Co.

"March 17, 1925. Special meeting of Town Council, the president and secretary were authorized (by motion of Mr. Farace and Ninno and approved by council) to appear before the Public Service Commission sitting at Easton, Northampton County, Court House, for the purpose of the hearing in the complaint of Borough of Roseto and the Roseto Water Co., in regards of water shortage, said hearing to take place in the main court room on the 20th day of March, A. D. 1925, at 10.00 A. M.

"After this hearing the said Commission notified the water company, to improve their water lines so the Borough of Roseto would be supplied with sufficient water, and they did improve their lines to a certain extent at that time, but as the town is growing and the said water company, also supplies Bangor and suburbs which they also are improving and growing the water is not enough.

"At a meeting of October 18th, 1927 many property owners citizens and tax payers again appeared before the town council complaining about the water shortage and asked the said council to remedy this question once more so they are properly supplied with water, and they were promised that the matter be taken up with the water company and if not remedied the Commission would be notified.

"December 1930 the said water company again failed to give enough water supply for a couple of weeks.

"Now it did cost several hundreds of dollars for the Borough of Roseto to keep on going and fight the water company and



the Public Service to so justice would be made to the people of Roseto.

"In the beginning of the year 1929 the Borough of Roseto discovered that the said water company was overcharging \$5.00 per month per fire plug, and a committee referred this matter to the Public Service Commission for which it was found to be true and the said Commission directed the water company, to refund the money overcharged but the said water company failed to pay the same which amounted to over \$300.00 and held the matter up until the Borough of Roseto asked them to supply with water a certain district in town and therefore they said that the said district would not be supplied with water until the Borough of Roseto would release them from paying the said amount of money. And therefor the said borough had to give up for the purpose of benefitting the said district of water supply.

"We the Borough of Roseto have two of our main roads namely Garibaldi Street and Columbus Avenue, and both of the said streets are crossed by the Lehigh and New England R. R. Co., and there is no protection at all for motor vehicles, therefore we would like to know if we can force the said railroad company, to install some kind of safety device by placing a bell on the said crossing.

Some time ago the said Borough of Roseto petitioned to the said company and the answer was that there was not enough traffic there to install any such device. They refused to give us another grade crossing.

"To inquire in regards of the rates for electric service per K. W. hr. we are paying at the present time nine (9) cents per K. W. and we know that the same company is charging less in other places.

"Imagine why we had to pay for expenses if we justified to lower the pipes at Dewey Street when the said pipes were laid before the incorporation of said borough."

Q. Is there anything else you wish to add to that?

A. In addition to that, we have another complaint, just received lately, by our borough, by a man by the name of Michael P. Runk. He is building three homes, on a street called Liberty Street, and the water is piped in a certain way on Liberty Street, and does not reach all the way down, to where this man is building those three homes. On the other side of the street is a water pipe to the school, and the water company has subsequently refused to install pipes, so this man can get water from the main in front of the residence which he is building. He also intended to build more homes. This man according to our plans, there is a street away back behind his property, and in order to get water to these three homes, he had to go out there, all the way back to the other street and run the pipe line, which amounts to one hundred more feet to this house, and therefore, that small, little pipe is not sufficient, and the water company is willing to place water there on that street running parallel with the homes, but asks \$40.00 more in addition to what the man should really pay, now for whatever he gets. He has been writing to the different places, he has applied to the Public Service Commission, and the Public Service Commission has said that he must pay exactly what the Public Service Commission says, that is pay the bills. Of course, those letters I would not like to let remain here, because they were given to me by the man who made the complaint, but probably you could look over them and if they are really needed, as long as they are sent back to the man, they are all right to be left.

BY MR. RHODES:

Q. You mean that the pipe line is laid down in the middle of the street to the front of this school, and those homes are directly across the street?

A. According to the plans, this is Liberty Street, (indicating on plan), he is building one—two—three—, homes and water gets as far as here (indicating) with a six inch pipe. The water extends down there. The water comes down another street called Dandy Street, right here somewhere is a school building and the water comes down to there, but he is supposed to go around on this other street where there are no homes there at all in order to get water. He has to go away back to the other street, across other land, instead of continuing this here (indicating). If he wants water here he is compelled to pay \$40.00 more in addition to what he is paying now for the regular rates.

Q. There are no homes on this other street between this one service line and the schoolhouse, Liberty Street, at the end of the next block.

A. There are not. They stop right here (indicating on map). There is another main in on the other street, which is not on the plan, and instead of that they have to put a pipe from there and have to lay all over this land here (indicating on map), and therefore he has to get water from there and go all over this land, and that is private land.

Q. This is an extension of a main service pipe?

A. It requires an extension because there are other people desiring to build homes there.

Q. How many homes would be served by a new line if it were built?

A. Well, there is one home right down here (indicating on map); three homes. He is on this line here (indicating on map), and he intended to build more homes, but beings he cannot get any water without costing a lot of money he won't build any more, and he is applying for water. The only thing we can do, we applied to the Public Service Commission, and the Public Service Commission tells us exactly what the water company tells us.

Q. Does that \$40.00 mean a year per house?

A. He has to pay \$40.00 in addition to the regular rate he is paying.

Q. \$40.00 a year more for each house?

A. I don't have that right, I don't think so.

BY MR. EVANS:

It will be clear from the Commission's letter that the company, is willing to extend the necessary two hundred and sixty feet of six inch line on New Liberty Street, if you will guarantee an annual rental of \$40.00 in addition to that now received by the company.

The WITNESS: I think the other matters are all stated in there. Now, I want to call the attention of the committee here that, according to my written statement here, we have been complaining right along to the Public Service Commission. The Public Service Commission to a certain extent told the water company to supply us with water, and every year we have been out of water, one-third of the town is completely out of water, and here is a bill showing,—one of the bills showing that they had a rebate, after we litigated, that they had no water,—we never refused to pay any bills, we always paid promptly, but they had no sufficient supply, and they won't do anything to supply the town with water.

BY MR. TURNER:

Q. Where do they get their supply of water?

A. They get the supply of water right in the Blue Mountains, only a few miles from the town.

BY MR. RHODES:

Q. Does your company supply the Borough of Bangor too?

A. They do.

Q. Pen Argyle?

A. No. They were supplying this Borough of Bangor when there was only a few hundred inhabitants. Now more or less they have the same thing. They haven't made much improvement, and the town of Roseto has been growing, but the lines are: identically the same as they were 20 years ago. They only made a little bit of improvement. When we litigated to get the Public Service Commission, then we had a meeting at the court house, and they made it a little better, but still we are without water a certain length of time.

Q. Where do they get their water?

A. In the Blue Mountains, I think it is, in Northampton County, part of it anyhow.

Q. And they only supply water to Roseto and Bangor?

A. And Bangor. I think they extended their line down to Fleckwood, which they had no water up there, so that they have been improving and giving more water to different people and factories and things like that, but they haven't made any development in the line to get more water together.

Q. Bangor has not complained, has it?

A. The reason Bangor don't complain, because they have some superintendent there, that he does something, we don't know what,—you see, the water runs right through our town, but we get short, we are shut off somehow or other, that the water goes direct down there, and we are out of water. We don't know how they do it. The water company belonged to some people from Bangor, then it was turned over to some

people from Boston, and they are going to turn it, I understand, over to some Bangor people again. Of course, as long as we have the water, what do we complain for? But we are the people that suffer, because we have no water, and I personally myself went to the extent of telling them even that if we had to pay more, because we had no water, because it is very bad if we have no water, if we have to pay a few dollars more a year, and have water, it is better.

BY MR. TURNER:

Q. Has the drought condition this year had anything to do with that, or is it a condition that existed before?

A. This has existed years ago. We were before the Public Service Commission four or five years, six years ago. So, this drought concern here does not bother them at all. In fact, we have better water service now than we had at that time, but still we haven't got what we want. We are still lacking water maybe sometimes three or four weeks, two or three weeks.

BY MR. CRAWFORD:

Q. When does this shortage occur generally in the winter or summer time?

A. It occurs in winter and summer. This last year, 1930, it occurred October and December, sometime around the end of October.

BY MR. RHODES:

Q. Isn't it true, that you had to come over to Monroe County and pump the water out of Cherry Creek in order to supply Bangor and Roseto?

A. I haven't heard anything about that. What I have heard about is the superintendent said that he ought to have some more pumps installed, and the water company said they would not put any more pumps in, and finally they got together and put another pump in, and then we had water after that. So, we don't want to be litigating every time and go before the Public Service Commission, and get people to witness and bring them down before the Public Service Commission, and have hearings, and that means a lot of money, and our borough is composed of working people, we have no money to spend.

Q. Why do you complain about spending \$40 for the extension of a line 250 feet? Wouldn't the water company have to pay for that extension at least \$40?

A. That has not been paid.

Q. That is no basis for complaint, is it?

A. We are not complaining about that. We are just showing that this man is in a position so that he can not pay it, and he is building homes and he ought to be served some way or other. We are not complaining about all the business that they make. We know that by some source which we can not exactly prove that they double the amount which they claim they should have made.

BY MR. EVANS:

Q. Would not the charge from the water company from three houses ordinarily be as much as \$40 a year?

A. I think it would.

Q. Then that is all that they require?

A. In ordinary houses it is from \$3.75 up for three months.

BY MR. TURNER:

Q. That would be a little short of \$40 on that basis.

A. But they asked this man to pay \$40 more in addition.

BY MR. EVANS:

Q. I don't think they meant in addition to the regular rates. I think they mean in addition to the revenue which the company now has, which would be when these three houses are connected.

A. We have not taken this matter up with the Public Service Commission, but the other matter we have. I just brought this up for illustration.

Q. Have you any information as to the cost of the case before the Public Service Commission?

A. I have no definite cost here now.

MR. RHODES: Wouldn't that mean that the 250 feet of additional line would have to bring in \$40 of additional revenue, no matter how many houses are on it?

MR. EVANS: Yes.

MR. RHODES: And that revenue could be divided among those houses?

MR. EVANS: Yes, as I understand it. Of course, I don't know whether these houses are already being served from the rear, as mentioned.

MR. RHODES: It would only mean \$40 between these several house along there.

MR. EVANS: Yes, that is as I understand it.

## BOROUGH OF LIGONIER

W. B. EVANS sworn.

BY MR. EVANS:

Q. What position do you hold in the Borough of Ligonier?

A. Member of council.

Q. And are you speaking just for the Borough of Ligonier or also for the boroughs of Bolivar and New Florence?

A. We held a joint meeting of the three boroughs. At that joint meeting there was a representative named from each borough council, to act as a committee, to get into this matter and make proper representation. I happened to be selected chairman of the committee and was asked to report today here, to represent it here.

Q. What is your complaint, if any?

A. We have a gas rate. It is set forth in that statement, Mr. Evans, I believe, as fairly,—if you wish, I will read that and enlarge on it where you want me to. It is brief.

Q. Suppose you just read that into the record please.

A. This is dated Harrisburg, Pennsylvania, February 18, 1931. A copy of this representation was given to Judge Woodruff at his request. The statement is this:

"Ligonier, Bolivar, and New Florence Boroughs, all in Westmoreland County, are served with natural gas by Peoples Natural Gas Company, whose offices are in Pittsburgh, Pa.

"Our rate is 63c per thousand cubic feet. That is the gross rate. There is three cents a thousand feet off for prompt payment, making a net of 60 cents a thousand. There is no minimum charge but a customer charge of 60 cents per month which is not absorbable. We wish to have this customer charge removed and a minimum charge of not more than \$1.00 substituted therefor as the arrangement with our neighbor towns to the west. We feel there is discrimination against the above named three boroughs and other towns to the east of us served by Peoples Natural Gas Company as compared with all cities and boroughs west of us served by the same gas company.

"It is estimated that this discrimination in rates amounts to between \$7500 and \$8500 annually for the above mentioned boroughs of Ligonier, Bolivar, and New Florence."

Q. Have you filed any complaint with the Public Service Commission in regard to this matter?

A. Yes, sir, in 1926 there was a complaint, and this is the reply to the complaint, a copy of it.

Q. That is, this was a formal complaint, I take it?

A. It was presented by our solicitors, Gregg and Gregg, of Greensburg, and the reply is by P. E. Fickenschur, the chief of a bureau, he doesn't say what bureau but in the Public Service Commission.

Q. He is the chief of the bureau of rates and tariffs.

A. Rates, I suppose. He mentions the number, it is P. S. C. Pa. No. 10 filed with the Commission August 16, 1924. I might say that prior to that time we had a dollar minimum charge, and at the time they asked for this change they also asked for an increase of from 57 to 63; they asked for an increase of six cents a thousand, and a change from the minimum charge to a customer's charge at that time, and they were granted both.

Q. How long has it been that you have felt dissatisfied with these rates? They seem to have been in effect for some years.

A. Yes, sir. We have always been dissatisfied, but as far as I know there wasn't any complaint made until 1924.

Q. To the Public Service Commission?

A. To the Public Service Commission, and we were turned down in that way, and I guess there has been discouragement. I haven't been in the council for a little over a year, and I don't know the exact history of it, but I was given to understand that we had gotten very little encouragement.

Q. Is there anything else you want to add?

A. No; I think not. This correspondence—oh, there was something mentioned about the amounts spent. Bolivar and Ligonier both spent some money going into this matter. Bolivar totals over—at approximately \$300, and Ligonier at \$150.



Q. That was not a complaint before the Commission, however, was it?

A. The clerk asked me into his office before I left, and showed me Mr. Chrowsaite's statement; his letter to the boroughs that belong to the association; and stated that we should be prepared to give costs of any litigation or any costs of any efforts to have the rate changed. About 450 these three boroughs have spent, and they have been charged 75 to 80 dollars annually; I would like to emphasize that. If it would be absorbable, we would be in just that much money, and the minimum charge justifiable. Latrobe and Greensburg and all our neighbors have this readiness to serve charge. We recognize that as just, but we can't recognize that instead of paying 60 cents as they advertise in their tariff, a man has to pay 12 cents additional, making it 72 cents.

BY MR. TURNER:

Q. Are there any peculiar conditions that bring about the difference in rates between the boroughs that you have mentioned?

A. Yes; as a construction engineer, and that happens to be my business, I would have to admit that the extension of the line is an extenuating circumstance there.

Q. What do you mean by that?

A. Well, the supply is all to the west of us; they are piping eastward, and it seems that under the revision of 1927 to these rates that all boroughs and cities supplied by the Peoples Gas Company to the east of Ligonier, and including Ligonier got this same rating, while all to the west have a flat charge. That might be taken as an extenuating circumstance; I don't know.

Q. In other words, you think it costs more to deliver it to the communities you have mentioned?

A. I don't have the service costs with me. The cost of installation is greater.

Q. Well, perhaps, that would have a relation to the charges, would it not?

A. Yes; but should that be made a permanent institution? If it was necessary to count that in, why didn't we get the rate which was assigned?

Q. That is a question of knowing the exact facts in the case.

A. It is a matter of investigation of the costs, I suppose, but we feel that it is unjust. We have between 600 and 700 subscribers right there in our little town of 2000 or 2100. Those other towns don't have as many subscribers.

Q. Do you have wells in Ligonier?

A. We had the deepest well in the world until California beat us, which was our source of supply.

Q. And they drilled one or two dry wells there, didn't they?

A. Yes.

Q. That may have something to do with it.

A. I am in business for myself. If I make a bad guess, I have to pass it off, I can't pass it off on my clients and customers. We all do that; make those bad guesses. It is a matter of whether the service they are rendering is worth that much more east of Ligonier than it is west of it.

Q. It hinges on the question of cost, doesn't it?

A. I am only giving this as my opinion. I think those costs are pro rated. I think those costs go to the districts.

BY MR. EVANS:

Q. Can you give any explanation why you have not taken the matter up with the Commission?

A. Yes; for the same reason that other things are neglected. It isn't costing very much. They made this representation in 1906. I think, as a matter of accuracy, that the town was asleep at the switch when the rates were filed, and they didn't know about it until after they were in effect. There was a little notice posted in one of the banks there, in very fine print, and I saw that the notice had been torn down and laid aside by one of the bank employees. That was sometime ago. They immediately got busy at that time when this rate went into effect in 1926, or in 1925, and I think they made those representations in 1926, and since that time it has been quiescent, because our appearance before the Commission—the effect of it was not very encouraging.

## BOROUGH OF WEST LAWN

W. F. BURNS sworn.

BY MR. EVANS:

Q. You are a member of the borough council?

A. Yes.

Q. What is the population of the borough of West Lawn?

A. 2,056.

Q. Have you a statement that you wish to submit?

A. A part of it, and I would like to read some of it.

Q. All right. Very good. Proceed.

A. We feel that the Public Service Commission has allowed favors to the Sinking Spring Water Company for many years and increasing the rates without being required to enlarge or improve their distribution system over a number of years. We also feel that the Public Service Commission has allowed the Sinking Spring Water Company to supply that community with a lot of inferior quality of water. We are now drinking water that is doped with chemicals, and we are drinking nothing but corpses. We have proof along that line. I don't want to go into all the details; I just want to hit the high spots. In 1923, at an expense of a thousand dollars, the Public Service Commission caused the citizens of that community to lodge a complaint against the Sinking Spring Water Company, otherwise we would not have been heard or nothing would have been done. At that time they increased their plant by putting in two standpipes, which didn't do any good, because they didn't have the water to pump into them. They were only getting water from three springs. To cite an instance of what we feel the Public Service Commission allows a public utility like the Sinking Spring Water Company to get away with, the Springs school board built a beautiful school on an elevation, and in that school there are about 450 pupils. When it came down to the part where they were ready to put the water into the buildings, they found out that the water company refused to put a pipe line into the building. They wanted them after the buildings was up to run a pipe line down to their standpipe which is over a mile away. We refused because that would cost \$15,000. This we took up with the Public Service Commission, who decided that where no pipe line had been laid by a public utility the consumer is required to lay a line to the nearest water main which was three blocks away. But after we got everything connected up and ready to turn the water into the school we found we did not have enough water, not even to flush the toilets, and they had to let the students out a couple afternoons because of the awful stench. We then turned around and put in a pump to get the thing in shape at an expense of \$8500 which has to be in turn paid by the taxpayers, and we feel that the Public Service Commission could have checked up closer than they did on that water company. Another thing is that their line is so out of date, that they only have four 6-inch water mains through the place, and right now we have a protest going on which we have been waiting for a date since last July, but the Public Service Commission didn't feel it was an urgent thing for them to hold a hearing. We didn't have enough of water in the water pipes in the higher elevations for people to have water on their second floor. This school house is unprotected because it is not a fireproof building. Sometimes there is not water enough in the plugs. Sometimes there is a five pound pressure instead of a twenty-five pound pressure. Another thing, this company was not even compelled to have a consulting engineer. They allowed their plant to go down, but when we were protesting this summer they hired an engineer and he found that there was a leakage of 85,000 gallons a day. But what does the company care? The Public Service Commission under the law allows them to make seven per cent. on their valuation, they get their money anyway. Another thing we feel unjust is that the Public Service Commission allows the public utility to take, for instance, a man builds a garage in back of his home and he has the space in there for about five cars and expects to get a little revenue from it. It costs him eight dollars a year in water rent and he has no spigot in that garage but he has an outside spigot which he pays three dollars for a year. Then along comes the dry spell which has been occurring fully as long as I am in the borough, so that we have a water shortage every time the sun shines a couple of days. As the result we cannot wash our cars. People live in that community, they go there with the idea of having a garden

and a lawn, and shrubbery, but what is the result? They must let it go to ruin or replace it at added cost to us.

Q. Have you filed a complaint recently with the Public Service Commission?

A. We have now. There are about eight communities supplied by this water company now combining in a complaint before the Commission.

Q. The matter is now pending before the Commission?

A. Yes sir, since last July.

Q. Have you had no hearing?

A. None, except the engineers have gotten together. What we are afraid of is, that we understand that there is going to be a recommendation of improvements that will amount to \$235,000 to \$300,000 in this plant that we think its present condition was due to the gross negligence on the part of the water company to let it get down that way, but what will happen, it will come off of our taxpayers because our rates will be based—

BY MR. RHODES:

Q. When they cut off your water on account of drought, did they reduce your bill accordingly?

A. I must say this, one year after they had the place torn upside down, they got together and gave us a reduction of twenty-two cents on a year's bill of twenty-two dollars. Another thing, they always gave us notice when there was not enough water, but they never gave us a notice when we could get water again.

BY MR. HAGMAIER:

Q. Did you take up with the Health Department the condition of the water you complain of?

A. We did, and they sent down an inspector, but we got no report from him, and the only thing we found out was from Mr. Keiser, manager of this water company, that his water was O. K., but we had others up there and found there was dead animals of all nature in the water pipes, that the water pipes were clogged up with vegetable matter, and they got frogs out of it, and in order to drink that water you pretty nearly have to put a clothes pin on our noses to drink it.

BY MR. EVANS:

Q. Is this company held locally or elsewhere?

A. That is what we cannot find out. There was a rumor it was sold to a New York concern. Mr. Keiser has lately been made General Manager. That is the only information I can tell you on that.

MR. EVANS: We will now take WEST WYOMING BOROUGH.

MR. CHAINEY: We have no formal complaint to make.

MR. EVANS: We will then take on the BOROUGH OF QUAKERTOWN.

MR. VICTOR SMITH: We have no testimony to offer.

MR. EVANS: Then we will taken next SCOTTDALÉ BOROUGH.

THOMAS B. GIBSON sworn.

BY MR. EVANS:

Q. What position do you hold in the borough?

A. Manager.

Q. What is the population of the borough?

A. About 6800.

Q. You had a rate case before the Public Service Commission against the water company?

A. Yes sir.

Q. What water company serves you?

A. Citizens Water Company of Scottdale.

Q. Can you tell the Committee roughly what was the cost of that case to the borough?

A. About \$6,000.

Q. What was involved in the complaint? Rates of the company, or service?

A. It started with the quality and service of the water, and ended in the rates.

Q. Did the borough obtain relief from the Commission?

A. No, they did not.

Q. The borough lost the case?

A. The borough lost the case.

Q. Did you have any question up with the local gas company there?

A. Yes, in 1928 I believe it was they increased the rate on gas from possibly I believe 35 cents a thousand to about 57 cents a thousand.

Q. Was this case fought out before the Commission?

A. No sir. It was compromised on account of the rate that they proposed to take before the Commission. This rate was the same rate as Queensborough Gas Company had in that same district. They have lost their case so we felt there was no use taking our case to the Commission.

Q. Has there been any recent consolidation of the water companies in the district?

A. Yes sir, the Citizens Water Company of Scottdale purchased the Mount Pleasant Water Company, which is owned by the United States Steel Corporation and another one of their plants known as Cotter Steam Plant which adjoins our town.

Q. Did the borough take any part in the proceedings?

A. They appeared twice in the hearings here in Harrisburg. The main question was in the consolidation of these plants, which was the valuation that the company was trying to establish at these plants in comparison to the price that they paid. They paid for the Mount Pleasant \$350,000, and the Trotter B plant \$50,000, and they set up \$23,000 for legal and engineering service. They immediately proposed establishing, they claimed for financing purposes, but apparently for rate making purposes for Mount Pleasant, a valuation of \$907,000, and the plant at Scottdale, just prior to this consolidation had been sold by the previous owner, the Pennsylvania Railroad Company to Benning and Company, apparently brokers in Philadelphia, which in turn, after they purchased the Mount Pleasant plant, was again sold to the National Water Works Company, and naturally the price pyramided in each of these transactions, and in the rate case that we had that was finished in 1920, the conference of the engineers which made the compromise on the valuation, that is, the reproduction new less depreciation of \$580,000 for the plant at that time. That came up to the time of that hearing to apparently \$900,000. The water company just previous to the sale by the Pennsylvania Railroad Company to Benning and Company, had increased the rates in the Borough of Scottdale, and there was a petition filed with the Commission at that time by the engineer employed by the borough, consulting engineer, of Jay and Chester, of Pittsburgh, who recommended to the borough that they did not believe it was possible to get any relief from the Commission in the rates, that the after-war prices when applied to the valuation set up in 1920 would not give the borough any relief, that through the borough of Scottdale's proceedings in these matters, their confidence was very poor in taking anything before the Commission, they feeling that it was no use to go before the Commission with any matters pertaining to rates or service or violation of rules. We have our usual complaints from our citizens, concerning as has been brought out here this afternoon, extensions of several hundred feet by citizens for service, and naturally on the meter service charges, as they called them, they call them meter charges, but they are service, or customer charges, and our officials believe that there should be a department set up to regulate the expenditure by utilities for extension of their lines; in the conflicting costs between one service company and the other it pyramids operating costs with each utility.

Q. You mean such things as managerial contracts, things of that sort, is that what you are referring to?

A. I am referring particularly to the electric railways, conditions of electrolysis of lines corroded, disintegrated in short periods of time. In many cases of the company making extension of lines, the size, particularly in water cases, they are not adequate in size, and the underwriters penalize the citizens in their insurance rates. In our town our biggest penalty in insurance rates are to customers through inadequate size of the water mains. We had charged a penalty on all hydrants that are located on 4-inch lines, and there are very many of them.

Q. What rates do you pay for hydrants?

A. We only pay per year for hydrants, \$10.00 and \$450.00 per year per mile of pipe, for each of the above. It cost us on practically, I believe, ninety-four hydrants about \$6,800.00 per year.

BY MR. TURNER:

Q. The larger pipes would increase the cost? wouldn't it?



A. You would think that would be true, but they don't do it. They make it up on so many miles of pipe, of four-inch pipe. We have very few above six inch.

Q. You say that they ought to put in larger pipe, and if they put in larger pipes that means more cost, doesn't it?

A. It wouldn't apply the same as the Health Department regulated boroughs, regardless of the size of the sewers.

Q. But you would have to pay it in the end, would you not, the other rate?

A. Yes, but the difference would not be in any ways in comparison with the penalty we pay in insurance rates.

Q. You would rather pay the increased water rates?

A. Yes, there would be very little difference between the cost of four-inch water mains, that is, placed in the ground, than there is in a six-inch water main.

Q. Do I understand you to say that in the pyramiding of these companies the valuation had increased, that is, the price had increased.

A. The price has increased, and apparently from all we can learn—

Q. Did that enter into your case in the valuation?

A. We have had no case since that time. Mt. Pleasant, I believe had the case, that is being investigated at the present time.

Q. So that the question of the increase in price in the pyramiding has nothing to do with the rates.

A. It has not affected us to date, they raised Mt. Pleasant first.

BY MR. EVANS:

Q. Mr. Gibson in taking over the Trotter B. Plant was there any property taken over into the system that was not used or useful in the public service?

A. There were none of the lines or the reservoir, that is of any use at all to the borough of Scottsdale. They have possibly four miles and a half of twelve-inch water mains, and a small pumping station on Youghiogheny River, one small reservoir that would possibly hold three million gallons. On this whole four mile and a half of line they have four domestic consumers, and I believe three industrial consumers, and one of the industrial consumers has been offended, leaving at that time and at the present time two. Both these industrial plants had already lines in from the present main and at that time the Citizens Water Company lines, but there was nothing to be gained so far as the Borough of Scottsdale's plant was concerned, by the addition of the Potter Plant B. The only effect that it would have would be the revenue derived from those two additional consumers, and the reason that the both lines were in these industrial plants was the quality of the water from the Youghiogheny River was as contaminated by mine water that it was not useful practically for even boiler purposes, for the greater part of the year, especially in the dry season. After this transaction was completed, I am unable to say at this time as to just how much of that they applied to the additional valuation of the Scottsdale plant.

MR. EVANS: I think that is all.

#### BOROUGH OF EAST STROUDSBURG

STERLING CRAMER sworn.

BY MR. EVANS:

Q. What position do you hold in East Stroudsburg Borough?

A. Borough secretary.

Q. What have you to say to the committee with regard to your utility situation?

A. Well, we have a statement to Mr. Walker, which we would like to submit, if that would be acceptable to the committee.

Q. Is this the statement which you refer to?

A. Yes, it is.

Q. Your complaint involves the charges of the Pennsylvania Power and Light Company for electricity for your borough pumps, as I understand it?

A. Yes.

Q. And also the charge of the Associated Gas and Electric Company, which furnishes power for a fire siren motor, is that correct?

A. Yes, that is correct.

Q. Are you served by both companies in East Stroudsburg?

A. Served by both companies.

MR. EVANS: Is it satisfactory to the committee to have this—

BY MR. RICHARDS:

Q. I would like to ask one question. If you are served by one company, like the Pennsylvania Power and Light Company, and you want to change over to the Associated Gas and Electric Company, can you do it?

A. We have had several instances where we have tried to do that, but the one company won't accept the service.

Q. Although you have two companies in East Stroudsburg, still one company will not take the business of another, although that customer may be dissatisfied with the service he is receiving?

A. Yes.

MR. EVANS: Is the committee willing to have this letter—

MR. TURNER: My only suggestion would be that in each instance you look through these statements so that if there is any question you want to ask, you can ask it while the witnesses are here.

MR. EVANS: In the matter of rates, Mr. Turner, I am not sure—

MR. TURNER: I mean if there are any questions that ought to be asked.

MR. EVANS: I think that the letter with the accompanying bills will speak for themselves. You can leave the bills too, can't you?

THE WITNESS: Yes.

"Borough Council

J. H. Lanterman, Chief Burgess

A. L. Rake, President

Monroe Co. Nat. Bank, Treasurer

Sterling Cramer, Secretary

W. Homer Lee

J. B. Peters

A. W. Thompson

R. C. Cramer

George Dunning

Jay P. Kaul.

H. G. Stetler,

Gen. Supt. Water and Streets

Fred W. Davis, Solicitor.

#### "BOROUGH OF EAST STROUDSBURG

East Stroudsburg, Pa.

March 7, 1931.

"Mr. John W. Walker,

Attorney at Law,

c/o Penn Harris Hotel,

Harrisburg, Pa.

"Dear Mr. Walker:

"In accordance with the suggestion of Thomas F. Chrostwaite, President of the Borough Association, we are herewith enclosing bills of the Pennsylvania Power & Light Company, Associated Gas and Electric Company and Citizens Gas Company for current used in the Borough of East Stroudsburg.

"Those bills practically speak for themselves. We feel that they are entirely too high.

"You will note that in accordance with the Pennsylvania Power & Light Company bill, the demand charge is two hundred sixty-four dollars (\$264.00) which must be paid whether or not current is used. The Borough uses a 100 horse power motor and a 50 horse power motor for pumping purposes. However, the two motors are never used at one and the same time. During the month of February, the Borough used only a small 50 horse power motor. We feel this is placing an undue burden upon the municipal water plant and should be adjusted.

"The Associated Gas and Electric Company furnish power for a 5 horse power motor which runs the compressor furnishing compressed air for the fire siren. We have used as low as 2 K. W. per month and as high as 18 K. W. per month, yet a charge of four dollars (\$4.00) is made each month.

"The Citizens Gas Company makes a ready to serve charge of fifty cents (\$.50) per month. A great many of the citizens of the Borough complain about this and feel it is unjust, and therefore, we call it to your attention.

"Extending best wishes for success in your efforts, I remain,

"Very truly yours,

Fred W. Davis,  
Solicitor."

"FWD/FJG

"Encl.-3

Penna. Power & Light Co. bill

Associated Gas & Electric Co. bill

Citizens Gas Company bill"

"The net rate applies only when bill is paid within 15 days from date hereof. When not so paid the gross rate (Being the net rate plus 5% on \$200 and 2% on balance) applies.

"EAST STROUDSBURG PUMPING STATION,

"Monroe Street,

"East Stroudsburg, Pa.

"Stroudsburg, Pa., Feb. 6, 1931.

"To PENNSYLVANIA POWER & LIGHT CO., Dr.

740 Main Street

Feb. 21, 1931.

"Gross Rate will be charged if not paid on or before—  
Contract K. W. 88 Established Jan. 1931

Meter Reading 2-2-31.....8147

Meter Reading 1-2-31.....8004

Difference .....143

Meter Constant .....10

KWH used .....1430

88 contract K. W. @ \$3.00 334.00

" " @ \$

" " @ \$

2640 KWH included with above 264.00

Net bill for monthly period 264.00

1.14

Multiplying factor applicable to 5 months service under\*)

'Short Term' Schedule—P-51B )

Total Net Bill 300.96

#### POWER SERVICE

Add difference between Net and Gross Bills for current month if not paid within fifteen (15) days from date hereof 12.02.

#### GROSS BILL

Failure to receive bill will not entitle customer to net rate. P. 12-19"

'Form C-1-10M-7-30

CITIZENS GAS COMPANY, Dr.

For Gas Consumed

} Schedule of rates on  
file at offices for  
inspection.

Dates		Meter Reading		Hundred Cubic Amount Feet
Previous	Present	Previous	Present	
Oct. 8, '30	Nov. 8, '30	567	567	
A discount of \$..... allowed if bill is paid on or before Dec. 15, '30 Arrears				
Merchandise				
Ready to Serve				.50
Total				.50

Municipal Bldg., 1-160

Dec. 1,

S. Courland St.,

1930

PAID

9029

Dec. 6, 1930

Borough of East Stroudsburg

This Bill due on Presentation"

\$40 42

"Metropolitan Edison Company of  
ASSOCIATED GAS AND ELECTRIC SYSTEM  
Second and Perry Sts., Easton, Pa  
Other offices listed below

Bill for service as follows  
From Nov. 10 1930 to Dec. 8, 1930

Lighting 384 31 02

Lighting 4166 4550 6 4 00

Power 53 59 PB 72 35 02

Demand\*\*\*\* K W. Total Electric

Gas

#### Current Month Bill

Current Month Bill Electric and Gas 9075 \$40.42

Payable on or Account

before

Dec. 22 1930

Total Electric and Gas

Not included in above total  
Merchandise

P A I D

Dec. 27 1930

BOROUGH OF EAST STROUDSBURG

Payable at your local office, or Nazareth Pen Argyl Bangor  
or East Stroudsburg."

"Metropolitan Edison Company of  
ASSOCIATED GAS AND ELECTRIC SYSTEM  
Second and Perry Sts., Easton, Pa.  
Other Offices Listed Below

Bill for Service as follows

From Nov. 10, 1930 To Dec. 8, 1930

Lighting 7545 7653 108

Power Demand K. W. Total Electric IL49 5.40

Gas

Current Month Bill  
ELECTRIC AND GAS

Current Month Bill

ACCOUNT

PAYABLE ON  
OR BEFORE

TOTAL ELECTRIC AND GAS  
Not included in above total  
MERCHANDISE

Dec. 22, 1930

P A I D

Dec. 27, 1930

BOROUGH OF EAST STROUDSBURG

Payable at your local office, or Nazareth, Pen Argyl, Bangor  
or East Stroudsburg."

BOROUGH OF NORTHUMBERLAND

FRANK J. KEILY sworn.

BY MR. EVANS:

Q. What is your position in the Borough of Northumber-  
land?

A. Borough councilman.

Q. What is the population of the borough?



A. About 4500.

Q. What have you to say to the committee with regard to your utility service in the borough?

A. We filed, or mailed our complaints to Mr. Walker at the Penn Harris Building, but the mister there tells me that they didn't get them. I am not prepared to give you the details like they are in those complaints, but I will do the best I can.

Q. In the first place, are they in regard to water or electricity, or which of the services?

A. Electricity, all of them, I think.

Q. What company serves you in the borough?

A. Pennsylvania Power and Light Company. The merchants council of Northumberland complained against the Pennsylvania Power and Light Company for excessive rates for electricity over the house rate in their business places. They see no reason why they should pay more than the house. They think like this, that if they can furnish the electricity in the houses for a certain rate and make a profit, that they can to the merchants of the town, and they think that they are being charged too much, and then, for the individual who is using electricity in the town, they put a penalty after 15 days, they give you a limit of 15 days, and then they put a penalty on it if that bill is not paid, which works a hardship on to each individual. They usually work it so that it comes just before pay day, and a good many of the men who are working for the railroad company and the different concerns there, when their pay comes, they don't have the money to pay their bill, and then they have to pay that penalty.

BY THE CHAIRMAN:

Q. What is the penalty?

A. 10 per cent, and it is added in 15 days, and I have never known of a case where they got out of it or the company was lenient enough to give it all.

BY MR. TURNER:

Q. Don't the bills go out on a regular day?

A. Yes, I believe they do, but yet I am not so sure about that. It seems to me that they don't always go out on the same date. Now, I think they base the time to send them out when the month ends. It is apt to be on the 18th, the 19th, or the 20th, or 21st, according to how the month ends, and they bring it so that it comes due,—now, the railroad company usually pays about the 7th, and a good many,—this very last pay day they got their bills, the time limit was up on the 6th, and then they drew their check on the 7th, and they had to pay the penalty, and then one of the complaints is the penalty is too much, 10 per cent is too much.

Now the Borough of Northumberland includes some farm land which is up on the hill back of Northumberland, and here are three farmers up there that want the electricity, and the company refuses to put a line up there unless they pay them \$11.65 of a flat rate and then they charge them 17 per cent on the line until the line is paid for, to get that line.

BY MR. RHODES:

Q. Let me understand this. This is probably under General Order No. 28, I imagine. How far from the present pole line are the farmers? How much of a line would they have to run?

A. Why, perhaps four blocks, I would think, but it goes up over the hill, and I don't know how many poles they would have to set or anything about it, but they want this electricity and they would be glad to have it and pay the regular rate that Northumberland Borough residents do.

BY MR. EVANS:

Q. Is this charge of eleven dollars and some odd cents that you speak of a monthly or an annual charge?

A. A monthly charge.

MR. RHODES. Mr. Evans, let me ask you, am I correct in understanding that the rate established by the commission of one and three-quarter per cent per month installation charge, divided by the number of consumers, is under General Order No. 28?

MR. EVANS: I think that is the usual basis.

THE WITNESS: These fellows don't understand why they can't have it at the ordinary rate. There is only one party in this instance who got a pole line laid to his place, and he wasn't charged anything.

BY MR. EVANS:

Q. How far was it from the—

A. About the same distance.

Q. Have these matters been taken up with the Public Service Commission?

A. No; I don't believe they have. They never have that I know of.

Q. Why not?

A. Well, they couldn't get themselves sufficiently interested in the borough council, I suppose. They have not been filed with the Public Service Commission.

There was another question asked in that communication that we received from the borough association, that we were to tell about what amount of money we had spent fighting public utilities. As near as I can get at the data, it is about three to five thousand dollars against the water company there, which resulted in a standpipe being placed there to give us more pressure. That is the only thing against the water company that we have had.

Q. That was a complaint of the borough filed against the water company?

A. Yes, sir.

Q. And they got a standpipe?

A. They got a standpipe; yes.

Q. And the cost of the proceeding was somewhere between three and five thousand dollars?

A. Yes; somewhere like that.

Q. Is there anything else you want to add?

A. No, sir.

#### BOROUGH OF LEWISTOWN

H. E. FETTEROLF, sworn.

H. E. FETTEROLF sworn.

Q. Mr. Fetterolf, what position do you hold in the Borough of Lewistown?

A. Borough secretary.

Q. And what is the population of the borough, approximately?

A. About 13,000.

Q. You had a case up with the Reedsville Water Company, did you not?

A. Yes, sir.

Q. What was the question involved in this case before the commission?

A. That was an increase of rates generally, and particularly, as far as the borough was concerned proper, was the increase of the rental of fire plugs from \$6 a year; according to a contract entered into between the Borough of Lewistown and the water company; \$44 a year.

Q. In other words, the borough had a contract with the Lewistown Water Company made in 1907, providing for the rates that were to be charged by the water company to the borough?

A. Yes, sir.

Q. And they subsequently increased these rates and the borough complained to the Public Service Commission?

A. Yes, sir.

Q. What was the result?

A. The borough had to pay the bill.

Q. The increased rates were allowed?

A. Yes, sir.

Q. What was the approximate cost to the borough of the proceeding?

A. Approximately \$7,000. \$6,995.88 I think was the exact amount it cost the borough.

Q. That was in 1920, was it?

A. 1920, yes, sir. I might also state that one of the worst features was the fact that in the original contract the borough of Lewistown was allowed to use these fire plugs for work necessary on the streets, such as flushing of sewers and flushing of streets. When the rate increase was made, of course, the rental was for fire purposes only, and of course every time we attempt to use a plug now we are reminded that the Public Service Commission doesn't allow us to use it, and it is necessary that they be used at times, and that is one of the things in particular that the borough protested against.

Q. Is there anything else you wish to add in regard to your utility situation in Lewistown?

A. Nothing more than that the only trouble we have in particular in Lewistown is in reference to the light bills, that

they are not in such a shape that anybody can check ... up.

Q. You are speaking now of your electric light bills?

A. I am speaking of the electric light bills; yes.

Q. What company serves you with electricity?

A. The Penn Central Light and Power.

Q. The Penn Central Light and Power Company?

A. Yes, sir. There is no way of determining whether your bill is right or whether it is not right. You even go to the company and endeavor to figure it out, and nobody can explain it to you.

Q. The bill does not show the amount; the number of hours consumed?

A. No; it doesn't show the number of hours consumed. It shows the amount of kilowatt hours, but not the rate per hour, and nobody can figure what the rate per hours is.

Q. You do not know what the rate per hours is?

A. No.

Q. Has the borough had any cases before the Public Service Commission since it lost this case in 1920?

A. No, sir.

Q. Is there anything further you wish to add?

A. No; I don't think so.

#### BOROUGH OF FARRELL

CLYDE B. SCOWDEN sworn.

BY MR. EVANS:

Q. Mr. Scowden, what position do you hold in the Borough of Farrell?

A. Burgess.

Q. What is the population of the borough?

A. About 16,000.

Q. It is in Mercer County, isn't it?

A. Yes, sir.

Q. What have you to say to the committee in regard to your utility situation?

A. May I ask, does it include the express companies.

Q. Yes; it includes the express companies.

A. I might say that had we known just what you expected, there are a lot of things I would like to have put in writing, but I didn't do it. We have numerous complaints, and I don't wish to take up your time particularly; but the express company, the gas company, the water company, the electric company and the telephone company not one of them maintains an office in our borough, and we must take up all business with them in an adjoining town. The only thing you can do, they made arrangements with the bank whereby our bills may be paid there, and that's all; no complaints that you might have about the installation of meters or other complaints; to take those up, you have to go to the adjoining town.

Q. First, taking up your water situation, what water company serves you?

A. The Chenango Valley Water Company.

Q. Is that a complaint you have in regard to the rates or service or what?

A. Service.

Q. Will you briefly state that to the committee?

A. Sometime ago I believe during the war time, a service charge of \$1.75 was added and never removed. There was considerable complaint from that; also, the insurance rates in our town, which adjoins three other towns, has been raised or, in fact, it is higher than the adjoining towns, said to be due, or the underwriters tell us is due, to the fact of a low water pressure. About two years ago they erected two standpipes, which remedied it to some extent, but still the insurance rate remains the same. There is no change in that.

Q. Is this company locally owned?

A. I believe not. It was owned in Pittsburgh at one time and I think it is now.

Q. You also referred to the gas situation, I think?

A. Yes, sir.

Q. What have you to say as to that—what company serves you?

A. The United Natural Gas Company. During the war period when there was frequently a shortage of gas, a committee of officials appeared in our borough and met our citizens and officials, and requested that we would not oppose a raise in rates, and this was agreed to, a gentleman's agreement was entered into at that time that if in the future

any controversy arose they would take up the matter with the proper officials previous to any change as to rates or change in houses. Our town is a new town and we have new streets and new developments, and we thought it would be necessary to lay lines. We have not had any trouble on that score, but during the last year they have installed a new system of reading meters. Previous to that the bills were paid on the tenth of the month. Under that system we knew just when bills had to be paid, but now they send you a bill any time during the month, and then you have until ten days later to pay the bill which works a great inconvenience to many people. If a man lives in one part and has a store in another or possibly a couple of stores, there is no set time for his bills to be paid. That is our principal grievance against the gas company.

Q. Did you say what the previous rates were?

A. Sixty-eight cents is the present rate; previous to that twenty-seven cents, with a discount for cash payment.

Q. Then you mention something about the express company. What express company serves you?

A. There is only one, the American Railway Express. They operate through our town with two deliveries a day. They have our town penalized in this way: They, beyond a street called Beechwood Avenue, will make no deliveries. They have the town divided into two parts. A customer may order a package sent to him but, if this man lives beyond this street in this other district, they refuse to make deliveries. They will call him and tell him that there is a package for him, and if he gives them instructions they may leave it at a store where he may call for it, but in that way he either has to carry it home or pay for having it taken home himself. We also have to go to Sharon to do any business with them and after three o'clock in the afternoon you cannot send any packages.

Q. How far is Sharon?

A. Two miles.

Q. Have you taken that up with the Public Service Commission?

A. Not for some time.

Q. Why not?

A. It was our understanding it was useless. It was tried out one time and it has now become a legend with us that it was useless at that time, but that the time would come when it might not be as it is now.

MR. TURNER: I did not hear what the gentleman said.

BY MR. SCOWDEN:

A. I think it was taken up previous to the time I was connected with the borough government. I think there were some letters written in. Unfortunately our secretaries are both dead that we had previous to the one that we have now, but there are some records which show that letters were written in on two occasions, but we cannot find those letters.

Q. How long have you been burgess?

A. Two years last August.

Q. During that term nothing has been taken up?

A. Nothing directly, no sir.

BY MR. CRAWFORD:

Q. I would like to ask if the Borough of Farrell and the Borough of Sharon do not come together?

A. Yes sir.

Q. Do you know the difference when you go out of one borough into the other?

A. We have signs located.

BY MR. TURNER:

Q. How far would it be from the average place in your borough to where these officers were located?

A. It is two miles from our borough buildings to the borough buildings in Sharon. Then the electric and gas and telephone are still a little bit beyond that.

BY MR. EVANS:

Q. I think that is all now, Mr. Scowden.

A. I might add, we have a rate of eighteen dollars, and \$270 a mile, and 143 hydrants at ten dollars a year.

Q. That is a 4-inch main?

A. Not all of them. Whenever council orders a main put in, we pay that mileage; there is no difference in the size of the main.



## BOROUGH OF FREEPORT.

BY MR. EVANS:

We will now take the borough of Freeport.

C. M. MCLAUGHLIN sworn.

BY MR. EVANS:

Q. You are burgess of the borough of Freeport.

A. Yes sir.

Q. That is in Armstrong County?

A. Yes sir.

Q. What complaint, if any, have you in regard to your public utility situation?

A. Our main complaint there is on the water question.

Q. What water company serves you?

A. The Freeport Water Company. It is not locally owned. It is one of a syndicate. I don't know who does own it now. They have served water there for many years and during the period just following the war they reconstructed their plant and built a plant that was practically about three times their needs. Following the completion of this plant of course they increased their rates. We feel that we are paying an excessive rate. A part of the town is on meter and a part on flat rate. The flat rate for homes is \$1.35 a single spigot and \$2.35 for a spigot in the bath room. The meter rates on services charged on meters varies from \$2.00 to \$60. per quarter, that is for service charge and it all depends on the size of the meter, we run from one-half inch to six inches in size.

Q. Is that a monthly or quarterly rate?

A. That is a quarterly charge.

Q. Then you have a meter reading charge in addition to that?

A. No, that is included in this, they call it their service charge. If you notice on their bills, in the monthly bill, they divide this up. Here is a meter with a one dollar service charge and up here it is on the charge, meter three dollars quarterly, twelve dollars a year, service charge plus the rate for water.

Q. What is the rate for water by domestic consumers?

A. The first twelve thousand five hundred at forty-five cents per thousand. Under fifty thousand it is fifty-two cents per thousand, and the next three million is eighteen cents and all over three million, seven hundred thousand is at ten cents.

Q. But it is principally the service charge that you are dissatisfied with?

A. Yes sir, and the flat rate that we feel is excessive; we pay more than any other community in that valley.

Q. How about your gas service?

A. The P. W. Phillips Gas people have served the community with gas for over thirty years and prior to 1918 they charged us for just what gas we consumed, but at that time they put on a service charge of twenty-five cents a month that is still in existence, that is over and above what gas is consumed.

Q. Is there anything else that you wish to add?

A. No, I guess not.

MR. EVANS: All right, thank you, sir.

## BOROUGH OF MYERSDALE.

J. E. LECKEMBY sworn.

BY MR. EVANS:

Q. What position do you hold in the borough of Myersdale?

A. Counsel.

Q. You have something to say to the Committee in regard to your electric light service?

A. Yes.

Q. Will you say what you have to say briefly?

A. Six years ago the light company changed hands. We have a franchise with the Myersdale Electric Heat and Power Company, and when this company came in, they came before the council with a franchise. On that franchise, I at that time was president of the council, I seen that in the franchise the rate for the Myersdale street lighting would be increased \$750.00 and I refused to sign that, and also the burgess, Mr. Wise, the representative of the light company, stated in front of council, and also to the burgess that the reduction in the light rates would overcome that trouble. I told him that

if that was the case I had no objection to signing the franchise, and we signed that franchise, and the first month there was \$62.50 added to our bill, and it has been on ever since. Mr. Rule, who was our attorney, we went to Mr. Rule because we could not get anything done, and I told Mr. Wise 30 days afterward I was very sorry that the Myersdale borough had not taken Mr. Rule's advice that night when we had him there for instructions. He made a statement before that Committee that we had there—

MR. RULE: That is immaterial.

THE WITNESS: It don't make any difference, I want to tell it anyhow.

MR. EVANS: Perhaps you had better stick to facts, and not what Mr. Rule told you.

THE WITNESS: That is about all that is there.

BY MR. EVANS:

Q. I didn't quite catch what company it was that serves the borough?

A. The Associated Gas and Electric Company.

Q. Have you taken this matter up with the Public Service Commission?

A. No, not lately. We had a hearing before the Public Service Commission before it changed hands, and they increased our rate that time two cents a kilowatt. There was nothing to do, we had a hearing once before on the Myersdale Light and Heat Company, and we had a hearing before the Public Service Commission with these people at that time, and we didn't get any satisfaction from them, they increased our rates at that time.

BY MR. TURNER:

Q. You say your rate was increased \$62.50, or your bill was increased \$62.50?

MR. RULE: Perhaps I might state it another way to your Committee. Under the franchise granted to the Myersdale Electric Light, Heat and Power Company, the company paid to the borough \$750 a year for the franchise for the care of their poles, and when the new franchise was granted, that was eliminated with the assurance that the light, or the rates for the light would be decreased, in that the lights were to continue at the former rate, and as a result the borough is losing \$750 a year upon its street lighting.

BY MR. EVANS:

Q. Why had you not taken it up with the Commission?

A. We didn't think it would be any use to go into it, it costs too much money, it cost us \$4,000 the other time we had a hearing before them.

Q. Anything else you want to add?

A. I just want to state about the water company. A few years ago they had that up before the Commission—

Q. What water company serves you?

A. The Sand Spring Water Company. Now, the Commission decided that question in this way, that the consumers, the water company would have to install meters, they didn't have any flat rate, but the borough had 36 plugs in Myersdale which was costing them at that time \$11 a plug a year; and now it is costing \$33 1-3 a year for each plug.

Q. Has the borough taken any action before the Commission in regard to that?

A. It was taken up at the time it was done, yes.

Q. What did the Commission hold?

A. They just allowed the increase in the borough plugs, just doubled the amount, double.

Q. Your present rate is 33 1-3 dollars?

A. We pay \$120.00 a month for thirty-five plugs.

Q. Unless there is something more, we are obliged to you.

## BOROUGH OF PORTAGE.

EDWARD MILES sworn.

BY MR. EVANS:

Q. Mr. Miles, what position do you hold in the borough of Portage?

A. I am a member of council.

Q. You are a member of borough council, what is the population of the borough?

A. The borough is about 2800, somewhere along there, don't know exactly.

Q. Keep your voice up so the Committee can hear.

A. It was 5,000, but I think it has dropped off considerably.  
Q. Have you some statement you want to make to the Committee in regard to your utilities in Portage?

A. Yes, we have statements that we want to make. We cannot tell, because we do not have access to the books—

Q. What utility company for instance?

A. First take the light company.

Q. What light company is it?

A. Well, it is the Portage Light Company.

Q. The Portage Light Company?

A. Yes.

Q. What rates are they that you are complaining about?

A. Well, the whole system.

Q. For instance, take your domestic rates, what are they in Portage?

A. Ten cents a kilowatt.

Q. A flat rate of ten cents per kilowatt hour?

A. Ten cents a kilowatt hour down to so much, and then it drops to six.

Q. You don't know what the first block is?

A. It is based on the number of lights you have.

Q. So many hours use of the lights?

A. Yes.

Q. What are your street lighting rates?

A. The street lighting rate is \$3.25 a month for one globe, I think it is two hundred and fifty candle power and the voltage, I believe, is two hundred and fifty, I am not sure about the size of that. The others, smaller globes, is \$2.00 a month, and they raised it then—they allowed us five per cent discount if paid within a certain time, and the five per cent has been taken off, and they raised us virtually five per cent, to the Portage borough council.

Q. Is there anything else in regard to the light company that you want to state?

A. The light company was originally a plant built there by the citizens, who run mines, and they bought their power then cheaper than they could make it, and it has no equipment to amount to anything in the town, and it was sold for \$275,000, and it can be replaced, all that they have in the borough, for from 35 to 60 thousand at the present time.

Q. Well now, does the company have a generating plant?

A. No, sir.

Q. From whom does it buy its current?

A. It buys its current off the Penn Public.

Q. From Penn Public Service?

A. Yes.

Q. Do you know what it pays for its energy?

A. Well, it is all one concern. I don't know anything about that.

Q. It is controlled by the Penn Public Service?

A. Yes, I do know what they are selling power for in the borough to large consumers, in the borough limits.

Q. What is that rate?

A. One cent a kilowatt.

Q. One cent a kilowatt hour?

A. Yes.

Q. And the domestic consumer pays 10 in the first block?

A. Yes.

Q. And then drops to six?

A. Yes, sir.

Q. Is there anything else in regard to the light situation you want to add?

A. Well, not particularly that, only in the way of filing complaints, when anything is wrong, it takes a long time to remedy it, with any of the utility companies.

Q. Well now, what other utility companies have you any complaint about?

A. Well, the next is the gas. They formerly put it in there—

Q. What gas company serves you?

A. Well, I guess it is called the Peoples Natural Gas Company.

Q. Go ahead.

A. They put it in there and sold it at 35 cents a thousand cubic feet and put the plant in free. That is, put the pipes in and everything free, and for some cause or other they are now charging us 60 cents for the meter, whether we use any or not, and also 60 cents for every thousand feet we use.

Q. Well now, is this 60 cent meter charge a monthly charge or—?

A. Yes, monthly, which I believe there are between seven and eight hundred meters.

Q. And then 60 cents per thousand cubic feet over the meter rate for the gas consumed?

A. Yes.

Q. When did that new rate go into effect?

A. Why, I can't tell you exactly.

Q. Several years ago?

A. No, not so many. When it was first put in it was two or three years, something like that, and then raised the rates.

Q. Have these rates ever been before the Public Service Commission, that you know of?

A. I don't know. I didn't know anything about that.

Q. What else have you to say?

A. Well, the next thing we are kicking about is on the water company.

Q. The water company?

A. Yes.

Q. What water company is it serves you?

A. Well, I don't know, but I believe it is called the Portage Water Company.

Q. Is that owned locally, do you know, or is it part of a larger system?

A. No, sir, it formerly was owned locally, and has passed beyond.

Q. What have you to complain about with the water, the rates or the quality of the service?

A. Why, one of the things we complain about is, they charge us \$235 per mile per year, and there is a fraction in there, I don't know just the exact fraction, for all the service they have got in town, and instead of them improving our streets with their water lines, why when they dig them up they destroy them and yet we have to pay them for the service. Besides we pay \$15 a year for 39 plugs for water for the fire company.

Q. This is what they charge the borough for fire service?

A. Yes.

Q. And does the \$235 per mile charge apply to four inch pipe or all pipe?

A. All the service that they furnish with water for the fire company.

Q. For the fires?

A. Yes, that they got their plugs on. There is 6.71 miles, as near as I can tell you.

Q. The plug charge is \$15 dollars a year for each plug?

A. Yes.

Q. And you feel that those rates are too high?

A. Well, in the present condition, the pipes have been in for a long time, and what we are objecting to is the mileage rate; \$15 for the plugs we would not object.

Q. But the \$235?

A. The \$235 a mile for the privilege of destroying the streets is out of reason.

Q. Is the supply of water adequate and of good quality?

A. Why, the supply of water in their dam of course in dry weather like we has this year, was not, but there is plenty of water around there, at a price of 20 cents,—I understand they paid that, and we pay them .52.

Q. 52 cents per what?

A. 1,000 gallons.

Q. That is for domestic service?

A. Yes.

Q. And is there a service charge there?

A. A minimum charge.

Q. What is the minimum charge?

A. Why, it varies from \$3 a quarter to \$4, to \$5.25.

Q. \$3 to \$5 a quarter?

A. \$5.25, and so much a thousand gallons over.

Q. Is there anything else you want to say to the committee?

A. Well, at the present time we think the borough is in very bad circumstances over the expenditures, and another thing, we had to pay for all connections from the sewer pipe in to a house, then after the lines were all down and the connections all made, then it was turned over, part of the property of the water company, I understand.

Q. Now, was there a separate sewerage company serving you?

A. No. Laying the mains in. Our mains originally were all corroded,—

Q. This is the water service you are speaking of?



A. Yes, and we all had to pay to put them in and pay to replace them, which at the present time is knocked out, and they base their income on that service.

Q. When you say you had to pay to lay the lines and replace them, do you mean the line from the main to the curb line or from the curb line to the house?

A. Yes, sir, all the way in. I had a half inch line put in, it corroded tight, and when I had them put in a lead line, they charged me \$52.

Q. And that was from the main to your house?

A. Yes, in to the house.

Q. Not from the curb line to the house?

A. No, and also on Main Street.

Q. And you say that none of these things have been taken up with the Public Service Commission, as far as you know?

A. Well, the only thing I took up with the Public Service Commission was, they charged me one time 86,000 gallons, or something along there, and then 57 and 46, in the building, and I had my line run over, I was away from home, and when I got back and had my line gone over by a plumber and reduced it down to 9,000 they would not take the reading, and shut the water off on February 20th.—I can't tell you the year. They had looked at the meter on December 20th, and found it—they claimed—not working, but put a new meter in and let it run to February 20th, and because I would not pay the 46,000 they shut it off. Then we had to write to the Public Service Commission, of which you have a copy.

Q. But I mean these various matters of the electric light and the gas and the water in the borough, you have never filed any complaint with the commission?

A. Except that one I am telling you.

Q. But that was an individual complaint?

A. That is individual, yes. Oh, the other complaint, we had that up before the commission, and it has even went to court, I believe, against the water company. You have a record,—I have some records here,—I can't tell you the particulars of them,—and it has been up into the courts. I don't know what year. Our attorneys here could tell you what year that was, but they lost out.

MR. TURNER. Mr. Evans, it seems to me that where we have these cases, as long as we have taken up this question of the prices which they are paying for fire plugs, we will say, if they are paying \$10, and then paying so much per mile, it seems to me that we ought to have the further question answered as to how much per plug that makes. In some places they are paying \$30, and in some places \$40, and sometimes as high as \$55.

BY MR. EVANS:

Q. Mr. Miles, can you tell us what it costs per plug, including the mileage and the plug charge?

A. It runs \$54 a quarter and some odd cents. In the mileage they pay \$4 a year for the fire protection expense.

BY MR. TURNER:

Q. How many plugs have you?

A. 39.

MR. EVANS: If my arithmetic is correct, that is \$2,169 per year for 39 plugs.

THE WITNESS: I have the borough audit here, if you want it.

MR. TURNER: That answers the question.

MR. RHODES: \$60, is it not, Mr. Evans?

MR. EVANS: Not quite that much; \$55, perhaps.

BY MR. EVANS:

Q. Anything else, Mr. Miles?

A. No, sir.

#### BOROUGH OF MOUNT HOLLY SPRINGS

J. HARVEY LINE sworn.

BY MR. EVANS:

Q. What position do you hold in the borough?

A. Solicitor.

Q. Borough solicitor?

A. May I ask whether this inquiry is directed as to complaints against the commission or against the utilities, or both?

Q. I think it is both. It is a matter of the borough's attitude toward regulation as it exists in Pennsylvania today

A. As solicitor, I would hardly be able to give you direct testimony as to the conditions, but I will read to you the complaint that has been lodged by the borough:

"The undersigned citizens of the said Borough of Mt. Holly Springs, respectfully request the attention of your Honorable Committee to the following matters in connection with the service of the said Mt. Holly Water Company.

"FIRST. Complaint is hereby made as to charges by the said Water Company for making connection from the water pipes of said company, in the various streets of the said borough, to the properties of users of water in the said borough. It has been the practice of the said water company to compel all proposed users of water to bear the expense of making connection, excavation, etc., from the water pipes of the said company in the street to the property where the water is proposed to be used. Your petitioners believe that the said water company should bear the expense of laying water pipes, in all cases, to the curb line along said properties.

"SECOND. Your petitioners respectfully complain that the said water company does not charge uniform rates in said borough.

"THIRD. Your petitioners respectfully complain that the rates charged by said water company in said borough are excessive and do not conform with the agreement between the said water company and the said borough entered into at the time of the granting of the original franchise to said water company.

"FOURTH. That the service and water supply furnished by said company is inadequate in portions of the said borough, particularly along Hill street in said borough."

Q. Can you give us any information as to what the rates are for fire protection in Mount Holly Springs?

A. I think that that rate is \$600 a year for 20 plugs. It had formerly been \$400; \$20 a plug, and had been raised.

Q. And is that on four inch mains, or do you know the size of the mains?

A. I am not able to give you the size of the mains.

Q. Have you filed any complaint against the water company with the Public Service Commission?

A. We have not. That is the reason I asked you that question in the beginning.

Q. Why haven't you taken it up with the Public Service

A. Well, I am not prepared to answer why the borough has not taken it up. My answer would be simply conjecture. It may have been too much trouble.

Q. You have not had any experience with the expense of such proceedings?

A. Not the borough; no.

Q. Is there anything else that you wish to add?

A. Nothing except what is contained in the formal complaint lodged, and if this committee should desire further testimony of the allegations made in the complaint, I believe we would be able to furnish it to you.

#### BOROUGH OF PORTAGE.

EDWARD MILES recalled.

BY MR. EVANS:

Q. You have something you want to add to your testimony to the committee?

A. The light company, I understand, that each stockholder was made a director and received a salary to consume the income, which was \$50 a month.

BY MR. TURNER:

Q. How many stockholders?

A. They received it each month, \$50, each stockholder.

Q. How many directors were there?

A. There was only four or five stockholders and directors.

MR. TURNER: Mr. Evans, that wouldn't have anything to do with the question of rates, would it?

BY MR. EVANS:

Q. I think you are referring to the time before the present owners took over the property?

A. Before the present owners, and they sold it for five times their income.

BY MR. TURNER:

Q. What is that?

A. That is, five times on the cost of the property was their dividend.

BY MR. EVANS:

Q. They sold it to the new owners for five times its cost; is that what you mean?

A. Their dividend was five times the cost of the property per year; instead of being seven per cent, it was 500 per cent.

Q. 500 per cent dividend?

A. Dividend; and the Public Service Commission approved all the sales. Whether it was investigated by them, I don't know, and there was another thing—I believe that is all.

#### BOROUGH OF HOMER CITY.

W. E. GUTHRIE sworn.

BY MR. EVANS:

Q. You are a member of the borough council, are you?

A. Yes, sir.

Q. What is the population of the borough?

A. 2200.

Q. And what is the service that you are complaining about, if any?

A. Our light service.

Q. Your electric light service?

A. Yes, sir.

Q. What company serves the borough?

A. The Associated Gas and Electric Company. They submitted their contract, our contract last September; the contract for ten years.

Q. This is street lighting, to which you are now referring?

A. Yes, sir; and we had on our old contract, here in 1930, 3800 candlepower lights and six 250 candlepower lights, which they claimed burned an average of 400 hours per year, at a cost of \$11,043.95. That is the total cost for the year, or 7.27 cents per kilowatt hour. They submitted the contract for 1931, which we have not signed at the present time, for 81-4800 candlepower lights and two 250 candlepower lights, decreasing our candlepower lights 750 candlepower, and their total cost is \$1299.48, or a cost per kilowatt hour of 9.03 cents on their contract submitted.

Q. Were these rates filed with the Commission?

A. Yes sir they are.

Q. In other words this is a special rate which they filed with the Commission for the borough of Homer City?

A. Yes sir.

Q. Has the borough filed any complaint with the Commission?

A. No we have not, simply because it is too expensive for our borough to do it. But we cannot understand why they cut our lighting efficiency at a cost of \$155.53.

Q. When did this become effective?

A. That should have become effective last October, it we had signed the contract. They are billing on the old contract.

Q. Is there anything else you wish to add in regard to the light situation.

A. No sir.

R. B. KUNKOAD called and sworn.

BY MR. EVANS:

Q. You are a member of the borough council?

A. Yes sir.

Q. What have you to say in regard to the utility situation in your borough?

A. The old contract that run out cost us about seven cents a kilowatt. The new contract, the council was informed, we had a meeting with the light officials, and the light officials assured the council that in order to get us to sign the new contract that the new rate per kilowatt hour was a little over five cents. Well they changed around and raised the wattage and we didn't know where we were at, but we refused to sign it and when we got at it and figured it out, it runs us very nearly ten cents per kilowatt hour an increase of very nearly two cents per kilowatt hour. We have not signed the new contract and it is a question in my mind, it is up to the citizens, and I do not believe that they will ever sign it; it is a question of increase taxation or increasing taxation to such an extent that I as one of the council representing the people I could not sign it at all because I know the sentiment among the taxpayers. We have also on this a fire siren. They have charged us \$2.50 as a minimum a month. We use

possibly two kilowatts per hour or at the very highest rate about twenty cents worth of current, and the sentiment is that the power company has between ten and twelve thousand dollars worth of real estate in the borough and absolutely pays no taxes and this fire siren put in by the taxpayers and the fire company which we have spent between ten and fifteen thousand dollars on, this fire company including the fire siren is two to one more benefit to the power company than it is to the average citizen. Yet when we put on a fire siren they charge us approximately seventy-five cents a kilowatt hour to run that fire siren. At this meeting we had I brought it up and I think I shamed them out of it. If I did not shame them out of it, we didn't get any bill for it this month anyhow. They say the Public Service Commission don't allow them to give us a special rate and don't allow them to give us anything, and if they don't allow them to who is going to pay for this fire siren this month.

Q. Mr. Guthrie, I think stated, that the street lights were burned about four thousand hours?

A. I would say four thousand, although about thirty-six hundred hours would give us all the light we need. We are giving the company the benefit of every figure at that rate. We have just given them the benefit of two per cent which we earned on discounting the bills.

BY MR. HAGMAIER:

Q. Did you say the company had twelve to fourteen thousand dollars of property at Homer City?

A. They do.

Q. And they pay no taxes?

A. That is poles, wires, transformers and so forth. In order to try to make us equal we tried assessing the poles but I understand the Public Service Commission said you cannot tax them. In other words the taxpayers are the goats.

#### BOROUGH OF UNION CITY.

F. T. HATCH sworn.

BY MR. EVANS:

Q. You are a member of the borough council?

A. Yes sir.

Q. What is the population of your city?

A. Over four thousand.

Q. What complaint have you to tell the Committee about?

A. It is not very extended. We think we are paying too much for street lights.

Q. You are also served by the Associated Gas and Electric System?

A. Yes sir.

Q. And what rates are you paying for street lights?

A. We have one hundred candlepower at twenty-six dollars and one two hundred and fifty candlepower at thirty-nine dollars and a four hundred candlepower at fifty-three dollars. It costs us four hundred dollars a month for street lights or approximately that.

Q. Have these rates been in effect for some time?

A. We are entering upon our second five years I think. After we had five years we gave a new contract, the first of the year I think it was.

Q. What does this come to per kilowatt hour do you know?

A. About eight cents.

Q. And do any municipalities in your vicinity pay lower rates that you know of?

A. Sixteen miles from Union City they are just putting in electric light at four cents.

Q. What company is that?

A. Niagara Power Company.

Q. That is just across the line in New York?

A. That is just across the line in New York.

Q. You have a pumping station also?

A. Yes, sir.

Q. What rate do you pay for the pumping station?

A. They charge us \$50, with a discount, making it \$47.50 a month, and then charge us for energy, if we have power.

Q. What rate do they charge you for the energy?

A. That is I think the same as electric light.

Q. The question with you is primarily one of your electric light situation?

A. Yes sir.

Q. Have you taken this matter up with the Public Service Commission?

A. No sir.



## APPENDIX TO THE

Q. You have not filed any complaint?  
 A. Oh, no, we have not filed any complaint.  
 Q. You intend to file a complaint before the Commission?  
 A. We don't.  
 Q. Why not?  
 A. We don't think there is any use.  
 MR. EVANS: Is there anything else you want to bring out?  
 THE WITNESS: No sir.

## BOROUGH OF GREENVILLE.

J. M. HITTLE sworn.

BY MR. EVANS:

Q. What position do you hold in the borough of Greenville?  
 A. Solicitor and secretary both.  
 Q. What is the population of the borough?  
 A. 8,600.  
 Q. What have you to say in regard to your utility situation there?  
 A. The principal trouble we have, we have a case before the Public Service Commission now, an increase in rates.  
 Q. Of what company?  
 A. The water company.  
 Q. What water company serves you?  
 A. The Greenville Water Company.  
 Q. Is that a local company?  
 A. It is associated with the National Water Works Association.  
 Q. What have you to say in regard to the rates?  
 A. The original rates was \$6.60 a year, and it is now \$12.64 a year.  
 Q. That is the minimum?  
 A. Service charge, a minimum charge, and the water charge is \$33, and one is \$30, that gives 1,500 gallons without any charge, that goes in with the minimum service charge, but the rate almost doubled, the rates as to the water used, it is doubled, \$6.60—almost, not quite.  
 Q. \$6.60 to \$12.64?  
 A. Yes. We have a case before the Commission now.  
 Q. That is pending?  
 A. That is pending now.  
 Q. What else have you to say?  
 A. Well, I think nothing but what has been brought out this afternoon, that I care to say.  
 MR. EVANS. We thank you.

## BOROUGH OF LARKSVILLE.

MICHAEL FENDER sworn.

BY MR. EVANS:

Q. Mr. Fender, you are burgess of Larksville, are you?  
 A. Yes.  
 Q. What is the population of the borough?  
 A. 9,400.  
 Q. And what complaint have you got as to your utility situation?  
 A. The increase of the Scranton Spring Brook Water Service Company. No doubt the Commission here knows that last week we were down here in a body, but the rates, I just want to show the rates—  
 Q. We already have some of the rates, I think in the record of the Committee, so I don't think it is worth going over that again, unless you have something particular as to your borough?  
 A. Well, I just want to show what the old rate was and the new rate.  
 Q. I see, all right.  
 A. The fire hydrants alone, the old rate was \$23.25, and now the rate is \$55. We have 37 fire hydrants in the borough, and the old bill a year was \$820, and the new bill is \$2,035, which is an increase of \$150. Now, the water bill and the service meter has been stated here before, and I don't have to state that.  
 And the water bill to the property owners in the household has been stated here by Father Curran, so I don't have to state that.  
 MR. EVANS: You are in the old territory of the Spring Brook Water Company, are you not?  
 THE WITNESS: Yes, sir.  
 MR. EVANS: All right, sir, thank you very much, Mr. Fender.

## BOROUGH OF TOWER CITY.

W. F. JONES sworn.

BY MR. EVANS:

Q. What position do you hold in the borough?  
 A. Councilman at present.  
 Q. How many inhabitants does the borough have?  
 A. The borough proper has about 27 or 28 hundred.  
 Q. What have you to say in regard to your utility situation there?  
 A. Well, do you want me to go into a brief history of how we have progressed to bring these results?  
 Q. Yes, I would be glad for you to do so.  
 A. Permit me, by way of my advanced years, to say that I am not as clear in my memory as I was. However, I have a fair knowledge of the entire history of this water company, because I was one of its original promoters. It originated about 33 years ago, by home people.

BY MR. TURNER:

Q. Would you mind telling us the name of the water company?  
 A. It is the Citizens Water Company. It was not long, however, before it drifted into the hands of about eight men, citizens of the town, however. They constituted a company for a matter of about 17 years. Our rates at that time were \$5 a spigot and \$20 for fire plugs.  
 However, during that period they advanced us to \$6 a plug, and it continued at that,—not \$6 a plug, but \$6 a spigot. The plug is \$20. They held out amongst themselves and desired to sell the plant. They offered it to the borough. I was chief burgess at the time. They offered it to the borough for \$65,000. I desired to buy it, and called the people together, and thought I gave logical reasons that they should buy it, but at the election it was defeated, through petty politicians and some others, and subsequently they sold it to some wealthy men, two wealthy men, Harlan Williams, a wealthy man of Philadelphia and Norristown, and they were the second owners. When they got possession they jumped our rates from \$6 a spigot to \$8 a spigot and \$40 a plug, from \$20 to \$40 a fire plug.

BY MR. EVANS:

Q. About when was this?  
 A. Let me see,—about 15 years ago. Yes, on or about that time. They jumped our rates up to \$8 and to \$40 a fire plug. The citizens become aroused. They held a public meeting, and,—we are all poor people up there, however, and so it was a difficult matter to go into a vicious fight. We raised \$400, and we formed a committee, and went to Harrisburg and employed a lawyer and engineer, and went before the Public Service Commission, and their ruling against us was that they, the company, was entitled to 17 per cent on their investment, but it was not based on what they paid for the plant, but on the replacement value, and I asked a former member of the company what that rate was, or what that estimate was, and one told me it was \$80,000 and another told me \$120,000. Now, I don't know. I am not here to say what it was based on, the replacement value, but I have my own opinion, however.

Now, then, this company continued to own this up to within a year and a half ago, and they sold out. They sold out, as I understand, to a New York syndicate, and they own a great number of water plants throughout the country, but what they are I don't know. As soon as they got possession they jumped us up to \$10 a spigot, and reduced our allowance on the meter rates, as I call them.

Now, then, I just want to make a comparison. Here is Williamstown four miles away, which gets its supply from the same mountain that we do. The only difference is this, in the case of a drought, our home plant has got to pump through a six or eight inch pipe to feed the reservoir, in case of a drought; otherwise that pump need not run. So, they get the same supply from the same mountain, Peters Mountain, and their rates are six and a half for a spigot and 20 on a fire plug. Four miles below, Lyke is, they get the supply from the same mountain, and their rates are five and a half and \$15 on a fire plug. So, you see where we are.

BY MR. TURNER:

Q. Are they owned by the same company?  
 A. No, sir; not owned by the same company. No; not owned by the same company.

MR. WALKER: Williamstown and Tower City is?

THE WITNESS: Our present company, the syndicate, as I call them, have lately bought the Williamstown plant, but have not as yet increased the rates down there.

BY MR. TURNER:

Q. Where these differences in rates have been prevailing were they owned by the same company?

A. They were at one time—no; they were not owned by the same company, I beg your pardon. The two millionaires, as I call them, they own Tower City only, and the original company owned Tower City, but they sold Tower City. Now, I believe the New York syndicate owns—

BY MR. RICHARDS:

Q. I want to ask you a question, which may appear to be an obvious question. You said that they charged a flat rate of eight or ten dollars per year for each spigot that you have in the house?

A. Not each spigot; the first spigot; and then they make a reduction on the next spigot.

Q. In other words, if you had two spigots in the kitchen, and two in the bathroom, and one in the cellar, they would charge you \$10 for the first, and then a reduced rate for the remainder?

A. That is right. The rate on the meter is two and a quarter per year; \$10 minimum rate.

BY MR. TURNER:

Q. You say that the original time of the purchase of this company was about 1916?

A. Yes, sir; or 1917; on or about that time.

Q. When was the rate case, that you speak of, before the Public Service Commission?

A. After the new company got possession, immediately.

Q. After 1916?

A. Along there. I am not positive of the year, of whether it was '16 or '17, or '18, but along about that time.

Q. Within a couple of years of that time?

A. Yes, sir.

Q. Had there been any extensions or improvements to the plant.

A. I know of no improvements, further than they extended the line, without consulting councils into the town, you understand; two little towns outside of the borough, outside of the borough they extended the lines out there, but I don't know why the borough should be responsible for anything in connection with that.

Q. When was the plant offered to the borough for \$65,000?

A. That was in 1913, I think.

Q. 1913?

A. Yes, sir.

Q. And there have been no additions to the plant?

A. I can't recall any; I can't recall any.

Q. You say the present rate for the first spigot is \$8 a year or \$10?

A. It is ten.

Q. It is \$10 now?

A. Yes, sir.

Q. When was that increased?

A. That was increased—well, the new company has got it about a year and a half, and they raised it to ten.

Q. Did they raise the fire plug rate too?

A. No; they didn't raise the fire plug rate it still stands at 40.

Q. Has there been any change in the minimum number of gallons that is allowed at the minimum rate?

A. At the minimum rate?

Q. As I understand it, there used to be a minimum rate of 2,000 gallons per family, which they allowed.

A. They have reduced. They have made a reduction from two thousand to one thousand. They took advantage of us there too.

BY MR. EVANS:

Q. Is there anything else, Mr. Jones?

A. I don't know of anything else, all I ask is a square deal. That is what we are looking for.

Q. You understand, Mr. Jones, this Committee has no power to fix rates?

A. I understand that, and I want to thank you gentlemen.

MR. EVANS: Is there anybody here from the borough of Palmyra?

(No response)

MR. EVANS: Is there anybody here from the borough of Kittanning?

(No response)

MR. EVANS: Is there anybody else that is particularly anxious to be heard this afternoon?

(No response)

MR. MOORE: This hearing will now stand adjourned until 10 o'clock tomorrow morning in this room.

The hearing adjourned at 5.38 p. m.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment and to the call of the Honorable D. Glenn Moore, Chairman, the Committee met in the Hall of the House of Representatives on Thursday, March 12, 1931, at 10.00 o'clock A. M.

There were present:

Messrs. D. Glenn Moore, Chairman

Chester H. Rhodes

Louis W. Hagmaier

Ellwood J. Turner

Bart Richards

Harry J. Crawford

Father James R. Cox

Harold Evans, Esq.

John M. Walker, Esq.

THE CHAIRMAN: Gentlemen, we are ready to resume.

OAKMONT and VERONA BOROUGHES.

FRED SHOEMAKER sworn.

BY MR. EVANS:

Q. What organization do you represent?

A. I came here as solicitor for Oakmont and Verona Boroughs, both of them sent me here, that is, the Allegheny County Improvement Association.

Q. Are you solicitor for Oakmont?

A. Oakmont and Verona Boroughs.

Q. What is the Allegheny Improvement Association?

A. That is an organization in the valley there for trying to boost the valley and helping it along, and for getting representatives from the different districts to come together and try to improve things as best they can.

Q. Now, on behalf of these boroughs and this association, you have a statement you wish to make to the Committee, as I understand it. What utilities do you have in mind in your complaint?

A. Well, not any particularly. We have just our troubles there with the water company, and we have had with the bus lines. I would like to state that Oakmont has a population of slightly over 6,000, and Verona has a population now of a little over 5,000. The two boroughs are contiguous, and the assessed valuation of Oakmont at the present time is \$8,000,000 in round numbers, and of Verona three million and a half dollars. In 1918 they were supplied by the Suburban Water Company, a local company—the Suburban Water Company of Allegheny County, now taken over I think by the Byllesby interests of Chicago. That company decided during the war period when the rates were highest and the prices were highest, to raise those rates. Under the system it was necessary to put a valuation on the plant, and they came in with replacement values, and so on, and the two boroughs had to employ engineers, high priced engineers and accountants, to go over the books, and a special solicitor, at a total cost to the two boroughs of \$13,772.51. That cost to the two boroughs divided equally. The borough of Verona at that time had an assessed value which was less than \$3,000,000, and it meant about 2.4 mills tax to cover that cost. Then Oakmont, having a larger valuation, it was not so bad. In the opinion handed down by the Commission in the findings—

BY MR. TURNER:

Q. When was that?

A. This was in 1918 and continued over until 1924, different proceedings on it, it was up in the Supreme Court on a suit on the rates, and there were two rate cases, two complaints filed by Verona and by Oakmont.

BY MR. EVANS:

Q. Those complaints were before the Public Service Commission?



A. Before the Public Service Commission. Now, we were treated fairly as far as fair goes, but what I am trying to get at is the expense to these boroughs which was almost prohibitive especially a borough like that, where the taxes are as high as they can possibly get and then they came along, there was no other way of doing it, the borough had to do it, because if the borough did not do it nobody else would, because the rates to the mills were practically the same, no change on that, and so that if they had not taken it up, had not the borough done so for the common user, because there was no other organization to do, and that put an additional expense on the borough. Verona at the present time is in debt practically seven mills and cannot get a bond issue by a vote of the people. Oakmont is in better shape and could increase its debt. Now, in that order—

Q. You mean to say seven mills.

A. I mean seven per cent which is the amount allowed for funds by votes. In the order I find this.

The respondent contends that it has been put to an expense of upwards of \$8,000.00 in preparing its valuation and other expenses incident to the trial of this case and asks that it be allowed to reimburse itself therefor out of the earnings of the company. The complainants in this case are municipalities, and any expense incurred by them will be paid out of public revenue secured through taxation. From the facts in this case, it does not appear, nor is there any good reason shown why reasonable costs imposed upon respondent should not be allowed and amortized over a given number of years, and the Commission will in its estimate of annual operating costs make due allowance therefore. That was put in, and it has never been taken out. That fixes an amount that was to be raised from the taxes, and they filed the rates and at the present time the rates in Oakmont borough are on a five-eighth inch meter \$2.50; three-fourth inch meter \$4.00, one inch meter \$7.00; one and a quarter inch meter \$11.00; one and a half inch meter \$13.00; two inch meter \$30.00; three inch meter \$60.00; four inch meter \$135; six inch meter \$240.00; eight inch meter \$400.00.

Q. Those are quarterly charges?

A. Those are quarterly charges, without readiness-to-serve, or the meter water charge, charges will be made for one thousand gallons on the ordinary pressure, per one thousand gallons, and for the first 15,000 gallons the rates are 25c; the next 90,000 gallons 20c; all over 255,000 gallons per quarter 10c.

In the high service district where it is necessary to repump the water to consumers in districts which are too high to be supplied by the ordinary pressure per one thousand dollars, the

First	15,000 gallons per quarter.....	\$0.27
Next	90,000 gallons per quarter.....	.22
Next	150,000 gallons per quarter.....	.17
All over	255,000 gallons per quarter.....	.12

Then the flat schedule of charges for readiness-to-serve and for output service in  $\frac{3}{4}$ " or less opening in a street main. The quarterly charge for such connection to the street main and for each fixture, to which water is or may be delivered, will be as follows:

For domestic users:

Service charge including first fixture, per quarter ....	\$5.00
Each fixture in addition to the first, per quarter .....	.75

That was the last amendment in 1924, and in that amendment there was nothing said about fire plugs, which is as follows—  
For water use for all purposes;

Building Purposes:

Frame dwelling, per room .....	\$0.75
Brick or masonry dwelling, per room .....	1.25
Frame storerooms, garages, per 100 sq. ft. of floor space .....	.40
Brick or masonry storerooms, garages, per 100 sq. ft. of floor space .....	.75

Flush Tanks:

Double Flush Tank, per quarter .....	\$8.00
Single Flush Tank, per quarter .....	5.50
Street flushing and sewer flushing, per hour .....	1.80

Public Fire Protection:

Fire protection charge for the Borough of Verona, including 36 fire hydrants per year .....	\$3600.00
Fire protection charge for the Borough of Oakmont, including 34 hydrants per year .....	\$400.00
Each additional public fire hydrants in each borough .....	10.00

Each mile of main 4" or greater in diameter laid after January 1, 1921, as an extension .....	300.00
Each mile of main 4" or greater in diameter laid after January 1, 1921, as a replacement of a line smaller than 4" in diameter .....	200.00

BY MR. RICHARDS:

Q. You mean that is over and above this \$10.00?

A. That is over and above, \$10.00 for each additional plug. Then they replaced their mains which were in bad shape, in order to get the increased rate, and the borough of Verona has 44, and they paid \$1132.40, or for the year \$4529.80.

Oakmont ordered in more fire plugs for fire protection; that is, 43 plugs, and their rate was \$5,858.48, or \$80.10. Now, the two districts of Plum and Penn Township adjoin. Plum is a first class township and is built up practically as much as Verona. They came in at one time and tried to get a flat rate, and the adjoining townships of Plum and Penn did not get into the fight at all. It came on to an adjustment, and we consented to an adjustment, and without knowing it, in some way, there was slipped in a \$60 flat rate for Plum and Penn Township, and we didn't know that, and we had a contract up with Penn Township, which abuts on Verona Township about a water line, and they said the plug would be \$60, and we said that we didn't know that, and they said, "We have a flat rate," and there was a schedule adopted fixing their rate at \$60 for each water hydrant located in Plum and Penn Township, at \$60 per annum. Now, they have many times as many miles of line, and they contend that each fire hydrant is at a loss at \$60, and so on, but they are charging every user and consumer, they are charging us for the right to go into the streets and we get nothing back. They say that they are losing on the hydrants because it costs them that much to lay pipe in the streets, but the consumers in the houses use the same main, and they make on that.

BY MR. EVANS:

Q. Has this matter been a subject of complaint before the Commission?

A. That is the first time, and it cost that much, but since that neither the borough nor the county can afford to take it up. Now, I am not complaining about the Commission in those proceedings, but here is the point: The boroughs today with their taxation, could use that money for their own use. The people are complaining always about the amount of money they are spending. Now, the two townships do not have any complaint there, but the boroughs do, but you would have to get an expert engineer on that thing, and you would have to get expert accountants to go over those books and audit them, and there are things that appear on the books that we know about, but by the time we get through with it it is going to cost the borough a lot of money.

BY MR. RICHARDS:

Q. What company is this?

A. The Suburban Water Company of Allegheny County; a local company that serves those two boroughs and part of the two townships.

Q. What would be the average for an ordinary consumer?

A. It just depends on the amount of water they are using.

Q. I know, but I mean what would the average be?

A. I can't tell you that definitely. All I can give you is the—

Q. What is your rent?

A. I don't pay it. I pay the room rent in an apartment there, and they pay it, but I think that the larger user under that gets off easier under the rates than the smaller user on account of the high service charge.

BY MR. EVANS:

Q. You say it is a local company?

A. It is a local company.

Q. You also referred to the fact that it was owned by the Byllesby interests?

A. Yes; they have taken it over, I understand, for a lot more than the stock was originally worth, when it was taken over, but that is only what I have heard. Now, there is another thing, when we paved the streets and so on, we have to take them up, and it has always been that they will never move their lines or anything until we force them to do it, until we tell them that we are going in, and then they always fool around, and then there has always been some question about

the ordinances; that you have to pass an ordinance whenever you hit a public service company, and get it approved by the Commission, and go through that again. Now, in a large city or a large corporation that doesn't mean anything, but in a little borough like Verona it does. The Allegheny Boulevard is going up in Allegheny Avenue, and it comes right into Verona, and the counties and boroughs think that it ought to be run up Hoggen Bridge, a distance of approximately two miles. The county looked into it. The district around there have to pave their front streets, and in some places they are in bad condition. There are two streets parallel with the railroad, and there is a viaduct into Verona which crosses over the Plum Creek Bridge, and the Pennsylvania Railroad, and there are a lot of sidings, and this viaduct there, the people are afraid that it will tumble in when traffic is heavy. The company said it was to be carefully paved before they will go in, and Oakmont cannot improve it until the company does go in, because if it did it would have to be done over again. The company sent in their engineers, and said that the viaduct crossing, which is a matter for the railroad company, the street railway company, the county, and the borough, will cost at least \$1,400,000. And now, we have in Oakmont \$8,000,000 valuation for general rate purposes, and we again assessed fifteen mills. We can go on bonds to \$80,000 without a vote, and then vote on the balance, but where will we be? If we do that we wipe off everything else. Verona is in a hole. That is what we are up against. They say that when the boulevard is in, it is to be improved, and that is what we hit.

Q. That is not primarily a matter of anything in connection with utilities?

A. No.

Q. I think it will help if you will confine yourself as far as you can to matters involving the utilities.

A. The reason I brought this in is that up until this Public Service Law on the location of crossings, it didn't come in that way at all. Now it comes before the Commission and I understand that in different boroughs that they put assessments on boroughs which they cannot raise by levying taxes under the authorized assessment.

Q. You have something to say in regard to the bus lines. I think?

A. A couple of years ago Oakmont and Verona, and up to New Kensington wanted a bus line from these points to the city. If you go by trolley from Oakmont by way of Wilkensburg you lose about an hour and forty minutes, as stated before the Public Service Commission in the hearing in 1928. The Motor Coach Company, which is a subsidiary of the Pittsburgh Railways Company, put in a line on Sundays and holidays out towards the ball park, but they would not put it in any farther. The railroad was cutting down the train service. They had had good service years ago. They were taking off more and more trains and the people had to go that way or travel by bus or automobile. You could not get in to work in time on the street car. They had service in the morning and in the evening, but during the daytime the service was rotten, and it was killing the valley. We asked the Motor Coach Company to put in a line and they refused to do it. We got a bunch together of prominent men in the community and men with money, to get that line and get it through, and we got a charter. That was in August of 1928. This was the Allegheny Valley Motor Coach Company. It was an independent concern. The Pennsylvania Railroad Company did not object at first although the Pittsburgh Railways put in a protest at the time of the hearing. The Allegheny Valley Street Railways put in the first objection. The case was fixed one day for a hearing and the night before I was called up on the telephone from Harrisburg and told the case was being continued and that Mr. Donovan was sick who represented the railroad company and could not be there, although at that time we had no notice of their having filed a protest. The case was continued. The same day that we were called up, the Pittsburgh Motor Coach Company filed an application for a line. At the hearing they admitted the financial responsibility and the character of the applicants, all of them. The Pennsylvania Railroad Company and others came in at this hearing and said that the line was not necessary, at the second hearing the Motor Coach Company applied.

Q. You mean the Pittsburgh Motor Coach Company?

A. Yes sir it is a subsidiary of the Pittsburgh Railway Company. We went ahead but it was delayed and we finally put in our appearance, then the Pennsylvania General Transit

Company applied for a line. That is a subsidiary of the Pennsylvania Railroad Company. The reason they applied, the Pittsburgh Motor Coach Company said they only wanted to go as far as Oakmont and at Oakmont the road crosses the bridge and goes up to New Kensington where there are approximately 20,000 people employed and the men up there wanted it.

Q. The original protest of the two companies was to the effect that there was no need for this line?

A. Yes sir, and then they come in and said there was notwithstanding. I don't think the men who heard this case did this, I think it was somebody in the office. On July 19th he wrote me enclosing the order of June 25, 1929, under the seal of W. D. B. Ainey. They said:

"The Commission having by its report and order dated June 25, 1929, approved the applications of the Pennsylvania General Transit Company," which is a subsidiary of the Pennsylvania Railroad as shown by the testimony. "And the Pittsburgh Motor Coach Company," which is a subsidiary of the Pittsburgh Railways Company, "for routes identical with the route applied for in this proceeding, and by stipulation incorporated in said orders protected the Allegheny Valley Street Railways Company against any local service along the lines of said street railway company, the Commission finds and determines that the application of the Allegheny Valley Motor Coach Company, a subsidiary of the Allegheny Valley Street Railways Company, is not necessary for the service, accommodation and convenience of the public, being of the opinion that the motor vehicle transportation service to be furnished by the Pennsylvania General Transit Company and Pittsburgh Motor Coach Company will adequately and conveniently accommodate the public.

"Now, to wit, June 25, 1929, it is ordered: That the prayer of the petition of The Allegheny Valley Motor Coach Company for a certificate of public convenience evidencing the Commission's approval of the right of said company to transport persons by means of motor vehicles between the Borough of New Kensington, Westmoreland County, and the City of Pittsburgh, Allegheny County, be and the same are hereby refused and the application dismissed."

Now they say there that the Allegheny Valley Motor Coach Company is a subsidiary of the Allegheny Valley Street Railway Company. They have no connection whatever, and the Allegheny Valley Street Railway Company protested the whole proceedings. Then, that letter to us was dated on the 19th day of July, and this order was dated June 25th, and as you know you have thirty days in which to ask for a re-hearing or an appeal. On July 20th we received a letter saying: "We beg to acknowledge receipt of your letter of July 19th enclosing the Commission's finding and report on the application of the Allegheny Valley Coach Company, and the Pittsburgh Motor Coach Company, and the Pennsylvania General Transit Company. We are at a loss to understand how the Commission finds as a fact that the Allegheny Motor Coach Company is a subsidiary of the Allegheny Valley Street Railway Company, which they are not, having no connection whatever, and especially since the Allegheny Valley Street Railway Company was one of the principal protestants. We are further at a loss to know why no reason was given why the first application should not be preferred."

Then we received a letter, mailed on July 25th at 4.00 P. M. in Harrisburg, so the envelope was stamped, on the last day to ask for a re-hearing and appeal would have been July 25th, we got a letter dated July 25th too late for us to have asked for a re-hearing and an appeal. This letter read:

"Frederick Shoemaker, Esq.,

"Walsh Building, 434 Diamond Street, Pittsburgh.

"Dear Sir: I acknowledge receipt of yours of July 20th, and thank you for calling our attention to the fact that a copy of the first draft of the Report and Order issued in the above proceedings, in which it was stated that the Allegheny Valley Motor Coach Company was a subsidiary of the Allegheny Valley Street Railway Company, was inadvertently mailed to you.

"I am attaching herewith a copy of the approved Report and Order. Will you kindly return the first draft which was mailed to you on the 19th inst.

"Very truly yours, E. M. Vale, Chief."

The enclosure referred to reads as follows:

"BY THE COMMISSION:

"The Commission having by its report and order dated June 25, 1929, approved the applications of the Pennsylvania Gen-



eral Transit Company and Pittsburgh Motor Coach Company for routes identical with route applied for in this proceeding and being of the opinion that the motor vehicle transportation service which said companies will furnish will adequately and conveniently accommodate the public, the Commission find and determines that the application of The Allegheny Valley Motor Coach Company, applicant in this proceeding, is not necessary for the service, accommodation and convenience of the public.

"Now, to-wit, June 25, 1929, it is ordered: That the prayer of the petition of The Allegheny Valley Motor Coach Company for a certificate of public convenience evidencing the Commission's approval of the right of said company to transport persons by means of motor vehicles between the Borough of New Kensington, Westmoreland County, and the City of Pittsburgh, Allegheny County, be and the same are hereby refused and the application dismissed."

So that is the way the matter stood and we had nothing to appeal from, and we did not have time in which to ask for a new trial or anything else and we dropped it.

Q. The Commission in connection with that order made no report stating why the certificate was granted to the Pennsylvania General Transit Company and the Pittsburgh Motor Coach Company and refused the Allegheny Valley Coach Company?

A. The only reason given is as per the order. I might say this, that these companies went in, the Pittsburgh Motor Coach Company is giving good service to Oakmont, but the Pennsylvania General Transit Company are giving us service that largely takes the place of trains, and they are cutting down the train service, but the rate is higher than the trains and they don't help the community a bit.

BY MR. TURNER:

Q. Did you ever attempt to take an appeal from this order?  
A. I took an appeal from that order.

BY MR. EVANS:

Q. Mr. Shoemaker, has the Allegheny Valley Improvement Association made any suggestions as to amendments to the Public Service Law?

A. It did.

Q. Do you have those in printed form?

A. I have.

Q. Would you be willing to submit those for the information of the Committee?

A. I would. As I stated before the Commission about that order, the Commissioners that heard this case, I have no complaint as far as they acted in the hearing, and they were generally as fair as one could expect as far as that is concerned, and I don't believe the man who heard this case sent this order down as we got it, and I don't think the man would be responsible for anything of that kind; out that came out and it must have been from their office some way because it was under the signatures of their officials.

#### "PROPOSED AMENDMENTS TO THE PUBLIC SERVICE COMMISSION LAW OF 1913.

"Suggested on behalf of the Allegheny Valley Improvement Association by Clarence V. Tiers, President.

"The Allegheny Valley Improvement Association is a civic organization constructively serving seventy thousand citizens residing in the Allegheny Valley.

#### OFFICERS

Clarence V. Tiers, President	Oakmont, Pa.
Hon. A. B. Davidson, Vice-Pres.	Tarentum, Pa.
L. C. Anderson, Recording Secretary	Oakmont, Pa.
Joseph P. Caulfield, Corresponding Sec'y.	Verona, Pa.
John A. LaSalle, Treasurer	Springdale, Pa.

"The following suggestions are made having in view the theory that public service corporations are supposed to be acting in the capacity of trustees serving the general public through the granting of special monopoly privileges, with the guarantee of fair remunerative returns, and that therefore, they differ vastly from the average business enterprises.

It is our belief that the Public Service Commission law of 1913 should be repealed or amended.

First—Repeal the Entire Law and thereby return to the Courts, to the Legislature and to the Governor, all of the powers that have, by this law, been delegated to the Public Service Commission, and thus restore to the people, through their local authorities, the right to regulate their own public service matters by contract with public service corporations through limited term franchises.

This would restore at least a modicum of free competition, and it is well for interested parties to remember that all indications now point stronger than ever to the fact that the people can have their way and that they are going to insist on some protection from the greed of public service monopolies. Failing to secure this protection they will be driven to demand, and they will secure, public ownership and operation, or lease with specified rates for service, of all natural monopolies. Private ownership of public service monopolies is becoming very unpopular in the United States.

Second—If the Public Service Commission Law cannot be repealed because the Senate, as usual, would stand in the way, then it should be amended in the following respects:

1—Amend it so that Commissioners after being appointed by the Governor shall be approved by the House of Representatives instead of by the Senate as at present.

The reason for this change is that the House members, being more numerous, and being elected every two years instead of four, are nearer to, and are more representative of, the people than the members of the Senate. This is a modification of the idea of Governor Pinchot of having Commissioners or rate makers elected directly by the people. We are well aware of the difficulty that would be encountered in securing the necessary approval of the Senate to such an amendment but it is a change worth fighting for.

While we are solidly back of Governor Pinchot's earnest and courageous fight for the rights of the people, we suggest that a possible objection to his plan of election of Commissioners by popular vote is that until we have in Pennsylvania a law providing for an Official Election Pamphlet and other election laws limiting election expenses (such, for instance, as those of the State of Oregon where the Initiative and Referendum are in force) every election of a Public Service Commissioner will be just as great a scandalous proceeding as are our present elections for Governors or for United States Senators. The rate payers have no state-wide organization and are, therefore, unable to cooperate efficiently or to raise the enormous amounts of money necessary for conducting campaigns to fight the nominees controlled by the public service corporations.

For those reasons we believe that the appointment of Commissioners should be approved by the House of Representatives instead of by the Senate. As this method of approval would require an amendment to the State Constitution we earnestly recommend the immediate adoption of such an amendment.

2—Amend it so that the greatest possible amount of competition will be secured.

This would insure to the public economic and efficient service. Competition has ever been the friend of man, the spur to progress and the most efficient rate regulating agency the world has ever known. It is the policy of the present Public Service Commission to prevent competition and this works a hardship on the rate paying public.

3—Amend it so that increases in rates would have to be approved by the Commission before they become effective, and place the burden of proof of the necessity for the increase upon the corporation instead of upon the rate payers.

4—Amend it so that at least 80 per centum of the cost of plant appraisals and other investigations of increased rates would be borne by the State instead of by the rate payers.

The State should pay these expenses for the reason that it has granted monopoly rights to the public service corporations; it has arbitrarily cancelled franchises and contracts between municipalities and gas, light, water and railway corporations; it has taken away from the rate payers and their local governmental representatives powers and rights to bargain and contract for vitally necessary services, and, after assuming these rights which naturally and properly belong to the rate payers, it has then delegated these rights and powers to the Public Service Commission, and because of the enormous expense of a rate controversy before the Commission this action has left the rate payers practically defenseless.

5—Amend it so as to require the Public Service Corporation to refund to all rate payers the amounts collected in excess of the amounts due under rates allowed.

The present practice is to refund only to rate payers who have actually and formally joined in the proceedings to annul excessive rates.

6—Amend it so as to promote competition between bus lines, electric or traction corporations and railroad companies, and so as to prohibit the granting of permits or franchises to companies controlled by stockholders of competing and interlocking lines.

7—Amend it so that when the Public Service Commission finds that the rates collected by a public utility corporation have been unreasonably excessive or based upon fraudulent accounting or fictitious watered stock, the Commission shall be required to report the facts to the Governor with the recommendation that receivers be appointed to conduct the business of the offending corporation until such time as its charter may be annulled by the Legislature or until its property and franchises shall be sold or leased to the highest bidder. In cases of such sale or lease, provision should be made for government ownership and for permitting municipalities or counties jointly to purchase, lease or operate such public utilities.

In conclusion we desire to state that we believe emphatically that private ownership and governmental regulation of natural monopolies or public utilities (in the State of Pennsylvania at least) has proven to be such an utter failure, such a public scandal,—from either the standpoint of business or of politics,—that public ownership has now become a practical question if not a political issue.

For these reasons we believe that preparatory legislation, including constitutional amendments should be enacted and be in readiness to bring about, in an orderly and dignified fashion, these progressive changes, before an harassed public is driven in desperation to un-American methods of reclaiming their rights. Progress is persistent and unavoidable. The hope of American is that wise statesmanship will lead the inevitable advance by means of constitutional evolution.

Oakmont, Pa., March 6, 1931.

At a meeting of the Allegheny Improvement Association held this evening (officials of eleven boroughs in attendance) a resolution was unanimously adopted in favor of abolishing the Pennsylvania Public Service Commission. It was further resolved that 'we make every effort to put over the Hagmaier Bills (H. R. 20-21-22) and all other similar bills before the Legislature which tend to give the people the relief they are demanding.'

(Signed) R. H. MORRISSEY (Sharpsburg),  
HARRY C. LEA (Aspinwall),  
FRED SHOEMAKER (Oakmont),  
Committee on Resolutions.

Attest: Clarence V. Tiers, President A. V. I. A."

If the Committee desires to see these, they are here.

MR. EVANS: It has already been read into the record.

BY MR. HAGMAIER:

Q. Mr. Shoemaker, in your opinion then in the cases of the boroughs, you feel that the expenses should be assumed by the State in these water cases?

A. That is what I was thinking, but probably you could overcome that in some other way, but it could be handled in that way. The idea is this, that a lot of these cases, small consumers, they just have one complaint at one time, and it costs too much for one consumer to do it, and in the same way, with a small borough it does not pay to do it there either. In a case of that kind I think there ought to be some place for that expense to be met. I don't know how it can be done, but something ought to be done about it.

BY MR. TURNER:

Q. How would you guard against the multiplicity of small complaints?

A. Well, that first bill that Mr. Hagmaier brought in looks about as good as anything I have seen.

Q. You have read it?

A. I have read it.

Q. You think that that would meet the situation?

A. Well, it is the best I know of, or I have seen.

BY MR. EVANS:

Q. Mr. Shoemaker, just in order to clear up this matter of the appeal, as I understand it, you received a copy of an order

upposed to have been issued by the Commission on June 25th, and it referred to the Allegheny County Motor Coach as a subsidiary of the Allegheny Valley Traction Company?

A. I received that on July 20, and the order was dated June 25th.

Q. And you immediately took an appeal from that order?

A. Immediately—I took it out the last day; I took it out on the 25th of July, to the Superior Court of Pennsylvania, and the number of those appeals were Nos. 91, 92 and 93, April Term, 1929, in the Superior Court of Pennsylvania, Western District, at Pittsburgh.

Q. Now, when you got the record sent out by the Commission to the Superior Court, you found that it contained a substitute order which made no reference to the Allegheny County Motor Coach Company being a subsidiary of the Allegheny County Traction Company?

A. I did. I believe though that the order in the two records was transposed by somebody inadvertently, the order from the one case was put in the other, but the order as sent down in these three records was mailed to us on the 25th day of July.

Q. Then in view of that situation you dropped the appeal and never pressed it?

A. Never bothered.

Q. Now, Mr. Shoemaker, just in order to get the record clear, am I not right in thinking that the time for taking an appeal from the Commission runs not from the date of the order, but from the date of its service on the appellant?

A. That may be true; I believe it is.

Q. In other words, you could have taken an appeal before 30 days after July 25th, when the order was served on you?

A. I had already taken appeals in the other ones, and we dropped them. I believe that is right.

Q. I just want to get that clear, because there ought not to be a misunderstanding. Can you state to the Committee how much this valuation of the Allegheny Valley Motor Coach Company cost, have you the figures?

A. I cannot give you the figures, I should have looked it up, but it was a lot of money.

MR. EVANS: That is all, thank you.

#### BOROUGH OF SHARPSBURG

EDWARD A. KRAUS sworn.

BY MR. EVANS:

Q. What is your position with the borough of Sharpsburg?

A. Borough Solicitor.

Q. What is the population of the borough.

A. About nine thousand.

Q. Have you a statement that you wish to make to the Committee in regard to your public utility situation there?

A. I have.

Q. Do you have it in written form, so that you can file it, or do you wish to make a formal statement?

A. We have it in written form, so that it can be made part of the record.

MR. EVANS: Is that satisfactory to the Committee?

MR. MOORE: Yes.

BY MR. EVANS:

Q. If you will leave it with the Committee, that will be filed and made a part of the record.

A. Yes sir.

The statement in question reads as follows:

"STATEMENT OF SHARPSBURG BOROUGH TO THE HONORABLE HOUSE INVESTIGATING COMMITTEE OF ITS COMPLAINTS AGAINST SERVICE AND RATES OF PUBLIC UTILITIES OPERATING ON DOING BUSINESS IN ITS DISTRICT, HEREINAFTER REFERRED TO:

"The Borough of Sharpsburg owns and operates a Water and Light Plant. Several years ago, the equipment of the plant became out of repair, making it necessary for the borough to take up with the Duquesne Light Co. the matter of the Light Co. supplying to the borough emergency municipal electric service to provide it with electric current which the borough was then compelled to furnish to its patrons. The Duquesne Light Co., in response, submitted a rate of 3c per K. W. hour for electric service for the above mentioned use, with minimum service or consumption charge of ten thousand dollars (\$10,000.00) per annum, to be paid by the borough to the Light Co. whether or not the borough uses electric current of



that company to that amount in any particular year of the contract. The Light Co. compelled the borough to enter into a contract on the above basis for a term of five (5) years. The Light Company knew the position occupied by the borough, that it had no election in the matter and took advantage of its needs. If no emergency arises, in any particular year of the term of this contract, whereby the borough is unable to supply the demands of its consumers for current from its plant, generated by it, enabling the borough to use said \$10,000 worth of current, nevertheless, under the terms of the contract, the borough is obligated to pay the Light Co. \$10,000. Therefore, for the borough to get the benefit of actually receiving and using said \$10,000.00 worth of electric current, for which it must pay, the borough is forced to shut down its Light Plant for a period of time sufficiently long to give it the opportunity to dispose of said \$10,000 worth of current, or so much thereof as it has not been normally able to use while operating its plant, during that year, which the borough had to do in 1930, for two weeks, to be able to use \$7,000.00 worth of such service of Duquesne Light Co. The minimum annual consumption required of \$10,000.00 worth of current of Duquesne L. Co. or at least \$50,000.00 worth of current for 5 years of this contract, is not changed or helped any by the fact that the borough did use more than one hundred thousand dollars (\$100,000.00) worth of Duquesne L. Co. electric current during one year of the contract, viz, in 1929.

"This contract between the borough and the Duquesne Light Co. expires in about 15 months from this date, and it requires one year's notice on the part of the borough to the company, of the borough's intention not to renew it, and heretofore the borough authorities have indicated to the Light Co. that it will not renew this contract on the same terms. As a result, the Duquesne Light Co. has recently submitted a new proposition to the borough to supply it with electric current to light its streets and operate its pumping station at a cost of 8½ mills per K. W. hr. and for emergency purposes at a rate of 3c per K. W. hr., which latter current the borough is permitted to sell to its customers, which they had stated the Public Service Commission would not let them furnish for a lower rate than 3c per K. W. hr.

"In connection with the Light Co. furnishing the borough with emergency current and current for the operation of its Water Plant, on terms or rates immediately above mentioned, the Light Co. later suggested making a service charge of \$50.00 per month and 1½c per K. W. hr. for emergency service. By comparison of the rate of 8½ mills per K. W. hr. with the rate of 3c per K. W. hr., the rate of 3c for municipal emergency service is too high.

"The borough has been selling electric current for power to the Pennsylvania Railroad Co. for a rate as low as 1½c a K. W. hr. during the period that the borough paid the Duquesne Light Co. 3c a K. W. hr.

"In order to get the emergency service referred to from the Duquesne Light Co. it was necessary for the borough to put in its own service line from the power station to its plant and also install switches at the plant, etc., at a cost to the borough of about \$21,000.00.

"On another occasion, the borough wanted to construct a crossing over and across the tracks of the Pennsylvania Railroad Co. at 21st Street in Sharpsburg. Application for permission to construct it was made to the Public Service Commission of Pa. The Railroad Co. filed an answer to this application opposing it. Thereafter the borough negotiated with the company about placing a crossing at this point which resulted in the railroad company submitting a proposition to borough to not oppose application if the borough would give it a deed for a lot of ground on Main St., worth about \$2,000.00 and the borough would also modify a contract which it has with the Railroad Co. as to a right of way to be provided by the Railroad Co. over a certain land to the Water Plant of the borough. In this proposition, there were also requirements by the Railroad Co. that the borough pay for all property damages; maintain crossing and provide watchman, if required by Public Service Commission, as well as other demands on the part of the Railroad Co., owing to which the borough and the railroad company did not reach an agreement. On account of the opposition of the Railroad Co. to this application, same was withdrawn.

"On still another occasion, the borough made application to this Railroad Co. for an easement for placing a sanitary sewer along the edge of its Right of Way and to place same under its

tracks at 21st Street, Sharpsburg, and the Railroad Co. agreed to grant this easement to the borough, subject to various covenants and agreements to be kept and performed by the borough and on condition that borough would release the Railroad Co. from all damages for negligence and that the borough would indemnify the railroad company against all damages caused by negligence of the Railroad Co. or otherwise in reference to anything arising in connection with said construction, maintenance, &c. of said sewer, but this agreement of easement contained no time of duration, and since the laying of this sewer would entail the expenditure of a substantial sum of money, without having an easement for a definite term, it would not be advisable to lay it, hence this agreement was not executed by the borough.

"Another matter is the action of the Railroad Co. in taking away its Railroad Station in Sharpsburg, leaving the people of that town, of about 9,000 population without any railroad station, and while the company operates two (2) passenger trains in the mornings and one train in the evening, persons of Sharpsburg using this train service must purchase their tickets at the North Side, Pittsburgh Station, about 5 miles from Sharpsburg, or at the Aspinwall Station, about 1½ miles from Sharpsburg.

"The borough of Sharpsburg had a franchise contract with the Railways Co. merged with the Pittsburgh Railways Co., providing for a five (5) cent fare rate and it also owned a franchise contract with the Equitable Gas Co. to furnish by it to the borough, free gas to certain of its municipal buildings which contracts were nullified by action of the Public Service Commission.

Respectfully submitted,

Sharpsburg Borough,

By Edw A. Kraus, Jr.,  
Boro. Solicitor."

#### BOROUGH OF MIDDLETOWN

H. V. McNAUL sworn.

BY MR. EVANS:

Q. You are the Burgess of Middletown, are you?

A. Yes; and I am also counsel for the telephone subscribers of the borough of Middletown in connection with the borough Solicitor.

Q. Will you state, briefly, to the Committee any complaints that you have in regard to the utility situation in Middletown?

A. We don't have any complaints in particular. We simply have some facts, which are evidence from the Commission's own records, that they have given us an advance indication in the unification hearing and what the result would be in the rate hearing.

BY MR. RICHARDS:

Q. Is that a written record?

A. I would like to read this statement. It is rather rough stuff. Instead of putting it in evidence, I would just like to read it into the record, and then it will give you an opportunity to ask anything you wish about the matters in question.

BY MR. EVANS:

Q. Will you make it as brief as you can?

(No answer.)

BY MR. TURNER:

Q. Is this a case now pending before the Public Service Commission?

A. It includes the case which is closed, as far as the unification of the two systems in this district is concerned. The rate question is now pending, but we are not going to try the rate case before this Committee. We are simply going to show that in the merger hearing, which is already closed, that the Commission stated, in its own words, that the rate case would be against us; that it was decided even before the rate case was tried before the Commission; and also that the Commission had ten years before established us in the free service area from Harrisburg in an order which was reached by agreement, which was approved, on the grounds of intercommunity interests, and the intercommunity interest has increased rather than decreased, and that the rate fixation of the Commission is actually opposed to its former order.

If I am permitted, I will read this statement into the record: It is a three page statement. It will be very clear in case

you wish to refer to it, and if there any questions you want to ask about it.

BY MR. EVANS:

Q. Very well.

A. On September 14, 1920, Complaint Docket 3223, the Public Service Commission of Pennsylvania issued an order approving an agreement between parties to the complaint, which, among other adjustments, removed a toll charge between Middletown and Harrisburg and included Middletown in the Harrisburg free service area.

In the Commission's order it spoke in part as follows:

"In framing its new rate structure the company swung the pendulum to an extreme in the opposite direction. It adopted an arbitrary rule restricting 'free service' area to a six mile limit from exchange points, apparently without regard to the effect of such foot-rule measurement upon local conditions, inter-community interests and other factors which are quite essential to the development of the company's business as they are to the necessities of public service.

"Theoretically correct as may be any exact formulae of rates and service for public utilities they cannot be successfully applied unless they take into consideration all the elements of public and community interests affected.

"The amount of revenues was not seriously contested or challenged. It was rather against the method of applying the rates and producing the revenues that the complaints were most strongly pressed.

"Study has convinced the Commission that the agreement is in accord with public interest and with the facts and evidence developed in the case. Therefore it is given the Commission's approval.

"At the time this order was adopted, there were two telephone companies, the Bell and the Cumberland Valley Company, operating in competition in the Middletown-Harrisburg area. The above ruling affected only the Bell Company, since the Cumberland Valley Company made no attempt to discontinue its free service between these communities. In other words, the Cumberland Valley Company applied no toll between Harrisburg and Middletown.

"In 1930 these two companies applied to the Public Service Commission for approval of the unification of the two systems in the area; application docket 21484. Middletown and others filed objections fearing rate increases and application of toll charges in former free service areas.

"The Commission approved the unification of the two systems saying in its report:

"The applicant companies claim and contend that the proposed unification by eliminating existing duplication of facilities providing connection for interchange of traffic of the two systems and their connecting companies and removing uneconomic competition would improve the service and result in economies beneficial to the public. The benefits and advantages which have followed similar unification of telephone systems heretofore approved by the Commission substantiate this claim.

"The matter of the contemplated rate changes cannot be determined in these proceedings. Whatever changes of rates the companies desire to make after unification of the systems must be filed, posted and published in accordance with the requirements of the Public Service Company. Law and tariff rules and regulations of the Commission. The public will be given thirty days notice of the changes and if complaint is filed against the new rates prior to the effective date, the burden of sustaining them will be on the companies. Any citizen or group of citizens may complain against reasonableness of new rates when filed and will be granted full and complete hearing in the matter. The Commission is therefore of the opinion that it would be inappropriate at this time to hand down any finding or determination on the contemplated rate adjustment which the companies may make after unification.

"Traffic studies of local service in the various exchanges involved submitted by the companies, however, are of interest and tend to show that the contemplated changes in the tariff of the companies would establish rates which would result in the greatest benefit to the greatest number of the subscribers by placing the burden of the expense of calls outside of the proposed so called free area upon the people using them."

"In other words, the Commission expressly states that it is illegal and improper to indicate in advance what the rate would be.

"In other words, the Commission after expressly stating that rate changes can not be determined in these proceedings and that it would be inappropriate at this time to hand down any finding or determination on the contemplated rate adjustment proceeds to indicate in the very next paragraph that the traffic studies submitted by the companies 'are of interest and tend to show that the contemplated changes in the tariff would establish rates that would result in the greatest benefit to the greatest number of the subscribers'; and inferentially indicates that it will approve such tariffs even before they are filed.

"To justify this indication, the Commission proceeds in the same report to quote and analyze the traffic studies, saying of one:

"From Middletown to Harrisburg there were 1459 calls, of which one subscriber made 33 (the traffic study quoted expressly says just the opposite, that 33 subscribers each made one call), three subscribers each 28 (the traffic study says 'twenty-six subscribers each made two calls'); basing its advance indication of what its finding in the rate application will be upon such a superficial examination of the company's traffic study that it quotes the figures for subscribers and calls per subscriber exactly reversed, and also 13 subscribers making 10 calls, which was not even on the exhibits.

"Proceeding the Commission's report says:

"Six per cent. of the subscribers in Middletown occasioned 38 per cent of all the calls,' or, from the traffic study in question, 14 per cent of Middletown's 235 subscribers occasioned 38 per cent of the calls. But, unfortunately, the Bell Company neglected to note on the traffic study that one of these 14 subscribers was not an individual but was the switchboard of the Middletown Air Depot, which has 92 subscribers, so that instead of such a marked discrepancy and excess usage of the service by a few subscribers as the report would indicate, in reality the actual usage is that which is standard and uniform.

"The same traffic study, although made over a five-day period exclusive of Saturday and Sunday, and not over the full month period on which the monthly rates of the telephone company are based, instead of 'establishing rates which would result in the greatest benefit to the greatest number of subscribers, by placing the burden of the expense of calls outside of the proposed so called free area upon the people using them,' as the Commission's report states, actually shows that the rates will be increased for over 80 per cent of the Middletown subscribers.

"Quoting another traffic study the Commission says:

"Less than five per cent of the subscribers residing in Harrisburg made all the calls from Harrisburg to Middletown,' neglecting to mention that Middletown is less than five per cent of the Harrisburg area and naturally would expect only that percentage, that if one ward in Harrisburg were similarly isolated from the Harrisburg area and the calls from the rest of Harrisburg into that ward were counted it would be found that only a similar percentage of the Harrisburg subscribers called that ward, since most calls are made only for business, or social reasons and not promiscuously and in general; and that the traffic study having been made over only five days exclusive of Saturday and Sunday 25 days of the monthly period on which telephone rates are based still remained in which period it is reasonable to suppose that a relatively larger percentage of subscribers would have used the service."

BY MR. EVANS:

Q. And may I just interrupt to ask whether these are findings of fact or whether we are getting into a matter of argument?

A. It is to some extent a matter of argument.

"Although as stated above the Commission had in 1920, C. D. 3223, after exhaustive study and in view of inter-community interests removed the toll between Middletown and Harrisburg, and the said inter-community interests had greatly increased due to building up of the areas into one communicating area; the Bell Company in November, 1930, instituted a toll charge of ten cents per call between Middletown and Harrisburg.

"In spite of its own 1920 order in the same premises, and in spite of the seriously defective traffic studies filed by the Bell company, the Public Service Company took no action in the matter and the toll has been collected since that date by the Bell Company.

"Middletown subscribers immediately within the thirty day period filed protests against the toll rate and have attacked it



and the traffic studies on which it is based in a series of hearings before the Commission. (C. D. 8504-1930)

"Therefore it appears from the Commission's own orders and reports and the traffic studies of the telephone company upon which they are based that:

"(a) The Commission after itself stressing the fact that it is illegal and inappropriate to make any finding as to change of rates in a unification order, immediately proceeds to indicate what such a future finding will be, by forming and expressing such a finding.

"(b) This indication is based upon traffic studies not made by the Commission nor supervised by it, but by an interested party, and without giving the other parties opportunity to examine and point out the many defects in these studies.

"(c) The Commission used these traffic studies to base its indication of the finding in a hearing which had not even been listed, without any study or examination of them whatsoever, or with such a superficial examination that it quotes one with its basic estimates reversed so as to result in an opposite conclusion to the Commission's advance finding.

"(d) The Commission failed to examine the studies so as to reveal other glaring and serious defects therein which render them of no value or of dubious value in the findings.

"(f) Although the Commission had previously established the affected communities in a free service area after proceedings including agreement of parties after exhaustive study and on a fair and reasonable basis considering the inter-community interests, yet it permitted the telephone company to reopen the matter upon superficial grounds based on defective traffic studies, and compelled the Middletown subscribers to again defend their interests at a great expenditure, pending which decision the company is collecting the largely increased rates, in utter disregard of the prior fair and reasonable settlement and the order of the Commission.

"(g) Even though competition is abolished in the area and a monopoly created which should cause the Commission to scrutinize any rate increase the more closely, since the public is powerless to find alternative service and must use the only system available, the Commission without making an effort to maintain its former attitude and follow its precedents, of inquiring what new factors would justify a change in rates, takes no step to safeguard the public, but accepts the figures of the Company without question as to their authenticity or accuracy.

"(h) The Commission follows its precedents in favor of the Telephone Company by refusing to demand a valuation of the telephone company's physical properties in the area in question making it necessary for a single community to use state-wide values for comparison, estimates difficult or impossible for one community to undertake.

"(i) The Commission does not follow its precedents that support the stand of the community affected even though the order of ten years before covered exactly the same territory and the same conditions, and the case in question established the Commission's basis for the area in question. No reason is given for this marked change in the attitude of the Commission and for the Commission's neglect to take action itself for the maintenance of the status of the area as fixed after exhaustive study and agreement of the community and the telephone company ten years before. Not only does the Commission not take action to defend the rights of the public, but even before the rate increase it indicates that it will later decide in favor of the telephone company.

"(j) The telephone company is not made to answer to the specific complaint as to the fact that the rates are unfair and unjust and 'unreasonable with respect to the nature of the service rendered and its cost to respondent,' but is permitted to set up its own issue, 'that they are "standard" rates.' Although the burden of proof is on the company, yet it is to answer the complaint and not to set up its own case and answer a hypothetical issue.

"(k) Traffic studies submitted to prove standardization of rates are not only so contradictory and irregular as to be valueless as evidence, but they are misquoted by the Commission in addition to being cited as proved facts without any investigation whatsoever."

Copy of the testimony in same pending rate case will be interesting as it brings out many details of rate fixing situation.

## BOROUGH OF BROOKVILLE

W. M. CONRAD sworn.

BY MR. EVANS:

Q. Mr. Conrad, you are borough solicitor of the borough of Brookville?

A. I am.

Q. What is the population of Brookville?

A. 4,383.

Q. Have you a statement that you wish to bring to the Committee?

A. I have, and it pertains to the electric light situation in Brookville.

Q. Is that it?

A. It is.

Q. Have you this statement in written form? Or do you wish to make an oral statement?

A. I have it in written form. Our experience with the power trust before the Public Service Commission covers a period of more than five years. I desire the Committee to have a bird's-eye view of the picture at Brookville. I also desire to have that picture in the record. Therefore, I desire to have it before the Committee not merely as an exhibit. I have it boiled down to about fifteen pages. In the abbreviated statement, I say it is abbreviated notwithstanding it has fifteen pages. I set forth the facts. I believe that I have data there that would be an aid to the Committee in working out legislative relief. The power trust has had—

BY MR. TURNER:

Q. That is the name of the power trust, or what is the name?

A. Solar Electric Company is the name of the local company, but it is a subsidiary of the Associated Gas and Electric Company, with many relatives between. I do not desire to worry the Committee, but I would like to read a statement, and I could do so quicker than I could cover the ground verbally. Otherwise I would prefer to make a verbal statement. My only object is to put it in the shape that it will be most useful.

MR. TURNER: If you think you can read fifteen pages quicker than you can put it in verbally, we ought to allow you to read fifteen pages, except that argumentative matter, as Mr. Evans suggested awhile ago, it seems to me you should leave out.

THE WITNESS: Well, may it please, your honor, I think I am safe to say that it is not more than ten per cent argumentative, it is interspersed, and if you will indulge me to the extent of that ten per cent we will proceed. First, I wish to make the preliminary statement that the borough of Brookville has expended the sum of \$6,604.49 in this litigation with what I call the powers trust for short.

BY MR. EVANS:

Q. What is the assessed valuation of the borough?

A. In round numbers \$4,000,000.00, it exceeds slightly \$4,000,000.00. It will not take me over forty minutes to read this.

"DICTATED STATEMENT BY W. N. CONRAD OF THE CONFLICT BETWEEN THE BOROUGH OF BROOKVILLE, THE SOLAR ELECTRIC COMPANY, THE POWER TRUST AND THE PUBLIC SERVICE COMMISSION.

"The last census shows that Brookville has a population of 4,383. In 1912, after seven years of effort at the polls and in Court, the Borough of Brookville forced the privately corporate owned water plant to be transferred to it. The Borough completed the construction of the filtration plant. The purchase price and the completion of the filtration plant stands the Borough about \$130,000.00. The Borough has erected a residence for the engineer, made line extensions, and put in a reservoir of 2,000,000 gallons capacity, at a cost of about \$248,785.88. The water rate has never been increased, and its today the same rate charged by the private owners for unfiltered water.

"The water plant and franchises were given as security for the bonds issued for the purchase and improvements. In less than three years, the first bond issue of \$116,000 will be paid. The engineer's home, line extensions and improvements have been paid out of earnings. The balance remaining unpaid is \$127,500. If the water rate is not decreased, in less than three



years the Borough of Brookville will have available in her net earnings, about \$10,000 annually for appropriation to Borough purposes. The filtration building, with a small addition, is ample for the installation of sufficient electric units to provide ample current for the Borough of Brookville, for street lighting commercial use of its inhabitants and industries, as well as in adjacent territory.

"Upon December 5, 1924, the Town Council of the Borough of Brookville approved an ordinance for the taking over of the plant and works of the Solar Electric Company. Upon March 17, 1925, the electors, three to one, voted for a bond issue for the purpose of acquiring and improving the plant and works of the Solar Electric Company.

"Preceding the election, the two Utility Companies took an active part to defeat the electoral approval of the bond issue. Their agents, on various pretext, talked to our citizens. A publicity man rented a room in the American Hotel and used it as headquarters for the opposition. Articles were written and published in the local newspaper. Circulars distributed. A letter was mailed to the voters, signed Citizens' Committee. Brookville's largest vote was cast.

"The Borough made application to the Public Service Commission for a Certificate of Public Convenience, for the acquisition of the plant and works of the Solar Electric Company. The Penn Public Service Corporation, now the Pennsylvania Electric Company, made application for a Certificate of Public Convenience in approval of the acquisition of the outstanding capital stock of the Solar Electric Company, for the consideration of the sum of \$150,000. About 650 pages of testimony were taken before the Public Service Commission. Upon November 17, 1925, the Commission filed its report, making, among other, the following findings:

"The Solar Electric Company, at the time of its organization, had a capital stock of \$10,000. This was later increased at a date not indicated by the testimony, to \$20,000 by the declaration of a stock dividend in the sum of \$10,000, and on February 13, 1924, it was further increased to \$75,000 by the declaration of another stock dividend in the sum of \$55,000. In addition to these stock dividends, the company paid the following cash dividends: \$1,000 on each of the following dates, —January 5, 1921, January 9, 1922, and May 15, 1923, upon a capital stock of \$20,000 outstanding on said respective dates; \$600 on October 22, 1923, on the same outstanding capital; \$3,000 on February 15, 1924, upon an outstanding capital of \$75,000; and \$2,500 on September 18, 1924, upon the last mentioned outstanding capital. With the exception of the cash dividends above mentioned, all the earnings of the company have been put into improvements and extensions of the plant; but there is no evidence in the case to indicate the exact amounts so invested.

"There is a very marked discrepancy in the testimony as to the value of the plants and works of the company. The applicant, through its engineers, testified that the reproduction cost new as of January 1, 1925, is \$249,713, and the reproduction cost new with allowance for depreciation, as of the same date, is \$211,087. The engineers employed by the Borough of Brookville testified to a reproduction cost new of \$135,000, and a reproduction cost new less depreciation of \$91,154. The applicant's evidence of reproduction cost new was made up of the following items:

Field Cost .....	\$168,109	
Omissions .....	5,043	
Charter and Franchise .....	600	
Land .....	1,800	\$175,552

To these were added the following items:

Preliminary Expenses .....	\$ 2,633	
Engineering .....	8,909	
Administration .....	3,564	
Legal Expenses .....	1,782	
Interest, Taxes and Insurance during Construction .....	6,254	
Cost of Money .....	9,935	
Originators' Remuneration .....	21,856	
Development Expenses .....	5,043	
Cash Working Capital .....	4,250	\$ 74,161

Materials and Supplies	
TOTAL	\$249,713

"The reproduction cost of the physical property, with allowance for depreciation, was \$137,138, as compared with the sum

of \$175,552, reproduction cost new. It will be seen from the foregoing figures that to a total reproduction cost new of \$175,552 for physical property, including land, there are added items aggregating almost \$65,000, mostly for intangibles. No evidence was presented to support a finding that any such amount was actually expended in the development and financing of this company. This history of the company as disclosed by the testimony, indicates clearly that no such sums were, in fact, spent. Starting with a capital of \$10,000, the company found its added finance, in large part, in the profits derived from its business, which were put back into the property, although as has been stated above, the exact amount of such contributions to capital is not disclosed by the evidence. An analysis of the testimony points to the conclusion that the Penn Public Service Corporation's valuation of the property of the Solar Electric Company is too high. The valuation of \$17,865 upon the plant structures of the company is manifestly too high. Competent witnesses testified that they could be reproduced for less than \$7,000. The same thing is true of the valuation put upon the machinery and other property of the company by the testimony of witnesses in behalf of the Penn Public Service Corporation.

"While approval of the present application would not preclude an inquiry into the value of the assets of the company, used and useful in the public service, in a subsequent proceeding in which its rates were drawn in question, we were convinced that approval should not be given to an application for the purchase by one company of the capital stock of another where the price to be paid therefor is largely in excess of the fair value of the property represented by such stock. We, therefore, decline to approve the application of the Penn Public Service Corporation, because we are of the opinion that the public interest and convenience would not be served by such approval.

"We are of the opinion, from a consideration of the evidence, that the Borough of Brookville will be able to operate the electric light plant economically in connection with the water and filtration plant now owned and operated by the borough, and that the public interest and convenience will be best served by granting the application of the Borough of Brookville for the acquisition of the plant of the Solar Electric Company, provided the borough has the power to exercise the right to eminent domain for its acquisition."

"The Commission granted a Certificate to the Borough, evidencing the Commission's approval of the Borough's acquisition of the plant and works of the Solar Electric Company, and at the same time, refused the application of the Penn Service Corporation. At this time, David I. McCahill, Esq., attorney for the Penn Service Corporation, on various occasions stated to me, the Borough solicitor and to members of the Council, and during an argument before the Public Service Commission, that the controversy was between the Borough and the Solar Electric Company, and at one time stated to me, that when the Borough became the owner of the plant, the Penn Public Service Corporation would desire an opportunity to sell it current. In the light of subsequent events, it is apparent that this was sarcasm, masked with blandness and jocularly. The Solar Electric Company and the Penn Public Service Corporation appealed from the order of the Commission to the Superior Court.

"Upon Saturday, January 29, 1927, Harry M. Rimer, Esq., of Clarion, Pa., introduced to me Warren Partridge. Mr. Partridge then proceeded to tell me that W. W. Taylor of New York City had purchased all of the capital stock of the Solar Electric Company, in the interests of the Penn Public Service Corporation and the Associated Gas and Electric Company. That the Penn Public Service Corporation would operate the Solar Electric Company. Better service and lower rates would be given, the plant improved, and Brookville would have greater electric opportunities and advantages than in the past. Extended litigation was in prospect for the Borough. The Borough authorities were mistaken regarding the best interests of the Borough ownership of the plant and works of the Solar Electric Company.

"About the same time, about eight representatives of the Penn Public Service Corporation congregated in a room of the American Hotel and began making efforts to pacificate the inhabitants of the Borough by calling to their room men, believed to be politically active and influential, to whom it was explained that the administration of the Penn Public Service Corporation would be benevolent and advantageous to the



community. In one instance, Mr. S. C. Poe, who, it is said, then received a salary of \$18,000 a year, acted as spokesman, and who, while in Brookville called on the Hon. Wm. T. Barr, Judge of the Courts of the County of Jefferson. Some of the staff made calls upon citizens of the town. Office furniture was purchased from a corporation, of which Rufus G. Reitz was President, and also a member of the Town Council. An office room on Main Street was arranged for, with an annual rental of \$1,500.00, which is now used by the Pennsylvania Electric Company as an office, and storeroom for commodities in competition with local merchants. \$10,000.00 was deposited with Brookville Title & Trust Company, of which I then was and now am, attorney and director, in part, for the purposes, I believe, to influence answers to inquiries regarding sales of preferred stock of the Associated Gas and Electric Company, for which a stock sale campaign was then in progress.

"Upon February 7, 1927, a staff of at least eleven of the Penn Service Corporation's employes was in Brookville. Agents of the company stated that a power line would be brought from Corsica, Summerville, Ramsaytown, or other point to Brookville. Plans were made, involving large expenditures of money. The Penn Public Service Corporation proceeded with great haste with these plans. Upon February 3, 1927, the following advertisement appeared in the three local newspapers of the Borough:

"To the Customers of the Solar Electric Company, and the Residents of Brookville.

"In view of the possibility of extended litigation to determine whether or not the Borough of Brookville may condemn the property of the Solar Electric Company, arrangements have been made for the acquisition of the Stock of the Solar Electric Company in the interests of the Associated Gas and Electric Company.

"This has been done in order that present and prospective customers in Brookville may not be inconvenienced on account of the litigation, and may receive the best possible service in every respect, pending final settlement of the question at issue.

"Effective February 1st, this Company will be operated under the supervision of the Penn Public Service Corporation Officers."

"Upon February 6, 1927, the following letter was mailed, addressed "to the Customers of the Solar Electric Company, and the people of Brookville.

"In view of the possibility of extended litigation to determine whether or not the Borough of Brookville may condemn the property of the Solar Electric Company, arrangements have been made for the acquisition of the stock of the Solar Electric Company in the interests of the Associated Gas and Electric Company.

"This has been done in order that present and prospective customers in Brookville may not be inconvenienced on account of the litigation and may receive the best possible service in every respect, pending final settlement of the questions at issue.

"Effective February 1st, this Company will be operated under the management of the Penn Public Service Corporation, with U. J. Utts as Superintendent. Mr. Utts has had many years of experience in the electrical industry and will be located in Brookville.

"Services will be extended and improved, and a new rate will be filed at once so that service can be furnished Brookville at the same rates as now are in effect in adjoining territory of Penn Public System, which are lower than present rates of the Solar Electric Company."

"Upon February 10, 1927, the Borough passed the following resolution:

"Firmly believing that the Solar Electric Company, and the Penn Public Service Corporation are refusing to render obedience to the legally expressed will of the people, and to the determination, orders and decrees of our tribunals, thereby endangering our institutions and weakening our constituted authority.

"BE IT RESOLVED, that the Borough of Brookville, now in Council, specially and regularly assembled, present to the Public Service Commission of the Commonwealth of Pennsylvania, the following petition."

"Complaint was made to the Public Service Commission, setting forth the facts I have recited and averring:

"(a) That the order of the Public Service Commission had been affirmed by the Superior Court of Pennsylvania, and Judge Henderson, speaking for the Court had said: 'The Bor-

ough is preferred under the statute relating to the subject, in the matter of supplying electricity, and it is under ordinary circumstances reasonable, therefore, that the wish of the citizens with respect thereto should be regarded.' (It is to be born in mind that His Excellency, Gifford M. Pinchot, was the Governor of Pennsylvania when the Borough first appeared before the Commission.)

"(b) The acts of the Solar Electric Company, the Penn Public Service Corporation and W. W. Taylor, which I have recited, were violations to the provisions of the Pennsylvania Public Service Company Law, supported by citations.

"(c) That the Solar Electric Company and the Penn Public Service Corporation were affronting the authorities of the Borough, disregarding and attempting to override the ordinances of the Borough and the verdict of the electorate, the findings, conclusions, reports, decrees, and orders of the Court of Common Pleas of Jefferson County, the Commission and the Superior Court of Pennsylvania.

"The Public Service Commission dismissed the protest of the Borough of Brookville. During the course of the verbal argument, Commissioner Benn, and other members of the Commission, acknowledged their helplessness to cope with Pennsylvania Utility Companies in the control of holding companies. Notwithstanding my suggestion, the Pennsylvania Corporation is the creature of our Sovereign State, and not greater than its Creator.

"I remember very well Commissioner Benn asked me if I knew what a holding company was and he stated to me, to use a homely expression, 'The Devil beating around the bush', and I took the inference to be the holding company in the form of the Devil was able to circle around the Public Service Commission.

"In December, 1927, the Borough of Brookville made an application to the Commission for the approval of the beginning of the exercise of the right, power and privilege of constructing and operating an electric light plant, apparatus and distributing system, for the purpose of supplying and distributing electricity to the public in said Borough, subject to such conditions as the Commission may prescribe, and informing the Commission that the Borough was still willing to purchase the property of the Solar Electric Company at a fair value, and will do so, although the Commission gives it a Certificate of Public Convenience, evidencing the Commission's approval to erect and construct an electric light plant and distributing system.

"At the hearing held before the Commission, the Borough showed:

"1. The capital stock of the Solar Electric Company was held for convenience by Daly and Company, a co-partnership of New York City.

"2. The real owner was the Associated Pennsylvania Corporation, a Delaware Corporation.

"3. Daly was President of the Associated Gas and Electric Company, a New York Corporation, the parent of the Associate Pennsylvania Corporation.

"4. Upon October 22, 1924, the capital stock of the Solar Electric Company was sold by articles of agreement to the Penn Public Service Corporation, subject to the approval of the Commission. (The agreement now referred to is the agreement which the Commission refused to approve.)

"5. Joseph F. McKenna, a nominal director of the Solar Electric Company, testified under cross examination:

"Q. Mr. McKenna, what connection was there between Walter W. Taylor and the Penn Public Service Corporation?

"A. None whatsoever, except that he got an assignment of the contract of the Penn Public Service Corporation, previously had with the stockholders of the Solar Electric Company."

"6. Under direct examination, called as a witness by the Borough, Mr. McKenna said:

"Q. Who has possession of that agreement at this time?

"A. I believe he assigned it to the Associated Gas and Electric Co.

"Q. You have seen the agreement?

"A. I saw it one time, yes.

"Q. Do you know that all of the purchase money for the transfer of the capital stock from the assignor to Walter W. Taylor has not been paid, and is contingent upon the outcome of this application and other proceedings pending between the Solar Electric Company and the Borough of Brookville?

"A. I understand there is a contingent claim.

"7. The directors of the Solar Electric Company were:

"(a) H. C. Flock, a young man of 35, residing in New York City, and an accountant in the employ of H. C. Hopson and Company, which does a great deal of accounting for the Associated Gas and Electric Company. Mr. Flock had never been in Brookville, but believed it has a population in the neighborhood of 10,000. He said the Associated Gas and Electric Company manages and controls the Solar Electric Company. He did not know whom he reported to the Pennsylvania Public Service Commission as the manager of the Solar Electric Company. He further said that the Solar Electric Company is one of the properties of the Associated Gas and Electric Company, and that it employed the J. G. White Management Corporation, a Connecticut Corporation, to manage it.

"(b) Joseph F. McKenna, another young man of New York City, in the employ of the H. C. Hopson & Company, stated that Mr. Daly or Mr. Hopson verbally imparted to him the orders which they have for the Solar Electric Company. The Pennsylvania Electric Company was run in the same way, and his company does the auditing for both concerns. William J. Utts was selected as the local manager and vice-president of the Solar Electric Company by the Associated Gas and Electric Company, through a verbal arrangement, but that Mr. Utts was ostensibly in the employ of the J. G. White Management Corporation, and took orders "indirectly through them." The Solar Electric Company has ceased to hold stockholders meetings.

"(c) E. T. Edwards of New York City.

"(d) Raymond E. Brown, Esq., of Brookville, Pennsylvania, local attorney for the Solar Electric Company.

"(e) Harry M. Rimer, Esq., of Clarion, Pennsylvania, local attorney for the Solar Electric Company.

"(Neither Mr. Brown nor Mr. Rimer has attended any meetings of the Solar Electric Company, which are all held in New York City.

"8. Upon July 1, 1927, the Solar Electric Company entered into an agreement with the Associated Gas and Electric Company for construction and financial service. This agreement was signed upon July 30, 1928, by the Associated Gas and Electric Company to the Consumers' Construction Company, a Delaware Corporation, a subsidiary company of the Associated Gas and Electric Company.

"9. Upon May 1, 1928, the Solar Electric Company entered into a contract with the J. G. White Management Corporation, a subsidiary company of the Associated Gas and Electric Company, for managerial services, superseding agreement of July 1, 1927, between the Solar Electric Company and Associated Gas and Electric Company.

"10. Since the new ownership or control had come into operation, the operating expenses of the Solar Electric Company have shown by the annual reports on file with the Commission, had increased 46%, as compared to the average operating expenses of the preceding four years.

"11. I pointed out in my argument to the Public Service Commission:

"By reference to the J. G. White Management Corporation's agreement for managerial services it will be obvious that the more money the Solar Electric Company makes, the more money the J. G. White Management Corporation will make.

"By reference to Consumers' Construction Company's agreement, for construction and financial services, it is obvious that the more money labor and material cost the Solar Electric Company, the more money the Consumers' Construction Company will make.

"From whence it follows, the more the Solar Electric Company charges its consumers, the more money the J. G. White Management Corporation makes and the more money the Consumers' Construction Company makes, and the more money the Pennsylvania Electric Company gets for its current, the more money their parent, the Associated Gas & Electric Company will make, and the less the people of Brookville will have."

"This, at least, in part, may explain how the Associated Gas & Electric Company is able to pay amazingly fabulous sums to acquire plants and collect what it pays off of the consumers, and it was partly to develop this phase that the Borough made its requests at the last hearing. The requests were refused.

"12. The Pennsylvania Electric Company received from the Solar Electric Company for power, 2½¢ per kilowatt hour.

"13. The Borough placed on the witness stand Mr. Davis of the J. N. Chester Engineers, of Pittsburgh, Pennsylvania, for the purpose of analysing the testimony of Mr. Dreyfuss, the Power Trust Engineer. I quote from Mr. Davis' testimony as follows:

"I find the statement in protestant's 'Exhibit H' to this effect. 'It will be observed that with all things considered, the results represent practically an even break for the Borough. This statement was made after taking into account the fixed charges on valuations that to us appear too high, and after exorbitant operating expenses have been considered. The admission carries with it the recognition that the Borough will own its own plant free of charge at the end of twenty years, and that at the end of that time the Borough is, of course in position to benefit by the reduction in fixed charges occasioned during the period of acquisition of the plant.

"Mr. Drefus, in protestant's Exhibit '1' introduced testimony to controvert statements made by the Borough's witnesses in this case. Upon examination of the Exhibit '1', found that the basis employed for determining the base rate was the valuation as presented in 1925, in the Penn Public Service case, undepreciated. In other words, he has employed as a rate base the full reproduction cost new, without depreciation. In other words, he has employed as a rate basis the full reproduction cost without depreciation.

"14. I also quote from my written argument to the Public Service Commission as follows:

"The whole procedure whereby holding companies make blanket percentage charges to operating utility companies whose stock they own, was characterized by the Indiana Public Service Commission in 1926, in the case of the Southern Indiana Gas and Electric Company, of which the Commonwealth Power Company of New York was the holding company, as a 'process of milking the patrons of the utility and obtaining an enhanced return of investment.' The Commission also declared that \$42,000 a year was paid by the operating utility for engineering services and that this amount was carried to the capital account, which is charged up to the investment on which the consumers have to pay a fair return every year. At the same time the utility charges up to \$42,000, to the cost of operation, which the consumers also pay in their rates every year, but this \$42,000 it passes on to the company which owns and holds it. The consumer not only pays the amount in the first instance (in operating expenses) but pays the holding companies an annual return on the money thus expended.

"15. I also quote further from my argument to the Commission as follows:

"In the instant case the holding company and subsidiary company agreements contain provisions in addition to the percentage features, whereby much more milking can be done.

"The recapitalization scheme is also to be considered. In the Fayetteville Electric Power and Light-Southern Cities Power Company the Tennessee Commission said:

"If the public utilities are permitted to continue the practice of purchasing properties of other utility companies at prices in excess of their value, they will soon be loaded down with unprofitable properties, and will eventually be unable to render the efficient service that the demands of the future development in Tennessee will require.

"16. Also as follows:

"It is a matter of public record that the Associated Gas and Electric Company has paid three to eight times the book value of properties. For the Malone Company, \$547.00 for book value of \$155.00; for the Fort Covington Company, \$1,250.00 for book value of \$358.00, and for the Brasher Falls Company, \$1,687.00 for book value of \$190.00.

"17. Also as follows:

"It is even safe to assume, notwithstanding natural feelings of resentment, that if the Associated Gas and Electric System will sell power equal to or less than the cost of generation by the Borough, that we will buy power from the power company that has several times during the hearings proclaimed itself to be a highly organized, modern, up-to-date, economical and newly built central hydro-electric station of a large interconnected high tension line system extending beyond borough and county and even state borders.



"18. Also as follows:

"Because of the Borough's need for adequate street, park and building lighting, and at some future time the electrification of its water plant; because of the financial phase, and for many other reasons hereinbefore set forth, it is necessary and proper for the service, accommodation and convenience or safety of the public, for the Borough to have a certificate of Public Convenience as prayed for. Local self government is beneficial. The management of local affairs by local authorities works to the convenience of the community and adds to the dignity, responsibility, importance and training of the citizen, thereby adding strength to the state and nation. Councilmen are no more in politics than Commissioners and Judges. The closer local affairs are kept to their respective localities, the closer is the conformity to democracy. The railroad, the telegraph, the telephone, the motor bus and the aeroplane are not to be compared with water and electric current for municipalities and their inhabitants."

BY MR. EVANS:

Q. Could you not quote the decisions, rather place them upon the record?

A. Yes. That is the case of Fayette Power Company, a Tennessee case. I don't have the volume and page, but I quote the Commission and what it said there in that case. In substance, it was by paying these exorbitant prices for utility companies, in the end it would result in the utility company not being able to render efficient service.

Q. Is this a matter of agreement or a matter of fact?

A. It is a matter of fact. The purpose is to show what was presented to the Commission. Of course, I am perfectly willing to eliminate anything that is suggested to me here, but my object is to show that this was before the Commission and how the Commission reacted to these presentations.

BY MR. RICHARDS:

Q. Are they specific complaints as to rates and service.

A. Yes, they are somewhat.

"Upon May 7, 1929, the Solar Electric Company and the Pennsylvania Electric Company jointly applied for a Certificate of Public Convenience, evidencing the Commission's approval of the sale by the Solar Electric Company, of all of its property, real, personal and mixed, and the purchase of the same by the Pennsylvania Electric Company. The Borough of Brookville protested. Testimony was taken. Briefs were submitted to the Commission. The Commission dismissed the protest. An appeal of the Borough is now pending and will be argued in several weeks before the Superior Court. The Commission arbitrarily dismissed the protest without submitting findings of fact or conclusions of law.

"The Commission, under the objection of the Power Trust, has always refused to permit the Borough to present the whole story in any one proceeding. The result is, that the Power Trust has been, from time to time, only presenting one part of the picture, and the Commission has been refusing to let the Borough present the whole picture. In the joint application just recited, Commissioner Walker, with almost humorous countenance, informed me repeatedly at the hearings, that I was trying to work in a rate case, and that the evils, of which I complained, could not be presented. To meet this, a number of the largest consumers of electricity in the Borough, filed a complaint against the rates of the Solar Electric Company, for the purpose of getting before the Commission the whole story. The Commission apparently made haste to file an order in the joint application proceeding before the complaint could be heard, and which makes the complaint futile, if the order is not reversed by the Superior Court.

"In the joint application hearing, the Borough placed its position on record as follows:

"Our position is that we are entitled to be fully informed of the character and parties or corporations with whom we are directly or indirectly dealing, and all of the corporations in this family of corporations, for the purpose of determining their influence upon the service, convenience and accommodation of the users of current in the Borough of Brookville. This sale is based upon the theory that it is for the service, convenience and accommodation of the public. It is obvious that every member of this family of corporations, in some way, are making charges or deriving revenues reflected in the rates paid by the local consumers of current in the Borough of Brookville.

"I asked: 'How much did that stock cost the Pennsylvania Electric Corporation, Mr. Shaw?'

"Mr. McCahill, the power trust attorney made the objection: 'Objected to as incompetent and immaterial. It is a Delaware Corporation, not subject to the jurisdiction of the Commission.'

"Mr. Walker promptly ruled: 'Objection sustained.'

"I then asked for an exception. An exception was granted. I then said, as by reference to the record in the case it will appear:

"We wish to put our position on the record, notwithstanding that the Pennsylvania Electric Corporation is a Delaware Corporation, it is all for the purpose of this merger, subject to the jurisdiction of the Public Service Commission of Pennsylvania, and we respectfully submit that whether it is, or is not subject to the jurisdiction of the Public Service Commission, it is a proper inquiry to have all of the particulars at this time, in the way of the financial organization of either this company or the Solar Electric Company, or the Associated Gas and Electric Company, or any of its subsidiaries, that may have a bearing in determining whether this proposed transfer is for the service, convenience and accommodation of the public, or whether as effecting the rates or otherwise.

"The territory covered by the Pennsylvania Electric Company runs through the State from Maryland to Lake Erie, comprising the counties of Armstrong, Cambria, Center, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Indiana, Jefferson, Somerset, Venango, Warren and Westmoreland.

"Commissioner Walker refused to permit the witness to be asked the question 'Assuming that the Borough of Brookville in the future on the assumption that there is a merger, desires to make a rate fight, will it then be necessary to investigate the assets of the Pennsylvania Electric Company in all of these counties that you mention?'

"Fred L. Cooley for nineteen years a member of the council, and for seventeen years its president, who was present, informed me later that Commissioner Walker would hold up his hand to the stenographer not to note the objections which does not appear of record, and which we considered very important, in order to properly present and visualize our case.

"Mr. McCahill promised to furnish to me for the hearing, itemized statements, and did not. A trial balance of the Solar Electric Company was attacked and made a part of its application. It was very brief and made up of large totals. Mr. McCahill delivered to me, as a compliance of his agreement, sheets, excepting in one instance, setting forth sub-totals of the trial balance total. The sub-totals were not more informative than the totals. The books of account of the Solar Electric Company were alleged to be at the hearing. When I asked that the sub-totals be itemized from the books, by the witness on the stand, objection was made, and Commissioner Walker, refusing, said, 'That is where we are going to get into a long drawn out matter. We cannot go into what kind of labor that was. That is a detail matter. That has nothing to do with this case, absolutely.'

"This position of the commissioner, permitted the Power Company to be the Judge as to whether certain expenditures should be reflected upon the books as invested capital, although the item might be for 'joy rides, neck-ties, bouquets or fast horses.' At Mr. Cahill's suggestion Commissioner Walker directed that the records should show that the books of account of the Company were present for such use as I might wish to make of them. This showing on the record is absolutely false.

"Placing W. E. Shaw, now of Johnstown, Pa., President of the Solar Electric Company, on the stand, I made the following offer:

"We now desire to show by this witness, what are the items making up these various totals, so that the Borough's auditor may go over the record and determine what items, for instance, should be capitalized, what should be charged to income, and the various distribution of these items, for the purpose of showing to the Commission what are the net earnings of the Solar Electric Company, for the years mentioned, and disproving the amounts given in the Annual Reports filed with the Public Service Commission—as to what are the net earnings of this Company for these years; for the ultimate purpose of showing that under proper accounting, that the net earnings of the Solar Electric Company, on its invested capital as reflected by its books and by actual valuation of its assets, would yield a net return ranging from twelve to over



twenty per cent., annually for the years mentioned. As the Solar Electric Company, it is within the ability and financial limitations of the Borough of Brookville to establish what schedule rates should be furnished by the Solar Electric Company upon such a showing of income; that if the merger is effected, these earnings would then not be disturbed over the invested capital of the Solar Electric Company, but would be distributed over the total assets of the Pennsylvania Electric Company, whatever they may be in the eight counties, more or less, constituting the zone of the Pennsylvania Electric Company, and thereby the Borough of Brookville would be deprived of the advantages that it now has by being served by the Solar Electric Company."

"We also offered to show, and were refused:

"(a) That an itemization and analysis of said operating expenses will disclose that the Solar Electric Company has employed a figure of \$249,713.00 as the reconstruction valuation of the Solar Electric Company as of January 1, 1925, undepreciated, which the Commission has heretofore held as being manifestly too high; that upon the basis of the Solar Electric Company's own reconstruction valuation, and upon their own figures and calculations, this sum, to wit, \$249,715.00 depreciated, would be \$174,759.80; that upon the basis of the returns of the Solar Electric Company, as disclosed by its annual reports to the Public Service Commission, the net earnings of this company for the 1923, 1924, 1925 and 1925, have been respectively, 15%, 13.3%, 13.8% and 26.5%.

"That the grand total operating expenses, as given by its annual report for the year 1927, was \$46,339.53, which according to the statement attached to its instant application, has increased for year 1926, to \$59,497.10.

"(b) That under the management of the Associated Gas & Electric System, the operating expenses for the year 1927, were 46% over the average operating expenses for the four years previous thereto.

"(c) That an itemization and analysis of the operating expenses of \$59,497.10, will further show:

"1. That bills rendered by the construction company, a sister company of the Pennsylvania Electric Company, both subsidiaries of the Associated Gas and Electric Company, to the Solar Electric Company, include percentages for overheads, profits, etc., over and above the actual material and labor costs.

"2. That under accounts entitled "other prepaid accounts," explanation should be made of such generalities, as current assets, other prepaid accounts, accounts payable to affiliated companies, managerial services, what is meant by unfunded debt, and where it is shown in the report, what explanation should be made of large increase in operation expense, whether there are hidden charges that are not properly operating expenses, and are in fact a means of diverting some of the earnings of the Solar Electric Company into the pockets of some of the holding companies, and this averting a reduction in rates which should otherwise be obtainable to electric users; as they are neither informative to the Commission, to the public, or localities specially interested, and may include amounts paid to promoters or agents, for effecting a sale of the capital stock of the Solar Electric Company to W. W. Taylor, the Associated Gas and Electric Company, or other holder. And, such analysis would suggest the propriety of an explanation of such an item as appears on page 502 of the 1927 report, showing the sum of \$19,500 set aside as surplus for dividends, which is 26% of the capital stock of the company, and such analysis would probably show that there were arbitrary additions which unduly enhanced the book valuations, and established them at fictitious figures unrepresentative of actual expenditures made in proper service to the electricity users of the Solar Electric Company. It would also further appear that some of the charges to operating expenses, cover work on extensions, not a part of the area of the Solar Electric Company, and that some of the expenditures cover work upon replacements which should actually be charged against the replacement fund and not incorporated in operating expenses.

"The books of the Solar Electric Company and its sister and Grandfather Companies, would probably show expenditures of \$60,000 or more in fighting the views of the citizens of Brookville as to what is to their best interests. This much we did get into the record, that the books of the Solar Electric Company show that over a year ago there had been expended in

this matter the sum of \$39,007.54, in which total appear the following items:

\$14,218.95	Raymond E. Brown, Esq., Attorney for the Solar Electric Company.
5,000.00	Margiotti, Gillespie and Fugliene, Esqs., Attorneys for the Solar Electric Company.
2,261.11	Brooks, English and Quinn, Esqs., Attorneys for Solar Electric Company.
7,869.62	Edwin D. Dreyfus and other engineers.
9,657.86	Sundry persons.

"As Mr. Mitchell appeared at all of the hearings before the Commission and Appellate Courts, and is the Commander of the Power Company Attorneys that I have named, it is only reasonably to assume that his fee is proportionately larger, although we have not succeeded in getting the amount of his fee.

"The Borough of Brookville, on account of her size and financial limitations, has had to depend upon me, only, for the legal work. I have made no charge and will not. What I have done is a patriotic contribution.

"During the days of the water fight, and since the invasion of our territory by the Power Trust, I have been a member of the Council and its solicitor. Aside from my sense of duty as a business man, I am a stockholder and the Treasurer of the American Hotel, which on an average pays annually \$2,150.00 for electricity. Tenants of the Hotel pay in addition to this \$1070.00. I am also Director and Vice-President of Brookville Title and Trust Company, which pays annually on an average of \$275.00. I am also a stockholder and officer of the Brookville Hospital, Brookville Republican, Brookville Dairy Products Company, part owner of the building in which I have my office, and my residence which together pay on an average of \$5500.00. I am also attorney for the owners of a proportionately large number of the business buildings of the Borough, and these interests which I represent, feel deeply the injustice and wrongs to which they are subjected by the Power Trust.

"In my last argument before the Commission, in behalf of the Borough of Brookville, I submitted, "The Commission can and should withhold consent to combinations that menace, impair or destroy the inalienable rights of life, liberty and the pursuit of happiness."

"To the Boroughs' protests, entreatism, representations and cries of despair, the Commission made no reply.

"A czaristic, tyrannical prerogative was conferred upon special privilege. The people in some way must, sooner or later, free themselves."

Q. What is this, a complaint? Have you any complaint as to the rates now being charged or to the service?

A. Yes sir. In some of these offers that are made here, they were made for the purpose of showing how expensive the present rate is.

BY MR. RICHARDS:

Q. What is the present rate?

A. It starts, I believe at twelve and goes down. I shall be glad to furnish you with a copy of that schedule. I do not have it with me.

Q. Will you furnish it to Mr. Walker so we can make it a part of the record?

A. I will. We contend before the Commission that the rate in Brookville was three times what it should be, and that that was one reason why this merger should not be permitted because by reason of our position there we were entitled to the benefits of the invested capital of the Solar Electric Company, and on that invested capital the rate could be reduced to one-third of what it is now, and the Solar Electric Company would still have a seven per cent return on invested capital, whereas after the merger the spread would be clear through to Erie from with a different situation.

BY MR. TURNER:

Q. As a lawyer, Mr. Conrad, you know the rates are not based on capital?

A. Not wholly.

Q. They are based on valuation, are they not?

A. Yes sir, on valuation, but even on that basis, of valuation, as the Commission has practically found the valuation was only \$91,000, while we showed on this ground before the Commission that they were figuring returns on a valuation of, in round numbers, \$250,000.



Q. Who was figuring the returns on that?  
 A. Mr. Dreyfuss was the chief engineer.  
 Q. Was it the Public Service Commission or the power company?  
 A. It was the power company.  
 Q. They were trying to base their valuation on \$250,000?  
 A. Yes, sir.  
 Q. When was the earlier valuation made?  
 A. By a former valuation made before the Commission?  
 Q. What year was that?  
 A. In 1925. The power trust was contending then for the same valuation as it was contending for in 1928 with some additions.

BY MR. EVANS:

Q. You will submit the rate schedule?  
 A. Yes sir. In a few days time I will have my briefs of the case before the Superior Court and I will be glad to furnish each member of the committee with a copy of that, if that is acceptable.  
 MR. EVANS: Are there any other boroughs present that want to make any statement before the Commission?  
 (There was no response to the invitation.)

#### CITY OF BEAVER FALLS

JOHN A. ELLIOTT sworn.

MR. ELLIOTT: I am the city solicitor of the City of Beaver Falls and am here representing that city. In the way of preface, I might say that I have followed pretty closely the hearings and it seems to me our Beaver Valley, which is composed of a number of municipalities lying along the Beaver River and the Allegheny River, rivals the Wyoming Valley very much. We have in that valley the Beaver Valley Water Company. It was composed originally of several separate and distinct water companies and owned by local Western Pennsylvania capital, but they gradually consolidated these companies into one single company known at that time as the Union Water Company, later the Beaver Valley Water Company. They built a central plant and pumped the water from the Beaver River, located right across from the northern end of Beaver Falls, and distributed the water to these several municipalities, ten possibly in number, and four townships, and during that time they built up, I want to say, a very efficient water company and gave very good service to the people. And they built up such a plant that along about the first of 1927, the forefront of 1927 or the latter part of 1926, foreign capital was attracted and the company changed hands, and still later they made application to the Public Service Commission for a change of rates, domestic rates particularly, and these changes were allowed by the Public Service Commission.

BY MR. EVANS:

Q. Was there any complaint filed against them at all?  
 A. I might say that there was a complaint filed at the time. Unfortunately, the solicitors of the several municipalities decided that the boroughs could not appropriate money to oppose the increase, which I think there should be legislation to permit. However, one municipality, the Borough of New Brighton, through their solicitor, entered into an agreement as I am informed, with this complaint, that they could be heard under their complaint, and they agreed at that time that they would not withdraw that complaint so that they could appear and be heard, but when it came down to the time of hearing, this complaint was withdrawn and that left them all without standing.

Q. Who was the complainant?

A. The complainant was, I believe, the Pittsburgh Wall Paper Company; and their complaint was withdrawn and the increase in rates made in July, 1927, was only for domestic purposes. They didn't increase the larger consumers and of course it would be very hard to organize the domestic consumers. You would not be able to do it, and the charge was so small. The Public Service Commission permitted them to raise the domestic rates as follows:

For the first 25,000 gallons per quarter, from 14 cents to 35 cents.

For the next 75,000 gallons per quarter, from 14 cents to 25 cents.

For the next 100,000 gallons per quarter, from 12 cents to 25 cents.

For the next 300,000 gallons per quarter, from 12 cents to 13 cents.

For the next million gallons per quarter, from 10 cents to 13 cents.

And for the next million gallons per quarter, from 8 cents to 13 cents.

That was the increase made in July, 1927, to the domestic rates. The charge for "readiness to serve" was:

"Half-inch to 3/4-inch tap, \$2.75. That was an increase.

Three-quarter-inch tap, \$4.00.

One-inch tap, \$7.50.

One and a half-inch tap, \$15.00.

Two-inch tap, \$30.00.

Three-inch tap, \$62.50.

Four-inch tap, \$120.00.

Six-inch tap, \$170.00.

Then in addition to that "readiness to serve" charge, an output charge was made as follows:

For the first 25,000 gallons, thirty-five per cent.

For the next 175,000 gallons, twenty-five per cent.

For the next 2,300,000 gallons, thirteen per cent.

And all over 2,500,000 gallons per quarter, seven per cent.

That was in addition to this ready to serve charge. Then the flat rates were increased as follows:

For the first opening, \$13.00.

For bath, \$5.00.

For each closet, \$5.00.

For each hose connection, \$5.00.

For each set of laundry tubs, \$3.00.

For each wash basin, wash stand or extra spigot, \$2.00.

That two dollars was a totally new charge. In my little home I have a flat rate. I operate on a flat rate, and it increased my flat rate about twenty-seven and a half per cent.

Q. About what was the old charge?

A. The old charge was about \$28.00 and the new charge is \$36.00 per year. Now in the City of Beaver Falls, for example, we pay for fire protection for each public fire hydrant, seven dollars, and for each mile of main pipe line, four inches or greater in diameter, \$400.00. We have a population of less than 20,000 in the city of Beaver Falls. Our fire protection costs us a little over, the total is, eleven thousand six hundred and twenty five dollars and some cents, and it amounts to a little over fifty-three dollars per fire hydrant. I have compared that, for example with the city on New Castle. They have approximately 50,000 people, and they pay \$8,000 a year.

Q. That is a different company?

A. Yes sir. Just north of us, but it makes our fire rate four times that of the city of New Castle.

Q. How many fire plugs do you have?

A. I don't have the number here, but I do remember it, figuring out, and it runs over fifty-three dollars to the plug. I wish to make this one point, that under the former rate, the company was built up to this high degree of efficiency, and very few extensions have been made since this new rate went in, or improved to any great extent, and that under those old rates the company prospered, and they made improvements and extensions from the income of the company.

BY MR. RHODES:

Q. By whom was this local company purchased?

A. Interests from the State of Maine.

Q. When was the purchase made?

A. Along about the latter part of 1926, or fore part of 1927.

Q. When was the application for an increase or rates made?

A. The rates went into effect July 1, 1927.

Q. In other words, the increase was filed by the new company after its purchase of the old company?

A. The new company, yes, and the point I wish to make was that practically all of the improvements and the present condition of the plant was through the old company, there have not been any radical improvements made since that to cause such an increase.

BY MR. EVANS:

Q. These Maine interests, to which you referred merely purchased the stock, I take it?

A. They purchased the control of the company, and have taken over the management of it.

Q. You don't know the name of that holding company?

A. I don't. They have never—it has never appeared as a corporation, they are operating under the old corporation charter.

Q. The Public Service Commission, as I understand it, has never passed on the new rates?

A. Yes, they were passed upon.

Q. I thought you said that the complaint against them was withdrawn?

A. Well, they allowed that—

Q. Under the Public Service Company Law, however, a rate becomes effective automatically without any action by the Commission?

A. That is true, that situation.

Q. Do you know the name of the man who was president of this Pittsburgh Wall Paper Company, who was the complainant in 1927?

A. I have forgotten his name.

Q. Where is that company located?

A. They have a plant at New Brighton, and one at Niagara Falls. I am not sure whether they have their head office in Niagara Falls, or Pittsburgh, I am not sure. Originally they were in Pittsburgh.

Q. Can you ascertain for the Committee who was president of that company?

A. I will try.

Q. When this complaint was withdrawn?

A. I will try.

Q. Anything else you have to say, Mr. Elliott?

A. Nothing more than my idea as to what ought to be done.

Q. Well, what is it?

A. First, I feel that there ought to be some law whereby these municipalities could spend money for the protection of the people; then I think that the Public Service Company Law, generally speaking, should be more of an inquisitive body,—the Public Service Commission, I mean—that is, if a municipality, or the people have a complaint to make, when they make that complaint to the Public Service Commission, or whatever you may call it, a Public Board, that it would then become the duty of the Public Service Commission, or whatever you call it, to investigate that at the expense of the State, it would be their duty to investigate rather than the individual.

Q. Somewhat in the way of the Federal Trade Commission.

A. I think that is the only way we can get it effective.

MR. EVANS. We are much obliged.

Are there any other third class cities present that wish to be heard.

#### CITY OF CHESTER.

A. COCHRAN sworn.

BY MR. EVANS:

Q. What is your position in the City of Chester?

A. City solicitor of the City of Chester, Pa.

Q. I understand you have one or two matters involving public utilities and their relation to the City of Chester that you wish to lay before the Committee.

A. Yes.

Q. Will you state these briefly?

A. In the first place, gentlemen, is the water situation in Chester. The water furnished by our local company is gotten from the Delaware River, the intake pipe being immediately in front of the city, out towards the deep water channel of the river. A great many years ago when the company was the Chester Water Company, the water became so bad because they were pumping it out with no filtration system, they were taking the water directly from the river into the mains, and to the consumer. We used to get fish, eels, all kinds of fish, and plenty of mud, so that the horses, even dogs, would not even drink it. We took it up in the courts, there being then no Public Service Commission, and as a result they were compelled to put in a filtration plant, a chemical filtration plant. That plant purified the water to the extent of making it safe water to drink, so that our typhoid fever death rate, which was extraordinarily high before was very much reduced. The water was improved somewhat. We went along for a number of years, and in the meantime the water in the Dela-

ware River became more contaminated all the time by reason of increased sewage, and also by reason of increased industrial plants, and then the oil burners coming into the river, and the steamers that used to come up the river and dump their waste right into the river, and it didn't improve it any. Eventually the old company passed into the control of the New Chester Water Company and about three years ago, or a little over, passed into the control of the Federal Water Corporation—I thing I have the name of it—the Federal Water Service Corporation, 27 Williams Street, New York.

BY MR. TURNER:

Q. The same company, Mr. Cochran, that has the Scranton Spring Brook Company?

A. I understand so. About the time that that company took over the local company the name of the local company was changed, as I say, before it had been the Chester Water Company, then the New Chester Water Company, and then it was changed to the Chester Water Service Company, the holding company being this Federal Water Service Corporation of New York. The city with some consumers, had filed a complaint as to the water with the Public Service Commission. That was in September 1927. At the first hearing before the Commission in Philadelphia, Mr. A. W. Cuddeback, who was the vice-president of the Federal Water Service Corporation, appeared, and after the city, or the complainants had produced a number of witnesses who testified as to the character of the water, it was not palatable water, had a bad smell, bad taste, and nobody—I will withdraw that nobody, a great many people, those who could afford were buying water from some companies and individuals who came into the city and sold spring water. If they didn't but it, they went themselves in automobiles to the springs in the city and outside of the city, and carried water in bottles home, so that the water was not being used for drinking by a great many users in the city of Chester. The water, therefore, was really only being used for washing and cooking purposes. Of course, the price that the people paid, that bought the water, was added to the rate that they were paying, which increased their total bill a year. I was saying, in 1927, this hearing was held, and Mr. Cuddeback came, and after we had introduced testimony he took the stand and confessed very frankly that the water was not what it should be, and he asked permission of the Public Service Commission to be given time, after he came in, to see if he could increase the character of the water, or otherwise to get a new water supply. That was granted. Ever since then the city and the consumers have been on the heels of the water company, as to what they were doing and why the water was not increased and improved, and so forth, and while the company, I believe, did put in some devices at their plant on the Delaware River, looking to the more effective ariation of the water, we contend that the water has not been improved, and consequently the other day I asked the Public Service Commission for a hearing, and that has been set down for Wednesday, next Wednesday, the 18th, in Philadelphia.

Q. Mr. Cochran, there has been continuous complaint, therefore, by the Council and the officials of the city to improve the water conditions?

A. Absolutely, as I say, we have been on the heels and on the back of the company all these three years for better water.

Q. Without getting it?

A. Without getting it. We think we have been very liberal in more than three years time to see whether they could increase the quality of this water, and as I say now, we are going to take the matter up again with the Public Service Commission.

The rates in Chester were fixed in 1924, became effective October 1, 1924. We have a ready to serve charge on a five-eighths inch meter or less, 67 cents; a three-quarter-inch meter, \$1.

BY MR. EVANS:

Q. Are these monthly or quarterly charges?

A. Monthly charges.	A one-inch meter, .....	\$ 2;
one and a half-inch meter, .....		\$ 4;
two inch meter, .....		\$ 7;
three-inch meter, .....		\$14;
four-inch meter, .....		\$20;
six-inch meter, .....		\$30;
eight-inch meter, .....		\$40;



And then the rate on top of that is for the first 25,000 gallons of water per month or any part thereof, 30 cents per 1,000 gallons. For water in excess of 25,000 gallons per month, and under 250,000 gallons per month, being the next 225,000 gallons, 25 cents per month, or per 1,000 gallons. For water in excess of 250,000 gallons and under 2,500,000 gallons, being the next 2,250,000 gallons, 12 cents per 1,000 gallons. For water in excess of 2,500,000 gallons per month, 15 cents per 1,000 gallons. And a consumer having two or more meters on the same premises will be billed at the scheduled rate with the quantity of water consumed equivalent to the sum of the readings of all meters. The fixed service charge will be billed for each meter.

BY MR. TURNER:

Q. Mr. Cochran, you have a meter in your own home?

A. Yes. The City of Chester is practically completely metered, under an agreement between the original company, the old Chester Water Company, and the city, that provided for a flat rate, and that was entered into in a contract in 1886, or 1887, and those flat rates continued down until the Public Service Commission came into effect, and the decisions were that those agreements were of no account, and the company then filed those rates, and we are under those rates; but down to at least by 1924 or 1925 the city was fairly completely metered, and the old rate,— I don't know of a single flat rate in Chester today.

Q. Do you know when the meters were installed in Chester?

A. Well, I think they began to install them back in 1914 and '15, and gradually kept on until I think by 1924 the town was practically completely metered.

Q. Was that before the purchase by the Federal Water Company or—

A. Oh, yes.

Q. It was before?

A. Yes, two or three years before.

Q. Was there an increase in the rates at that time?

A. Yes. These rates were filed in August, 1924, and became effective October 1, 1924.

Q. That is when the Federal Water Company came in?

A. No. The Federal Water Company didn't come in until 1927, just at the time we filed this last complaint, in September of 1927.

Q. In other words, the Federal Water Company were not in control of the Chester Water situation until after this 1924 rate case, is that right?

A. That is correct, sir.

Q. There was a rate case in 1924, as I recall it?

A. The rate case in 1924 was more—well, there were some satisfaction of the industrial plants, and, as I say, the con-industrial plants, and that rate case was adjusted to the satisfaction of the industrial plants, and, s I sy, the consumers of the city were not pressing the matter very largely, and because the industrials were satisfied, those complaints were withdrawn, so that there is no rate case complaint pending now before the Commission.

BY MR. HAGMAIER:

Q. What is the cost of an average house in Chester?

A. Take my house. I have a house of nine or ten rooms. Nobody living in it at the present time but myself and my wife. I have the water bill here for the three months. They render bills every three months. This runs from October 6, 1930, to January 7, 1931. Of course, the service charge was \$2. The water consumed is \$2.10. That made \$4.10. At that time I was spending about 20 cents a week for drinking water from the Avondale Spring Water Company. That would be 80 cents a month, and the three months would be \$2.40. Add that to the \$4.10. It ran my water bill up for those three months to \$6. about \$6.70, or \$7, because sometimes I use a little more water, if I have extra people in the house, you know,—about \$7, instead of, as it should be, \$4.10.

Now, our complaint at present, and I think it likely that we will file a complaint, a petition for revaluation,—or complaint, even admitting that these rates are not high rates to-day, they are exceedingly high rates for what we are getting. We are paying too much for what we are getting, and we are going to take that before the Public Service Commission and see where we land.

Q. You are practically only getting the river water?

A. We are getting the river water. Of course, it is made a safe water by reason of the treatment of it.

Q. That is, chemically?

A. But it is not a palatable water. It is very disagreeable. It tastes of tar and everything. They can not get that out. They thought this aeration would do it, but even that does not.

BY MR. TURNER:

Q. You have been a city solicitor of Chester for a good many years, haven't you?

A. Yes, since 1894.

Q. And you have been also active in the League of Third-Class Cities, have you not?

A. Yes, I am a member of it. I am a member of the law committee. In fact, I have headed the law committee for a great many years.

Q. And you must have had, therefore, considerable experience, both through your connections in the cities and through your Chester connection, with these rate cases. Have you any suggestions to make to this committee of improvements that might be made in the law or things that you think are defective at the present time?

A. Well, I don't think,—and I have been of that opinion for a good many years, borne out by my experience and observation and knowledge,—that the municipalities ought to bear the fight with respect to rates, and, in our case, and other cases, possibly, with respect to the quality of the water. It is very difficult to get the consumer to go into a fight, if it means that he has got to go down in his pocket and help raise a fund to pay the expenses. The expense of a rate fight or a water fight runs into a great deal of money.

I have in mind one case that I was in a number of years ago, where we filed complaints in Chester, the consumers, as well as the surrounding boroughs and townships, and consumers outside of the city, a gas rate fight. Stone & Webster were on the other side. I think the Stone & Webster bill that the gas company paid, the public utility company paid, was somewhere around three hundred thousand dollars. We managed to raise \$5,000, and had one poor little engineer, all right, but one engineer, who lived in Swarthmore, as against Stone & Webster's whole outfit. Now, you know where we landed. We didn't get anywhere, of course, and the rates were approved.

Now, I think that situation ought to be covered by the State. I think the State ought to help out the municipalities and consumers, particularly the consumers, because of course, the consumers are the municipalities, the residents and taxpayers, and all that, and they ought to have the assistance of the State or Public Service Commission or some other board or body. As far as possible, I think the thing ought to be done ex parte, so that neither one side nor the other would have any more say than the side that didn't have the money. For instance, simply because the utility company has a lot of money and eventually the consumer pays the costs, that is all in the costs, that is not fair.

Now, another thing, I don't know whether it can be worked out, but if something is not done and the present system continues and the public service or the utility companies go into these heavy expenses. I think there ought to be some way by which that cost should not be put upon the consumer, if there is any way to make the public service people and their stockholders pay that money, and not have it put on the consumers, I think that ought to be done, that would be a big help.

BY MR. EVANS:

Q. In other words, paid by the stockholders instead of the rate payers?

A. Paid by the stockholders. They are the ones that get the benefit. I don't see why we should pay it for their benefit. In other words, it means that if that is done, we put up for instance, in this case, we put up the \$5,000,—of course that was a small sum,— but it took us about a year to get that \$5,000 out of the consumers and the boroughs. The boroughs and municipalities haven't any money, you know, every cent is necessary for their current purposes. If it comes to putting up a lot of money to make a fight, they haven't got it, and they would have to raise the taxes.

Q. How much money did you say the gas company paid Stone & Webster?

A. I understand it was somewhere around \$250,000 or \$300,000, at least that much, maybe more than that. They had engineers there, I think there was 30 or 40 people in at-

tendance at that hearing all the time as to our one little engineer, and he got the help of some of the boys in Swarthmore College who were taking the engineering course there to help him. Now, you know what these boys could do against the experienced men Stone & Webster had. We just simply didn't get anywhere.

MR. TURNER: At least, Mr. Cochran, don't you think that if the expenses are charged against the public, it should not go into the rate base in any way, because it seems from the testimony here that it is forgotten after a time, and while it is only supposed to be amortized for three or five years, that three or five years keeps going on?

MR. HAGMAIER: In other words, the people pay both ends in these cases?

THE WITNESS: They do, they get it coming and going, they are in the middle and get slapped both ways.

BY MR. RHODES:

Q. From your experience and observation in these matters, haven't you found that most of these rate increases have been made after the local companies have been purchased by foreign capital?

A. Well, I think that possibly is correct. That has not been our experience in Chester, but from my knowledge throughout the State, I think that is correct. Now, I have no doubt,—I don't know whether I ought to say this or not,—but knowing these big concerns, they are looking out for themselves,—I have no doubt, if we were getting good water in Chester, this Federal Water Company by this time would have had an increased rate schedule filed with the Public Service Commission; but they could hardly do that in the face of the water they are giving us and the fact that we have to go out and buy drinking water.

BY THE CHAIRMAN:

Q. You possibly heard Mr. Elliott testify?

A. Yes.

Q. He has had about the same painful experience that you have had?

A. Yes. I agree with what he said.

Q. What do you think about his suggestion that the Public Service Commission ought to investigate these complaints when their attention is called to them, take the initiative?

A. Well, I think so, sure. I think we ought to file the complaint and let them put their accountants and engineers and people out to investigate it and find out what there is there.

Q. In other words, they ought to protect the public?

A. They ought to protect the public. We agree with that.

BY MR. EVANS:

Q. Do you happen to remember about what the cost of the water rate case was in 1924 to the City of Chester?

A. Oh, that was negligible, because we got together very quickly. It was not fought out. We had one meeting, and in fact before the meeting the lawyers for the industrial plants and the water company had gotten together and the city simply went along.

Now, I have only one other thing to say, and that is about another character of public utility we have had in the City of Chester. Well, originally, we had a good many trolley companies down there, different lines into Darby and Wilmington and back to Media, and some of them were gradually picked up by the P. R. T. Of course, when those original underlying companies got their rights from the city, it was done under an agreement which they entered into with the city, and in that agreement was a provision, the usual provision that they take care of the part of the city's streets that they occupied with their tracks, and keep them in repair, and that they were to pay for the share of the pavement, for the seven feet, measuring three and a half feet each way from the center of the tracks; and since the P. R. T. got into control, they absolutely refused, in fact, their lawyer said that the provisions of the underlying ordinances did not bind them at all, and we had a terrible time with them for years to get them to do anything with the part of the street between their tracks.

They pursued the same policy throughout the county, and the Borough of Swarthmore, and Collingdale, and certain other boroughs did the work and sued them and won out in the Appellate Courts, the lower courts as well as the Appellate Court, and the company had to pay up.

They then turned in to see if they could not buy off the boroughs,—Mr. Turner will know about this,—could not buy the boroughs off and give them a lump sum in lieu of the yearly repair provisions, and some of the boroughs very foolishly did that, and they spent money the first year, and then they had nothing left, you know, for future years. They tried to get the City of Chester to come in, but the City of Chester wouldn't do it; they were too wise, but it has been a terrible task. They once in a while come down there and do very little.

BY MR. EVANS:

Q. By the P. R. T. you mean the Philadelphia Rapid Transit Company?

A. The Philadelphia Rapid Transit Company. Now there is another thing that it might be well for me to say. Mr. Turner is familiar with this. Although he does not live in Chester, he is one of us. That is the suit between the State of New Jersey and the State of New York looking toward the diverting of water, as they call it, of 600,000, million of gallons from the upper Delaware tributary. The State of Pennsylvania has intervened. The City of Chester doesn't know anything about that suit. We were never invited to go into it, and it just drifted into our ears last fall. At that time it was really too late to do anything, but we are beginning to get scared down there, and we are going to be very much affected by the taking off of 440 millions, which has been allowed by the special master appointed by the Supreme Court of the United States. When we consider that at Trenton the normal flow of the Delaware River is about, we will say in round figures, 680,000 gallons; I can't express it as the engineers do.

BY MR. TURNER:

Q. You mean millions, don't you?

A. I mean millions. I beg your pardon, millions; and with any ordinary drought seasons it has fallen as low as 500,000. If the 440,000 is taken away from that, you will see what is left.

BY MR. TURNER:

Q. And that is a very serious problem in connection with the water supply question, is it not?

A. Yes. I remember in Chester, eight or nine or ten times, when the drinking water has had salt in it. That is due to drought conditions and the lack of fresh water coming down the Delaware River, and the salt water gradually backs up. I don't think it ever stopped beyond Tacony. On a number of occasions it has gotten as far as Chester. Fortunately, it never lasted very long, but this time it has been with us for many months, and that makes the water unfit to drink, and if this 440,000 gallons is taken out, of course, it is just the same as a late drought season, and that salt water will come up, and be with us all the time with the result that we won't be able to drink the water, and also with the result that we are going to lose a great many of our industrial plants, who have to use that water and can't use it if it is salt.

BY MR. EVANS:

Q. That matter is now pending before the United States Supreme Court?

A. That matter is now pending before the United States Supreme Court. The mayor has just told me that some of our large industrial plants, one in particular is the Scott Paper Company, say that they will positively pull out and get out of Chester, and if we lose our industrial plants in Chester, the city will have to go out of business.

MR. TURNER: I want to ask Mr. Cochran to wait, and then ask you if you will not call Mr. Walker who had this connection with the Chester Water Company case.

BY MR. EVANS:

Q. Will you do that?

A. Yes.

IN RE SCRANTON-SPRINGBROOK WATER COMPANY  
AND CHESTER WATER COMPANY

ISAAC S. WALKER sworn.

BY MR. EVANS:

Q. Where do you live?

A. Philadelphia.



Q. By whom are you employed?

A. I am engaged as a constructing engineer at the present time, specializing in water works and sewerage work.

Q. Were you at one time connected with the Federal Water Service Corporation?

A. I was connected with the Federal Water Service Corporation from the date of the sale of the New Chester Water Company, which was in September, 1927, until September, 1929—December, 1929.

Q. December, 1929?

A. Two years and three months.

Q. You had something to do with the Scranton Springbrook Water Company case, I believe, did you not?

A. I was general manager, in charge of the Springbrook Water Service Company, and vice president of the company. You might say that I was an inherited manager. Prior to the purchase of the Chester Company I had operated it for a period of nine years as general manager for the Bucknell estate, and I was, therefore, an inherited manager by the Federal Water Service Corporation, and was selected to go to Wilkes-Barre, in charge of the Wilkes-Barre plant.

Q. And you were thoroughly familiar both with the Scranton-Springbrook System and with the Chester water system, were you not?

A. Very familiar; yes, sir.

Q. Did you ever meet a man by the name of Joseph Geiser?

A. I never met the gentleman in my life, sir.

Q. It has been called to your attention, has it not, that Mr. Geiser, who appeared before this committee last week testified, on page 137 of the record, that he met you in the Hotel Sterling about three weeks after you took charge of the Springbrook system, and had a conversation with him?

A. If Mr. Geiser stated that, he is guilty of an absolute untruth. He never, to my knowledge, uttered a word to me in my life, other than indirectly. At a hearing before the city council, in the early part of my time there, I was called to a meeting by city council, and Mr. Geiser heckled me. I addressed my remarks to the council and not to Mr. Geiser.

Q. Mr. Geiser testified at the time he talked to you that you did not know who he was and he did not know you at the time either. Do you think that it is possible, under those circumstances, you may have talked to him?

A. That is one of his dreams, and very characteristic of the evidence which he has submitted in this three years fight before the people, inflaming the public mind and going to any extent to put through his political ambitions.

MR. TURNER: Mr. Evans, I objected before to this kind of testimony, and I think we ought to say to Mr. Walker that we can not take statements of opinions, not of that character; I mean, reflecting something that may or may not have been said.

BY MR. EVANS:

Q. At the present time have you any connection, professionally or otherwise, with the Federal Water Service Company or with any of its subsidiary companies?

A. Absolutely none.

Q. You are entirely independent, and you have no connection of any sort with them?

A. None whatever.

Q. And you spoke to Mr. Turner about this testimony and requested the opportunity to come here to-day and make a statement?

A. I did.

Q. Have you anything further in this case that you wish to say to the committee?

A. I believe that I can explain to you or show to you the untruthfulness of that statement in regard to the accusation regarding the matters in Chester, and also to make a correction—if it will involve a correction—of Mr. Cochran's testimony to-day. My first connection with the Chester Water Company was in September, 1918. In 1914, as I have read from the records of the Chester management, an action was brought by the citizens of Chester against the water company for a reduction in the minimum rate of \$1 per month on metered service. The company I understand at that time was instituting a program of gradually putting more meters on customers in particular locations where they considered the flat rate was unsatisfactory. So a case was brought before the Public Service Commission. I don't have the date, but I believe it was in 1914, and as a result of that case the Public

Service Commission ordered the New Chester Water Company in 1914 to install meters throughout the city.

BY MR. TURNER:

Q. Was that before you had gone to Chester?

A. That was three years before I knew that there was a New Chester Water Company.

Q. And how many years was it before the Federal Water Company purchase?

A. It was in 1914 and the Federal purchase was made in 1927, and my first connection with the Chester Water Company was in 1918. I never knew there was a New Chester Water Company then.

Q. So that any statement that you had put the meters in could not be correct?

A. It was absolutely untrue, because every meter was installed in the city of Chester in the latter part of 1914 or early in 1915, every service in the city of Chester was metered.

BY MR. EVANS:

Q. Do you know, Mr. Walker, what effect that metering had on the rates to the domestic consumers?

A. It might have been a slight increase, I dare say. I do not have the record. The reason the fight was brought, as I understand, was because they had a tap rate of six dollars, a flat rate service and the company was gradually, as I explained before, changing to meter service and the consumers objected because when they went on the meter charge, there was a minimum charge of one dollar a month whereas if they had just a sink in the kitchen they could obtain water for six dollars a year or fifty cents a month. That was one of the principal reasons for the action at that time as I infer so the Commission ordered a rate of this character under which the company operated for ten years. That would be a meter rate of fifty cents a month for less than one thousand gallons a month. For consumption of one thousand to I think thirty-three hundred gallons a month the rate was one dollar. That was a very bad rate. They operated under it for ten years, but it was the cause of thousands of complaints. The meters would be read and if the reading showed nine hundred and ninety-nine gallons a month or anything less than one thousand gallons they were only billed for fifty cents, but if the reading showed one thousand and five gallons, they would be billed at a dollar which was a terrible situation to the company, but they operated under it for a period of ten years. That was one of the principal reasons why I as General Manager of the company eliminated that rate entirely in my set up for a new rate in 1924.

Q. When did the Commission order that type of rate?

A. I don't know the exact date, but I think it was in 19—, It was issued under the Public Service Law approved July 26, 1913.

Q. That was the date the law became effective?

A. No it was in 1906 it was adopted. (Reading from papers). No there was one before this. This was a supplement. I do not have that information.

Q. You say the Public Service Commission ordered that rate? Do you mean that or do you mean that the company filed that rate and it became effective?

A. (Again reading) PSCA No. 1, 1913.

Q. Was that a rate filed by the company or ordered by the Commission?

A. Ordered by the Commission.

Q. Are you sure of that?

A. I am not sure. I am only stating by recollection because I was not with the company at that time.

Q. I think your recollection, possibly is not correct because they did not get under way until 1914.

A. The particular feature was a double minimum, fifty cents for less than one thousand gallons and one dollar for a thousand gallons and over.

Q. Will you look at the actual facts in regard to this and advise the Committee, please?

A. I will be very glad to. PSCA No. 2 was filed in July, 1915. PSCA No. 2, I do not have a copy of that with me, but there were no flat rates listed under PSCA No. 2 issued in July, 1915.

Q. Your point is that the city was completely metered as early as 1915?

A. Yes sir, the early part of 1915, three years and one-half before I had any connection with the company, therefore, that

man's statement as to my connection with the meters in Chester was absolutely untrue.

Q. What was the occasion of your becoming connected with the company?

A. The former general manager of the company, Robert Clark Wheeler, resigned in 1918. I was in charge of the sewerage disposal department of the city. Owing to the war the organization was more or less disrupted and I accepted the position as engineer and general manager in 1918. The company was owned and operated by the Bucknell Estate which also owned two companies in Indiana which I also managed, Vincennes and the Green Castle Water Company.

Q. And you remained with the company until 1929, or remained with the Federal Water Service Company after they acquired the property?

A. I remained until September, 1927, when the plant was sold to the Federal Water Company and thereafter I was employed continuously with them at Wilkes-Barre and was there until I severed my connection with them in 1929.

Q. Were you in Wilkes-Barre at the time that the stock of the Spring Brook Water Company was being purchased by interests affiliated with the Federal Water Corporation?

A. I had nothing to do with the stock, but it was being purchased by many of the citizens of the town and employees of the company.

Q. Are you familiar with the names of any persons who are engaged in the purchase of that stock from the then bond holders?

A. No sir.

Q. You don't know any of them?

A. No sir.

BY MR. TURNER:

Q. I would like to ask this. In his testimony Mr. Geiser the other day did say that he did not know you and that you did not know him. He said that you had several drinks together?

A. It is absolutely false.

Q. You never knew Mr. Geiser previous to your going to Wilkes-Barre, but you have known him since?

A. Yes sir.

Q. And have had occasion to see him on a number of occasions?

A. I have seen him and I have heard him. If I might make a suggestion, your committee could find a very great mass of information as to the method which the opposition has been conducting up there if you will obtain a transcript of the dictaphone record over the radio every Sunday night for a period of two years which will give your Committee a vast fund of information as to the method used in exciting the entire community to open anarchy and to open rebellion and to open disregard of the law; it will give you a very clear picture.

BY MR. HAGMAIER:

Q. Mr. Walker was it possible at that time that there was an employe under you or with you by the name of Walker?

A. No. There was no employe in the water company by the name of Walker than myself. We had about four hundred employes and I am certain there was no other person by the name of Walker.

BY MR. EVANS:

Q. When did you first know Mr. Geiser by name?

A. As far as I can recall the first time I knew him was at this hearing which I told you I was forced to attend before the city council.

Q. When was that?

A. I don't recall the date, but it was early in 1928.

Q. How long had you been in Wilkes-Barre at that time?

A. Well I know it was early in 1928, it may have been the later part of 1927. I was in Wilkes-Barre from September 15, 1927.

Q. Was it September 15, 1927.

A. Yes.

Q. And this council hearing was the first time you ever knew Mr. Geiser by name.

A. That is the first time.

Q. Had you ever seen him before that time without knowing him by name?

A. I have no recollection. That was the first time that I knew who he was, and I have never spoken a word to that man in my life.

FATHER COX: From Mr. Geiser's statement he didn't know when the company put the meters in Chester, he simply says that Mr. Walker reported that the meters were put in in Chester, and what effect it had, and he said he felt that Mr. Walker wanted to do the same thing in their community. I just read over those words, in which he says, that Mr. Walker said, we have done so in Chester.

MR. TURNER: He says we went into the City of Chester and we purchased their water works. The water works was purchased by the Federal Company thirteen years after the meters were put in, and Mr. Walker did not go there until two or three years after the meters were installed, so that there could not have been any connection of that kind.

FATHER COX: He meant the water company went in there, not that this particular man went in there.

MR. TURNER: Surely.

FATHER COX: They were going to practice the same thing in the new district that they took over, that is my interpretation of his statement.

MR. TURNER: I guess we will have to put our own interpretation on it.

MR. EVANS: I would like to say this that Mr. Walker called me on my phone in my office last Friday, and told me he had seen in the papers the report that has been put there concerning the city of Chester, and that that statement was not correct. As a result of my conversation with him I asked him whether he would not come here today, feeling that now being a citizen, outside of the water company, that anything that would throw light on the subject to get to the truth of these facts should be produced. He consented to come. In the course of that conversation I asked him some questions pertaining to some of the other testimony that has been given here both by Father Curran and by Mr. Geiser as to rates. Now, I don't know whether you want to, while Mr. Walker is here, enter in any of those questions or not, or whether you would want to wait until later, when perhaps, you have the other side of the picture presented, but I asked him several questions pertaining to some of the answers that have been given here, and I therefore felt I should make that known to you while you had the opportunity of going into it if you wanted to.

MR. EVANS: It is my thought that we will make much faster progress if we don't go into cross examination as we go along and have contradictions made of the complainants case, but since Mr. Walker is here, and it would be an inconvenience for him to come back, if it is not going to take any great length of time I see no objection at all to his making any brief statement on the question of rates, which after all are matters of record, and I should not think that there would be any real controversy in regard to it.

MR. TURNER: I was not thinking so much as to the question of what Mr. Walker might want, Mr. Evans, but as to whether you wanted to ask him any questions concerning the testimony that has been given.

MR. EVANS: I am not prepared to go into that because I had no idea that that was going to be brought up. I thought it was only a question of his conversation with Mr. Geiser.

MR. RICHARDS: I would like to ask Mr. Walker with respect to the rates, and rules published over his signature in July 1928, or rather say July 1, 1928.

BY MR. RICHARDS:

Q. Do you recall the matter of 10% penalty for advance payments that was brought out in the testimony by the people from the Wyoming Valley with reference to this schedule, which applies on flat rate service, when not paid within 30 days after the bill, 10% would be added.

A. That was in the schedule.

Q. Will you tell us why, Mr. Walker, the company put a charge as high as a 10% penalty for service not yet delivered?

A. That only applies to the flat rate service. Of course, I am not responsible for that rate schedule.

Q. As general manager of the plant you compiled these rates?

A. I did not, sir. Those rates were handed to me printed, before I ever saw them. I did not compile those rates, they



were put out under my signature as general manager of the plant.

Q. But you were responsible for the collection of those rates?

A. I was responsible for the collection of those rates.

Q. You would have knowledge of what charges would be made then?

A. The only defense I can make on such a thing, generally, I am speaking, of a rate or a penalty collectible in advance, is that it is customary. If you will analyze flat rate schedules of water companies, not only throughout the State, but throughout the United States, I am quite sure that you will find the vast majority of flat rates are collectible in advance, it is customary.

Q. I am interested in knowing why it is, because in the city in which I live, we don't have flat rates at all, everything is metered, and I am wondering why this would be so, particularly when the service is not yet delivered?

A. It is simply a matter of custom, flat rates have generally been collected in advance, and meter rates have been collected after service is rendered, but with meter rates, that is done to give the company some opportunity to escape loss from people who move out, and they have no hold on them, or rather that applies to the flat rates, and with metered service, generally they have the tenants deposit, a deposit is exacted, so that if the consumer does not pay his meter bill, the company has a deposit to fall back on to get something out of that customer, but they have no such deposit on flat rate service, therefore, that is really up to the general policy and practice, more or less general at least, to collect flat rate service in advance.

BY MR. HAGMAIER:

Q. Mr. Walker, you say that is customary. How long has that custom been in existence?

A. I don't know how long, but for many many years.

Q. It has been the custom by company owned water plants, but in these same places where these things are now in effect, before they were brought and taken over by these outside interests there were no 10% penalties?

A. No sir—

Q. Then it is really a newly established custom after being taken over by these large corporations?

A. The penalty was a new custom—

Q. That is what I mean.

A. Yes.

Q. You said it was a custom, and I could not see where it was.

MR. EVANS: If the Committee wishes to adjourn now for lunch, I think I can be ready immediately after lunch to examine Mr. Walker, if he is familiar with the changes in rates, and so on, of the Spring Brook Water Company.

BY MR. EVANS:

Q. Are you familiar with that, Mr. Walker?

A. Yes, I didn't bring much information with me, but I am familiar, and I believe I can answer your questions.

MR. TURNER: It seems to me, Mr. Evans, that perhaps you had better find out by preparing Mr. Walker to answer certain questions. I didn't want to take the time, and I thought you might do that after we adjourn, and then you could determine whether you wanted to go ahead with him or not.

MR. EVANS: The only thing, Mr. Turner, I don't want to spend the whole luncheon hour getting ready for it, and find he does not have the information after I have gotten ready.

MR. RHODES: I would suggest, however, that there may be some other third class cities who are here to be heard, and this cross examination seems to be not under the schedule, and possibly we might gain more time to have your cross examination at a later period and get more detailed information. Would it not be more logical to take this up, if we can agree on some time at a later date.

MR. TURNER: It seems to me we are getting our positions just a little bit mixed up, perhaps through my own fault. Mr. Evans. Mr. Walker volunteered to come after his conversation with me, and my expression of what I felt was his duty as a citizen to come here and do it. Now, whether Mr. Walker wants to come some other time, that is for him to decide.

MR. EVANS: If Mr. Walker wants to come, all right, if not, he can be subpoenaed.

MR. TURNER: There is one thing on page 107, Mr. Evans, that I want to call to your attention. Mr. Geiser mentioned a certain tabulation which he had prepared by comparing bills, from which he said that he computed that there had been an overcharge of about \$2,000,000. I don't find that table in the testimony. It does not appear as an exhibit here at all, and it seems to me that is a very important exhibit, and I am wondering whether counsel or the stenographers have it.

MR. EVANS: We have it.

MR. TURNER: It seems to me it ought to be put in the record.

MR. EVANS: It was not offered.

MR. TURNER: It was offered by Mr. Geiser, and he talked of it.

MR. EVANS: I don't find it on page 107.

MR. TURNER: Yes, he refers to it there. He says, "This was put up in front of the Public Service Commission, and we almost got into a fight, me and the attorney for the water company, he put his fist under my nose, and he said, 'This is not going over the air, nor does it go into the papers.' I got mad myself and I put my fist under his nose, and I said that it was going over the air and that I was going to put it into the press myself, which I did, but nevertheless, it was stricken out of the record in the Public Service Commission, you won't find it there." Then I asked him the question, "Was it offered in evidence?" And he said, "This was offered in evidence and taken out afterwards. This shows that the increase here is 59.3% over the old rate without increasing the rates whatsoever."

You will find that he again goes back to that paper. I remember the paper very distinctly. It is a sheet on which he had a tabulation, and I asked the question how he had arrived at that, and he said he had taken a number of the bills. You will find that you examined him later about it. I think I am right about it, because I read this testimony late last night.

MR. EVANS: I thought you spoke of a two million dollar increase, which I didn't have any recollection of.

MR. TURNER: He says later in his testimony—

MR. EVANS: He had tabulated about 35 bills.

MR. TURNER: Yes, and also that average he says that he figured out.

MR. EVANS: We can very easily, if that is the paper you are referring to, place that in the record.

MR. TURNER: I think it should be in the record.

MR. EVANS: I remember that incident very well, and I was only trying to shorten things by not putting the whole thing in. Is the committee willing to have that put in the record?

THE CHAIRMAN: I thought it was in the record, that was my understanding, that it was to be.

MR. EVANS: We will have that then placed in the record.

THE CHAIRMAN: Before we take a recess, I would like to know, for the committee's information, how many third-class cities have not been reached this morning? Just give me a show of hands. Johnstown. Any others that want to be heard this afternoon?

(No audible response.)

THE CHAIRMAN: There may have been some that have gone out. We will take a recess until two o'clock.

(Recess from 1:10 p. m. to 2:00 p. m.)

Harrisburg, Pa.,  
Thursday, March 12, 1931,  
2:00 o'clock p. m.

CITY OF BUTLER

JOSEPH L. HEINEMAN, sworn.

BY MR. EVANS:

Q. You are the mayor of Butler?

A. Yes, sir.

Q. How large a city is Butler?

A. Around 23,000.

Q. Will you tell the committee, briefly, what your experience with the utility situation has been?

A. My first experience, to go back to 1918, the Butler Water Company, owned by the American Water Works Company,

asked for an advance in their rates; on the fire hydrant rates from \$16.50 to \$50, and the domestic rates, from 40 to 45 cents per thousand. As mayor, I filed a protest for the city and also a protest for private citizens. In coming to Harrisburg before the commission, we decided that we would have an appraisal of the plant, and the hearing was adjourned. A short time after that the water company came to the city council with a compromise, that if we would accept a \$1.25 rate for fire hydrants, they would withdraw the increase in the fire hydrants beyond that amount, and also the domestic rate, and we entered into such an agreement. In 1924 it also applied for an increase in both the domestic and fire hydrants. I have no record whatever of the domestic rates or the increase at that time. On the fire hydrants, they had a new system of rates. Instead of having a flat rate per hydrant, their proposition was \$14,000; what they called a ready to serve charge on the hydrants in place at that time. There were approximately 240 hydrants, and additional hydrants would be charged at their proposition, was two cents per inch diameter of pipe per foot laid. In other words, a six-inch pipe would be 12 cents a foot for the pipe laid to the hydrant.

Q. That was an annual charge?

A. An annual charge. That was changed to one cent, and finally accepted, and the ready-to-serve charge was changed from \$14,000 to \$12,000, which it is at the present time.

In the year 1918 we had 206 fire hydrants at an annual rental of approximately \$5,000. Today there are 271 fire hydrants at approximately \$15,000, an increase of 65 hydrants with an increase of \$10,000 per year in revenue. I don't know anything about the domestic rate at that time, as I said before.

Now, then, at the present time, I think for the second time I was in office, regarding the application for an appraisal of the plant—I think because we were willing to go in at that time to fight it out with an appraisal, that they came back without asking for any increase whatever; that is, a subsequent increase. At the present time there is a case on hearing, where if the same principle is put in by the Commission as it has in the past on at least one case, I think the citizens, and the communities and the municipalities at large would be safeguarded. The case I have reference to is the Pittsburgh and Butler Railway Company asking for permission to remove their tracks from Mars to Butler. At the hearing held in Pittsburgh they brought a mass of figures, some 25 or 30 exhibits, showing the operating costs, and the receipts and expenditures for ten or twelve years, and asked to have the tracks taken up, because they were losing money. The City of Butler protested as also did the Borough of Mars; a protest by the people between Mars and Butler to protest the removal of the tracks, but the only way to refute the testimony was to have an audit made of ten or twelve years. No person thought they had the money to do it. Mr. Walker, the commissioner in hearing the case, made a ruling at that hearing that the auditors—the accounting department of the Commission and the engineers would check up the audit to see that those figures set forth by the railway company were true and correct. I think that if the towns and the citizens, generally, were safeguarded in the same way, that when an application for an increase in rates is made, not to have them go into effect automatically with no protest, and have the Commission investigate and see whether it is worthwhile to allow the increase—

Q. Is there anything else that you want to place before the Committee?

A. Yes. One thing I would like to say, the arrangement that some person spoke about, about having a bill before the House, in taking care of the expenses. The representative from Beaver Falls spoke this morning about the rates they were paying for the water, and compared them with Newcastle and compared them with Butler. Newcastle is about three times as large as Beaver Falls, and he spoke of the flat rate of \$8,000 and the rate of \$12,000, and it looks as if Beaver Falls is paying more for the water.

MR. RICHARDS: May I interpose a statement here about the rates for water in Newcastle? I am not sure that the statement was given, but if it was, about another rate in there; that is, mileage of pipes, I can find it out and give it to you Monday, and from that it might not appear to be so wide a divergence.

BY MR. EVANS:

Q. Does the same water company serve both Newcastle and Butler?

A. It is the parent company.

Q. They are both the American Water Works concern?

A. Yes.

Q. Their source of supply, I suppose, is different?

A. Oh, yes; different impounding dams.

EDWARD McCLOSKEY sworn.

BY MR. EVANS:

Q. Where do you live?

A. 106-108 Market Street, Johnstown.

Q. You do not speak for the City of Johnstown?

A. No.

Q. You speak merely as a citizen of the city?

A. That is all.

Q. Will you state briefly to the Committee what criticisms you have of the utility situation in Johnstown?

A. Our taxes have tripled in twelve years. The statistics last week from Washington in the Pittsburgh papers showed that Johnstown, Harrisburg and New Castle have tripled in taxes in twelve years, and most of it in Johnstown is due to the Public Service Commission allowing a raise in rates. The Johnstown Water Company raised their rates fifty per cent in 1926 after being allowed a raise equivalent to two hundred per cent in 1920 or 1922. I have two books here of the water company which show in 1917 there were \$3391 for fire hydrants.

Q. How many hydrants?

A. In 1920 the first hydrants were 5600. It jumped to 17,400 since 1920. In 1921 they paid \$21,000 part of that comes off and goes in 1920, which would leave a raise from 1919 of \$5100 to \$21,000, and after all that would be off, it would make it down to \$17,000 and was continued at \$17,400 until 1925, when they came back for another raise. They had not built any new dams or did anything to their works at all. It then jumped from \$17,400 to \$38,000, according to their own books. They then settled it with Johnstown city for \$31,350, which was an increase of ninety per cent. The city solicitor and council got together with the water company. For some reason it is a corporation town and is a one-man town and nobody has any voice.

Q. Who controls the Johnstown Water Company?

A. The Bethlehem Steel Company and they reincorporated under the name of the Johnstown Water Corporation in Delaware in 1928 after a second raise was granted. They gave the people one thousand per cent stock dividends. They gave eleven shares for one, paying six dollars a year on each share of stock. In 1929 they made \$105 a share. They have the privilege to recall this stock at any time in sixty days which they will do as soon as they get the next grant. They are now building a dam which as soon as they get it built they will come back here and say they expended a whole lot more money. Anyone knows what property valuation is on the hills around Johnstown. You can take a hundred bags of cement and a little sand and make a dam almost anywhere around Johnstown.

Q. According to the company's rate, what were the charges on a fire plug?

A. In 1922 they were fifty dollars, according to this book. They had paid \$500 for a lifetime when they granted them the privilege of a franchise. Then they said the Public Service Commission made them change that and charged them \$50 a plug. And then they came back and said they had to get \$250 each and every year for a mile of pipe. Surely it will be paid for some day.

Q. Now under the tariff of the Johnstown Water Company, P. S. C. Pa. 3, effective April 1st, 1922, the rate was \$50 for each fire hydrant. What had the rate been prior to this tariff?

A. \$500 for a lifetime. That was when they granted them the franchise for the water company, and I think they gave them something like \$30,000, they paid the city a little money and took over everything themselves.

Q. Under P. S. C. Pa. No. 4, Johnstown Water Company, effective October 20, 1926, what is the rate for each fire hydrant?

A. On pages 5 and 6 you will see there what that was.

Q. 357 fire hydrants, \$3300?

A. They gave it to them for \$31,350.

Q. Then under Supplement 1, P. S. C. Pa. No. 4, effective January 1, 1929, this rate for 357 hydrants is reduced as you say to \$31350?

A. It never went into effect. It was just put in there to make people think they were giving them something.



Q. Now what was the charge prior to 1922 for domestic service?

A. They won't give me any books. I went there and asked for these, but they won't give me any more.

Q. Under P. S. C. Pa. No. 3, the rate for private dwellings was what?

A. They raised it over fifty per cent for me in one place, and a little over fifty per cent in another.

Q. Just read to the Committee what the rates are for private dwellings?

A. The first 20,000 gallons—

Q. No, I want the flat rate?

A. I don't want the flat rate, I am on a meter.

Q. Are not any of the dwellings in Johnstown on flat rate?

A. Mine are on the meter. I pay for four different meters so I don't know anything about the flat rate.

MR. EVANS: If the Committee is willing, I will read the rates into the record:

(Reading) 1922 private dwellings, one attachment, one or two rooms, one family, \$6.40.

Three or four rooms, one family, \$9.72.

Five and six rooms, one family, \$12.60.

Seven and eight rooms, one family, \$15.12.

Nine and ten rooms, one family, \$17.46.

Eleven and twelve rooms, one family, \$19.40.

These rates are all annual rates and for each additional room above twelve rooms, \$.60 per room. Private dwellings will be assessed for such additional toilets as may be used.

For the first bath tub, the rate is \$3.88 per annum.

For each sink with tap, \$1.28 per annum.

The first water closet, \$3.80 per annum.

The 1926 rates are as follows:

One attachment and one toilet, one or two rooms, one family, \$8.00 per annum.

Three and four rooms, one family, \$12.00.

Five and six rooms, one family, \$17.00 per annum.

Seven and eight rooms, one family, per annum, \$20.00.

Nine and ten rooms, one family, per annum, \$24.00.

Eleven and twelve rooms, one family, per annum, \$26.00.

Additional charges, first bath tub, \$4.00. Each sink, \$2.00; water closet, \$4.00, and so forth.

The WITNESS: Now take the meter rate, please, that is mine, the meter rate is what I want, pages 5 and 6, over a fifty per cent increase, from \$6.80 for 1920, and I now pay \$10.30, which is ten cents over fifty per cent. The Bethlehem Steel Company in these raises did not raise themselves, only ten or twelve per cent. They own the company, and to make their seven per cent, or their return as they claim, to the Commission they declared the rates on the fire company and the small consumer, that is they, because the small consumer is a wage earner there, and he could not—

BY MR. RICHARDS:

Q. Would it not be better if we got these rates before us first before we go into conjectures, I think it would be fairer to the Committee to get the matter in that way.

A. If you read that over, from one to the other and get the comparison would it not be better to get that first, take one book and then another and then figure it out on their own figuring, right there.

BY MR. EVANS:

Q. In 1922, P. S. C. Pa. #3, will you just read the meter rates on page 6.

A. 20,000 was 34¢ for 1,000 gallons, that would be \$6.80 for 1920.

Q. What is that?

A. 24¢ per 1,000 gallons, or \$6.80 for 20,000.

BY MR. RICHARDS:

Q. That is \$6.80 for 20,000 gallons of water?

A. They then cut it, and in this book, to give you the first six for four dollars, that would give 6,000 in three months, and man, that gives you fifty gallons, a man who takes a shower bath will use more than fifty gallons, and they have cut you down so that you have to go over the \$4.00 for the quarter. The next four thousand gallons is 45¢ per thousand gallons which makes \$10.30 the first 20,000, which is 3%, or 50% increase on \$6.80 or 10¢ over 50%.

BY MR. RICHARDS:

Q. In order to get some idea, isn't it a fact that the ordinary family will use 35,000 gallons a year of water, which is about 8,000 gallons a quarter?

A. No, more than that, sir.

Q. I don't think so, these facts were established here, isn't it about 5,000 gallons a month for the consumption for an average family?

A. Well, they raised the second 14,000 they gave you the first 6,000 for \$4.00 and the second 14,000, which would make up a 20,000 gallon total, for \$10.50, where we were getting 20,000 for \$6.80. Why didn't they leave it so that 20,000 gallons was at the same rate?

BY MR. EVANS:

Q. If you will just give the Committee the figures, Mr. McCloskey, then as Mr. Richards says the Committee, can form its own conclusions.

A. That is what I gave them; the figures is there.

Q. The rate in 1922, the meter rate for the first 20,000 gallons was 34¢ per thousand gallons per quarter, was it not?

A. Yes.

Q. And for the second 20,000 gallons the rates were 23 cents per thousand gallons per quarter; for the third 20,000 gallons they were 23 cents per thousand gallons per quarter, and so on down to a minimum for large consumption?

A. That is it.

Q. Now, in the 1926 rates, they provide for the first 6,000 gallons per quarter, \$4; for the next 14,000 gallons, 43 cents per thousand gallons; for the next 80,000 gallons, 20 cents per thousand gallons, and down to a minimum for very large consumers of 8 cents per thousand gallons, that is correct?

A. Yes, that is what I want to call your attention to. Now, in the pumping system, they go on down, they didn't raise themselves any for large consumption, it remained at 15 cents, so they juggled it to make—if they had to have a return on their money of 7%, they should have made all the rates an equal 10% raise, or a 15% raise, but they own the company, and they should have made their raise equivalent to the small consumer, should they not. They have one master meter in the house that they have got there, and if you have ten families in it, you might have ten meters, or ten minimum charges, and they themselves have one master meter for the entire Franklin Works.

Q. Now, the 1922 rates, there also was a minimum charge of \$3 a quarter for one-half inch meter, was there not?

A. Yes.

Q. And a \$4 minimum charge for a ¾ inch meter?

A. Yes.

Q. What is the usual size meter for domestic consumers?

A. I cannot say.

Q. What do you have?

A. I don't know. I would not know that. I never knew.

Q. What was your minimum charge under the old rate?

A. \$4—\$3, I don't know. I don't think they changed it. I don't think they changed the price any.

Q. In other words, if you had a ¾ inch meter and paid a \$4.25 charge under the old rate—you would pay that rate?

A. I would think I would—no, it is—no, I would not say that. I think that they raised most of them, I would not say that as a certainty, because I don't know, because I go over the consumption on all of them, my bill is way over, so I don't know what the minimum is.

Q. Do you have your bills here?

A. No sir. If they put in the proper size pipe, they would not have to have the pumping system which they have on these lines to this district, we would have a gravity system, but they have had this pipe line in for 50 or 60 years, and we are paying for the pumping system in there because they will not lay the right and proper lines. They are pumping the water to that district, and that is where the workmen are, and none of those men can come down here from their work, they work for the Bethlehem Steel Company, or one of the other utilities, or they have somebody in the schools, there is a thousand employees in the school, and they are afraid to say anything, because they are afraid someone will lose their job.

Q. How much of the town of Johnstown is supplied by the pumping system?

A. Oh, I would say one-half of Johnstown—no, I would say Johnstown proper, about 2/5 of it anyhow, I guess. I would not say for certain.

Q Is it mostly residential district.

A. Yes.

Q. Supplied by the pumping system. And what were the rates in 1922?

A. I will have to take the book. It is right here, 20,000 was 55.

Q. For the first 20,000 gallons it was 55 cents per thousand gallons in 1926, and for the second 20,000 it was 46 cents per thousand gallons, is that correct?

A. Yes. Now, go on down, please, and you will find when it gets down to 15 cents, that is the same price that they left there for the pumping system as it was in 1922, they did not raise or increase themselves a particle, but they juggled it on the small consumer.

Q. Do you have the 1922 rates there?

A. It is the same for 1926, you go on down and see the pumping system is still 15 cents on the large consumer.

Q. And the 1926 schedule calls for the first 6,000 per quarter, \$4; the next 34,000 per quarter, 60 cents per thousand gallons, and goes on to a minimum of 15 cents per thousand gallons for the large consumers?

A. Yes, the minimum of 15 cents is in this just the same, but the small consumer was raised, that is my complaint, that they were allowed to juggle the meters and juggle their own rates, so that they would not have any of this to pay at all.

Q. Mr. McCloskey, were these complaints filed against these increased rates in 1926?

A. Yes, I think there was, sir.

Q. Well, do you know?

A. I know that they agreed, that they would not fight them, they would cut it from 38,000 to 31,350. That is what a city councilman told me, and he said, "You better not say anything about it," and he said "they would charge us more."

Q. There is none of them here today, is there? There is no city councilman, mayor, or anything here, is there? Showing you that it is a town where everybody is afraid to say anything.

A. They spent \$16,000 to come here once, to sit in on the telephone, and they got nothing only a bigger raise than they expected. So, they have learned a lesson, not to come back.

Q. Besides the water rates, have you anything to say to the Committee?

A. Yes, sir, but I want to know if the Committee will find, or isn't it proper for this Committee to find out who pays this \$66 a year dividend to this same company?

Q. We are going into the—

A. I know, sir, but I am asking.

Q. Just a moment. We are going into the question of the return paid by various water companies. That will be the subject of late inquiry. So, you may rest assured on that. Now what else have you beside the water situation, Mr. McCloskey?

A. Just a minute. I want this Committee to know that between 1920 and 1926, they were granted one raise in 1920, which I showed you was equivalent to 200 per cent, on the fire plugs, and they come back in 1926, when property was naturally lower in value in 1926, than it was in 1922, wasn't it, or 1920? Everyone knows that that property was—the only thing that allowed the valuation to increase was the increased earnings, wasn't it, that were granted by the Public Service Commission? That made the value. Now, I want to be prepared—the reason I asked this Committee to find out this is when they come here next year for a raise, which they will, they are building a dam and they will come back here, instead of the people having to spend the money, the people that are working there, they can't come down here, I think the Committee should know now, in time, if they raise them. If there was any value, they should go into it and find out and ask them to reduce those rates to where they were in 1919.

Q. Mr. McCloskey, you understand this is not a committee that has any jurisdiction over rates at all.

A. I understand though that this is the only committee we will ever get a chance to tell this to. There is no use going to the Public Service Commission, we know that. It will cost us fare to come down here and everything, and this is the only chance you will have to get it.

MR. EVANS: We want to get all the facts in regard to the situation, but we can not regulate rates.

MR. TURNER: I am sure we appreciate the compliment.

BY MR. EVANS:

Q. Now, Mr. McCloskey, what else have you got?

A. The Johnstown Telephone Company was handled in almost similar fashion. They gave stock dividends each and

every year, or every other year, they gave you a stock dividend on the telephone, they came down here and raised the telephone rates. The city had granted them a charter for free telephone service, give them the charter free, and the Public Service Commission ruled, at least the telephone company said the Public Service Commission said you have to charge the city for those telephones that they are using. They then went to them and charged them about 28 hundred or three thousand dollars a year for telephones which they got for nothing. They were granted the increase in rates, and the people spent \$16,000, the City of Johnstown and boroughs, to come down to the Public Service Commission, and after the telephone case the management of the telephone company told them that if they complained about their raising the business telephones, they would later raise the residence phones, which they did.

If you are in a—then, they take and they sell this concern out to the Pennsylvania Telephone System. How much they got for the stock, we don't know. I know what they are supposed to get, and what I want the Committee to find out, to say also when we came back, from that raise, when they say that they paid \$10,000,000 for the concern, or not, I want the Committee to ask the Pennsylvania Telephone Company to tell them what they have charged on their books for it, while it is fresh in our minds, now, when we can get it. I know what they paid for it, what the people got for their stock, but I want to know what they have got charged on the books, so when they come to the utilities for another raise on their valuation.

Q. The Johnstown Telephone Company is not a Bell system, is it?

A. No, sir. They wouldn't even connect you from Greensburg, which is 44 miles, for some misunderstanding between the companies, if you were in Greensburg and you have a telephone in Johnstown, they will not connect you on it, never would, they won't connect you.

BY FATHER COX:

Q. What company exercises the greatest influence in Johnstown, in the way of intimidating? You said if somebody came down to complain,—

A. The Bethlehem Steel Company.

Q. Who it at the head of that?

A. The proposal for this turning this water stock over came on Bethlehem Steel Company literature, signed Eugene Grace, Charlie Schwab is naturally the domineering of it all.

Q. That is what I wanted to hear you say.

A. Yes, sir. They own 51 per cent in this water company. They had owned 51 per cent of it, and then they come and took the rest of it, because the water they have to use for their furnaces has so much sulphur in it that it eats out the boilers. I suppose after a while they will give us the sulphur water to drink, it won't be so hard on us, tell us it is better for our system, after they own it all.

They didn't get all this company, mind. There is still minority stockholders who still naturally receive \$7.50 on the stock they own. But if they turn it in and take the new stock, they could receive \$64.

BY MR. EVANS:

Q. Was the Johnstown Telephone Company owned locally before this recent merger?

A. Yes, sir.

Q. What interests were dominating in that, if you know?

A. Ed. Shade is the president, and the stock was put in the First National Bank, and it hung fire, the Bell system or somebody, the stockholders figured they could get \$200 a share for their stock, if they would sell it, but for some unknown reason they held the deal up, and held it up and held it up, and finally you deposited your stock in the First National Bank of Johnstown for \$130 a share. How much the Pennsylvania system paid or how much they got it charged at on their books, I haven't been able to find out. That is what I want to try to do while I am here before this Committee.

Q. Now, besides these two incidents, what else have you to say to the Committee?

A. The electric light furnishes light to the City of Johnstown. I pay 10 cents a kilowatt.

Q. What is the name of the electric light company?

A. Associated Gas and Electric.

Q. Is there a local company?



A. No. It was the Penn Public. It was a local and then sold to the Penn Public, and then they raised it and turned it over to the Associated Gas.

Q. How many kilowatt hours do you have to pay 10 cents a kilowatt hour on?

A. 50.

Q. For the first 50, and then what is the rate for the next?

A. About 9, I think, or 8. 8, I think. You see, you pay 10 cents, and then they give you, of course, the five per cent reduction, if you pay it today. If you pay it tomorrow you pay 10. You know, they have their day. They used to send the bills out on a regular day. You knowed when your bill was coming, if it was the 15th of the month or the 1st. Now, going back to the telephone, now they sent it out from Erie, you get your bill, nobody pays at a regular time any more, you pay yours today and somebody else tomorrow, and to make bookkeeping handy for themselves, they tell you when they send the bills.

Q. There isn't any penalty on the telephone bills, is there?

A. Oh, yes indeed, there is.

Q. Is there a penalty on the telephone bills?

A. If you don't pay them, you bet there is.

Q. What is that penalty?

A. I don't recall just what that penalty is. I should know. I always try to get under the wire.

Q. What is the minimum charge for electric service per month, or isn't there a minimum charge?

A. Yes, sir. I was paying this 10 cent rate till one month ago, they came and gave me a flat rate, which will run me, I think, about \$3.14 or \$4.14 now, where I used to pay seven and eight. They agreed to give it to me. Now they will give me this. For some reason, I don't know what. I have been paying it for some years and didn't know it. Now, since this investigation started, it seems everybody is waking up and knowing that you can get something that you were not getting before. I paid 10 cents a kilowatt hour for the first 50 on a motor in a dry cleaning plant. They now give it to me for six cents.

Q. Was this a new schedule of rates that has been filed?

A. No. They give it to me for six, providing I put in another meter. I have, I guess, four lights—we just work day-light—but I put another motor in and pay the minimum meter charge for those lights I don't use, and they will give me the rate on the motor for six cents; but as long as the motor is in there I pay the lighting rate for the whole motor, whether I use it or not.

BY MR. RHODES:

Q. Are you in the cleaning business?

A. Yes, sir.

Q. Aren't you afraid that they might try to get you some way?

A. I am one fellow that they can do as they please with.

BY MR. EVANS:

Q. Is there anything else you want to say to the Committee?

A. Yes, sir.

Q. All right.

A. This electric light company, where they furnish lights to the City of Johnstown, they charge a flat rate. They put the globes in. They have got a flat rate charge. They leave them in until they burn out. Any electrical engineering school will tell you that a globe isn't as good after it is burned out, or when it is burned for two or three or four thousand hours, as it was when it was put in. If you sign up and you get four or five or 1500 candlepower—they have come to do that. There should be some sliding scale. The lights are burning out. They leave them in until they burn out.

BY MR. TURNER:

Q. Do you get free lamps if you exchange them?

A. They furnish the lights. They raised it; the city council went with them, and we pay \$1209, and have 31 lights. They took and changed them, and signed a contract with the company to do that; 19 of them, 120 apiece, and 12 of them 100; that's \$3,480. The minimum—the meter charge would be \$1636, I think, if they were on a meter, but they are on a flat rate, which we have, \$3,480, and they leave them in there until they burn out. They never change them.

BY MR. EVANS:

Q. Were those rates increased?

A. This was a change of the lights that the city council did. That was no raise. They just changed the lighting system between themselves, and they put this in. They took the line out—they took three of them four lines—I will tell you now, if you want to use the carbon lights that the city have, which they furnished those lights for \$50, they now tell you that those lights are no longer made, and they put in 10-60 power lights, which was 690. They had three arc lights previously. Now, if you want to go back and get one of those arc lights for a district, they tell you they don't make them no more. Even the three they took back, they tell you they can't get them.

They get the gas from Pittsburgh; I don't know just what the test is supposed to be; I think it is one yard of gas to one pound of pressure; one foot of gas to one pound of pressure; I think that's it, and we get eight inches of air, and four inches of gas, and there is no way of testing it. If we come up to the Public Service Commission—as I stated before, these men are working men, and they can't come in. Council wouldn't come in, the mayor wouldn't come; nobody would appear for them. Surely, the Commission or the Legislature or someone should have some way of reducing it.

If you give me an investigator to go with me for three weeks, and give him access or authority to get at these books, he will come back here with enough in two weeks—if you will grant immunity to one or two people who will tell; I don't want to get in the position that Mr. Farr was here, you see, and when your investigator comes back, I think you can begin to open your jail doors; I feel sure you can, if you give me an investigator to go with me. I am not a bookkeeper or anything, but I can find these things out without access to the books. They won't leave you have them. If you will give me an investigator, and give me access to the books, I will come back with the news. I think, also, that these utility rates should be cut back to where they were in 1919.

Q. What is the name of the gas company that serves Johnstown?

A. The Associated. They buy it from some other company, and a 50 cent ready to serve charge, because they have some kind of an agreement. The Public Service Commission cancelled all agreements that the City of Johnstown has made with any utility. They come and tell you that the Public Service Commission no longer allows it and they cancel it.

When I was in New York, I spent quite a lot of time around Wall Street, and it is the general, common talk around Wall Street of buying public service utilities of Pennsylvania, because of the raising of the meter rates; the raising of utility rates, and everything else, and the epidemic spread from Pennsylvania. If you go to Wall Street, you will find it is the common talk: "Buy in Pennsylvania."

Q. Isn't the Johnstown Gas Supply a natural gas supply, or is it an artificial gas supply?

A. I wouldn't know, sir. I think they have two relays of pumping on that system. I think they pump from Pittsburgh, and then pump from another place. That is why I ask you, if you will give me an investigator to go with me, who has the power to find these things out; then it might be interesting for you to know it; they may not need to know it.

Q. Is there anything else you wish to say to the Committee?

A. No; not as I know of.

BY MR. RHODES:

Q. Why don't the city officials come in here, and tell us this story?

A. That is the system. That's the Bethlehem Steel Company system. You have a thousand employees there, which would mean there are four or five thousand, and you have three or four hundred with the Associated Gas.

Q. But your city officials are not subservient to the Bethlehem Steel Company, are they?

A. They can't afford to speak out of turn. They have taken everything that they didn't want; everything the Bethlehem Steel Company didn't want, they turned over to them. The utilities and the greatest political machine is there right in Johnstown.

The University of Pittsburgh, it might interest you to know; I don't know if all colleges do it; but the University of Pittsburgh has a branch teaching utilities right in Johnstown. They have a teacher there for utilities.

BY MR. RICHARDS:

Q. What do you mean; teaching what?

A. I don't know. It is utilities; in the interest of the utilities. That is what I want to find out.

Q. You people are not always quiet in Johnstown; didn't you put your mayor in jail a couple of years ago?

A. Well, I guess I will have to take the blame for that. Yes, sir; I guess I was the cause of that. As I say, if you give me an investigator, I think you can open the jail doors for plenty more because, you know, there was no reason for granting an increase of 20 to 26, with the property depreciating. There was something wrong. If they come back, the Public Service Commission will allow them another grant.

BY MR. TURNER:

Q. Maybe they didn't get enough in the first place.

A. That's natural, but I think this Committee will offer immunity to those who are in those deals, I think you can get some of them. I think with an investigator, I can force one of them to come in and tell. There are some things that might interest you to know about the Public Service Commission and these rates.

BY MR. RICHARDS:

Q. You are not charging any collusion on the part of the Commission?

A. I am not going to act as Mr. Farr did, but I am going to ask you to give me an investigator with power to find out.

BY MR. RHODES:

Q. This Committee does not have the power to do that, does it?

A. Well, the Committee is beginning, and I think they ought to finish, and they should get that power. You can't expect a man who is working in a mill for a company to go out and say something about the water rates, or he will lose his job. There should be some investigating committee sent from here to do that. There is nobody working there now. They are all out of work.

BY MR. MOORE:

Is there anyone here from Johnstown representing the city officially?

MR. EVANS: We have a letter signed O. W. Saylor, Mayor of Johnstown, addressed to Mr. Richards, in which he says "The city of Johnstown has no formal complaint to make but we will be represented at your meeting on Thursday by Mr. Calvin Oberdorf, Superintendent of Accounts, Mr. H. E. Wilson, City Engineer, and myself. Signed. Very truly, O. W. Saylor."

MR. EVANS: We have a telegram from the city of Pottsville requesting that they be given an opportunity to be heard tomorrow morning, that they were unable to be here today. If that is satisfactory, I suggest that we give them an opportunity to appear then.

We also have a number of municipalities that were unable to be present. I would suggest that these letters be noted on the record and the letters filed in the correspondence file so that it will appear that they were received.

There is a letter from Union City Borough.

A telegram from Derry Borough Council.

A letter from the borough of Northumberland.

A letter from the city of DuBois.

A letter from the borough of Elizabeth.

A letter from the Secretary to the Mayor of Allentown, saying that owing to poor health, he will be unable to be present.

A letter from the Mayor of Lock Haven.

A letter from the solicitor of the city of New Castle.

We have several letters addressed to Mr. Turner that are apparently from associations rather than boroughs, are they not Mr. Turner?

MR. TURNER: Pertaining to the water situation.

MR. EVANS: We have a letter from the attorney for the borough of Parkesburg.

A letter from the borough of McDonald.

A letter from the borough of Fountain Hill.

A letter from Galletzin borough.

A letter from the borough of Arnold.

A letter from the borough of Creston.

A letter from the borough of Wesleyville.

A letter from the city of Bethlehem.

We have here what is entitled a bill of complaint from the counsel of the borough of Conshohocken.

We have a similar paper from the merchants and citizens of Conshohocken, including the First National Bank and the Tradesman National Bank of Conshohocken regarding their electric light rates.

We have a letter from the borough of Bravosburg.

MR. RICHARDS: There is also a letter from the Mayor of the city of Philadelphia stating that he had nothing to lay before the Committee.

MR. HAGMAIER: There is one from the allied boards of trade of Pittsburgh, and one or two more I have here which I will turn over to you.

MR. EVANS: We now propose to go on with data in regard to the rate of return earned by the electric light companies of the State, if the Committee is ready.

WILLIAM W. COLLEDGE sworn.

BY MR. EVANS:

Q. Where do you live Mr. Colledge?

A. Oakmont, Pa.

Q. What is your occupation?

A. Certified Public Accountant.

Q. Will you state briefly to the Committee your experience as an accountant?

A. I have been practicing Public Accounting for fifteen years, ten years of which I was engaged considerably in public utilities work. The rest of the time I was engaged in general practice.

Q. Are you now in business for yourself?

A. Yes, sir.

Q. And under what name?

A. Colledge and Marshall.

Q. What is your office address?

A. Our office address is room 1508 Law and Finance Bldg., Pittsburgh.

Q. You did some work for the State of Pennsylvania during the Fisher Administration?

A. Yes, sir.

Q. What work was that?

A. In 1927 I was at that time with Main and Company. We were engaged in an audit of the various departments and bureaus of the State. I was particularly engaged in auditing the State medical hospitals and the feeble minded institutions. We made considerable investigation and audit of these institutions at that time and rendered full reports on them.

Q. Have you made an investigation, Mr. Colledge, of the reports filed by the Electric Companies of Pennsylvania with the Public Service Commission for the year 1929?

A. Yes, sir.

Q. Have you prepared a statement showing the rate of return earned by these companies on their fixed capital?

A. Yes, sir.

Q. May I see a copy of that statement. I show you a statement consisting of two sheets "Earnings of Class A and Class B Electric Companies of Pennsylvania, 1929, Reports to Public Service Commission," and ask you whether that is the statement to which you refer?

A. Yes, sir.

A. Yes.

Q. That was figured by you under your direction?

A. Under my direction.

EARNING OF CLASS A AND B ELECTRIC COMPANIES, PENNSYLVANIA, 1929 REPORTS, TO PUBLIC SERVICE COMMISSION PRODUCED AND MARKED EXHIBIT NO. 2.

#### EARNINGS OF CLASS A AND B ELECTRIC COMPANIES, PENNSYLVANIA

##### 1929 Reports to Public Service Commission

Page No.	Name	Over-all Return	Per Cent Over 7%	Holding or Controlling Co.
1	Abington Electric Company .....	28.5 %	307.00%	Republic Service Corporation
2	Bangor Electric Co.	6.33	—	Ass. Gas & Elec. Company
3	Barnesboro-Spangler Elec. Co. ....	25.77	268.1	Middle West Utilities



Page No.	Name	Over-all Return	Per Cent Over 7%	Holding or Controlling Co.	Page No.	Name	Over-all Return	Per Cent Over 7%	Holding or Controlling Co.
4	Bedford Electric Light, Heat and Power Co. (3 mo.)	21.6	208.7	Middle West Utilities	37	Penn Water and Power .....	9.99	42.71	
5	Bradford Electric Company .....	13.4	91.4	Niagara and Hudson Power Co.	38	Pennsylvania Power & Light .....	8.51	21.5	
5A	Brockway Light, Heat and Power Company .....	11.16	59.4	Republic Service Corporation	39	People's Power Co.	3.20		Commonwealth and Southern
6	Breckenridge Light & Power .....	5.99	—	Pa. Salt Manufacturing Company	40	Philadelphia Electric (Inc. Philadelphia Suburban Counties all year)	9.2	32.43	United Gas Improvement Middle West Utilities
7	Carlisle Gas & Water Co. ....	11.64	66.28	Pennsylvania Power & Light Co.	41	Portage Light and Power Co. ....	45.4	549.	
8	Chester County Light & Power ..	11.01	57.20	United Gas Improvement	42	Renovo Edison Electric, Light, Heat & Power Co.	1.78	—	Republic Service Corporation
9	Citizens Electric Co. of Lewisburg ....	20.0	185.7		43	Rockingham Light, Heat & Power Co. (Minus) .....	2.04		Reetz Coal Co
10	Clarion River Power Company .....	4.39	—	Associated Gas & Electric	44	Scranton Electric ..	14.0	100.	Amer. Gas & Elec. Middle West Utilities
11	Culver Electric Co.	8.59	22.5	Ebensburg Coal Company	45	Shippensburg Gas and Elec. (3 mos.)	11.9	70.	Ass. Gas & Elec. American Water-works & Electric
12	Cresson Electric Co.	51.8	640.	Pennsylvania Coal & Coke Corp	46	Solar Electric ....	10.1	44.28	United Gas Improvement
13	Delta Electric Power Co. ....	15.32	118.8	United Gas Improvement	47	Sath Penn Power ..	10.22	46.	
14	Delta Water Power Company .....	11.02	57.44	United Gas Improvement	48	Southern Pennsylvania Power ....	9.42	34.5	
15	Duquesne Light...	10.56	50.8	Standard Gas & Electric	49	Sullivan County Electric Co. ....	5.83	—	Ass. Gas & Elec.
16	Edison Electric Co. of Lancaster ....	19.42 (19.6)	177.4	Pennsylvania Power & Light Co.	50	Wellsboro Electric Company .....	12.25	75.	
17	Edison Light and Power Co. ....	34.18	388.28	Middle West Utilities	51	West Penn Power Company .....	10.83 (10.9)	54.7	American Water-works & Electric
18	Ellwood City Hydro-Electric (Minus) ..	13.62			52	Windber Electric Corporation .....	21.63	209.	Berwind-White Coal Manufacturing Co.
19	Erie County Electric Co. ....	12.76	81.14	United Gas Improvement					
20	Erie Lighting Co. ...	8.05	15.0	Ass. Gas and Elec.					
21	Freetwood and Kutztown Electric Light, Heat and Power Co. ....	20.27	189.5	Ass. Gas and Elec.					
22	Glen Rock Electric Light and Power Company .....	16.38	134.0	Middle West Utilities					
23	Harmony Electric Company .....	4.76	—	Commonwealth and Southern					
24	Hershey Electric ..	38.75	435.5	Hershey Estates					
25	Keystone Public Service Co. ....	19.21	174.4	Middle West Utilities					
26	Lancaster Electric Light, Heat and Power Co. ....	6.73	—	Pennsylvania Power & Light Company					
27	Lehigh Electric Light, Heat and Power Co. ....	11.21 (12.3)	60.1	Pennsylvania Power & Light Company					
28	Luzerne County Gas and Elec. ....	7.29	4.14	United Gas Improvement					
29	Mauch Chunk Heat, Power and Electric Light Co. ....	23.45	235.0	Republic Service Corporation					
30	Metropolitan Edison Co. ....	8.87	26.71	Ass. Gas & Elec.					
31	Natrona Light and Power Co. ....	69.65 (108.14)	895.	Pennsylvania Salt Manufacturing Company					
32	Northern Pennsylvania Power Co. ...	7.52	7.43	Ass. Gas & Elec.					
33	Palmerton Lighting Company .....	24.23	246.14						
34	Penn Central Light and Power .....	7.25	3.57	Middle West Utilities					
35	Pennsylvania Electric Co. ....	5.76 (5.80)	—	Ass. Gas & Electric					
36	Pennsylvania Power Company .....	8.68 (9.58)	24.	Commonwealth and Southern					

## BY MR. EVANS:

Q. Mr. Colledge, in this statement I notice the name of a number of electric light companies. Are these all of the Class A and B electric companies reporting to the Public Service Commission in Pennsylvania?

A. No, they cover fifty-three companies, for all of which we were able to prepare reports from the data at hand.

Q. And do you know how many companies there are all together reporting to the Commission in Class A and B?

A. No, I cannot tell you.

Q. In column 3 of this statement, I notice a heading, "over-all returns," with a number of percentages. Will you explain briefly to the Committee what those percentages mean?

A. Those percentages mean that fifty-two of the companies shown earnings of about 7%; eleven of the fifty-two show earnings of less than 10% on book figures; seven of the eleven show deficiencies, and the other forty-two show earnings between seven and eight per cent; thirty-nine show earnings of eight per cent or above; thirty-five show earnings of nine per cent or above; thirty-two show earnings of ten per cent or above; eighteen show fourteen per cent or above; eleven show twenty-one per cent or above and twelve show earnings of fifty per cent or above.

Q. Now, assuming that the companies are entitled to a seven per cent return on fixed capital, what percentage over this returns are these companies earning, if any?

A. Thirty show earnings of twenty per cent higher than seven per cent; thirty-three show earnings thirty-three per cent higher than seven; twenty-nine show earnings fifty per cent higher than seven; and twenty-three show earnings sixty-six per cent higher than seven; twenty show earnings eighty per cent higher than seven; eighteen show earnings one hundred per cent higher than seven; fifteen show earnings one hundred fifty per cent higher than seven; eleven show two hundred per cent higher than seven; six show over three hundred per cent higher than seven; and three over five hundred per cent higher than seven.

Q. In other words, taking the Abington Electric Company, which shows an over-all return of 28.5%, that is a little more than four times the seven per cent which the Commission allows.

A. Yes.

Q. And therefore you show that that is three hundred seven per cent over the seven per cent basis.

A. That is right.

Q. Now, in the last column there is a heading, "Holding or Controlling Companies," I assume that that means that each of these companies in Column 2 is owned or controlled by the companies given in the last column?

A. Yes.

Q. Now, you say these figures were compiled entirely from the reports filed by these several companies with the Public Service Commission for the year 1929?

A. Yes, the annual report for the year 1929, as filed with the Commission.

Q. Now, how do you reach the investment basis for the purpose of these calculations?

A. We took the fixed capital at the end of the year as shown by the reports, deducted therefrom the amount of construction work in progress, which we considered the company was not entitled to earn upon until it was placed in service, and we took it that that is what the figures on construction work in progress mean, and from that result we deducted reserve for repairs and renewals, which gave us the net depreciated value on the fixed capital at the end of the year. We then took the gross operating revenue as reported by the companies and deducted therefrom the actual operating expenses as stated by the Public Service Commission, that is, to include all items as specified by the Public Service Commission, which gave us the net operating income, and from this we deducted in certain cases rentals paid by the companies for property that they were operating under lease. In the statement that you have before you, known as Exhibit No. 2, you will notice under certain of the percentages in the third column a percentage in parentheses. Those companies were the ones that we allowed rentals, and the second percentage is the one without allowing the rentals as a reduction.

Q. In other words, in some cases a company was paying rentals, and you deducted not only the operating expenses, but also these rentals in arriving at your net revenue figures?

A. That is right, net income figures.

Q. Net income figures, correct.

A. Then, in this operating income that we arrived at by dividing the net depreciated value on the fixed assets, it gives the percentages that you have before you in the third column of this statement.

Q. When you say the depreciated assets, you mean fixed capital less construction work, after the deduction of reserves for repairs and rentals?

A. Yes.

Q. Did you find any evidence that in any of the companies there was any inflation either of the fixed capital or of the operating expenses?

A. In the fixed capital, yes. As to the operating expenses we were unable to tell much about the contents of the various accounts as shown, so we could not say for sure that there was any inflation of the operating expenses, and as to the fixed capital, there may have been inflation in others, but we were unable to determine that for the reason that in a great many cases, prior to the installation of the uniform system of accounts, the fixed capital prior to that date was shown in a lump sum, no analysis of that figure being given, and for that reason we were unable to tell whether there was any inflation in that figure.

Q. But in this exhibit you have accepted the company's own figures without any deductions for possible inflation?

A. Yes, sir.

Q. And if you had made allowances for inflation either in the fixed capital or in the operating expense, the percentages in Column 3 would have been increased, would they not?

A. Yes, sir, in some cases.

Q. I mean wherever you found such it would be increased?

A. Yes.

Q. Now, I think you said you took the total fixed capital at the end of the year. If you had taken the average fixed capital during the year, would the percentage of return have been increased or decreased?

A. In most cases.

Q. They would have been increased?

A. Increased, the percentages would have been increased in most cases.

Q. In other words, you have given the company the benefit of construction during the year which had been completed by the end of the year?

A. Yes, and placed in service during the year.

Q. Why did you take the figure of seven per cent. as your basis of comparison?

A. That appears to be a rule of the commission to allow seven per cent. on the value of the company's plant.

Q. In some cases the commission allows less than seven per cent. on account of the Federal income tax, does it not?

A. Yes.

Q. But you have included the Federal income tax as an operating expense in this exhibit?

A. Yes, we haven't taken that out of the operating expenses.

Q. So that in all of these cases you have given the company the benefit of the doubt?

A. Yes.

Q. Now, Mr. Colledge, where there is a low overall return shown on this exhibit, does that necessarily mean that the company is earning little on its actual investment?

A. No, sir.

Q. Will you explain why not?

A. It means that they might have earned a higher percentage. Wait a minute. Let me study that a little bit.

Q. In other words, what I wanted to bring out is this, if, for instance, taking the Clarion River situation as presented to the Federal Trade Commission, if that company had an investment of \$4,000,000 and showed on its books \$11,000,000, and such a situation appeared in this exhibit, what then would be shown on your sheet here as to the rate of return?

A. The rate of return would be higher. It would not necessarily mean that they were not earning a fair return due to the fact that they were carrying their fixed capital at a higher figure than it really amounts to.

Q. Now, does the item fixed capital as used in the uniform system of accounts necessarily include only property which is devoted to the public service?

A. Not necessarily, no, sir.

Q. It may include property of a non-utility character, may it not?

A. Yes, sir.

Q. And if such property is included here under the heading of fixed capital, what effect does that have on the overall return which you have shown?

A. It tends to make the rate of return lower.

Q. Now, you have prepared a chart showing 37 of these companies, I think, have you not?

A. Yes, sir. The information on others was not available at the time, so we just used the 37 companies.

MR. TURNER: Did you pick those out at random, or was that all you could get at?

THE WITNESS: These were really all we could prepare reports for at this time.

BY MR. EVANS:

Q. It was a question of time, not being able to get the data?

A. Yes.

MR. TURNER: You didn't make any particular selection?

THE WITNESS: No, sir. We just took them as we came to them.

BY MR. EVANS:

Q. Have you got that chart here in the room?

A. Yes, sir, it is out in the anteroom there.

MR. TURNER: May I ask this question? Might there be a property valuation greater than the amount of invested capital shown in any case?

MR. EVANS: It does not show, Mr. Turner, valuations at all. This shows the company's book values.

MR. TURNER: I understand, yes; that is, their invested capital value, as I understand it, or is it, book value as they carry it?

THE WITNESS: It is book value as they carry it on their own books.

MR. TURNER: I might carry a property on my books at \$5,000 but it might be worth a great deal more than that.

MR. EVANS: You would not carry it on your books at \$5,000 if you paid \$10,000 for it.

MR. TURNER: No. That is what I am trying to get at. (Chart entitled "Electric Company Earnings 1929 according to their reports to the Public Service Commission," marked "Exhibit Colledge No. 3, March 12, 1931.")



BY MR. EVANS:

Q. Now, Mr. Colledge, turning first to the figures about a quarter of the way up the chart, in the small circles, will you explain to the committee what those refer to?

A. Those are the codes for the companies included on the chart.

Q. And they correspond with the numbers on Exhibit No. 2?

A. No.

Q. Do they not?

A. No. I have the index here.

Q. I see. Those numbers do not correspond to the Exhibit 2? I thought they did.

A. In some cases they do, but not all.

Q. Well then, taking the portion of the chart in black at the bottom, as I understand it, that represents the seven per cent. return as shown on the right-hand side of the chart?

A. Yes, sir.

Q. And you use that as a basis of 100 in your calculations?

A. Yes, sir.

Q. Then at the left-hand side of the chart are a series of numbers which I understand indicate percentages on the base of 100 at the bottom?

A. Yes.

Q. And the figures on the right-hand side of the chart indicate the percentage of return on the overall investment?

A. Yes, sir.

Q. Now, taking the column marked No. 1, I notice it goes all the way up to 400 per cent., and there ends in a point. What does that indicate?

A. That indicates that that company's earnings ran over 400 per cent. above the 7 per cent.

Q. And the chart does not attempt to carry it out to a higher percentage than 400?

A. No, sir.

Q. And now, the next column apparently stops at about 370, or thereabouts, and that indicates its return was 370 per cent. over the seven per cent. return?

A. About that, as between 350 and 375.

Q. Now, will you take up these companies, and indicate which companies the various columns refer to, starting with No. 1 and going right through?

MR. EVANS: I think if the committee cares to, it may be a convenience to them to indicate on Exhibit No. 3 each of these companies that are shown.

THE WITNESS: No. 1 appears as No. 1 on your copy, which is the Abington Electric Company. That shows 28.5 per cent.; 28.5 per cent.

No. 2, shown as No. 3 on your copy, is the Barnesboro-Spangler Electric Company.

No. 3 appears as No. 4 on your copy, Bedford Electric Light, Heat and Power Company.

No. 4 appears as No. 5 on your copy, Bradford Electric Company.

No. 6 appears as No. 5-A on your copy, Brockway Heat, Light and Power Company.

BY MR. TURNER:

Q. You said No. 6. Where is No. 5?

A. I haven't hit that. Wait a minute, I think I better take them in numerical order.

No. 5 appears as No. 44 on your list, on the second page, as Scranton Electric Company.

Then, we will take No. 6, which is 5-A, Brockway Light, Heat and Power Company.

No. 7 appears as No. 7, Carlisle Gas & Water Company.

No. 8, is No. 9 on your list, Citizens Electric Company of Lewisburg.

No. 9 appears as No. 12, Cresson Electric Light Company.

No. 10 appears as No. 11, Culver Electric Power Company.

No. 11 appears as 13, Delta Electric Power Company.

No. 12 appears as No. 14, Delta Water Power Company.

No. 13 appears as 16, Edison Electric Company of Lancaster.

No. 14 is No. 17 on your list, Edison Light and Power Company.

No. 15 is No. 19, Erie County Electric Company.

No. 16 is No. 21, Fleetwood and Kutztown Electric Light, Heat and Power Company.

No. 17 is No. 22, Glen Rock Electric Light and Power Company.

No. 18 is No. 25, Keystone Public Service Company.

No. 19 is No. 24, Hershey Electric Company.

No. 20 is No. 27, Lehigh Electric Heat and Power Company.

No. 21 is 29, Mauch Chunk Heat, Power and Electric Light Company.

No. 22 is No. 30, Metropolitan Edison Company.

No. 23 is No. 31, Natrona Light and Power Company. You will notice that there is a considerable difference between the percentages here. One with the rentals deducted give 69.65, and with the rentals not deducted gives 108.14. The rental is pretty high there.

No. 24 appears as No. 33, Palmerton Electric Light Company.

No. 26 is No. 37, Trenton Water and Power Company.

No. 27 is No. 41, Portage Light and Power Company.

No. 27 is No. 45, Shippensburg Gas and Electric.

No. 29 is No. 47, South Penn Power.

No. 30 is No. 46, Solar Electric Company.

No. 31 is No. 48, Southern Pennsylvania Power Company.

No. 32 is No. 50, Wellsboro Electric Company.

No. 33 is No. 51, West End Power Company.

No. 34 is No. 52, Windber Electric Corporation.

No. 35, goes back to page 1, No. 15; Duquesne Light Company.

No. 36 is No. 40, Philadelphia Electric Company, which includes the Philadelphia Suburban Counties.

No. 37 is No. 38, Pennsylvania Power and Light Company.

MR. TURNER: There are still some that are not included there. Does not the chart include all of those on the list?

MR. EVANS: No; there are 53 on the list and 37 on the chart.

BY MR. EVANS:

Q. I notice in the first column, that it is carried up in the chart to the 400 mark, and on Exhibit 3 the Abington Electric Company shows a percentage of over seven per cent. I take it that that is a mistake in the chart, which ought to be corrected is it not? There has been, I take it, confusion between putting the four times seven per cent. return, instead of the 300 per cent. more than that?

A. That is correct.

Q. That correction in the chart, then, will be made. Taking the Abington Electric Company as a typical example, can you or are you now ready to give the figures on which the percentages are based, or have you done something else you want to give to the committee first?

A. No; I don't think the chart needs any further explanation on my part.

BY MR. RHODES:

Q. I want to ask one question, on the right-hand side, doesn't that indicate the over-all return?

A. Yes, sir.

Q. Then the electric company had an over-all return of twenty-eight and one-half per cent.?

A. 28.5.

MR. EVANS: It is four times the seven per cent., Mr. Rhode, and it is three hundred per cent. over the seven per cent. I thought the right-hand figures indicated the over-all returns?

THE WITNESS: It does.

BY MR. EVANS:

Q. The Abington Electric Company had twenty-eight and one-half per cent.?

A. Yes, sir.

The base line is 100, so you have to deduct 100 per cent. from the figures on the left in order to get the right percentage?

A. That is right.

Q. Now then, Mr. Colledge, have you prepared a statement comparable to Exhibit 2, and dividing the companies in accordance with the holding companies that control the operating companies?

A. Yes sir.

Q. And that is the Exhibit headed "Earnings of Electric, 1929, According to Their Reports to the Public Service Commission for the year 1929?"

A. Yes sir.

MR. EVANS: We now offer that in evidence as Exhibit No. 4.

(Exhibit No. 4 was identified by the Official Reporter).

## (EXHIBIT NO. 4)

## EARNINGS OF ELECTRICS, 1929, ACCORDING TO THEIR REPORTS TO THE PUBLIC SERVICE COMMISSION

Name	Over-All Return	Per Cent. Over 7%
Republic Service Corporation		
Abington Electric Co. ....	28.5	307.
Brockway Light, Heat and Power Co. ....	11.16	59.4
Mauch Chunk Heat, Power & Electric Light Co. ....	23.45	235.
Renovo Edison Elec. Light, Heat & Power Co. ....	1.78	..
Associated Gas & Electric Co.		
Bangor Electric Co. ....	6.33	..
Clarion River Power Co. ....	4.39	..
Erie Lighting Co. ....	8.05	15.0
Fleetwood & Kutztown Elec. Light, Heat & Power Co. ....	20.27	189.5
Metropolitan Edison Co. ....	8.87	26.71
Northern Pennsylvania Power Co. ....	7.52	7.43
Pennsylvania Elec. Co. ....	5.76	..
Solar Electric ....	10.1	44.28
Sullivan County Electric Co. ....	5.83	..
Middle West Utilities		
Barnesboro-Spangler Elec. Co. ....	25.77	268.1
Bedford Electric Light, Heat & Power Co. (3 mos.) ....	21.6	208.7
Edison Light & Power Co. ....	34.18	388.28
Glen Rock Elec. Light & Power Co. ....	16.38	134.0
Keystone Public Service Co. ....	19.21	174.4
Penn Central Light & Power ....	7.25	3.57
Portage Light & Power Co. ....	45.4	549.
Shippensburg Gas & Elec. (3 mos.) ....	11.9	70.
Niagara & Hudson Power Co.		
Bradford Elec. Co. ....	13.4	91.4
Pa. Salt Manufacturing Co.		
Breckenridge Light & Power Co. ....	5.99	..
Natrona Light & Power ....	69.65	895.
Pennsylvania Power & Light Co.		
Carlisle Gas & Water Co. ....	11.64	66.28
Edison Electric Co. of Lancaster ....	19.42	177.4
Lancaster Elec. Light, Heat & Power Co. ....	6.73	..
Lehighon Elec. Light, Heat & Power Co. ....	11.21	60.1
United Gas Improvement		
Chester County Light & Power ....	11.01	57.29
Delta Elec. Power Co. ....	15.32	118.8
Delta Water Power Co. ....	11.02	57.44
Erie County Elec. Co. ....	12.76	81.14
Luzerne County Gas & Elec. ....	7.29	4.14
Philadelphia Electric (Inc. Phila. Suburban Counties all year) ....	9.2	32.43
Southern Pennsylvania Power ....	9.42	34.5
Ebensburg Coal Co.		
Culver Electric Co. ....	8.59	22.5
Pennsylvania Coal & Coke Corp.		
Cresson Electric Light Co. ....	51.8	640.
Standard Gas & Elec.		
Duquesne Light ....	10.56	50.8
Commonwealth & Southern		
Harmony Elec. Co. ....	4.76	..
Pennsylvania Power Co. ....	8.68	24.
People's Power Co. ....	3.20	(9.58)
Ellwood City Hydro-Electric (minus) ....	13.62	..
Hershey Estates		
Hershey Electric ....	38.75	453.5
Reetz Coal Co.		
Rockingham Light, Heat & Power Co. (minus) ....	2.04	..
Electric Bond & Share		
Pennsylvania Power & Light ....	8.51	21.5

Name	Over-All Return	Per Cent. Over 7%
American Gas & Electric		
Scranton Electric ....	14.0	100.
American Waterworks & Electric		
South Penn Power ....	10.22	46.
West Penn Power Co. ....	10.83	54.7
Berwind-White Coal Manufacturing Co.		
Windber Elec. Corp. ....	21.63	209.
Penn Water & Power ....	9.99	42.71
Citizens Elec. Co. of Lewisburg (Independ- ent) ....	20.0	185.7
Palmerton Lighting Co. (Independent) ....	24.23	246.14
Wellsboro Electric Co. (Independent) ....	12.25	75.

## BY MR. EVANS:

Q. Now, Mr. Colledge, as I understand it, this Exhibit shows exactly the same data as on the Exhibit 2, except that for the convenience of the committee the companies are grouped according to the system to which they belong.

A. Yes sir.

Q. Now then, turning to the Abington Electric Company, have you got the basic data on which these figures are based?

A. Yes sir.

Q. Will you give that to the committee, first giving the total fixed capital, and so forth?

A. The total fixed capital at the end of the year for the Abington Electric Company, as shown by the 1929 report to the Commission, was \$243,816.61. I might explain, that is the gross figure that their reports show. From that is deducted construction work in progress at the end of the year amounting to \$17,869.07. That gives a net of \$225,947.52. The report showed a reserve for renewals and replacements carried by charges to operating expenses of \$34,112.88, which gives a net or a depreciated value of \$191,834.64. The net operating income as shown by the company's report for the year 1929 was \$54,742.54. Dividing the depreciated book value of the fixed capital of \$191,834.64, into the net income of \$54,742.54, gives a percentage of over-all return of 28.53.

Q. Which corresponds with the figure 28.5 shown on Figure 2.

A. Yes sir.

Q. Now the next company that you have, the Barnesboro-Spangler Electric Light Company?

A. By its report to the Commission for the six months ending June 30, 1929, it showed a total fixed capital value of \$433,933.46, from which we deducted construction work in progress of \$740.39, leaving a net of \$433,193.07, from which we deducted a reserve for renewals and replacements amounting to \$316,085.80, giving us a depreciated book value of \$117,107.25. The report was for six months and showed a net operating income of \$15,091.81 which we placed on an annual basis by multiplying it by two, giving us an annual net income of \$30,183.62. Dividing the depreciated book value of fixed capital of \$117,107.25 into the operating income of \$30,183.62 giving us a figure of 25.77 per cent.

Q. Now will you take up the next company, which is the Bedford Electric Light Company, No. 3?

A. The Bedford Electric Light Company report to the Commission for three months of 1929 showed a total fixed capital of \$455,648.05, from which we deducted construction work in progress at the end of the period of \$258,474.11, which gave us a net figure of \$197,173.94, from which we deducted reserves for renewals and replacements amounting to \$21,099.90, giving us a depreciated book value of \$176,074.04. The company for the three months reported a net operating income of \$9,512.63, which we placed on an annual basis, giving us \$38,050.52. We then divided the depreciated book value of the fixed capital, \$176,074.04, into the \$38,050.52, which gave us a percentage of over-all return of 21.6%.

Q. The next one on the list is No. 4, the Bradford Electric Company?

A. The Bradford Electric Company in its report to the Commission for the year 1929, showed a total fixed capital at the end of the year, \$1,740,014.81, which included construction work in progress, which we deducted, of \$78,439.54, giving us a net figure of \$1,661,575.27. From this we deducted reserve for renewals and replacements, amounting to \$132,949.24, giving us depreciated book value of \$1,528,626.03. The net operat-



ing income as shown by the report for 1929 was \$204,954.95, dividing the depreciated book value of the fixed capital of \$1,528,626.03 into the net income of \$204,958.95, gave us a percentage of over all return of 13.4%.

Q. Now, the next on the chart is No. 6, the Brockway Light, Heat & Power Company?

A. The Brockway Light, Heat & Power Company in its report for the year 1929, reported total fixed capital of \$174,732.96, which included no construction work in progress, and we therefore deducted from the \$174,732.96, the reserve for renewals and replacements amounting to \$32,918.08, giving us depreciated book value of \$141,814.88. The company reported net operating income for the year 1929, of \$15,836.68, dividing the depreciated book value of fixed capital of \$141,814.88 into the net operating income of \$15,836.68, gave us a per cent. of over-all return amounting to 11.16%.

Q. The next is the Carlisle Gas & Power Company. I assume in spite of its name it also has an electric business.

A. The Carlisle Gas & Power Company has reported to the Commission in its report for the year 1929 total fixed capital of \$1,748,687.46, which included construction work in progress amounting to \$16,122.60, which we deducted, giving us a net figure of \$1,732,564.86, from which we deducted reserve for renewals and replacements as shown by the report of \$482,030.74, giving us depreciated book value of \$1,250,534.12. The company in its report for the year 1929 reported operating income of \$145,552.87. Dividing the depreciated book value, \$1,250,534.12 into the operating income of \$145,552.87 gave us a per cent. of over-all returns of 11.64%.

Q. No. 8, The Citizens Electric Company of Lewisburg?

A. The Citizens Electric Company of Lewisburg in its report to the Commission for the year 1929 reported fixed capital of \$152,975.36, which included no construction work in progress, and we therefore deducted from this figure, reserve for renewals and replacements as shown by the report of \$34,388.46, giving us a depreciated book value of \$98,586.90. The company reported in its report for the year 1929, net operating of \$19,712.66, dividing the depreciated book value of the fixed capital into the figure of \$19,712.66 it gave us a per cent. of over-all return amounting to thirty per cent.

Q. The Colver Electric Company is No. 10.

A. The Colver Electric Company reported to the Commission in its 1929 annual report a total fixed capital at the end of the year, \$49,052.92, which included no construction work in progress, and we deducted from this figure reserve for renewals and replacements, amounting to \$18,255.32, as shown by the report, given us a depreciated book value of \$31,267.60. The Company in its report for the year 1929 gave a net operating income of \$2,685.69, dividing the depreciated book value of the fixed capital into the net operating income as stated, gave us a per cent. for over-all return of 8.59%.

Q. The Cresson Electric Light Company, that is No. 9.

A. The Cresson Electric Light Company in its report to the Commission for the year 1929 reported total fixed capital at the end of the year of \$56,380.29, which included no construction work in progress, and we deducted from that figure reserve for renewals and replacements, \$23,953.84, which gave us depreciated book value of \$52,436.45. The company in its report for the year 1929, reported net operating income of \$16,798.80, dividing the depreciated book value as above given into the operating income of \$16,789.80, we reach the per cent. of over-all return of 51.8%.

Q. No. 11, the Delta Electric Power Company.

A. The Delta Electric Power Company, in its report to the commission for the year 1929, reported total fixed capital at the end of the year of \$101,621.28, which included construction work in progress of \$10.10, which we deducted, giving us a net figure of \$101,611.18, from which we deducted the reserve for renewals and replacements as shown by the report of \$12,987.08. This gave us the depreciated book value of the fixed capital of \$88,624.10. The company in its report for the year 1929, reported net operating income of \$13,578.81. Dividing the depreciated book value of fixed assets as above given, into the operating income of \$13,578.81, gave us a per cent. of over-all return of 15.32 per cent.

Q. The 12th is the Delta Water Power Company.

A. The Delta Water Power Company in its report to the Commission for the year 1929, reported total fixed capital at the end of the year of \$146,896.05, which included construction work in progress of \$175.47, which we deducted, giving us a net figure of \$146,720.58. From this we deducted the reserve

for renewals and replacements amounting to \$19,524.62, which gave us the depreciated book value of \$127,195.96. The company reported in its report for the year 1929 net operating income of \$14,018.37. Dividing the depreciated book value as above given into the net operating income of \$14,018.37, we reached the per cent. of over-all return of 11.02 per cent.

Q. No. 13 is the Edison Electric Company of Lancaster.

A. The Edison Electric Company of Lancaster in its report for the year 1929 to the Commission showed total fixed capital at the end of the year amounting to \$8,891,801.05, which including construction work in progress of \$248,474.20, which we deducted, giving us a net figure of \$8,643,326.85. From this figure we deducted reserve for renewals and replacements amounting to \$1,249,893.96, which gave us the depreciated book value of \$7,393,432.89. The company reported net operating income for the year 1929 of \$1,149,594.66. As they were paying rents for lease of electric properties to some other company of \$15,468, we allowed this as a deduction in arriving at the net operating income of \$1,434,126.66. Dividing the depreciated book value of \$7,393,432.89 into the net operating income of \$1,434,126.66 gave us the per cent. of over-all return of 19.42 per cent.

Q. And if the rentals had not been deducted, that percentage would have been 19.6 per cent?

A. Yes, if we had not deducted the rent for lease of electric properties, it would have given us a per cent. of over-all return of 19.6 per cent.

Q. The next one is the fourteenth, the Edison Light and Power Company.

A. The Edison Light and Power Company of York, in its report for the year 1929 to the Commission, reported total fixed capital at the end of the year of \$3,488,405.55, which included construction work in progress of \$73,115.77. This we deducted, which gave us a net figure of \$3,415,289.78. From this we deducted the reserve for renewals and replacements as shown by the report amounting to \$1,321,037.56, giving us the depreciated book value of the fixed assets of \$2,094,252.22. The company in its report reported net operating income for the year 1929 of \$715,917.63. Dividing the depreciated book value of \$2,094,252.22 into the net operating income of \$715,917.63, we reached the per cent. of over-all return of 34.18 per cent.

Q. And No. 15, the Erie County Electric Company?

A. The Erie County Electric Company, in its report for the year 1929, to the Commission, reported total fixed capital at the end of the year of \$5,164,488.24, which included no construction work in progress, and we deducted from this figure reserve for renewals and replacements, as shown by the report, of \$806,655.16, which gave us the depreciated book value of fixed assets of \$4,357,833.08.

The company reported net operating income for the year 1929 of \$556,071.93, and also showed that it was paying rental for leases of electric properties of some other company of \$3,377.60. We deducted that, which gave us a net operating income, for our purposes, of \$552,694.33.

Dividing the depreciated book value of the fixed assets into the figure of \$552,694.33, we reached the percentage of over-all return of 12.76.

The item of rent for leases of electric properties, which we deducted, will make no change in the percentage of over-all return, if we had not allowed it.

Q. No. 16 is the Fleetwood and Kutztown Electric Light, Heat and Power Company?

A. The Fleetwood and Kutztown Electric Light, Heat and Power Company in its report for the year 1929 to the Commission reported total fixed capital at the end of the year of \$260,876.54, which included no construction work in progress, and we deducted from that figure reserve for renewals and replacements, as shown by the report, of \$18,596.00, which gave us a depreciated book value of the fixed assets of \$242,280.54. The company in its report for the year 1929 reported net operating income of \$49,132.51.

Dividing the depreciated book value of the fixed assets into the net operating income of \$49,132.51, gave us the percentage of over-all return of 20.27 per cent.

Q. No. 17 is the Glen Rock Electric Light and Power Company.

A. The Glen Rock Electric Light and Power Company, in its 1929 report to the commission, reported total fixed capital at the end of the year of \$499,189.87, which included no construction work in progress, and we deducted from that figure

the reserve for renewals and replacements, as shown by the report, of \$120,294.58. That gave us the depreciated book value of the fixed assets of \$378,895.29.

The company in its 1929 report reported net income for the year 1929 of \$62,066.90. Dividing the depreciated book value of the fixed assets into this figure of \$62,066.90 gave us a percentage of over-all return of 16.38.

Q. No. 18 is the Keystone Public Service Company?

A. The Keystone Public Service Company, in its 1929 annual report to the Commission, reported total fixed capital at the end of the year of \$4,610,688.61, which included construction work in progress of \$193,794.19, which gave us a net figure of \$4,416,894.42, from which we deducted the reserve for renewals and replacements, as shown by the report, amounting to \$762,738.02. This gave us the depreciated book value of the fixed assets of \$3,654,156.40.

The company reported for the year 1929 a net operating income of \$702,040.81. Dividing the depreciated book value of the fixed assets into the figure of \$702,040.81, we reached the percentage of over-all return of 19.21 per cent.

Q. No. 19, the Hershey Electric Company?

A. The Hershey Electric Company, in its 1929 annual report to the Commission, reported total fixed capital at the end of the year of \$228,339.98, which included no construction work in progress, and we deducted reserve for renewals and replacements, as shown by the report, amounting to \$76,147.55, and reached the depreciated book value of the fixed assets of \$152,252.43.

The company reported for the year 1929 net operating income of \$59,088.36. Dividing the depreciated book value of the fixed assets into the figure of \$59,088.36, we reached the percentage of over-all return of 38.75 per cent.

MR. HAGMAIER: Mr. Evans, does the Hershey Company supply any light to anybody else except their town or their own people there? Do they sell outside?

MR. EVANS: It is my understanding that they sell to the entire community; whether or not they have anything to do with the Hershey plant, I don't know.

MR. HAGMAIER: I am not positive of that.

MR. EVANS: No; I think not. I think it is local.

MR. TURNER: This testimony, as it has developed, it would seem to me that this is not a very fair case to take. As I understand it, those figures are on the books, but from the testimony I have heard in the Senate and read in the paper, this is hardly a case, because I understand there is no overhead paid, and much of the maintenance cost is paid by the Hershey Company, which is practically a co-operative company.

MR. EVANS: I am not prepared to say, Mr. Turner. I don't know all the details of the Hershey situation.

MR. TURNER: I understand that this study that you have here takes it as you have found it.

BY MR. EVANS:

Q. No. 20 is the Lehigh Electric Light and Power Company?

A. The Lehigh Electric Light and Power Company in its 1929 annual report to the Commission reported total fixed capital at the end of the year of \$201,963.09, which included construction work in progress of \$56.66, which we deducted, giving us a net figure of \$201,906.43. From this figure we deducted reserve for renewals and replacements, shown by the report, of \$55,865.57, which gave us the depreciated book value with the fixed assets of \$146,040.86.

The company reported a net operating income for the year 1929 of \$18,079.10.

They also reported paying for rent of the leases of electric properties, \$1,700.00, which we allowed as a deduction, which gave us the net operating income of \$16,379.10. Dividing the depreciated book value of the fixed assets of \$146,040.86 into the net income figure of \$16,379.10, we reached the percentage of over-all return of 11.21%.

Q. Was this that they paid rental for in equipment of property?

A. They paid rent for lease of electric property of \$1700. If this rent had not been deducted the per cent. of over-all return would have been over 12.3%.

Q. The next is the Mauch Chunk Heat, Power and Electric Light Company.

A. The Mauch Chunk Heat, Power and Electric Light Company in its annual report to the Commission reported a

total fixed capital valuation of \$204,034.27, which included no construction work in progress, and from which figure we deducted for renewals and replacements as shown by this report the sum of \$120,613.55, which gave us a depreciated book value of \$124,410.82. The company reported a net operating income for the year 1929 of \$29,186.55. Dividing the depreciated book value of the fixed assets into the operating income figure of \$29,186.55, we reached the percentage of over-all return of 23.45%.

Q. The next is the Metropolitan-Edison Company.

A. The Metropolitan-Edison Company for the year 1929 in their annual report to the Commission showed a fixed capital of \$62,177,759.45 which included no construction work in progress and we deducted from that figure the reserve for renewals and replacements as shown by the report of \$5,288,608.93, which gave us the depreciated book value on the fixed assets of \$56,879,150.52. The company reported the net operating income for the year 1929 as \$5,049,226.36. Dividing the depreciated book value of the fixed assets into the net operating income figures we reached the percentage of over-all return of 8.87%.

Q. Mr. Colledge just let me ask you there, suppose a company like the Metropolitan-Edison Company acquired the property of another utility company: does the purchase price paid for that company so acquired go into the total capital of the Metropolitan-Edison Company?

A. Yes.

Q. So that if any of these companies did acquire a property or other properties at high valuation that would go to increase their total fixed capital and thus decrease the over-all percentage of return?

A. Yes sir.

BY MR. TURNER:

Q. Do I understand these are not all holding company reports; these are the reports of local companies?

BY MR. EVANS:

Yes but the Metropolitan-Edison Company and many companies have actually bought the property of adjoining small companies from time to time. In doing that they are not holding companies at all, but are the actual buyers of the property, and it is that situation I have in mind. I think that is the case with the Metropolitan-Edison Company.

Q. Shall we now take up number 23, the Natrona Electric Light and Power Company?

A. The Natrona Light and Power Company in the 1929 annual report to the Commission reported a fixed capital at the end of the year of \$174,065.67, which included no construction work in progress and we deducted from that figure the reserve for renewals and replacements as shown by the report of \$107,583.02, which gave us a depreciated book value of the fixed capital of \$67,382.65. The company reported operating income for the 1929 of \$72,869, and reported rent paid for lease of electric property amounting to \$25,936.65, which we allowed as a deduction giving us a net operating income of \$46,932.35. Dividing the depreciated book value of the fixed capital of \$67,382.65 into the operating income figures of \$46,932.35, we have a percentage of over-all return of 69.65%. Had we not deducted the rent for lease of electric property amounting to \$25,936.65, the per cent. of over-all return obtained by dividing the depreciated book value into the figure of \$46,932.35 would have given us a percentage of over-all return of 108.14%.

Q. Does the report show at all from whom this property was leased?

A. No it does not specify. The report shows certain subsidiary companies over which they have control, but to show just who that was paid to we cannot tell.

Q. Let us take up now number 24, The Pennsylvania Power Company.

A. The Pennsylvania Power Company in its 1929 annual report to the Commission showed a total fixed valuation of \$7,960,724.84, which included no construction work in progress. We deducted from that figure the reserve for renewals and replacements as shown by their report of \$19,755.79, which gave up the depreciated book value of the fixed assets of \$7,940,969.05. The company reported net operating income for the year 1929 of \$761,317.76 and also reported paying rent for lease of electric property amounting to \$72,000, which we deducted, giving us a net operating income of \$689,317.76. Dividing the depreciated book value of the fixed capital into the



net operating figure of \$689,317.76 we reached a percentage of over-all return of 8.868%. Had we not had allowed \$72,000 rent for electric properties as a deduction, the per cent. would have been 9.58%.

Q. No. 25 is the Palmerton Light Company?

A. The Palmerton Light Company in its 1929 annual report to the Commission showed total fixed capital at the end of the year \$195,556.96, which included construction work in progress of \$11,430.50. We deducted this, which gave us a net figure of \$184,126.46. From this figure we deducted reserve for renewals and replacements as shown by the report of \$68,567.28, giving us the depreciated book value of fixed assets of \$115,559.18. The company reported net operating income for the year 1929 of \$28,011.33, and dividing the depreciated book value of the fixed assets into the net operating figure of \$28,011.33, we obtained the percentage of over-all return of 24.23%.

Q. No. 26, the Penn Water and Power Company?

A. The Penn Water and Power Company in its 1929 annual report to the Commission reported total fixed capital at the end of the year of \$28,333,845, which included construction work in progress amounting to \$842,856.60. This we deducted, which gave us a net figure of \$27,490,988.40, from which we deducted reserve for renewals and replacements as shown by the report of \$2,574,895.87. This gave us the depreciated book value of the fixed assets of \$29,916,092.53. The company reported net operating income for the year 1929 of \$2,490,866.13. Dividing the depreciated book value of the fixed assets into the net operating figure of \$2,490,866.13, we obtained the percentage of over-all return of 9.99%.

Q. No. 27, the Portage Light and Power Company?

A. The Portage Light and Power Company in a three-months report to the Commission, during the year 1929, reported total fixed capital at the end of the period of \$901,651.15, which included construction work in progress of \$6,573.00. This we deducted and obtained a net figure of \$103,077.25, from which we deducted reserve for renewals and replacements as shown by the report of \$50,390.30. This gave us the depreciated book value of the fixed assets of \$52,686.95. The company reported income for three months of the year, 1929, of \$5,985.19, which we placed on an annual basis and obtained annual income of \$23,940.76. Dividing the depreciated book value of the fixed assets of \$52,686.95, into the estimated net income figure of \$23,940.76, gave us a per cent. of over-all return of 45%.

Q. Mr. Colledge, can you explain why this report and some others are for less than a year?

A. For the reason that the companies were taken over by other companies, and their fixed assets and income for the balance of the year was merged with the company that took them over.

Q. No. 28, the Shippensburg Electric Company?

A. The Shippensburg Gas and Electric Company in a three-months report for the year 1929, showed total fixed capital at the end of the period of \$520,862.89, which includes construction work in progress of \$8,942.89. This we deducted which gave us a net figure of \$511,920.00. From this we deducted the reserve for renewals and replacements, as shown by the report of \$108,858.41 which gave us depreciated book value of the fixed assets of \$353,081.59. The company reported for the three-month period net operating income of \$10,505.85, which we placed on an annual basis, giving us an estimated operating income of \$42,023.40. Dividing the depreciated book value of the fixed assets into the net operating income of \$42,023.40 we obtained the per cent. of over-all return of 11.9%.

Q. No. 29, The South Penn Power Company?

A. The South Penn Power Company, in its 1929 annual report to the Commission reported fixed capital at the end of the year of \$1,099,562.96, which included construction work, in progress of \$985.83. This we deducted and we obtained a net figure of \$1,098,577.17. From which we deducted the reserve for renewals and replacements, as shown by the report of \$127,388.95, giving us a depreciated book value of the fixed assets of \$971,188.18. The company reported net operating income for the year 1929 of \$99,292.06. Dividing the depreciated book value of the fixed assets into the net operating figure of \$99,292.06, we obtained the per cent. of over-all return of 10.22 per cent.

Q. No. 30 is the Solar Electric Company?

A. The Solar Electric Company in its 1929 annual report to the commission reported total fixed capital of \$148,111.75,

which included no construction work in progress, and we deducted from that figure the reserve for renewals and replacements as shown by the report of \$66,651.90, and obtained the depreciated book value of the fixed capital of \$81,459.85. The company reported net operating income for the year 1929 of \$8,231.52. Dividing the depreciated book value of the fixed assets into the net operating income figure, we obtained the per cent. of over-all return of 10.1 per cent.

Q. Does the report show whether or not that Solar Electric Company purchases its current or generates it?

A. No. It probably does, in the figure of electric current purchased, but I —

Q. You do not have that data?

A. No.

Q. No. 31 is the Southern Pennsylvania Power Company?

A. The Southern Pennsylvania Power Company?

A. The Southern Pennsylvania Power Company in its 1929 annual report to the Commission reported total fixed capital at the end of the year of \$497,611.87, which included construction work in progress at the end of the year of \$11,071.40. This we deducted, which gave us a net figure of \$486,540.47. From this we took the reserve for renewals and replacements as shown by the report of \$58,528.17, and obtained the depreciated book value of the fixed assets of \$428,012.30. The company reported net operating income for the year 1929 of \$40,337.67. Dividing the depreciated book value of fixed assets into the net operating income of \$40,337.67, we obtained the per cent. of over-all return of 9.42 per cent.

Q. No. 32 is the Wellsboro Electric Company.

A. The Wellsboro Electric Company in its 1929 annual report to the Commission reports a total fixed capital at the end of the year of \$342,074.54, which contained no construction work in progress. From this figure we deducted reserve for renewals and replacements as shown by the report of \$88,517.34, giving us the depreciated book value of the fixed assets of \$253,557.20. The company reported net operating income for the year 1929 of \$31,078.99. Dividing the depreciated book value of the fixed assets of \$253,557.20 into the net operating income figure of \$31,078.99, we obtained the per cent. of over-all return of 12.25 per cent.

Q. No. 33 is the West Penn Power Company.

A. The West Penn Power Company in its 1929 annual report to the Commission reported total fixed capital at the end of the year of \$94,741,778.70, which included construction work in progress amounting to \$2,745,226.35. This we deducted obtaining a net figure of \$91,996,552.35, from which we deducted the reserve for renewals and replacements amounting to \$11,498,980.49, and obtained the depreciated book value of the fixed assets of \$80,497,571.86. The company reported net operating income for the year 1929 of \$8,773,508.96, and reported rent for lease of electric properties amounting to \$53,335.15. This we deducted and obtained the net income figure of \$8,720,173.81. Dividing the depreciated book value of fixed assets into the net operating income figure, we obtained a per cent. of over-all return of 10.83 per cent. Had we not allowed the deduction for the rent of electric properties amounting to \$53,335.15, the per cent. of over-all return would have been 10.9 per cent.

Q. No. 34 is the Windber Electric Company.

A. The Windber Electric Corporation in its 1929 annual report to the Commission reported total fixed capital at the end of the year of \$89,812.52, which contained no construction work in progress, and from this figure we deducted a reserve for renewals and replacements as shown by the report of \$16,900.23, obtaining the depreciated book value of fixed assets of \$72,912.29. The company reported net operating income for the year 1929 of \$15,773.32. Dividing the depreciated book value of fixed assets into the net operating income figure, we obtained a per cent. of over-all return of 21.63 per cent.

Q. No. 35 is the Duquesne Light Company.

A. The Duquesne Light Company in its 1929 annual report to the Commission reported total fixed capital at the end of the year of \$159,872,259.60, which included construction work in progress of \$7,436,928.46. This we deducted, which gave us a net figure of \$152,435,331.14. From this figure we deducted reserve for renewals and replacements as shown by the report of \$10,511,259.66, which gave us the depreciated book value of the fixed assets of \$141,924,071.48. The company reported net operating income for the year 1929 amounting to \$14,989,100.67. Dividing the depreciated book value of the fixed assets amounting to \$141,924,071.48 into the net operating in-

come figure, we obtained a per cent. of over-all return of 10.56 per cent.

Q. No. 36 is the Philadelphia Electric Company.

A. The Philadelphia Electric Company, in its 1929 annual report to the Commission, reported a fixed capital at the end of the year of \$279,287,272.46 which included construction work in progress amounting to \$8,927,513.28. This we deducted, obtaining a net figure of \$270,359,759.18. We deducted from this the reserve for renewals and replacements, as shown by the report of \$25,333,491.14, obtaining a depreciated book value of the fixed assets amounting to \$245,026,268.04. The company reported a net operating income for the year 1929 of \$22,701,919.43.

Dividing the depreciated book value of the fixed assets of \$245,026,268.04 into the net income figure of \$22,701,919.43, we obtained a percentage of over-all return of 9.27 per cent.

Q. Now, No. 37, which is the last, the Pennsylvania Power and Light Company.

A. The Pennsylvania Power and Light Company, in its 1929 annual report to the Commission, reported a total fixed capital at the end of the year of \$170,988,476.81, which included construction work in progress of \$1,389,212.81. This we deducted and obtained a net figure of \$169,599,264.00. From this we deducted reserve for renewals and replacements, as shown by the report, of \$12,834,395.03 obtaining the depreciated book value of the fixed assets \$156,764,868.97.

The company reported a net operating income for the year 1929 amounting to \$13,353,301.03.

By dividing the depreciated value of the fixed assets of \$156,764,868.97 into the net income figure of \$13,353,301.03, we obtained a percentage of over-all return of 8.5 per cent.

(Hearing adjourned until Friday, March 13, 1931, at 10:00 o'clock A. M.)

#### COMMITTEE OF INVESTIGATION OF RESOLUTION NO. 10.

Pursuant to adjournment and to the call of the Honorable D. Glenn Moore, Chairman, the committee met in the House Caucus Room on Friday, March 13, 1931, at 10.00 o'clock A. M. There were present:

Messrs. D. Glenn Moore,  
Elwood J. Turner,  
Louis W. Hagmaier,  
Father James R. Cox,  
Harry J. Crawford,  
Harold Evans, Esq.,  
John M. Walker, Esq.

THE CHAIRMAN: Before we start, Mr. Evans desires to make certain corrections on the record.

MR. EVANS: Mr. Turner yesterday asked that the statement of 35 bills of the Scranton Spring Brook Water Company, testified to by Mr. Joseph Geiser, be introduced into the record. I will produce them as our Exhibit No. 5.

Statement produced by Mr. Geiser of 35 bills of Scranton Spring Brook Water Company, produced and marked Exhibit No. 5.

#### EXHIBIT NO. 5.

A. Pissot, 224 Dana St., .....	18.00	23.50	39.00
S. Adler, 148 Hazel Ave., .....	72.00	91.50	144.14
W. P. Walsh, 248 Hazel Ave., .....	18.00	27.50	39.00
Carl Sager, 52 Murray St., .....	16.00	18.00	22.50
A Saegar, 50 Murray St., .....	12.00	24.00	30.00
H. Keller, 446 Hazel Ave., .....	23.00	33.75	174.20
J. S. Smith, 355 McLean St., .....	36.00	45.00	53.52
J. W. Kambles, 362 Stanton St., ....	12.00	22.00	48.00
Greenfelt Est., 398 No. Main St. ..	60.00	102.50	130.92
B. F. Connor, 32 Hazle Ave., .....	18.00	22.50	28.00
B. O'Rourke, 392 Hazle Ave., .....	12.00	30.00	79.40
J. Loux, 259 Moyallen St., .....	16.00	24.00	35.00
R. E. Atwood, 292 S. Washington, ..	78.00	94.00	107.50
J. Steiner, 310 S. Washington .....	21.00	22.50	28.00
J. S. Pursell, 392 N. Main St., .....	18.00	22.50	28.00
A. Rimer, 137 Lehigh St., .....	18.00	25.50	30.72
B. Grover, 32 Regent St., .....	38.00	44.00	60.50

A. Malkemos, 70 Moyallen St., .....	46.00	64.00	105.44
S. Adler, 190 Hazle Ave., .....	42.00	44.00	65.00
Cath. Frank, 431 South Main, .....	8.00	12.00	15.00
Cath. Frank, 431 South Main .....	18.00	23.50	29.00
Cath. Frank, 220 Hazle Ave., .....	26.00	31.50	49.00
J. Coplan, 196 Hazle Ave., .....	18.00	19.50	24.00
A. Andes, 117 Hazle Ave., .....	8.00	16.00	25.00
A. Greener, 119 Hickory St., .....	16.00	20.00	22.50
A. Hochberg, 126 Hickory St., .....	18.00	22.50	36.00
J. Geiser, 206 Hazle Ave., .....	12.00	20.00	30.00
N. Sederowitch, 307 Plymouth Ave., ..	18.00	20.00	25.50
J. Santee, 30 Moyallen St., .....	18.00	21.00	64.48
J. A. Carter, 66 McLean St., .....	20.00	46.00	83.75
B. Thomas, 208 Stanton St., .....	20.00	52.00	64.00
J. Coplan, 198 Hazle Ave., .....	18.00	18.00	22.50
J. Coplan, 196 Hazle Ave., .....	16.00	16.00	20.00
V. Ell, 194 Hazle Ave., .....	8.00	9.50	18.52
A. Greener, 121 Hickory St., .....	12.00	12.00	15.00
	774.00	1185.00	1640.66
		59.3%	107.2%

The first column are the amounts charged by the old company. The second column is the old rate but with added fixtures found by this company after making a survey. The third column are the bills as sent out by this company. This shows that this company would get an increase in its revenue of 59.3% without increasing its rates. The third column shows that this company is not charging an increase of 25% as they are trying to get the people of this community believe, but shows that in accordance with the bills as actually sent out by this company the increase on the small home owners is 107.2%. The increase on the small business man and small industries is 300% to as high as 1000%.

This increase on the small industries will drive everyone out of this community, as they all claim that they cannot stand for such an increase in the water rent, taxes, and so forth.

Therefore, it is of vital interest to this community that you vote for the bill creating a water district, this will be the only method by which this community will be enabled to prosper, the people remain in and keep possession of their homes for which they have striven a lifetime. This is so vital to this community that it should be your duty to see that everyone in the house votes with you for the same.

MR. EVANS: Also in the testimony Mr. Geiser referred to an adjustment made by the Scranton Spring Brook Water Company with the Johnson Engineering Company, and at the suggestion of the Committee I wrote Mr. Johnson with regard to this adjustment, and have received his reply under date of March 10, and suggest that that be placed in the record.

Letter addressed to Harold Evans, Counsel, Committee on Investigation of Public Service Commission, signed by Johnson Engineering and Manufacturing Co., dated March 10, 1931, produced and marked Exhibit No. 6.

#### EXHIBIT NO. 6.

##### "JOHNSON ENGINEERING & MANUFACTURING CO.

Wilkes-Barre, Pa., March 10, 1931.

"Harold Evans, Counsel,  
Committee on Investigation of  
Public Service Commission,  
Room 601, South Office Building,  
House of Representatives,  
Harrisburg, Pa.

Dear Sir:

In reply to your letter of March 6.

Our old rate for sprinkler system with the old company was based on \$75.00 per year. The proposed new rate was then increased to three hundred twenty-five (\$325.00) dollars per year, which was changed to \$150.00 per year by the officials of the company, at which time we paid them on that basis.

We are now being billed at \$150 per year, but are paying the first old rate of \$75.00 per year, permitting the balance to stand.



You will notice that Mr. Geiser's statement should have been \$325.00 to \$150.00 instead of \$525.00 to \$100.00. Mr. Morgan Bird received invoices from us today.

Very truly yours,

JOHNSON ENGINEERING & MFG. CO.

(signed) J. Ed. Johnson,

JED:R Vice-Pres. & Gen. Mgr."

MR. EVANS: At the close of yesterday's hearing we presented to the Committee the various letters and petitions from municipalities and cities or organizations. Another of these has come in, the petition of a number of citizens, seven pages of signatures or signers to a petition, complaining with reference to the Latrobe Water Company and headed, "Petition of citizens of Latrobe Borough." I suggest that this be placed in the correspondence.

MR. TURNER: What is the character of their complaint?

MR. EVANS: Do you want it read into the record?

MR. TURNER: Not necessarily.

(Remarks by Mr. Turner at his request off the record.)

MR. TURNER: It does occur to me, Mr. Chairman, that whatever letters are received in this way, there should be a reply to them from the secretary or counsel that the letter has been turned over, because so many of these are coming to us in that way, and a notation should be made of them.

MR. EVANS: As far as our facilities will permit, we are trying to reply to them just as rapidly as possible.

W. W. COLLEDGE recalled.

BY MR. EVANS:

Q. On page 622 of the record of yesterday I asked you whether the electric light companies set forth in your Exhibit No. 2 were all of Class A and B electric companies reporting to the Public Service Commission, and you answered, "no," that it covered 53 companies on which you were able to prepare reports on the data at hand. Have you anything further to say in reply to that question?

A. I should like to correct my answer to yes, all but two, the Logan Valley and the Northwestern Electric Company.

Q. Why were those not included?

A. Those two companies had their reports entangled with electric railway reports, and it was impossible to use them.

Q. In other words, exhibit No. 2 does cover all of Class A and B electric companies which you were able to use.

A. Yes.

Q. On the same page in answer to a question of mine as to what the percentages mean in column 3 of Exhibit No. 2, you stated that these percentages meant that fifty-two of the companies show earnings of about seven per cent. Do you wish to make any correction in that answer.

A. I should like to correct that to read forty-two of the companies show earnings of about 7 per cent.

Q. About 7 per cent?

A. Yes.

Q. Have you any correction you wish to make in regard Exhibit No. 4.

A. In Exhibit No. 4 where we show a holding company, Berwin White Coal Manufacturing Company, as to the Windber Electric Corporation, that should read Berwin White Coal Mining Company. That corrects both Exhibits No. 2 and 4.

MR. EVANS. Thank you, Mr. Colledge.

Is the City of Pottsville ready to go ahead?

JUDGE H. O. BECHTEL noted his appearance for the City of Pottsville as city solicitor.

MR. BECHTEL. What is the method of procedure? To call witnesses or just to make a statement?

MR. EVANS. We have followed both methods. For instance the city solicitor in the case of the city of Chester made a statement for the city, and in other cases the mayor or other citizens have done so.

JUDGE BECHTEL. I would like to call George V. Teasdale.

GEORGE V. TEASDALE sworn.

MR. EVANS. If it pleased the Committee I think we would perhaps save time if we would allow Judge Bechtel as city solicitor to make a statement to the Committee on the facts, and then have that supplemented by evidence of any witnesses he desires to produce. I think we will perhaps save time that way. Would you be willing to do that, Mr. Bechtel?

JUDGE BECHTEL. Yes.

THE CHAIRMAN. You may retire for a moment, Mr. Teasdale.

JUDGE H. O. BECHTEL sworn.

JUDGE BECHTEL. We desire to protest first against the action in relation to the Pottsville Water Company. The company had operated under the old charter granted prior to the new constitution for the city of Pottsville, by virtue of which the city guarantees 6 per cent. of the stock of the company, which guarantee the city was released from if the company ever paid dividends of more than 6 per cent. on that stock.

The company increased its capital stock from time to time by stock dividends until the stockholders had their stock increased about four times. That was just to prevent the increase of the dividends so that the city of Pottsville would not be released from the guarantee. Then we had an agreement with them of which they were given privilege in the city and furnished water to the fire hydrants of the city of Pottsville free of charge. The city furnished the fire hydrants and installed them and serviced them. We had a hearing before the Public Service Commission in which the city and the citizens committee joined forces to prevent the increase of the rate, claiming it was not proper that they should be permitted to earn a return on this stock that had been given away for nothing. It was eventually decided in favor of the water company and the city of Pottsville is required to pay \$40.00 a plug, which I am informed by the superintendent of public safety, who is here, amounted to about \$8,000,000 a year, that we were paying for the privilege of having the water at the fire plugs. Those were paid for by us, and are our own plugs, and we service them ourselves.

In regard to the gas company—

MR. TURNER. May I ask, Judge Bechtel, if they upheld the former agreement after the guarantee so far as the free plugs were concerned?

JUDGE BECHTEL. Yes, that agreement was set aside and we have to pay for the plugs.

Later on and quite recently in fact, during that hearing counsel for the citizens committee, Judge Shay pointed out that the company had no right to furnish water to the different adjoining boroughs and railroad engines and one coal company because under their charter they could only furnish the city of Pottsville and they had not accepted the new constitution. Subsequent to that hearing and quite recently the water company surrendered its old charter and took out a new charter and it is now servicing this territory that was serviced before.

JUDGE BECHTEL. Now, I have Mr. Teasdale here, who was a member of that committee, and I can substantiate these facts by him.

GEORGE B. TEASDALE, sworn.

BY MR. EVANS:

Q. What position do you hold in the City of Pottsville?

A. I do not hold any position, public position. I was a member of the citizens committee which was organized to protest before the Public Service Commission against the increase in rates made in 1925.

Q. What did that increase amount to? For instance, take the case of a domestic consumer, have you got that?

A. I can not separate it, but the total increase has developed,—now, for instance, for the five years previous to 1925, when the new rates went into effect, the gross operating revenue was \$136,084. Under the new rates—

Q. That is per annum, I suppose?

A. Per annum, yes. Under the new rates, the gross operating income from April 1, 1925, to April 1, 1926, was \$227,628, or in other words an increase of \$91,000 or about 70 per cent, in the former rates.

Q. Had there been any considerable extensions of service which would account for that?

A. No, they had not built, but were building a new dam at Indian Run, and they gave that as the main reason for increasing the rates.

Q. When was this dam completed, as far as you remember?

A. It must have been completed, I think, about,—I am not certain, but about in 1926. It was under course of construction at the time they put the rates into effect, and they then issued a capital, they issued capital to the amount of

\$500,000 to their stockholders at par. The approximate cost of the dam was \$636,000.

Q. What is this dam being principally used for?

A. Well, it is used to supplement or augment the supply of the water company, wherever the water is required; but since the new dam has been built and the rates sustained by the Public Service Commission, the water company have made a connection with Schuylkill Haven, in order to help out Schuylkill Haven in its supply of water. Now, in the matter of the hearing before the Public Service Commission, they never divulged that they had in contemplation or expectation supplying Schuylkill Haven with water. They said the new dam was necessary in order to supply the then consumers, who were at that time the consumers.

Q. Did the Public Service Commission sustain the increase in rates filed by the company?

A. They dismissed the appeal entirely, sustained them absolutely. There was no reduction.

Q. What have you to say in regard to the fire protection rates?

MR. TURNER. Mr. Evans, might we ask, before you depart from that, was the attention of the Public Service Commission ever called to the fact that they were supplying Schuylkill Haven?

THE WITNESS: No, because, as I said a moment ago, the supplying to Schuylkill Haven never entered into the question.

MR. TURNER: But I mean afterwards, when you discovered it?

THE WITNESS: Not that I know of, no, because the matter had already been settled and the rates sustained before they made this connection. It was only about a year and a half or two years ago that they extended their line to Schuylkill Haven.

BY MR. EVANS:

Q. You were going to tell us something about the fire protection service.

A. About the fire protection, as has been stated by Judge Bechtel, the Act of Assembly under which the Pottsville Water Company was constituted, and an ordinance adopted by the then borough of Pottsville, in 1834, I think it was, provided that the city, so far as I can understand the language of it, was to have the supply of water, and they always did have the supply of water free of charge, from that time up to 1925. There was never any charge made to the city for supplying these fire hydrants.

Q. And the same ordinance provided for the guarantee of the six per cent?

A. It provided that in case in any one year the revenues of the water company were insufficient to pay the stockholders six per cent per annum on their stock, the paid in stock, the city would levy an assessment on the taxable property to make up the difference.

Q. And the city has fulfilled that obligation?

A. They were never called upon to do so, because the company has always been a paying concern, from the date of its inception right down to the present time; but the guarantee was there nevertheless.

Q. And then in these new rates that became effective in 1925 or 1926, what did the company charge for fire protection service?

A. \$40 for each fire hydrant, as has been said here. I understood it to be about \$8,000 in the city of Pottsville, and \$40 in each of the surrounding boroughs which they supplied, \$40 per hydrant.

Q. And it is a flat charge per hydrant?

A. Yes.

Q. Are you familiar at all with the capital structure of the Pottsville Water Company?

A. I am.

Q. Can you state to what extent the outstanding stock has been increased through stock dividends?

A. I can. I might say previous to that that when the company was organized in 1834, it was capitalized at \$20,000. In 1849 that was increased to \$50,000. In 1854 its capitalization was increased to \$200,000. Now, that remained the capitalization up until 1910, and the company paid during the entire, during its entire business career, approximately six per cent, an average on its capital stock,—some years a little more than that. In 1910 the company declared a 100 per cent stock dividend, which increased its capitalization to \$200,000. I

think two or three years previous to that time it was paying eight per cent, but I am not sure about that. At any rate, after increasing it to \$400,000, they continued paying dividends of six per cent for some years. I can give you that in a moment.

Q. I think by mistake you said that in 1910 they increased the capital stock to \$200,000. You mean \$400,000?

A. I meant increased it from \$200,000 to \$400,000. They increased it 100 per cent, making it \$400,000. They then paid six per cent on that stock, which was equivalent to 12 per cent on the actual capital invested in the company, from 1911 to 1913. They then paid eight per cent on that stock of \$400,000, which increased the return to the stockholders to 16 per cent, from 1914 to 1920. Then they declared another stock dividend of 100 per cent, which made the capitalization \$800,000. They then continued paying 6 per cent on the increased capitalization which was equivalent to 24 per cent of the actual cash invested up to 1925. Now there had never been anything more than \$200,000 of actual cash capital put into the company.

BY MR. TURNER:

Q. Had there been an improvement or extensions during this time.

A. Out of earnings, yes, sir. For example, they built the Kauffman Dam in 1893, which cost them \$207,055. From 1903 to 1910 they built the Wolf Creek Dam, which cost them \$478,102. Now these expenditures were made out of the earnings in addition to paying the dividends that I spoke of. That made a total there of \$685,227 in those two items alone. There were other minor improvements, and of course all their mains and pipe lines or extensions made were made out of the earnings of the company under the old rates.

Q. What value did the Public Service Commission put on the property for rate making purposes, if you remember?

A. They did not put any value on it, they simply dismissed our appeal. The evidence submitted by the Pottsville Water Company—let me see, I think I have that here,—fixed the valuation at \$4,695,479.

MR. EVANS. Repeat that, if you will?

A. The company, through its engineers and accountants, fixed the valuation of their property, the complete property, at \$4,695,479.

BY MR. EVANS:

Q. Has the company recently made any increase in its plant from earned surplus.

A. I don't know of anything of any consequence, except perhaps extension lines. This extension of the line to Schuylkill Haven was one of the things.

Q. Do you know how much they put into Indian Run from their earnings.

A. The approximate cost of Indian Run Dam, the pump line, was \$636,000.

Q. Was that represented by new capital.

A. \$500,000 was new capital.

Q. When was that new capital put into the company.

A. 1925.

Q. That was from bonds.

A. No, an issue of capital stock at par. They have no bond issues.

Q. I think you said the 1925 was 100 per cent. stock dividend.

A. 1920.

Q. 1925 they actually issued stock.

A. Actually issued stock and that was paid for at par.

Q. That was issued at par.

A. Yes, \$500,000, so that their present capitalization is \$1,300,000.

BY MR. TURNER:

Q. As I understand it, the original company served only Pottsville, is that right.

A. I don't know. I can't say as to that, it was chartered to serve Pottsville, Port Carbon and St. Clair, as I remember it, but I am not positive about that. Originally it was chartered as a Pottsville corporation.

Q. Outside of this one extension you are talking about was there any other extension in other communities.

A. None except the immediate surroundings, for instance St. Clair and Port Carbon are at intermediate points between the Kauffman and Wolf Creek Dams and Pottsville. That came along the line of the main which would be required to supply Pottsville.



Q. How large a population does it serve?

A. Altogether I would say 35,000 to 40,000 people, roughly speaking. Pottsville's population is 25,000, and they are serving St. Clair, Port Carbon, Mt. Carbon, Mechanicsville and Seltzer City and the township north of Pottsville now, partially serving Schuylkill Haven. They have some water supply of their own, but roughly speaking I would say 35,000 to 40,000 people.

Q. How many, when they started in say, was the population?

A. I couldn't say that, it is too long ago, 1834, the town was comparatively small then.

Q. How large an increase has there been from 1920 to 1930?

A. The increase in population?

Q. Yes, take Pottsville as an average?

A. I think somewhere around 5,000. I am not positive about that either, some of the others here might be more familiar.

Q. The increase in population from 1920 to 1930 was around 5,000, about 20% increase?

A. That is my impression.

Q. How many rate increases have they had?

A. They never had a rate increase until 1925. The stockholders were content with the earnings they were making under the old rate and with the guarantee if it did not earn that rate, they had Pottsville to fall back upon to supply the deficit. As a matter of fact they not only earned the rate, but in addition to that they made all these extensions and built up a large surplus.

Q. It must have been a wonderfully managed concern?

A. Of course, it is probably well managed, on the other hand all these surpluses were actually paid out of the rates charged the consumers. If you charge the consumer enough the management does not cut so much ice.

BY MR. HAGMAIER:

Q. What does the average house cost—

A. The average home in the neighborhood of \$15, \$18. In my home I pay \$26 a year for my water service.

BY MR. TURNER:

Q. Under this rate?

A. Yes, previous to that rate I paid \$18.

Q. How large a house is that?

A. Six room house.

Q. One bath?

A. Yes, sir.

Q. Laundry?

A. Two toilets, laundry tubs.

Q. Garage?

A. No garage, outside spigot to sprinkle the lawn or wash the pavement and so forth, each of those fixtures are charged for.

BY MR. EVANS:

A. A flat rate?

BY MR. TURNER:

Q. No meter?

A. They will not put any meter in, they will not install a meter for private homes, they refused.

BY MR. EVANS:

Q. Is this a gravity system or do they have to pump the water?

A. It is a gravity system from the Kauffman Dam, and the Wolf Dam. It is a pumping system from the Indian Run Dam.

Q. What is the par value of the stock of the company?

A. \$25 per share.

Q. Does the stock ever sell in the open market at Pottsville?

A. It does.

Q. Approximately what does it sell for?

A. Usually double that, around \$50 a share. It has sold as high as \$75 a share before these stock dividends were declared.

BY MR. TURNER:

Q. And has no bonded indebtedness?

A. No bonded indebtedness, no.

Q. The capitalization now is how much?

A. \$1,300,000. The people probably would not have protested against this rate, but on top of these stock dividends and the fact that they were able to earn and pay dividends

on that additional stock when they came along on top of that and asked for an increase of approximately 70% in the rates, of course it struck the people like a bolt of lightning out of a clear sky, they could not understand why they should ask for additional rates when they were able to do so well under the old rates.

BY MR. CRAWFORD:

Q. You haven't a bad rate as it is, you get your water pretty cheap?

A. That depends.

Q. If you would hear some of these other fellows in here.

A. As compared with some probably it is a good rate, as compared to some others not so good. For instance, in the City of Reading where the city owns its own water works, their rates are much lower than ours. If you compare it with the higher ones, the water rate appears good. If you compare it with the lower ones, it does not look so good. The question is should we be compelled to pay the rate, no matter what that rate may be, as long as they are making a reasonable return on their capital. If by reason of the location of these dams they can supply water at a lower rate, we are entitled to that rate.

Q. You are entitled to a just rate.

A. Yes.

MR. MOORE: Is the city of Pottsville still responsible for the six per cent or was that abrogated?

JUDGE BECHTEL: It was not abrogated by the Commission, but at that hearing the question was raised that the water company had no right to serve additional territory under the old charter, and as a result they took out a new charter, and that relieved the city of Pottsville from their guarantee on the stock.

BY MR. MOORE:

Q. You own the lines in Pottsville?

A. We put in the plugs; we put them in and service them and do everything in connection with servicing them. We pay forty dollars a year for having water at the plugs in the event that we need the water for a fire.

May I make a statement. For example for the Wolfe Creek Dam they purchased six hundred and forty-six acres which was purchased in 1923 at fifteen dollars per acre, but the engineer for the water company valued it at \$225 per acre.

BY MR. EVANS:

Q. What date was that purchased?

A. 1903 at \$15 an acre and in 1925 they put a valuation on it of \$225 per acre. There were six hundred and forty-six acres in that.

BY MR. TURNER:

Q. What does land in that community like that sell for?

A. If you took it as ordinary land, exclusive of the water, it would not be worth five dollars an acre. It is rough mountain land.

Q. Any coal rights under it?

A. No. Then they had another tract of five hundred and seventy-two acres purchased in 1923 at nineteen dollars per acre and that was valued at \$225 per acre. They had another tract, the Indian Run tract, of a thousand acres purchased in 1925 or 1926 at ten dollars an acre, which they valued at \$125 an acre. This is all mountain land, has nothing on it of any value, except the water, there are some few trees but not sufficient to be of any merchantable value. It is simply rocky mountain land with streams running through it. It seems to me that would be equal, you might say that would be equally right to put any value you wanted to on that. They have a monopoly, they have the lands, they have the right to serve the people, they have the right to establish the rates. They might put a value even more or less than that on the land, you can't go out and say you can buy land with the same amount of water to supply Pottsville. It can't be done.

BY MR. EVANS:

Q. Do you have any figures as to the cost of your fight before the Public Service Commission?

A. Yes; the citizens committee collected \$4,457, which they paid out in expenses for engineers and accountants and attorney fees and the city expended out of the city treasury \$5,653.72. This made a total cost to the people in round numbers of \$10,000 and a little more.

Q. Was it appealed to the Superior Court?

A. It was not.

Q. Can you state why no appeal was taken?

A. I think the general opinion was that it would not be worth while. We had expended so much money on this and accomplished nothing and we felt any additional expense would be hardly worth the candle.

Q. You gave us the gross earnings of the company prior to 1925 and after. Have you any information as to the net earnings of the company during the same period?

A. I have not.

Q. You don't know what the increase, if any, of the operating expense was?

A. Very naturally there was some increase, but the fact remains that there was plenty of revenue to pay six per cent on the capitalization and I am told they are now paying eight per cent.

Q. Do you know what the Commission found would be the net earnings of the company under the rate which they approved?

A. I do not know. I know as an actual fact—you say the net?

Q. Operating yes?

A. No I have only the gross.

Q. The Commission, I assume in making the valuation must have found that the net operating revenue of the company was not sufficient to make more than a seven per cent on the valuation which they felt they should have?

A. I don't know what their reasons were. They simply dismissed our appeal.

Q. They didn't file any report?

A. Not that I know of.

MR. TURNER: We can call for the record.

MR. MOORE: Mr. Evans, if it is pertinent, I can give the official figures on the population of Pottsville for the last two decades.

MR. EVANS: I think it would be well to read it into the record.

MR. MOORE: In the 1830 census it was 24,300; in the 1920 census it was 21,870; in the 1910 census it was 20,236.

JOHN B. DENGLER sworn.

BY MR. EVANS:

Q. You are the Mayor of the city of Pottsville?

A. Yes sir.

Q. In regard to the charge made by the company for the fire plugs, were any statements made to you by representatives of the company in regard to the reason for that charge?

A. When we started to fight them on these rates they came to Council and made a statement that they was willing for the city to have the water free but the Public Service Commission forced it upon them.

Q. Did the Public Service Commission require them to make a charge?

A. Yes sir of forty dollars.

Q. Can you state who made that statement to Council on behalf of the company.

A. Why, I guess that was Mr. Beisel.

Q. Do you know his first name?

A. Norman B. Beisel.

Q. What position did he hold with the water company at that time?

A. He was the engineer and at the head of it.

Q. And that statement was made to the city council?

A. On the council floor.

Q. You heard it made?

A. Yes, and others heard it made. In fact, last night I was talking to Nelse Clayton—

Q. Who was Mr. Nelson Clayton?

A. He is superintendent of the Pottsville Water Company.

Q. What did he say.

A. Why, I told him we were over here and making a protest on the rates they charged in this city on the fire plugs, and I asked him over and he said over the phone he didn't care what we would do on that, as much as to say it would be satisfactory if we would not have the rate. Mr. Wilson heard the conversation over the phone at the same time.

BY JUDGE BECHTEL:

Q. He said he wished you luck?

A. Yes.

BY MR. EVANS:

Q. Mr. Dengler, is Mr. Beisel still connected with the company?

A. Yes.

Q. And he lives in Pottsville, does he?

A. Yes.

MR. EVANS: That is all, Mr. Dengler.

JUDGE BECHTEL: In corroboration of what has been testified to I have here the superintendent of finance who was a member of council at that time and who was present during that conversation.

THOMAS B. SHOENER, sworn.

BY MR. EVANS:

Q. Mr. Shoener, what position do you hold?

A. Superintendent of finance.

Q. Of the city of Pottsville?

A. Yes.

Q. You were a member of council when Mr. Beisel made the statement to which Mayor Dengler has referred?

A. Yes, it was at a meeting in council, we were all gathered together in the council chamber, and Nelson Clayton was there and Mr. Beisel, and members of council, we were talking over these things and he made the statement at that time, that the Public Service Commission has forced them to charge the rate on the fire plugs.

BY MR. BECHTEL:

Q. Do you know what the city paid for the fire plugs?

A. May I look at the book?

Q. Yes.

A. For the year 1929, we paid for the fire plugs \$7,841.32, although a number of those plugs were never used at all. We had to pay \$40.00 just the same. Last year we paid \$7,992.63 for the water rent, although there was not many plugs used, we paid \$40.00 just the same, whether we used them or not. We bought our own plugs. If I may say this, we have a half mill tax that we have to assess in Pottsville to make this up, it amounts to half a mill. The valuation is a little over \$16,000,000, and to make this up we have a half mill on our taxes.

BY MR. EVANS:

Q. Mr. Shoener, have you had any difficulty with the Pottsville Water Company in regard to extensions which the city desired made?

A. Yes, I live in the same ward of the city of Pottsville, and the people out in what we call Hillside Road have asked me a number of times to see if we could not have the water put out there. They live in the city there, are assessed the same rate of tax, and they have no fire plugs, no fire service, no water service of any kind. In fact, there is a drought out there all the time, although there is water furnished I should say to the Sherman Colliery, which is possibly only a couple hundred yards from the nearest house on this road, and on this road there is a number of nice homes, and they have to depend entirely upon their springs, and wells for their water, and they have asked me a number of times to see whether we could get it. They have been promised the last four years—I am in council four years now—and they promised during all the time since I have been in it would be done, and they have always had some reason why it was not done. Prior to that time I was committeeman in the ward—prior to that time—and they were after me for water for eight or ten years, why I cannot get them water.

Q. Has this matter ever been taken up with the Public Service Commission?

A. No, not that I know of, no sir. No, it was just brought before counsel a number of times. It was taken up by the people before this Commission, I believe. I believe they sent a petition here, I don't know who they sent it to, but there was a petition drawn up by these residents and sent to Harrisburg, but who it was, I cannot say, but there was a petition drawn up.

Q. Can you say why this matter has not been taken up with the Public Service Commission?

A. Well, the only reason I can see is they said this Spring a committee would come before council—they had had it in before council I guess about three times. The residents that live on that road, and every time council would get the o. k. from the water company, as much as it was going to be done in the spring. Well, the spring comes, and there is nothing done.



and they would say it would be done before the fall or winter. I can only say that from the time I have been in council, and this is the fourth year,—

Q. And this petition was sent where?

A. The petition was sent to Harrisburg, whom he sent it to I don't know. Frank Miller, he is now dead, but he was the man who drewed it up and had it sent here.

MR. EVANS: I think that is all. Mr. Shoener.

MR. BECHTEL: I desire to call Mr. McKnight, who has been manager of the Pottsville Gas Company for a number of years, and have him testify to the rates for gas and the company's valuation, with your permission.

J. J. MCKNIGHT, sworn.

BY MR. EVANS:

Q. Mr. McKnight, you formerly held a position with the Pottsville Gas Company?

A. Yes.

Q. What position was that?

A. General manager.

Q. How long did you hold that position?

A. From 1908 up until 1927.

Q. What rates does the Pottsville Gas Company charge domestic consumers in Pottsville?

A. A \$2 rate.

Q. \$2 per thousand cubic feet?

A. Yes. Let me make a correction there. I started with the gas company in 1902, and 1908 I was made general manager.

Q. Are you familiar with the plant of the gas company?

A. Yes.

Q. And the capital structure of the company?

A. To a certain degree.

Q. What was the capital of the company?

A. In 1902 when I started with the company, it was \$200,000.

Q. And what increases have been made since?

A. I think in about 1920 it was increased to \$400,000.

Q. Was that new capital or stock dividends.

A. Stock dividends.

Q. A hundred per cent stock dividend; have there been any further increases?

A. I don't think so, only the sale of the property.

Q. When was the stock of the company sold, that you refer to?

A. In the spring of 1927.

Q. Do you know what interests purchased it at that time?

A. The new company paid \$800,000 for the plant.

Q. Well, what is the new company? Is it also called the Pottsville Gas Company?

A. It is called the Pottsville Gas Company, but it is a Chicago concern that owns it, that bought it. Central Public Service of Chicago.

Q. Did the company, while you were general manager, ever have its property valued?

A. Yes, sir.

Q. When?

A. In 1919.

Q. What was the value placed on it by the company's engineers?

A. \$237,000, I think it was.

Q. Are you familiar with any extensions and betterments that have been made since that time?

A. Oh, yes. I was with the company from the time of that appraisal up to 1927.

Q. Can you give us in a dollar figure approximately the amount spent for extensions and betterments from nineteen—

A. No, I couldn't give you any dollar figures, but every year we made a certain amount of extensions, main extensions and new meters and meter connections and so forth.

Q. From your knowledge of the business, can you give us what you think is an approximate figure of the plant value in 1927, when you left it?

A. I would imagine at that time the real value of the plant—of course, it was built up from the earnings—\$200,000.

Q. Do you mean \$200,000 total or—

A. Total yes.

Q. And you say the Central Public Service Company, in purchasing it, paid \$800,000 for it?

A. Yes.

Q. Do you know what dividends the company has been paying during these years?

A. No, sir. I know that the auditor said that it was a very difficult task for him to juggle the accounts in order to file a report in Harrisburg every year. He said that was some big job for him to do.

BY MR. TURNER:

Q. This was the auditor of the old company?

A. Yes, on the \$400,000 investment.

Q. Well, you said a moment ago that the company's engineers had valued it at \$287,000?

A. Yes.

Q. In 1920?

A. It was not the company engineer, it was an expert engineer from Philadelphia.

Q. In 1920?

A. 1919.

Q. Now you said a minute ago in 1920 you had valued it at \$200,000.

MR. EVANS: 1927.

MR. TURNER: Or 1927, yes.

THE WITNESS: His valuation was based on a rate increase at that time, and very much inflated.

MR. TURNER: I see.

BY MR. EVANS:

Q. What has been the history of the rates of the company? What were they when you first went with them?

A. When I first went with them, they had a dual rate, a dollar rate for illuminating and \$1.25 for fuel, and I think in 1920 or later on, they increased it to \$1.25 and \$1.50,—\$1.25 for fuel and \$1.50 for illuminating. In 1919 or 1920, after that report was gotten up by the engineer, I think they got an increase from \$1.50 and \$1.25 up to \$2. At that time they did away with the two meter system.

Q. Have any complaints been filed against the rates of the company with the Public Service Commission that you know of?

A. Not that I know of. The papers don't have anything to say. You know, there is two rates there. Our papers, I think they get a 65 cent rate. They are pretty well satisfied.

Q. In other words—

A. The newspapers, you know.

Q. The newspapers are given a different rate?

A. Yes.

Q. Regardless of consumption?

A. No; it is based on consumption. But the ordinary consumer would never reach that consumption, you know. The rate was gotten up in order to satisfy the papers.

Q. In other words, it is a block system of rates?

A. Yes.

Q. Do you know what the charge of \$2 covers in the way of consumption, how many thousand cubic feet?

A. The \$2. I don't know. It is probably all over 25,000, it used to be.

Q. Well, who decides the newspapers get these reduced rates for large consumption?

A. Well, on account of that high block, our big hotel comes in, they get that rate, and a bakery in town.

Q. They are the larger consumers?

A. Yes, and they are entitled to it, because they reach that high consumption.

Q. Well, as I understand it, Mr. McKnight, anyone who reaches a certain consumption gets a certain rate?

A. Yes.

Q. Whether it is a newspaper or hotel, or whatever it might be?

A. Yes.

BY MR. TURNER:

Q. But do the newspapers reach that rate?

A. Yes. At the time that was taken into consideration, that they would get in on that.

BY MR. CRAWFORD:

Q. But every consumer who consumes that amount of gas gets the same rate, though?

A. Yes.

BY MR. EVANS:

Q. And you do not know how large a consumption you have to have in order to get that 65 cent rate?

A. No, but that is on the file, you know. The rates. It is a very large consumption. Up until that time, you know, we had a lot of trouble with the paper, you know, knocking the company, rotten gas, low b. t. u's, poor service and so forth.

Q. Are you familiar at all with the steam heat situation in Pottsville?

A. Up until a year ago I was a director in the company.

Q. What company serves steam heat in Pottsville?

A. A new company. It was bought up last fall. We sold our stock to a new concern.

Q. What is the name of the company?

A. Pottsville Steam Heat and Power.

Q. What is the capitalization of that company?

A. I think a little over a year ago, I think it was capitalized at \$70,000.

Q. Was that the initial capitalization?

A. I think so, yes.

Q. Have there been any stock dividends declared since that time?

A. Last year a 25 per cent. stock dividend.

Q. Any others?

A. And they have notified their stockholders this year that there will be a 25 per cent. dividend this year.

Q. You spoke of a change in control in the company a year ago. To whom was the company sold?

A. To local men.

Q. What are the rates charged for steam?

A. I can not give you that.

Q. Do you know anything about dividends paid by the company?

A. Stock dividends, last year, and—

Q. Have cash dividends been paid?

A. No, just stock dividends. Well, they pay eight per cent.

Q. Do you know anything about the cost of the plant?

A. No, sir.

Q. What is the par value of the stock, Mr. McKnight?

A. \$50.

Q. Is the stock sold in the open market in Pottsville?

A. Yes.

Q. What did it sell for prior to this sale, approximately?

A. \$105, \$115, the new company paid \$115.

Q. What did it sell for prior to that time?

A. \$65, \$75. Within six months before it was purchased, I think you could buy stock for \$65 or \$75.

Q. The par is \$50?

A. \$50.

BY MR. CRAWFORD:

Q. Who was the original company in the water plant?

A. The original company was Pottsville capital.

Q. Local people?

A. Yes, sir.

Q. You say that stock was worth about \$200,000?

A. Yes, sir.

Q. How much did you get for it?

A. About 1900. C. P. King and Company of Philadelphia bought the plant. I wasn't there at that time, at that time I was in Bethlehem working for a gas company in Bethlehem and I was sent to Pottsville by that company and I heard it talked around that that Mr. King squeezed the little stockholders, that he got the stock for almost nothing. That was in 1902 that I arrived there.

Q. You haven't any idea what he paid for it?

A. He got it as low as \$10 a share.

Q. What was the actual value of that stock at the time it was sold to this last company?

A. The plant was not worth any more than \$200,000.

Q. What did they pay for it?

A. They paid \$800,000.

Q. And the local stockholders there got the benefit of that?

A. No, it was owned by Philadelphia capital at that time. Up until 1928 it was a bond company, bonded, and then it changed hands on account of conditions and C. P. King robbing the plant it passed into the hands of the bondholders and they changed it to a stock company.

Q. And this little heating plant that you say was worth \$70,000, what did that bring?

A. \$115 per share.

Q. What would that be at the rate of \$70.00, what would be the actual value per share?

A. I don't know.

BY MR. EVANS:

Q. And how many shares of stock were there outstanding?

A. I don't know how many were outstanding.

Q. Was it sold for more than it was worth?

A. Well it was a good plant and any plant is good that has a high rate, any gas company that is getting a high rate, it is a good plant, or steam heat. It all depends upon the rate you are getting whether it is a good plant or poor plant.

Q. Mr. McKnight, following out Mr. Crawford's question, as I understand it, the Steam Heat Company had a capital of \$70,000?

A. Yes, sir.

Q. And that represented an investment in the plant?

A. Yes, sir, and they had forty or fifty thousand dollars in the treasury besides.

Q. And the par of the stock was \$50 a share?

A. Yes, sir.

Q. So there were 1400 shares at \$50 a share?

A. Yes, sir.

Q. 1400 shares were sold at \$115 a share to the new owners?

A. There were more than 1400 at that time, because they had declared a stock dividend.

Q. They declared a stock dividend of 25 per cent?

A. 25 per cent, yes, sir.

Q. So there would be 1750 shares outstanding at \$115 a share and since that time there has been another stock dividend of 25 per cent?

A. My father-in-law owned stock and he got a notice a week or two ago that there was going to be another stock dividend besides the 8 per cent. that they paid on the stock.

BY MR. CRAWFORD:

Q. Did I understand you to say that they used the B. T. U. on the gas?

A. I said that the newspapers used to razz the company on the B. T. U. and the rotten service and so on up until the time they got this fair rate.

Q. You said rotten gas, did you not?

A. Yes.

MR. EVANS: The newspapers complained of that until they got the 65 cent rate.

THE CHAIRMAN: Are there representatives here of any other boroughs or cities that wish to be heard at this time? I thought possibly some that were over here yesterday and did not get heard, might want to appear today.

B. FRANK MORGAL, sworn.

BY MR. EVANS:

Q. Mr. Morgal, you are Chief of the Bureau of Accounts and Statistics of the Public Service Commission?

A. I am.

Q. How long have you held that position?

A. Since 1923.

Q. And before that you were employed in the Bureau, were you not?

A. Before that I was employed in the Bureau, from 1914 to 1923, in various capacities as Senior and Junior Accountant.

Q. What in general are the duties and functions of the Bureau of Accounts and Statistics?

A. The duties of the Bureau of Accounts and Statistics are first to formulate and prescribe uniform systems of accounts for the various public service companies under the Commission's jurisdiction, secondly to formulate annual reports based upon those systems of accounts upon which form the companies file their annual returns with the Commission; thirdly, to conduct field audits of the books and accounts of public service companies. By field audits I mean going into a detailed examination of their accounts, capital, revenue, expenses, income and surplus accounts; and the fourth duty is to make a study and digest, both before hearing on cases scheduled for hearing, a study and digest of the records following the hearing and conclusion of the case. We also in the Bureau of Accounts handle the certificate of notification work, involving the issuance of securities. We carry on all the personal budgetary work of the Commission, prepare a financial statement and have charge of all the duplicating processes of the Commission. I think, in general, Mr. Evans, that covers it.



Q. How many employees are there in the Bureau of Accounts and Statistics?

A. At the present time there are twenty-eight including myself.

Q. And that has remained about the same during the past five years?

A. I think it has. We are preparing a statement now at the request of this committee which will show that. I think that in 1926 we had—I don't want to make a definite statement—by my recollection is that there was around seventeen or eighteen or maybe twenty.

Q. Mr. Morgal, the various utilities that are subject to the Commission's jurisdiction are compelled to make annual reports which are filed with your bureau?

A. That is right.

Q. And you have these reports examined as they are filed, or as many of them as you can?

A. We do not have them examined. The staff has not been sufficient to do it.

BY MR. TURNER:

Q. How many reports do you get annually?

A. Between three thousand and thirty-five hundred.

BY MR. EVANS:

Q. Turning specifically to the electric company reports, these are divided, are they not, between Class A and Class B companies in your classification?

A. That is correct. I believe those having revenues in excess of \$250,000.

Q. Do you know approximately how many Class A companies there are that file reports?

A. I could not say. I don't know. Class A and B at the present time runs somewhere around a hundred reports.

Q. Will you check that up?

A. I will be glad to. I have prepared so many statistics it is hard to hold them all.

Q. The reason I ask that is that Mr. Colledge filed with the committee yesterday Exhibit 2 covering fifty-three companies in Class A and Class B, and has testified that these comprise all the Class A and Class B companies except two?

A. I would accept Mr. Colledge's statement on that. It is possible that the figure I had in mind may take in all the classes down to C and D.

Q. Now, it has been the practice, has it not, of the Bureau to make analyses and studies or some or all of these reports and check the companies from time to time?

A. It has been our practice whenever we can get to it, but it has been very seldom that we have had an opportunity to do any checking of annual reports because of the pressure of routine assignments from the Commission which utilizes practically all our time, and of course whenever we would go to check our annual report, it takes a highly qualified man to check an annual report and do it properly. It is not just a matter of adding up totals and comparing one schedule with another. It is a matter of looking at the picture as a whole, particularly if you are looking at it from a rate standpoint.

Q. Has the Bureau during the last five years prepared any summaries or analyses of the annual report of any electric companies either Class A or Class B?

A. We have for the use of the electric rate committee from time to time beginning, my recollection it, late in 1929 or early 1930, we have prepared some studies of the electric companies as the result of which the electric rate committee has taken action from time to time in directing the Bureau to examine the books, and in some few cases I believe we filed formal complaints against these companies.

Q. Have you copies of these summaries or reports that you made?

A. I have a rough pencil copy. We didn't run them off because we adjusted them from time to time as new tariffs came in, and as we collected more information we added it to the sheet.

Q. Who are the members of the electric rate committee?

A. Commissioner Charles H. Young is the Chairman, and Commissioners Benn and Brown are the other members.

Q. And have you copies of any reports furnished to them during these past five years?

A. On specific companies?

Q. Any reports at all?

A. I have no reports we made on the companies, but I have the audit report prepared at their direction. I do have the summary of the companies that we were directed to examine by that electric rate committee.

Q. Will you produce to the committee copies of any reports that you have furnished to members of the Commission covering either Class A or Class B electric companies?

A. Audit reports?

Q. Yes, either summarized or audit reports?

A. I will be glad to do that.

Q. What is this statement?

A. It shows there that some twenty companies which the commission directed the Bureau to examine the books and accounts. Four of these companies there were formal complaints filed against. The remaining sixteen were inquisitorial proceedings and all of them are still pending. They are at various stages as far as the Bureau work is concerned.

BY MR. TURNER:

Q. Are they on the list which we had yesterday?

A. I think all of them are on the list.

BY MR. EVANS:

Q. Will you just read over the list that you have covered according to this report.

A. Scranton Electric Company.

Edison Power and Light Company of York.

Abington Electric Company.

Renovo-Edison Light and Power Company.

Fulton Electric, Light, Heat and Power Company.

Chester Valley Electric Company.

Glen Rock Light and Power Company.

Keystone Public Service Company.

Penn Central Light and Power.

Chester County Light and Power Company.

Erie County Electric Company.

Erie Lighting Company.

South Penn Power Company.

Mauch Chunk Power and Electric Light Company.

Bradford Electric Company.

Gallitzin Electric Company.

Hershey Electric Company.

Palmerton Lighting Company.

Wellsboro Electric Company.

Windber Electric Corporation.

Q. Can you tell us the ones in which formal complaints were filed?

A. Formal complaints were filed against:

Scranton Electric Company, Edison Power and Light Company of York.

Abington Electric Company.

BY MR. TURNER:

Q. Is that the one owned by the Middle-West Utilities?

A. Yes, sir.

And The Renovo-Edison Light, Heat and Power Company.

Q. Can you tell us when these complaints were filed, Mr. Morgal?

A. Yes, I can tell you when each one of them was filed.

MR. EVANS: May I just ask the question; when the Bureau was first directed to make these examinations?

THE WITNESS: The Scranton Electric, February 10, 1930; Edison Light and Power, March 10, 1930; Abington Light and Power Company, June 19, 1930; Renova Edison Company, June 19, 1930. Do you want the dates upon which the complaints were filed?

BY MR. EVANS:

Q. Go ahead and give us all the dates for all the complaints that you have here?

A. Fulton Electric, March 20, 1930; Chester Valley Electric, March 25, 1930; Glen Rock Electric, March 18, 1930; The Keystone Public Service Company, March 20, 1930; Penn Central Light & Power, March 25, 1930.

Q. And then the remaining companies?

A. And then the remaining companies under date of March 25th, 1930.

Q. In other words, Mr. Morgal, as I understand it, the first date that you were directed to make any such reports to the Committee or to the Commission was on February 10, 1930, for the Scranton Electric Company?

A. Not necessarily to the Committee. That was the first date on which we were directed to make a field examination of any of these companies, but we were doing work for the Electric Rate Committee before that time.

Q. And was the occasion for the Scranton Electric examination the disclosures that were made before the Federal Trade Commission in their examination of that company's accounts?

A. I don't believe they were. I have no reason to believe they were, because the Scranton Electric Company came to our attention along with all the rest of these examinations.

Q. Will you state the dates when these reports have been submitted by the Bureau to the Electric Rate Committee?

A. The Bureau's field reports in the Scranton Electric Company Case on May 22, 1930, and that report, by the way, was submitted in evidence in the formal complaint. The Edison Light & Power Case, the date of the Bureau's report was June 16, 1930; Abington Electric, the date of the Bureau's report was August 18, 1930; in the case of the Fulton Company, the date of the Bureau's report was September 2, 1930; Chester Valley on September 7, 1930; Glen Rock, July 21, 1930; Keystone Public Service, September 18, 1930; Penn Central Light and Power, December 23, 1930; Hershey Electric Company on February 9, 1931. The reports of the remaining companies are either in the course of preparation or the accountants are now working on them in the field.

Q. Can you state, Mr. Morgal, when the Commission first directed the Bureau of Accounts to make an examination of the accounts of the Scranton Electric Company? You stated that it was prior to February 10, 1930.

A. In the Scranton Electric Company Case it was prior to February 19, 1930, that the electric rate committee directed the Bureau to make studies of all electric companies.

Q. When was the Bureau first directed to make a report on the Scranton Electric Company?

A. I have the date here, February 10, 1930. I would like to check that, but I feel that is correct.

Q. Now, as a result of these reports have there been any reductions in the rates, resulting from any of these facts?

A. In the case of the Scranton Electric Company there has been a reduction estimated at approximately \$750,000 annually, that is, in revenues.

Q. When was that reduction made?

A. I think the effective date of the tariff was November 1, 1930.

Q. And what rates did it primarily effect?

A. I think largely residential and commercial.

Q. And what other reductions have been made as a result of your examination?

A. That Scranton Electric Complaint, however, is still pending, it has not been disposed of, awaiting the actual experience in the reduction of rates.

Q. But your estimate of the annual reduction, effective November 1, 1930, is \$750,000, in the Scranton Electric Company Case?

A. That was the company's estimate, not mine.

Q. Now, what other reductions have there been as a result of your reports?

A. As a result of the formal proceedings against the Edison Light & Power Company, the company on November 1, 1930, filed a new tariff reducing its residence and commercial rates to an extent of about \$126,000 in revenue, as estimated by the company.

Q. All right, will you give us any others?

A. In the case of the Abington Electric Company, they filed a tariff reducing the rates on their own estimate by about \$14,000. The Fulton Electric Company about \$900 that is just a small company, rural company. The Chester Valley Company filed reductions amounting to approximately \$54,000.

Q. What date was that effective?

A. August 1, 1930. The Glen Rock Electric Company filed reductions on November 1, 1930, amounting to approximately \$20,000. These reductions in all cases largely representing reductions of residential and commercial consumers.

MR. EVANS: I understand you will be good enough, Mr. Morgal, to furnish us with 30 copies of that statement?

THE WITNESS: I will do that.

BY MR. EVANS:

Q. Can you recall any reductions in electric company rates made as a result of audits of your bureau at the request of the Commission prior to 1930 and, say, subsequent to 1926?

A. I can not recall any offhand. We have so many of these audits and activities that it is very hard to remember them all. I will be glad to check it and let you know.

MR. EVANS: All right, if you will, I will be obliged. You are going to submit to us copy of all reports that you have made to the Commission, and then perhaps you can at that time say whether reductions in rates resulted from those reports?

THE WITNESS: Yes, sir.

BY MR. EVANS:

Q. Mr. Morgal, I show you copy of Exhibit No. 2, introduced yesterday by Mr. Colledge, showing the over-all return of some 53 Class A and B electric companies for the year 1929. Mr. Colledge has placed in the record, of which you will also be furnished a copy, the supporting data for each of these. It is my understanding that you have already checked in the bureau the reports of six of these companies for the Senate committee.

A. That is correct.

Q. Did you find them correct?

A. I found in the six companies that I checked for the Senate committee that the arithmetical calculations laid before that committee were correct, but the premises upon which they are based are not correct, from a rate making standpoint. That is, I mean to say that from the standpoint of a rate base as it is determined by the commissions and appellate courts—

Q. Well, Mr. Morgal, the report does not attempt to show whether or not the companies are earning more than a fair return on the fair value of their property as determined for rate making purposes, but merely whether or not the companies, on the basis of their fixed capital shown by their books, less reserve for depreciation, are making more than a seven per cent return or what return they are making.

A. It is true the annual report shows neither an estimated fair value by the company or a fair value that might have ever been found by the Commission, nor do they show the reproduction cost of the property or any of the other elements of value which are ordinarily taken into consideration in fixing a rate of return.

Q. What do you conceive to be the purpose of the companies' filing annual reports with the bureau?

A. I conceive it to be the purpose to set out exactly what the books of the company show, both on fixed capital, operating revenues and operating expenses.

Q. And to give the Commission information as to the results of the companies' operations, is that not true?

A. Results of the companies' operations and financial status.

Q. And so far as the reports indicate, whether or not the companies' earnings are excessive, is not the method which Mr. Colledge has followed, in your opinion, as good a method as is available?

A. It is a method that might be used to some extent to guide the Commission's attention to these matters, but it is not and has proven to be not at all conclusive, for the reason largely that these book values or book costs, or whatever you call them, as they are found in an annual report, are not at all reliable, as our bureau experience has disclosed, in many instances, in examining the books and accounts of these public utilities, particularly prior to the time when the uniform accounting method became mandatory, that the companies did not keep their books and accounts in good shape, they did not have the proper distinction between capital and income, and therefore a book value built up over a long period of time is rather unreliable as a basis for fixing rates, and it, of course, is only one of the elements, after you have it, that are recognized by the courts in fixing the fair value upon which the rate of return is based.

Q. It also is true, Mr. Morgal, is it not, that the book value of the fixed assets of the company, as shown by their annual reports, may be far too high for rate making purposes?

A. That is true, yes, sir.

Q. And this results wherever a company purchases a property at an excessive valuation, does it not?

A. I would not say it results in every case. It may result.

Q. Will you explain why it does not result when the price paid for the property of the other company is excessive? Doesn't that price go into fixed capital?

A. It depends upon the way they record it. Now, I can not say the way they record it.

Q. Well, is it not usual to include the price paid for the property purchased in fixed capital account?



A. It is sometimes done that way. I would not say in the preponderance of cases it is done that way. Sometimes the properties are brought over at old book values. Sometimes they are brought over at consideration.

BY MR. TURNER:

Q. Is there anything on these reports that would indicate that?

A. Not on the annual reports, no, sir.

Q. You would only find that by your field work?

A. Only by our field work, and by analysis, and files of the formal proceedings involving purchases and sales that come before the Commission.

Q. What do you say at one place that the Commission has no power to regulate the sales so far as securities are concerned and in the next place you talk about regulating sales?

A. We have no jurisdiction over the issuance of securities, but the Commission does have jurisdiction—I am not a lawyer, understand—but the Commission does have jurisdiction over the sale of the property of one public service company to another public service company.

Q. May that not involve an issuance of securities?

A. It may or it may not.

Q. In such cases would they have jurisdiction over the issuance of securities?

A. That is a legal question I cannot answer.

BY MR. EVANS:

Q. Mr. Morgal, Mr. John H. Bickley was at one time employed in the Accounting Bureau of the Commission, was he not?

A. He was.

Q. He has recently been employed by the Federal Trade Commission and is one of their expert accountants, is he not?

A. I believe he is, yes, sir.

Q. Are you familiar with the testimony that he gave before the Federal Trade Commission on the Scranton Electric case?

A. I am not. I have gotten a set of those reports but I have not had time to read them.

Q. You don't know the date when he testified before the Federal Trade Commission as to the Scranton Electric Company and submitted his full report?

A. I recall having read it in the paper, but I don't know the date that took place.

Q. Mr. Morgal, will you be good enough to have this Exhibit No. 2 checked and if you find any errors in it call the attention of the Committee to those errors. You will have in connection with it the supporting data which Mr. Colledge gave the Committee yesterday.

A. I have a copy of Exhibit No. 2, I don't have the supporting data.

Q. That is in the record?

A. In this record.

Q. It is in the record of yesterday's hearing. They were all handled in exactly the same way as the six companies you have already checked. I might say for your information on that Mr. Colledge testified that where in some cases in Column 3 under the heading "Over-all Returns" figures are placed in parenthesis, as for instance, the Edison Electric Company at Lancaster shows first 19.42, then 19.6, the figures in parenthesis are over-all returns for rentals paid for these properties are not included in the company's operating expenses. That also appears I think in the testimony.

BY MR. TURNER:

Q. Mr. Morgal, would you have any data there that would give you this information as to whether the figures as contained here as to capital would be representative of actual investment, or whether it would be inflated or not?

A. I have not the data. You cannot get that data unless you would go into a detailed examination of the property and find its value for rate making purposes, and the base here used is only one of the factors that are customarily used in finding the valuation for rate making purposes. It really would involve getting a correct rate of return, it would involve a valuation of all these properties.

Q. As I understand it, what we are getting at here, is not valuation but the question of what is capital return, is that right?

MR. EVANS: Yes, return on fixed value.

MR. TURNER: It only shows earnings on fixed value and according to the reports that have been filed that fixed capital is book value, isn't that right, Mr. Evans?

MR. EVANS: That is correct.

MR. TURNER: The book value as shown by the reports?

WITNESS: That is right, but that value may be more or less. If we would launch into a rate making proposition on each one of these companies that value might be more or less.

BY MR. EVANS:

Q. Now, Mr. Morgal, let me ask you one or two questions: When, for instance, as in the case of the Abbington Electric Company, which you have checked, the report of the company for 1929 shows an over-all return of 28.5, would that not suggest to you as an accountant the possibility that its rates were too high?

A. It did, and as a result of our recommendation to the Electric Rate Committee that company was picked as one of them for investigation.

Q. Exactly, and that was never done until—I will not say never done, it was not done during the past five years, as far as you can remember, with regard to this company prior to June, 1930?

A. It was not done and we did not have the force and staff to do it. This, Mr. Evans, is all more or less research work. The burden of the examining work in that Bureau is tremendous, we have pressure on us all the time. The Commission assigns us work, as you know from your experience there "We want it by a certain date," and the pressure of assignments was such that we had no time for such research. I think we could go into it if we had the force and staff available to do it.

Q. Do not misunderstand me for a moment, I am not criticizing your Bureau, because I realize the pressure under which you work, from your own experience with you; what I do want to bring out is that there was a time in 1924, perhaps, when the Commission did request from your Bureau analyses of electric companies annual reports, did they not?

A. In 1924?

Q. Yes, you made such analyses from time to time.

A. I don't recall of any, I may if I check it up.

Q. If you check it up, I think you will find it, I happen to have some personal knowledge of that. What I want to find out is how frequently the Commission has requested that sort of information from you during the past five years. You furnished it to my knowledge with great efficiency in the past. Now, I notice that in the year 1930 the Commission has requested it of you and I want to find out to what extent that is a continuing process during the past five years?

MR. TURNER: Mr. Morgal, have you made any study as to the amount of force that it would require, additional force, it would require to keep up on such work of investigation?

A. I submitted some data to the Senate Investigating Committee as to what I feel the staff requirements ought to be.

BY MR. EVANS:

Q. I want to ask you this, one man, for instance, working on the electric reports, and merely reporting what the over-all return for the various companies is from year to year, he could cover a great deal more than the electric companies, could he not?

A. I think he could; it depends upon how far he went. If he merely sat down and made an arithmetical calculation, such as has been made by Mr. Colledge, that would not take him so long, but if he were to go into our book records and seek out all the sources of information that we have leading up to it, that might enable the Commission to fix a rate of return, that would be a very long and time consuming thing, it would take the services of several men and good men, men who would have to know the theory of rate making regulations from end to end.

Q. It would not, however, require that in order to suggest, as Exhibit No. 2 does, that certain companies may be earning excessive returns and require further investigation?

A. It would not take a man long to report that sort of a tabulation, but you realize, of course, Mr. Evans, that the suggestions there might lead you, in view of the unreliability of the data, might lead you into an expensive and unproductive fishing expedition, because of the fact that companies may not have the data on the books that they should have, that the books may not have been kept as they should have been, their

accounting may not have been absolutely correct, as we have found it in many instances, and we could pick out the high ones and might get some that when we investigated them we would find that the rates of return were O. K. on a proper rate basis.

Q. Now Mr. Morgal, it also is perfectly true that reports made through you or to your Bureau, that some of the companies whose return was grossly excessive, it might not appear so from the filed reports?

A. That is correct.

Q. I notice on this report that the Clarion River Power Company shows an over-all earning of 4.34. Do you consider that shows the actual return on the actual property?

A. I do not, knowing as I do the history from my book examination of that company. That instance proves my contention, Mr. Evans.

Q. You made a report on the Clarion River Power Company in 1925?

A. I did.

Q. You did that in conjunction with the accountants of the Federal Power Commission, I believe?

A. Yes sir.

Q. Have you been asked recently to make any reports on the Clarion River Power Company?

A. Reports for the Commission?

Q. Yes?

A. No sir.

Q. Has anything further been done to your knowledge relative to that situation since 1925?

A. In 1930 the Commission asked me to confer with the chief accountant, Mr. King, of the Federal Power Commission, as to the status of the proceedings before that Commission to determine the actual legitimate investment under the Federal Water Power Act, which I did and filed a short report with the Commission.

BY MR. TURNER:

Q. When in 1930?

A. I think March 1st, 1930.

BY MR. EVANS:

Q. Will you be good enough to produce for the committee the report of 1925 you have prepared, and also the report of 1930?

A. I have these all ready now under your general request.

BY MR. MOORE:

This hearing will now stand adjourned until March 18, 1931, at 2.00 o'clock P. M.

The hearing adjourned at 12.10 P. M.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment and to the call of the Honorable D. Glenn Moore, Chairman, the Committee met in the House Caucus Room on Wednesday, March 18, 1931, at 2.00 o'clock P. M.

There were present:

Messrs. D. Glenn Moore, Chairman

Bart Richards

Martin Memolo

Louis W. Hagmaier

Ellwood J. Turner

Frank L. Bowers

Chester H. Rhodes

Harry J. Crawford

Harold Evans, Esq.

Morris L. Cooke, Esq.

John J. Walker, Esq.

MR. MORGAL resumes witness stand.

BY MR. EVANS:

Q. Mr. Morgal, you were on the stand on Friday. I understand you have gone over the transcript of your testimony, are there any corrections you wish to make in it?

A. There are. On page 749 I stated that A and B companies were those with revenue in excess of \$250,000 per annum. I wish to correct that now by stating that Class A companies

are those with revenue in excess of \$250,000. per annum and class B companies are those with revenue between \$50,000 and \$250,000. per annum so that class A and B companies which comprise the companies with revenues in excess \$50,000.

On page 749 and on page 750 of my testimony the correct number of electric companies filing annual report for 1929 or a portion thereof was as follow:

Class A and B .....	61
Class B .....	51
Class C .....	20
Total .....	132

Q. How many of those companies that filed reports, how many of them in Class A and B that filed reports were for the full year?

A. I can tell you the ones you didn't cover.

Q. Suppose you give the ones not covered in Mr. Colledge's exhibits.

A. None of Class B and D and of Class A and B there were omitted the Altoona and Logan Valley Electric Railway Company, The Chester Valley Electric Company, the Delaware County Electric Company, which is included in the system report of the Philadelphia Electric Company.

The Lackawanna and Wyoming Valley Power Co.

The Northwest Electric Service Company of Pennsylvania.

The Philadelphia Electric Power Company.

The Susquehanna Electric Company.

The Susquehanna Power Company, the last three companies known as the companies included in the Conowingo project.

Q. And a part of the Philadelphia Electric System?

A. Yes sir.

Q. Then so far as you know the list of companies covered by Mr. Colledge's report covers all of Class A and B companies reporting for the year, 1929, with the exception of the two companies which combine street railway earnings and therefore should not be used.

A. I think there are three companies, Mr. Evans, which involve street railway earnings. The Altoona and Logan Valley Street Railway Company, The Lackawanna and Wyoming Valley Power Company and the Northwest Electric Public Service Company. And in addition to those three for some reason or other the Chester Valley Electric Company was omitted from Mr. Colledge's exhibits.

Q. Is that a part of some other system?

A. No sir. The Chester Valley Electric Company is a separate company. There is the Chester County Light and Power Company, but that company is included in Mr. Colledge's report.

On page 754 of my testimony, the third line the Galletzin Electric Company should be the Cresson Electric Light Company.

On page 754, in answer to a question by Representative Turner as to which one of the four companies against which the Commission filed formal complaints, I was controlled by the Midwest Utilities Company, the answer should have been, The Edison Power and Light Company of York. As the record now reads the name of the company given was Abbington Electric Company.

On pages 255 and 256 of my testimony various dates were stated in error.

Q. Will that not be corrected by the exhibits you are going to submit?

A. It will. There is one more correction. On page 758, I stated that the Scranton Electric Company complaint had not been adjusted pending actual experience under the reduced rate. I have found upon examination of the records that the case has been marked closed with the following comment: "The Commission may subsequently institute a new inquiry if the reports of the company show that the tariffs produce more than a fair return and are resulting in any other feature inequitable to the rate payer."

Q. On page 753 you refer to certain companies which had been investigated by your bureau during the year 1930. I think all of them are 1930. Have you now the copies of that tabulation?

A. I have. I would like to say that I have made some changes in these exhibits to bring them down to date.

MR. EVANS: We offer in evidence exhibit 5, this statement being headed "Public Service Commission. List of Electric



Companies under review by the Commission and its electric rate committee as of March 17, 1931."

Q. Mr. Morgal, you also were going to submit copies of the accounting report which you had submitted to the Commission on A and B Electric Companies. Have you got those report here or copies of them.

MR. TURNER: May we ask in the line "Submitted to Electric Rate Committee & Co." Does the "Co." refer to the Commission in this statement?

A. No sir, to company. The reports were submitted to the Company.

The first tabulation which the Bureau made contained a statistical analysis of certain electric companies for the year 1923 and was submitted under date of December 30, 1924. I have a copy of that report here.

Q. That study was made at the request of the Public Service Commission?

A. Yes sir. My recollection is that that study was made in connection with studies that at that time were being undertaken by the Commission with regard to rural electric facilities.

Q. And this report covers some forty electric companies?

A. It does.

Q. And shows in detail the earnings per share and considerable other information in regard to these companies?

A. It does, statistical information.

Q. Complete from the annual report from the companies to the Commission?

A. Yes sir.

Q. For instance, Table 2 of this report sheet for this year 1923, Duquesne Light Company was earning 19.29 per cent per share. The Edison Electric Company, 8.07 per share, and so on, some of the companies earning as high as 60 per cent a share?

A. I would like before I answer that question, Mr. Evans, to study the report. I have just picked this one out of the files.

Q. It purports to show that on the face?

A. Yes sir, but whether these earnings are gross earnings or whether they are net, and whether or not the outstanding capitalization is authorized I could not say unless I study the report.

MR. EVANS: This report is offered in evidence as Exhibit No. 6, being "Statistic Analysis of Selected Electric Light and Power Companies in Pennsylvania for the year 1923."

Q. Mr. Morgal, what is the next report?

A. The next report prepared apparently in connection with the same matters, that is the rural electric facilities, covered a study of the reports for 1923. This report, however, was dated June 10, 1925. I have not examined either of these reports and I am not sure whether they contain all classes of electric utilities. I think they contain the large and small companies as well.

Q. And this report also shows detailed information taken from the reports of some forty-two electric companies giving the book value of the electric companies, operating revenue, operating expense, annual depreciation, operating income, and the ratio of the operating income to the book value of the electric companies, does it not?

A. Yes, sir.

Q. Taking the current ratio of operating income to book value, it shows that the companies were earning, many of them, well over seven per cent on their book values, does it not?

A. It shows that some of them were earning over seven per cent on their book values.

Q. Again taking—first, the Duquesne Light Company, earnings, 11.34 per cent, the Edison Light & Power Company earnings, 12.47 per cent?

MR. TURNER: Mr. Evans, are these the same companies that Mr. Colledge gave us?

MR. EVANS: Many of them, but there are two or three that are not.

Q. What other reports have you submitted to the Commission analyzing the electric companies?

A. Under date of August 27, 1928, the Bureau submitted a survey with respect to the control, financial and operating characteristics of electric utilities operating in the State of Pennsylvania. This survey is a statistical analysis comprising two volumes, the first containing some texts and graphic

charts, and the second contains the details underlying the summary of the first volume.

Q. May I see a copy of that, Mr. Morgal?

MR. EVANS: I think it will save time, if the Committee please, if this be offered in evidence at the present time, and later when I have a chance to go over it I will ask Mr. Morgal any questions in regard to it that seem pertinent. Copies of this report were furnished to the members of the Commission on August 27, 1928. One was also furnished to Governor Fisher at that time.

MR. EVANS: We offer in evidence Exhibit 8.

Q. Mr. Morgal, what other figures if any do you have there?

A. During the year 1929, between April 1st, 1929, and the close of that year, the Bureau prepared certain summaries showing tentative returns and calculations for Class A electric companies based upon the annual reports for 1928.

Q. And this is the sheet which you now produce entitled "The Public Service Commission. Tentative Rate of Return Calculations for Class 'A' Electric Companies (Revenues in Excess of \$250,000), Operating in Pennsylvania, Based Upon Data Contained in Annual Reports for 1928."

A. It is.

Q. And this report showed the book value of the assets in one column and the tentative rate base, and in the final column the balance estimated as available for a fair return and the rate?

A. That is right.

Q. There are other columns in the statement, and they lead down to what net result?

A. This shows on the basis of this report rates of 8.57 for the Philadelphia Electric Company, including the Philadelphia Suburban Gas & Electric Company, 10.70 for the Erie County Electric Company, 9.04 for the Luzerne County Gas & Electric Company, and one company, the Edison Light and Power Company showed 36.25 per cent return, that being the highest I think on the sheet.

BY MR. TURNER:

Q. Are you going to offer that sheet in evidence?

A. Yes, I am.

MR. EVANS: We offer in evidence this Exhibit No. 9.

BY MR. EVANS:

Q. I would like to ask you, Mr. Morgal, whether it would be possible to furnish copies of this to the members of the Committee, or whether that is too much?

A. The copies are rather limited, I don't believe I have copies of it.

Q. Will you furnish as many copies as you find are available, and may I ask for copies of Exhibit No. 9 furnished to all the members of the Public Service Commission on or about the latter part of 1929?

A. I don't know whether they were furnished to all the members. There was a committee working at that time, studying electric rates in conjunction with certain studies that were made by the Bureau of Rates and Tariffs and by the Bureau of Engineering.

Q. Of whom did that committee consist?

A. The committee consisted of Mr. Ainey, Mr. Benn, and Mr. Collins.

Q. Was that known as an electric rate committee?

A. No, they functioned before the electric rate committee did.

Q. What was that committee known as?

A. I don't think they had any title.

BY MR. TURNER:

Q. When was the electric rate committee formed?

A. In February, 1930.

BY MR. EVANS:

Q. What other report have you?

A. The next report is a tentative calculation of the rate of return earned by Class A and B electric companies based on 1929. This data was brought together following April 1st, 1930, and brought down to date, say April 1st, 1930, because the studies were started following the time that the 1929 annual report came in.

Q. And when was this report submitted to the Commission?

A. It was never submitted to the rate committee in this particular form. We have worked at most times just on a work sheet because the data as it came in was being compiled

currently and we did not run the data off. This is a summary brought down to date of what has been furnished from time to time.

BY MR. RHODES:

Q. Who are the members of the rate committee?

MR. EVANS: It was testified to before, that the electric rate committee was composed of Commissioners Ainey, Benn and Brown.

MR. EVANS: We offer in evidence Exhibit 10, which is entitled a tentative calculation of Rate of Return Earned by Classes "A" and "B" Electric Companies based on 1929 Operations.

Q. Now Mr. Morgal, were there any other reports requested by the Commission, or members of the Commission, from your Bureau on the subject of electric rates during the last five years?

A. I may have made studies on individual companies for individual commissioners, but I believe these reports submitted here today comprise all the former reports that were made.

Q. Mr. Morgal, I take it from Exhibit 10 that the Commission has had for some time in its files practically the same information, or similar information, to that set forth by Mr. Colledge in his exhibits furnished to this Committee, and that you have checked his figures from these tabulations which your Bureau of Accounts had made?

A. I have not checked his figures from the medium of that statement, but I have made a separate study of his figures which I am prepared to testify on today.

Q. Turning to his figures, have you had an opportunity to check them since the last hearing?

MR. TURNER: I don't think that he has answered your question whether the commissioners did or did not have these figures in the past.

MR. EVANS: I think this exhibit will speak for itself. He said it was presented to the Commission in the spring of 1930.

MR. TURNER: You asked if the Commission had not had the same figures from which Mr. Colledge prepared his data?

MR. EVANS: He answered that by saying it was not the same, that he had not checked it from this report, and I take it that it was not the exact figures.

MR. MORGAL: In other words, the distinct data on which my statement is made is not quite the same as that used by Mr. Colledge.

MR. TURNER: That doesn't answer the question whether the Commission had the figures or not.

MR. MORGAL: The Commission had the figures or the electric rate committee had the figures in exhibit number 10 between April, 1930, and the present date.

BY MR. EVANS:

Q. This exhibit 10 shows for instance that the Chester County Light and Power Company was earning a rate of 10.71% on a tentative basis. The Delta Electric Power Company was earning 12.27% on a tentative basis. The Fleetwood and Kutztown Electric Light and Power Company was earning 17½% on a tentative basis. The Altoona and Logan Valley Electric Railways Company was earning 18.7% on a tentative basis. The Chester Valley Electric Company was earning 13.91% on a tentative basis. The Edison Light and Power Company was earning 28.85% on the same basis. The Glen Rock Electric Light and Power Company 15.76% on the same basis. The Keystone Public Service Company 20.84% on the same tentative basis, is that correct Mr. Morgal?

A. I think these are correct from the statement.

Q. Mr. Morgal, is there anything more on that?

A. I want to make a statement that these last two exhibits here are of course, the percentages are based on the depreciated book cost and they are not comparable to the Colledge exhibits in that they were not—in that different elements were taken into consideration in the preparation of them.

Q. Will you, for the information of the Committee, take exhibit number 10 and just state how that exhibit was prepared and the results that have been referred to and what was arrived at in regard to the rate of return. Just take a typical company?

A. The first column shows the undepreciated book value of fixed capital as of December 31, 1929. From that was deducted the accrued depreciation deducted at the close of that year.

Q. You say the accrued depreciation was deducted. You mean by that the depreciation reserve?

A. Yes sir, and the depreciated book value of the fixed capital at the close of 1929. There was added an estimated allowance for going concern value and another allowance for working capital.

Q. Neither of which are taken from the books of the company?

A. Only to the extent that we might have been able to determine that such items were deducted. All of these items have been included in the column entitled: "Tentative rate base." Then we took the operating revenues and from other operating expenses exclusive of state loan tax and added to it the adjusted non-operating income and rent for lease of properties and come down to the estimated balance available for return, and then the ratio of that balance to the tentative rate base was found and that result was called the rate of return on the tentative base.

Q. Then if I understand you correctly, so far as the base is concerned you differ from Mr. Colledge only in that, first, you added to the book value items which you estimated for going concern value and working value, and second, you did not deduct the amount expended for property under construction and which was not on December 31 in operation, is that correct?

A. I included the construction work in progress in my fixed capital.

Q. And Mr. Colledge did not?

A. He did not.

Q. And you included also going concern and working capital?

A. Correct.

Q. Is there any other difference so far as the base is concerned.

A. Not so far as the base is concerned. In my tabulation I did show the ratio of accrued reserve to the non-depreciated base.

Q. That did not enter into the final?

A. It did not. It was put there for the information of the Committee. I felt that it was a very important item in the determination of a solution of the question.

BY MR. COOKE:

Q. May I ask how you estimated that going concern item?

A. In most the instances here it has been included at ten per cent of undepreciated fixed capital except where we found that an appraisal had been recorded and that element had been recorded on the books. There were some fixed cases in which it had been recorded.

Q. Just a flat ten per cent?

A. That is an arbitrary ten per cent. That is an arbitrary ten per cent; in fact I have recorded this calculation as pointing only in a general way to the returns in the last column. Now you asked me whether I differ from Mr. Colledge in any of these point, Mr. Evans.

BY MR. EVANS:

Q. Insofar as the base is concerned?

A. In submitting this statement I don't want to be understood as putting this rate in as a proper rate base.

MR. EVANS: I think we understand that. They are put in for the information of the Commission as guide posts, so to speak, to determine what needs investigation and what perhaps does not need investigation.

MR. MORGAL: They were given to the Commission and the electric rate committee for what they were worth in pointing out what might be taken up for investigation on the Commission's own motion.

BY MR. EVANS:

Q. Turning to the calculations of the income of the company, will you explain briefly to the Committee how your method differed from Mr. Colledge's? You took first the gross operating revenues?

A. Yes, sir.

Q. So did he?

A. Yes sir.

Q. You then deducted the operating expenses?

A. I deducted the operating expenses exclusive of the State loans tax. He left that in. I took that out because it was not a proper allowance as an operating expense in a rate-making proceeding.



Q. And to that extent his operating income would have been slightly lower than yours by the amount of the State loans tax?

A. Yes sir.

Q. Now you also take into account certain other items and I am sure that Mr. Colledge did take those into account. Will you outline the difference there?

A. We took into consideration the adjusted non-operating income. By that I mean the income from the sale of appliances and other non-operating income. That from a study of the reports would seem to be includable. Our reason for including this item particularly the appliance income was that in many cases the sale of these appliances were on the books. Of course we had no way of determining whether they were or not, but we thought they ought to be included, and for the purposes of this calculation. There may be cases where they should be included and there may be cases where they should not be included.

Q. In other words, you included net operating income where you felt the property from which that was derived was included in the book value of the property. Did you include non-operating income consisting of dividends from the stocks of other companies?

A. No sir.

Q. What item upon operating income did you include?

A. Principally the merchandise sales and jobbing work income.

Q. You also speak of rentals, I think?

A. We included all the rentals as part of the expenses on the theory that if the company was leasing a property the value of that property was not booked. Of course, that is open to some criticism because if the Commission were valuing the property for rate-making purposes that would not add to the value of the property.

Q. Mr. Colledge also called attention to that item of rentals in his statement?

A. I think he did.

Q. Were there any other points of difference?

A. No, not in this statement.

Q. Now, have you any comments to make in regard to the accuracy of Mr. Colledge's figures which you checked?

A. I have gone over Mr. Colledge's Exhibit No. 2 and I desire to make the following comments:

The depreciated book value on which these rates of return shown in Exhibit No. 2 are calculated is the figures under the present fair value of the property for rate-making purposes.

Q. It may or it may not?

A. It may or it may not be. Therefore if the premises are incorrect, the rate of return must be incorrect.

Q. Let us be perfectly clear, all Mr. Colledge attempted to show was to show the rate of return on the book value of the property and not in any way to show what the fair valuation for rate-making purposes might be?

A. His exhibit shows there the return.

Q. It makes no statement what that return is on? In his statement he made it clear he was dealing entirely with book value.

A. I think I should make it clear that in checking Mr. Colledge's exhibit that the rate of return there found were not on the present fair value. They were on the depreciated book value as shown by these annual reports.

In the fourth column of Exhibit 2 entitled "Per cent. over 7 per cent" is a percentage on a percentage and the high percentage obtained in this column, I think it should be perfectly clear that the high percentage contained in that column bears no relation whatever to the base.

Q. I think that also is clear. That is the percentage of advance they show on a certain rate of over all on a certain amount.

A. As I said before the book value shows as a base for Exhibit 2, in Mr. Colledge's Exhibit 2, he did not take into consideration construction in progress. I feel that rate making calculations should take into consideration construction work in progress because an examination of the books of many of the companies discloses that they carry the construction work in progress into that account long after it has been placed in service and therefore in many cases all the portions of that cost are actually in service.

Q. Is that in accordance with the uniform system of accounting?

A. The uniform system of accounting provides that it shall be transferred from those accounts as soon as the work is completed. In many cases that is not done, because of companies hold it over awaiting the time when all the bills are in. The case in point, in Mr. Colledge's exhibit, is the Bedford Electric Light, Heat and Power Company. The base used by Mr. Colledge there, the depreciated base used was \$197,174, and at the same time, March 21, 1929, the company had \$258,474 of construction work in progress, more than the base used, which indicates that each one of these companies is and should be a separate study.

Q. Now, Mr. Morgal, if the companies as they are supposed to do, follow out the uniform system of accounts and the regulations which the Commission has prescribed, Mr. Colledge's method would be correct, would it not?

MR. TURNER: Don't you think we are dealing with theory?

MR. EVANS: If we get the answer to this question, we can find out to what extent he knows whether the companies do follow that.

THE WITNESS: If the companies adhered strictly to the uniform system of accounts and transferred every dollar's worth of property to the fixed capital account at the time it was placed in service, Mr. Colledge's calculation—I would not say that Mr. Colledge's calculation would not be correct, because in the fixing of future rate the company has frequently taken into consideration construction work in progress.

Q. We are not dealing with fixing future rates, Mr. Morgal, we are dealing with the rate of return on the book value of the property devoted to public service, and it seems to me if the system of accounts were followed Mr. Colledge's method is correct, and if not, I want to find out why not.

A. If they adhered strictly, it would be correct.

Q. But you think that they do not?

A. Many of these companies disclose that.

Q. How do you know whether or not a given item of property which is carried in the construction account is in operation on December 31st of any year?

A. You don't know it from looking at the annual report, but you would know it if you were making a field examination.

Q. Do you make your field examinations on December 31 of the year?

A. We make them up to whatever date is closest to the date that we happen to be in the field.

Q. I still have some difficulty in finding out as to how, when a company reports on December 31st it had \$200,000 of work under construction, and you go out six months later and find that some or all of that property is in operation, that you know it was in operation on December 31st of the preceding year.

A. You could determine from the books and from inquiry as to whether it was in operation on December 31st of the preceding year.

Q. In other words, can you point out some cases where you have actually done that?

A. I cannot offhand. I could examine some of our reports and point out to you cases where property was held in the construction work, in the process account, beyond the time that it actually went into service.

Q. I suppose then you have the companies follow your uniform system of accounting, do you not?

A. We endeavor to have them follow it to the letter, sir.

Q. So in this situation that you now picture as called to your attention, you direct the companies to correct their books?

A. We do.

MR. EVANS: All right, I think that clears that feature.

MR. TURNER: May I ask Mr. Morgal a question, Mr. Evans?

MR. EVANS: Yes, indeed.

BY MR. TURNER:

Q. In other words, a report on the income from these statements that you read does not mean that the rates of these companies are too high?

A. I would not say that it indicates that the rates are too high, the mere fact that we come to a high rate of return in the last column on these statements, and that cannot be determined unless you go into the value and a complete rate making proceeding, the value of the property, and through all the formalities of a rate proceeding.

Q. Now, Mr. Morgal, you say it does not even indicate that the rates are too high, yet when the company is earning 40%

on its book value, that does not indicate to you that its rates are too high.

A. Not conclusively.

Q. I didn't say that, Mr. Morgal, I say it does not indicate it in any way.

A. It indicates that it might be a subject for the Commission to look into.

Q. Exactly. In other words, it does not show that the rates are too high, but it indicates that they may be too high.

A. It indicates that they may be too high, and it might be a subject for the Commission to investigate on its own motion.

Q. So far as the purpose for which these reports have been offered here in evidence this afternoon, they were offered in order to guide the Committee as to what situation needed investigation.

A. I am sure that the last two reports were made for that purpose, but I don't know whether the prior reports, that is the statistical reports were made for that purpose, exhibits nine and ten were made for that purpose.

Q. Mr. Morgal, it is not much good to get companies to file annual reports of their operations unless the taxes were indicated by those reports, are brought to the attention of the Commission and acted upon by it, is there?

A. I think they should be brought to the attention of the Commission. Of course, I have nothing to do—

Q. I won't ask you to make any comments whether they should be acted on, that is not your function.

MR. TURNER: I didn't mean whether they did not indicate that they were too high, I asked whether that didn't mean in the final analysis that the rates were too high?

MR. EVANS: I only wanted to bring out the fact that Mr. Morgal said, they didn't even indicate that—

THE WITNESS: My statement is general, that they are not conclusive.

MR. EVANS: I think that is perfectly plain.

THE WITNESS: I think that is a plain statement.

MR. TURNER: There is a difference between the word indicate and conclusive.

BY MR. RICHARDS:

Q. When the rate of return is such as indicated in these cases, isn't it a practice of the Commission to investigate them to see whether the rates are too high; have they done that, or what is the policy?

MR. EVANS: I think it might be embarrassing to Mr. Morgal to answer that question. We are going to have Mr. Young, the head of the rate committee on the stand tomorrow, and he probably can answer that question.

THE WITNESS. This exhibit which I have put in here today shows that we have gone into some twenty companies as a result of the study.

BY MR. EVANS:

Q. Commencing February 10, 1930.

THE WITNESS. An examination of the rates of return found by Mr. Colledge in the light of the accrued depreciation reserve, which was deducted by him in arriving at undepreciated book costs, indicates that in the majority of cases, where high rates of return are shown, on accrued depreciation deducted in arriving at a rate these are likewise high. For instance in the case of Latrona Light and Power and the Cresson Electric Company, the two companies shown with returns in excess of 50%, the book figure deducted for accrued depreciation was 61½% and 42½% respectively, of the undepreciated book costs—

Q. May I interrupt you just a moment. These depreciative reserves were funds collected from the consumers. were they not?

A. I don't know. That cannot be determined unless you study the books.

Q. Under your uniform system of accounts isn't that what they should be?

A. The uniform system of accounts has only been in effect since January of 1919, and the history of these companies extends much further back than that.

Q. However, under the uniform system of accounting which has been in effect since 1919, the depreciation reserves represent funds collected from the patrons of the company. do they not, in the way of rates?

A. The system of accounting did not provide that depreciation reserve must be set up out of operating expenses; under the system of accounting, they may accrue from surplus.

Q. Which in turn also represents collections from the consumers.

A. That would be stockholder's funds, if it was an appropriation to surplus.

Q. Mr. Morgal, does not surplus represent surplus earnings; isn't it earned surplus?

A. Surplus earnings over and above operating expenses.

Q. So that an appropriation from surplus is in the last analysis an appropriation or a contribution made by customers in the way of rates.

A. Or it may be a part of fair return, ordinarily payable to the stockholders.

Q. In other words, if the company has not been paying adequate dividends, but has been accumulating surplus?

A. That is true, and you cannot determine how these high reserves were set up, how they came on the books, unless you made a complete analysis of the reserve account from the books. Now, by analysis I mean both the credit to the reserves, the method by which it was made, and the debits to the reserve which would represent the retirement losses. In other words, the company may have, instead of charging this retirement loss to reserve, may have charged that to maintenance, so that unless you study a whole period, or a long period over the company's history, about the details underlying these reserves, it seems to me unfair to deduct them in total from the undepreciated book cost.

Q. But you have done that very thing in your reports to the Rate Committee, which are offered as Exhibits 9 and 10?

A. I didn't do it for that reason, but it was done because I didn't have the men to send out to analyze these books.

Q. There again, Mr. Morgal, when you say it is unfair, you mean it is inaccurate, and it may be unfair either to the consumer or it may be unfair to the company?

A. Positively. Probably unfair was the wrong word to use, but it is inaccurate and unreliable. May I go ahead?

Q. Yes, surely.

A. Another point that I should like to make in connection with this depreciation reserve is that our experience discloses that companies in their efforts to pay as little income tax as possible, many times more depreciation than would be allowed in a rate proceeding were allowed, resulting in a high accrual on the reserve. Now, with respect to No. 18 on Colledge Exhibit No. 2, the Elwood City Hydro Electric Company, it shows a deficit in return of 13.62. This should be 1.36; it is a slipping of the decimal point. Rentals paid for leased property by the holding companies were not included in the Colledge Exhibit No. 2, No. 15, the Duquesne Light Company, \$185,976—

Q. What is the gross operating revenue of the Duquesne?

A. Company No. 30, the Metropolitan Edison Company, \$66,198. Company No. 40, the Philadelphia Electric Company, including the Philadelphia Suburban Gas and Electric Company, \$133,892.

Q. What difference does this make in the overall return in column 3 on Exhibit 2 for these companies?

A. In the case of the Duquesne Company the percentages changed from 10.56 to 10.43. In the case of the Metropolitan Edison Company, the percentages changed from 8.87 to 8.75. In the case of the Philadelphia Electric Company, the percentage changed from 9.26 to 9.21; makes very little difference.

Q. It still remains 9.2, as it is on the exhibit?

A. On page 677 of Mr. Colledge's testimony, he stated that the valuation report of the Natrona Company did not show where the rental was paid, although the annual report shows that the rental was paid to the Pennsylvania Salt Manufacturing Company, which controls the company. With respect to company No. 41, the Renovo Edison Light, Heat and Power Company, the rate of 1.78 is not correct, because it did not take into consideration the selling of steam to the Renovo Heating Company, which the company erroneously credited to non-operating expenses. If that is to be credited to operating revenue, the return would be 12.76.

Q. You said which the company erroneously credited to non-operating revenue?

A. Credited to non-operating revenue. The Lehighton Light, Heat & Power Company—I don't know what number that is—

Q. No. 27.



A. The Lehigh Light, Heat and Power Company, while it files its reports to the Commission, is not subject to its jurisdiction, because it is a lessee of a municipality owned plant.

BY MR. RHODES:

Q. Who operates the Lehigh plant?

A. The Lehigh plant operates the municipally owned plant for the municipality.

Q. Does not the Pennsylvania Light and Power Company own the plant?

A. I believe they do.

MR. EVANS: It is not shown on Exhibit No. 2.

THE WITNESS: The only other correction I would like to make is in Mr. Colledge's testimony on page 652 and 635. In summarizing the results of his Exhibit No. 2, he states that eleven companies out of the fifty-three show earnings of less than ten per cent. That should be two companies out of fifty-three showing earnings of less than ten per cent. He also states that seven companies out of—

Q. It ought to be less than seven per cent. Mr. Morgal, it is a typographical error.

A. You say that should be less than seven per cent?

Q. It should be less than seven per cent.

A. Then he said seven out of twenty-seven earn less than ten per cent. He also showed that forty-two out of fifty-three show earnings between seven and eight per cent. I can only find three out of the fifty-three that show earnings between seven and eight per cent. He also said that twelve companies out of fifty-three show earnings of over fifty per cent. As a matter of fact there were only two over fifty per cent.

MR. EVANS: If the Committee please, I think it is very clear that a mistake has been made in transcribing Mr. Colledge's figures. I think that the Committee is willing that the errors shall be corrected by having Mr. Colledge go over his testimony, rather than having Mr. Morgal, make it on the record in this way.

MR. TURNER. May we have that on a separate sheet if the stenographer can give it to us in that way, and put it in the record in the proper place, so as not to have to hunt all the way through the book.

MR. EVANS. Yes, we will do that.

Mr. Walker also says that there are some other transpositions of Mr. Colledge's testimony, which we will also later correct.

THE WITNESS. There is one other matter in Mr. Colledge's testimony on page 640, he states that reference is made to the inclusion of property of non-utility character in the company's capital accounts. The facts there are that since the prescription of the uniform system of accounts for electric companies a separate account has been provided for property of a non-utility character, so that if the companies are keeping the system of accounts properly non-utility property would not be recorded in the fixed capital accounts of the company, but such non-utility property might be recorded in the company's accounts prior to that time. Do I make that clear?

Q. There also might be a matter of judgment which the company would exercise its discretion as to whether the property was utility or non-utility.

A. That is a matter of judgment, that is right.

MR. EVANS: Thank you very much, Mr. Morgal, that is all.

MR. STEPHEN ROUSHENBUSH sworn.

BY MR. EVANS:

Q. Mr. Roushenbush you are employed in making research for this Committee in connection with the electric and other utility situations in Pennsylvania?

A. I have been employed by the Governor.

Q. And will you briefly state to the Committee your experiences in working along these lines.

A. Graduate of Amherst College, author of a book on coal and of a book and various pamphlets and articles on power regulation. Was assistant professor at Dartmouth College, also taught economics at New York University and Bryn Mawr Summer School. Formerly economic consultant to the Tri-District Scale Committee of the anthracite miners, later to the United Mine Workers of America. Formerly a member of the Bureau of Industrial Research of New York. Formerly economic assistant to Senator Couzens on taxation problems. Was a member of several committees of business and professional men and women interested in power control. Lived in Pennsylvania for some years, Shamokin and Pottsville, worked

in the mines. Also been engaged in the clothing industry as a labor manager, and in the oil industry as a camp superintendent. A member of no political party. Employed temporarily by the Governor as economic expert on power regulation.

Q. Have you prepared for the committee on exhibit showing the holding companies controlling operating companies in Pennsylvania?

A. Yes, this is the exhibit (showing the exhibit).

The exhibit shows in rather simple form, perhaps too simplified—

MR. EVANS: We offer this in evidence as Exhibit No. 11. Pennsylvania Holding Companies, produced and marked Exhibit No. 11.

#### EXHIBIT NO. 11.

#### PENNSYLVANIA—HOLDING COMPANIES

##### A. ASSOCIATED GAS & ELECTRIC COMPANY<sup>\*</sup> 61 Broadway, N. Y.

1. Clarion River Power Co.
2. Metropolitan Edison Co.  
Bangor Electric Co.
3. Sullivan County Electric Co.  
Northern Pennsylvania Power Co.
4. Fleetwood & Kutztown E. L. H. & P. Co.
5. Pennsylvania Electric Co.  
Erie Lighting Co.  
(Solar Electric Co.)

Sullivan County Electric Co. has applied to Commission and has been granted permission to take over Northern Pennsylvania Power Co. and to then change their name to Pennsylvania Power Co.

##### B. ELECTRIC BOND & SHARE CO. 2 Rector Street, N. Y.

1. American Gas & Electric Co., 30 Church St., N. Y.  
Scranton Electric Co.  
Lackawanna Light Co.
2. Pennsylvania Power & Light Co. (Allentown, 2 Rector St., N. Y.)  
Carlisle Gas & Water Co.  
Lehigh E. L. H. & P. Co.  
Pine Grove E. L. H. & P. Co.  
(Edison Electric Co.)\*  
(Lancaster Electric L. H. & P. Co.)\*  
(Half Penny Grove Inc.)\*  
(Intercourse Electric Co.)\*  
(Laurel Park P. & L. Co.)\*  
(New Kingston E. L. H. & P. Co.)\*  
(Sherman's Valley E. L. H. & P. Co.)\*  
(Hubley Electric Co.)\*  
(Naomi Pines Electric Co.)\*  
(Penns Creek Hydro Electric Co.)\*  
(Shenandoah L. H. & P. Co.)\*

\* Taken over by Penna. Power & Light Co., on Dec. 31st, 1930.

##### C. MIDDLE WEST UTILITIES CO., Chicago

1. National Electric Power Co., New York.  
Penn Central Light & Power.  
(Portage Light & Power Co.)\*  
(Barnesboro Spangler Elec Co.)\*  
(Bedford Elec. Co.)\*
2. National Public Service Co.—New York.  
Municipal Service Co.  
Chester Valley Elec. Co.  
Edison Light & Power Co.  
Glen Rock Elec. Lt. & P. Co.  
Keystone Public Service Co.

\* Taken over by Penn Central during 1929.

##### D. NIAGARA & HUDSON POWER CO. New York.

1. Buffalo-Niagara & Eastern Power Corp., Buffalo,  
Niagara-Lockport & Ontario Power Co., Buffalo,  
N. Y.  
Bradford Electric Co.

**E. CHARLES H. TENNEY & CO.**  
Boston.

1. Rockland Light & Power Co.—New York City.  
Pike County Light & Power Co.  
Shohola Power Co.

**F. AMERICAN WATER WORKS & ELEC. CO.**  
50 Broad Street, N. Y.

1. West Penn Elec Co.—Pittsburgh.  
West Penn Power Co.  
(Center Elec. Co.).\*  
Potomac Edison Co.  
South Penn Power Co.

\* Taken over by West Penn Power Co., October 31st, 1930.

**G. UNITED GAS IMPROVEMENT CO.**  
Philadelphia.

1. Philadelphia Electric Co.  
(Delaware County Elec. Co.)\*  
Lower Chanceford E. L. H. & P. Co.  
Delta Elec. Power Co.  
Delta Water Power Co.  
Chester County L. & P. Co.  
Philadelphia Hydro Elec. Power Co.  
Philadelphia Elec. P. Co.  
(Philadelphia Subr. Counties Gas & Elec. Co.)\*  
Southern Penna. Power Co.  
Susquehanna Elec. Co.  
Susquehanna Power Co.
2. Erie County Elec. Co.
3. American Gas Co.—Camden, N. J.  
Luzerne County Gas & Elec. Co.

\* Taken over by Philadelphia Electric Co., Nov. 1st, 1929.

**H. UNITED STATES POWER CORP.**  
Jersey City, N. J.

1. Standard Power & Light—Chicago.  
Standard Gas & Elec. Co.—Chicago.  
Philadelphia Company—Pittsburgh, Pa  
Duquesne Lt. Co.

**I. COMMONWEALTH & SOUTHERN CORP.**  
New York.

1. Pennsylvania Power Co.  
(Peoples Power Co.)  
(Harmony Elec. Co.)  
(Elwood City Hydro Elec. Co.)

**J. REPUBLIC SERVICE CORP.**  
Philadelphia, Pa.

- Abington Elec. Co.  
Mauch Chunk H. P. & E. L. Co.  
Brockway L. H. & P. Co.  
Fulton Elec. L. H. & P. Co.  
Green Castle L. H. & P. Co.  
Mercersburg-Lehmaster & Marks E. Co.  
Renovo Edison L. H. & P. Co.

**THE WITNESS:** This exhibit shows in rather simple form, perhaps too simplified, the holding companies controlling outside of Pennsylvania practically ninety per cent. of the area might be said to be controlled outside through various holding companies. The stock of practically all the operating companies. The stock of practically all the operating companies in Pennsylvania is owned by the holding companies. The Associated Gas and Electric Company, that is a company outside of Pennsylvania, and has offices in New York. The Electric Bond and Share Company also is in New York, Middle West Utilities, is in Chicago. The Niagara-Hudson Power Company, up in New York, has a large plant in the northern part of the state. The American Water Works and Electric Company has a New York Office. The United Gas and Improvement Company has some connection with the big United Corporation, which will be brought out later, if you are interested in that, in a more detailed way. The United States Power Corporation is in New Jersey. The Commonwealth and Southern Corporation is in New York, and the Public Service Corporation is in Philadelphia, so that of these you have two big holding companies, such as the Pennsylvania Company, rather

the United Gas Improvement Company in Philadelphia, and the Republic Service Corporation. The complete charge of their financial connections with the other corporations outside of the state, has not been completed, but the chart in that respect will show that practically every holding company owns all the common stock and gets all the profits over and above 6%, or 5%, that goes to the bondholders or preferred stockholders, and that goes outside of the state to these companies. One might draw from the conclusions that the Pennsylvania operating officials, the directory will show them appointed by the holding companies, and are not actually free agents and cannot do what they want to do about rates in Pennsylvania, but have to take into consideration—

**MR. TURNER:** I think that goes into some of the testimony that we objected to before, conclusions based on presumptions and not in the way of evidence.

**MR. EVANS:** Which do you mean, Mr. Turner?

**MR. TURNER:** This statement about the directors and what they have to do.

**THE WITNESS:** If you wish to have that proof, sir, we can put it in the record, by putting in half of Moody's Manual, that is the only way to show it.

**MR. TURNER:** I was not thinking of that portion of it.

**MR. EVANS:** Which part of the statement do you object to; do you mean in regard to the holding control, or what?

**MR. TURNER:** The actions of the directors.

**MR. EVANS:** That the managers in the state were not free agents.

**BY MR. EVANS:**

**Q.** I don't suppose you have any direct evidence at the moment that you wish to submit on that point, Mr. Roushenbush?

**A.** If you wish me to prepare a list of owners of common stock, that is, holding companies, and to show that it is customary and common practice for them to elect the presidents and officers of operating companies, that can be done very easily.

**MR. TURNER:** The thing to which I have objected right along is the statement of witnesses of conclusions that were not based on direct evidence to prove it.

**MR. EVANS:** I think what Mr. Roushenbush was testifying to was that the best of the operating companies in Pennsylvania through these controlling companies are controlled from outside of the state.

**BY MR. EVANS:**

**Q.** Mr. Roushenbush, in this exhibit 11 as I understand it, the holding companies, are really the companies that control power boards.

**A.** Yes sir.

**Q.** Is there any further comment you wish to make in regard to exhibit number 11.

**A.** No sir.

**Q.** Now have you prepared an exhibit showing earnings, the percentage earned by the various companies covered by your exhibit number two for five years?

**A.** Yes sir.

**Q.** And what years have you covered?

**A.** I have covered the years 1925, 1926, 1927 and 1928. This is a copy of it, and also a summary sheet.

**MR. EVANS:** Exhibit number 12 is offered in evidence. This exhibit which is in two sheets is entitled, first summary of excess earnings 1925 to 1929 (before deduction of revaluation), Class A and B Electric and combination, and the second part is, "Earnings of Electric Companies on their own claimed investment in utility property, 1925, 1926, 1927, 1928, Class A and B Companies and combinations (from their annual reports to the Public Service Commission)."

Passing by the summary sheet which is the first sheet of this exhibit for the moment and turning to the second sheet, I understand that you have prepared in eight columns the data for the various years exactly comparable to that prepared by Mr. Colledge for the year 1929.

**A.** Yes. The eighth column, which would give the amount of excess return has not been figured out simply for the lack of time. That can be figured out and offered later. The same group of Class A Electrics were taken into consideration, but we decided to omit those three tied up with street railways and we think this is as near complete as we can make it.

**Q.** In order that there may be no misunderstanding in this exhibit as in the Colledge exhibit number 2, you merely show



the percentage of over-all return as shown from the books of the company without attempting to show that this conclusively establishes what the rate base is on the actual rate of return in a rate case would be?

A. That is true. Of course these figures are not compiled for the purpose of amusement. We do in a way get the set-up proposed to help to set up some standards of performance by which we can judge the performance of this condition and they show a return that is closer to the actual money invested. I mean outside of the question of this fixed capital, which does not represent money invested but it is closer and fairer to base a finding on how much is earned on capital invested than any other we could find out.

Take 1925, the figures for which commence on page 3 of the exhibit, the rates of over-all return are shown in column 7, are they not?

A. In column 6.

Q. They show the Abington Electric Company 37.33%.

A. Yes sir.

Q. It shows the Allegheny Valley Light Company 51.89%?

A. Yes sir.

Q. Now then on down the same thing on subsequent pages for the year 1926, 1927, 1928?

A. Yes sir.

Q. Now turning to the first page of your exhibit which is a summary, which you have headed "Excess Earnings," there is given the excess money, the excess over seven per cent over-all return on book value?

A. As calculated, yes sir. May I state at that point, these percentages would be much higher if we had calculated the average fixed capital during the year rather than at the end, the percentage would be much higher. It would also be much higher if we made a comparison with the deduction for Federal income tax, which is the way the Commission has stated it. Also, these percentages would be higher than now if we had been able to deduct on utility property. In many cases going back to the companies in 1919 before the Commission in many rate cases has found a great deal non-utility property was included in them for three or four years which would raise this percentage rather than lower it.

Q. And as I think Mr. Colledge explained, if the company has inflated its book valuation by write-up of any sort, that again leads and raises the rate of return?

A. These write-ups are not eliminated from these figures.

MR. COOKE: The computations are based on the same figures Mr. Colledge used?

MR. EVANS: That is right.

BY MR. EVANS:

Q. Referring still to the summary on the front page of Exhibit 12, as I understand it, there were seventy-four companies whose reports you have examined for 1925?

A. Yes sir.

Q. And seventy-three for 1926?

A. Yes sir.

Q. And the figures given at the bottom of the page in figures shows the total?

A. Yes sir.

Q. You have totaled these up among the various percentages over all and with the seven per cent. return?

A. Yes sir.

Q. Now I notice, Mr. Roushenbush, that the number of companies tended to diminish from 1910 down to 53. Will you explain that?

A. That is largely a merger and sale. In 1925 I think you will find the Harrisburg Light & Power Company, and in 1929 you will not find it. There is one jump up in 1928, that may be because one company came into Class B, from Class C. On the whole these companies have been merging during the last years.

Q. This would indicate a very marked decrease in 1928 and 1929 in the number of companies?

A. Yes sir.

Q. Now what is the reason for preparing this data for the committee?

A. Well, the reason for preparing this data is to set up in a way a standard of performance by which the performance of this Commission can be judged. You cannot do that out of thin air. One way to approach the question is by comparison with regulation in other states. Another way of comparison is to see how much these cost the Commission as compared

to our own state on some other system or with some other set-up. In this State within the last few years we have the giant power question which sought to set up a system of return on the original cost basis. That has been set up in New York with the approval of the administration, at least it has been offered for legislation as an administration measure. The same thing has been up in Massachusetts. In Massachusetts the head of the public utilities is definitely on record that if the companies tried to introduce the form we have in this State in Massachusetts they will fight for the principle of going back to the original cost on a contract basis. You can look at this performance of this Commission in this State on these rate earnings as against any one of these three standards and say it is a very good Commission or perhaps it has been negligent or whatever these figures work out to show a conclusion on. They have been prepared in order to afford the members of the committee an opportunity of saying whether this is the cheapest and best way that the regulation can be had, and afford the committee a basis upon which they can base their findings.

BY MR. TURNER:

Q. The Commission is bound by the law of Pennsylvania, is it not?

A. Yes sir. It is against that law that New York and Massachusetts are fighting. They are taking the other viewpoint of this. You are saying the Commission cannot do anything except allow these returns on account of the law, and they are going further and trying to see if they cannot get something that is a little better to work with than this is. So these figures in a way show, I believe you will find that they show to what extent we have gotten into a situation in Pennsylvania, where the companies have a fair earning power then and beyond that may furnish information for a set-up of some other scheme.

BY MR. EVANS:

Q. This summary exhibit 12 shows, as I understand it what we might call the excess earnings, meaning the excess over seven per cent. over-all return on depreciated book value is not confined to 1929 but has existed for a number of years?

A. It is not at all unique to 1929. It has been going on at pretty much the same ratio for the last four or five years, the four years before 1929. In each of the five years in total here and 1929 covered by Mr. Colledge, about one-half of the companies were earning at least fifty per cent. more than a fair return on the money they claimed to have invested and the money written on the books for utility purposes. Out of every two dollars paid to these companies by the consumers as a return on capital invested one dollar goes in excess profits to the holding company.

Q. In each year close to one-third of all of the companies were earning at least double a fair return on the money they claim to have invested themselves. Out of every two dollars paid to the companies by the consumers as a return on capital invested, one dollar goes as excess profits to the holding company. Each year about one-fifth of these companies were earning three times a fair return on the money they claim to have invested. Out of every three dollars they pay to the companies by the consumer as a return on the capital invested two dollars has gone in excess profits to the holding company. That is the situation the last five years, pretty much that way.

Q. Now have you made any calculation at all as to what you call these excess returns amount to in dollars and cents?

A. Yes sir. We have been working under some pressure and have not been able to complete all the calculations indicated on these sheets. I have calculated the years 1925 and 1928. Discarding cents in the calculation I find that in 1925, I find invested capital in utility property less depreciation was \$461,359,206. Now this is the average of all the companies. It was gotten by adding the column 5 as net operating income column 4 as invested capital less construction.

Q. The figure you have just given now is the total of column 4?

A. The fixed capital \$461,359,206. The operating income was \$54,478,445. This was 11.8%. That was the average put together on the whole seventy-four companies for the year 1925. A 7% return would have been \$32,295,144. Excess over 7% return is \$22,183,301. Now taking for that one year the rate of excess over seven per cent. is 68.5%. I have done the same thing in 1928. The fixed capital less depreciation, was

\$808,092,703, and the operating income was \$77,866,777. The percentage of over-all return was 9.35% and the 7% return would have been \$56,566,489, an excess over the seven per cent. of \$21,300,280 or an excess of 33.6% over the 7%.

Q. So in 1925 the excess over the 7% amounted to \$22,000,000.

Q. And in 1928, to \$21,300,000?

A. Yes sir. If this same average has been established for all the five years, it would make something over a hundred million dollars, it would run over one hundred million. To make it clear: If by some chance this provision in the giant power survey were adopted the saving to the State would have been about \$100,000,000, or to the consumers under this evidence.

Q. The decline in the rate of excess from 1925 to 1928 may possibly be due to write-ups of capital assets in some cases?

A. Yes.

Q. Those were the years during which the merger proceedings took place?

A. Yes sir.

Q. Also, Mr. Roushenbush, that was the period of high construction costs, was it not, so that would affect the situation?

A. Yes sir, there was a great deal of capital added in those years.

Q. Of course these figures you have given take no account at all of the expenses of regulation from other angles?

A. No sir, but if that one hundred million dollars for five years should be doubled up say possibly for ten years, then you must add the expenses of the Commission, which runs around a million dollars a year, the expenses the consumers and the companies are put to in rate cases, and their total gets beyond \$22,000,000 a year very quickly.

BY MR. TURNER:

Q. Do you mean to imply that there should not be a Commission?

A. No sir, you must have some sort of a commission. But when you are figuring performances you have to figure how much you have to pay these people to do a job and what is done for the money. It might pay to have a five million dollar commission if you got results.

Q. Mr. Roushenbush, are you prepared to give to the committee the names of the companies whose rate of return was fifty per cent. or more in excess of seven per cent.?

A. A great many run over.

The Abington Electric Company runs over for three years.

The Allegheny Valley Light Company runs over for three years, and as Mr. Morgal pointed out, we didn't have that spotted for 1929.

The Bangor Electric Company runs over for one year.

The Barnesboro-Spangler Electric Light Company runs over for two years.

The Bedford Electric Light, Heat and Power Company runs over for four years.

The Berkshire Electric Company runs over for one year.

The Boyerstown Electric Company runs over for three years.

The Brackenridge Light & Power Company runs over for four years.

The Bradford Electric Company runs over for four years.

The Carlisle Gas and Water Company has been away over for three years.

The Chester County Electric Company has been over for one year.

The Chester Valley Electric Company which was omitted on the November, 1929, report, was over for four out of the five years. I think Mr. Morgal testified it was over the fifth year.

The Citizens Light & Power Company was over for four years.

The Colver Electric Company was over for three years.

The Duquesne Light Company was over for two years.

The Edison Light & Power Company was over for four years.

The Erie Lighting Company was over for one year.

The Gettysburg Electric Company was over for two years.

The Glen Rock Electric Light and Power Company was over for four years.

The Hamburg Gas & Electric Company was over for three years.

The Harmony Electric Company was over for one year.

The Harrisburg Light & Power Company was over for two years.

The Holtwood Power Company was over for one year.

The Juniata Public Service Company was over for two years.

The Keystone Power Company was over for two years.

The Langhorne Electric Light & Power Company was over for three years.

The Lehigh Electric Light & Power Company was over for one year.

The Mauch Chunk Heat, Power & Electric Light Company was over for four years.

The Mercer County Light, Heat and Power Company was over for two years.

The Meyersdale Electric Light, Heat and Power Company was over for one year.

The Middleburg Light, Heat and Power Company was over for three years.

The Natrona Light, Heat and Power Company was over for one year.

The New Castle Electric Company was over for one year.

The Northern Pennsylvania Power Company was over for one year.

The Palmerton Lighting Company was over for four years.

The Panther Valley Electric Company was over for one year.

The Pennsylvania Public Service Corporation was over for one year.

The Philadelphia Electric Company System was over for three years.

The Sayre Electric Company was over for two years.

The Scranton Electric Company they lost on two years and we have it calculated for two years.

The Shippensburg Gas and Electric was over for four years.

The Senango Electric Light Company was over for one year.

The Titusville Light and Power Company was over for four years.

The United Electric Company was over for four years.

The Waynesboro Electric Company was over for three years.

The Windber Electric Company was over for four years.

That will be higher if 1929 had been included. So all together 48 companies have been over 50% in the course of these years, one year or more and in some cases all of them.

Q. Mr. Morgal pointed out that the property of some of these companies at least had largely been constructed in pre-war days, when construction costs were considerably lower than they have been since the war, and that therefore for rate making purposes you would have to consider the reproduction cost and that pre-war reproduction cost of that pre-war property as well as the original cost. Have you made any investigation of any of these properties as to the amount of pre-war investment as compared to the post-war?

A. Yes sir, as they carry their own fixed capital on the books prior to 1919 and since. Some are new companies. Some have been in existence for a long time. You find in the case of the West-Penn that they have about 26% of their capital—was before 1919.

The Pennsylvania Power and Light have 62%.

The Duquesne Light had 801%.

The Penn-Central had 57.08%.

The Metropolitan-Edison had 50.04%.

The Pennsylvania Electric had 47.06%.

The Philadelphia Electric had 54.02%.

In answer to your question, if we may again go to common knowledge, there is nothing to the mind of any one that provides a definite law that reproduction cost must be revalued at one hundred per cent. or any definite per cent., and the courts have sustained various valuations. Take the Duquesne Light which carries its investments at only \$10,000,000. You could practically go ahead and have a revaluation made of that property at double the price and easily get a very considerable excess return over the return given you on these sheets. In 1928 the Duquesne Light showed a capitalization of \$10,672,945 before 1919. You could redouble their present valuation and still find a huge excess return over the 7%. 7% on that valuation, adding the ten millions, that 7% return would be \$11,741,718 which is still almost \$2,500,000 over the 7% return of that company.

Q. Now as a matter of fact, have any of the company officials recently made any statements as to how—have you prepared any sheet?

A. Yes, sir, I have prepared a statement here of the calculated rate in every town and city in Pennsylvania above one thousand, we could get a hold of, and you have your copy there, figuring how much it cost the consumer. This is net



rate, how much it cost the consumer using 15 kilowatts a month, one using 40 kilowatts a month, one using 80 kilowatts a month. We have calculated it in dollars and cents and I have separated the city according to the size. I have also prepared sheets showing very simply and clearly the difference between the various companies if you want them.

Q. Suppose we have those. Suppose we take first the consumer of the 50 kilowatts, the 40 kilowatts, the 80 kilowatts a month for the big cities. The city of Reading has rates that are away up there at nine cents, one of the highest rates in the State. By the way these are 1930 rates. There has been some reduction on the part of some of the companies.

Q. In other words, you have taken five cities, Philadelphia, Pittsburgh, Erie, Scranton, and Reading being the five cities in the State having one hundred thousand population or more.

A. Yes sir.

Q. And you have taken the actual rate to the consumer first for the consumption of fifteen kilowatts a month and next for a consumption of forty and next with a consumption of eighty kilowatts a month.

A. Yes sir.

Q. And this shows that in Philadelphia the rate is seven cents per kilowatt for fifteen kilowatts per month, and in Pittsburgh it is 7.1 per cent and in Erie it is 8 cents and in Reading it is 9 cents and in Scranton it is 7.6 cents, and in each of these cities on the consumption of forty kilowatts per month what will these rates become?

A. In Philadelphia the rate is 6.3 cents, in Pittsburgh 5.7, in Erie 8.01, in Reading 8.05 and in Scranton 7.01. You will notice under the eighty kilowatt per month consumption Erie stands out very much above the others. Reading stands out in practically every classification.

Q. What will be the average consumption, Mr. Roushenbush, for a small residence consumer taking the year round?

A. The Commission doesn't know. We asked for that information and could not find out, as to how that consumption is split, that is you mean those using fifteen kilowatt a month and how many use forty kilowatts and how many use eighty kilowatts. They give an average figure that shows a little under forty kilowatts. Most of the companies around the State show a little under forty kilowatts a month. There is one more piece of data that comes to you from New York State, and they found out that if they were going to lower the rates for the smaller consumer, they would hit the people using fifteen kilowatts a month, that they would hit 51 per cent of the consumption.

Q. An eighty kilowatt consumer would be an unusually large residence consumption?

A. Yes sir.

Q. The rate for that in the different cities would be what?

A. Philadelphia 5 cents, Pittsburgh 4.06 cents, Erie 7.05 cents, Reading 7.01 cents, Scranton 5.09 cents.

BY MR. TURNER:

Q. Does your study show any reason for these high rates in places like Erie and Reading?

A. That is an engineering matter and I believe there are engineers who are studying that now who may be able to give an answer to that.

This is the second group of cities those from fifty to one hundred thousand. There are some of the Pennsylvania Power and Light Company rates that were reduced since the first of the year. This covers the cities of Allentown, Altoona, Bethlehem, Chester, Harrisburg, Johnstown, Lancaster, McKeesport, Wilkes-Barre, and York. York is very high there The Pennsylvania Power and Light Company stands out higher than those around Pittsburgh.

Q. The rates for the fifteen kilowatt consumer per month in the different cities would be what for 1930?

A. The high rates stand out there on the chart like that (indicating) you find York above McKeesport by about .04 cents, and above Chester by about .035 cents, you find this group of the Pennsylvania Power and Light stand out. You see them standing out on the forty kilowatt consumption. Here we understand that what these companies have been doing is to try to reduce the rates to induce people to use power.

Q. The Pennsylvania Power and Light Company have reductions effective January 1, 1931?

A. Yes, sir, a little under one cent.

BY MR. RHODES:

Q. Can you give us these rates, so we can get an understanding of the difference?

A. Yes sir.

BY MR. EVANS:

Q. Will you give us the fifteen kilowatt per month consumption on each city?

A. Allentown, 9.06 cents; Altoona, 8.02; Bethlehem, 8.906; Chester, 7.06; Harrisburg, 10.06; Johnstown, 9.00; Lancaster, 9.06; McKeesport, 7.01; Wilkes-Barre, 9.04; York, 11.00.

On the forty kilowatt consumption you have Allentown, 9.02; Altoona, 6.02; Bethlehem, 9.02; Chester, 6.06; Harrisburg, 6.57; Johnstown, 6.07; Lancaster, 9.02; McKeesport, 5.07; Wilkes-Barre, 9.02; York, 6.08.

And on the consumption of 80 kilowatts per month in the same cities we have Allentown, 8.01; Altoona, 5.06; Bethlehem, 8.01; Chester, 5.01; Harrisburg, 5.08; Johnstown, 4.08; Lancaster, 8.01; McKeesport, 4.06; Wilkes-Barre, 8.05 and York 5.01.

Q. In order that there may be no misunderstanding, you state that the Pennsylvania Power and Light Company, which operates, in Allentown, Bethlehem, Harrisburg, Lancaster and Wilkes-Barre has reduced its rate since this time?

A. Yes sir, at the beginning of the year.

Q. These rates at the present time are anywhere from one-half cent to a cent lower, are they not?

A. To be exact, it is .3 of a cent, in other places except Harrisburg for the 15 kilowatt consumer, it drops from 9.06 to 9.03.

Q. At Harrisburg what does it drop?

A. 10.01 to 8 cents.

Q. Now, on the 40 kilowatt consumption?

A. It drops from 9.02 to 8.05, .7 of a cent.

Q. Is there any change in Harrisburg?

A. Yes, it drops from 6.07 to 5.07.

Q. What is the drop in the 80 kilowatt consumption?

A. From 7.1 cents to 7.4 cents, .3 of a cent. Harrisburg drops from 5.8 to 4.9.

Q. What is the drop in Wilkes-Barre?

A. The other ones are all the same—.74—is all I have got on this.

Q. It drops to 7.7?

A. Yes.

Q. In 1930 it was higher than the other?

A. Yes.

Q. Now, have you got any similar chart for the smaller towns?

A. Yes, we have others for practically every division. (Another chart produced.) Cities from 25 to 50 thousand, 11 cities. This is just a chart for the 15 kilowatt hours again, and shows the same big difference. There is, New Castle, for instance—

Q. You have there Aliquippa, Bedford, Easton, Hazelton, Lebanon, Nanticoke, New Castle, Norristown, Sharon, Wilkesburg and Williamsport?

A. Yes.

Q. And what are the rates in these cities for 15 kilowatt hour consumption per month?

A. 7.1, Aliquippa; Bedford, 7.4; Easton, 9; Hazelton, 9.6; Lebanon, 9; Nanticoke, 9; New Castle, 5.7; Norristown, 8; Sharon, 8.6; Wilkesburg, 7.1; Williamsport, 9.6. Then there is a reduction. The Pennsylvania Power and Light Company has the same reduction indicated before, to 9.3.

Q. That applies to Hazelton and Williamsport?

A. Yes.

Q. Now, have you a similar chart for cities from 25,000 to 50,000, having 40 kilowatt hour consumption?

A. Yes, that shows also such cities as Hazelton, Williamsport, Easton, Lebanon and Nanticoke.

Q. In the same way will you give the rate per kilowatt hour for this consumption in the same 11 towns?

A. Aliquippa, 5.7; Butler, 5.3; Easton, 8.5; Hazelton, 9.2; Lebanon, 8.5; Nanticoke, 8.5; New Castle, 5.7; Norristown, 7.2; Sharon, 5.9; Wilkesburg, 5.7; Williamsport, 9.2. And again there is a reduction there by the Pennsylvania Power and Light Company at the beginning of the year, which evens it up.

Q. Mr. Roushenbush, I understand you will have this photostated and also introduce the supporting data as an exhibit?

A. Yes.

Q. You have another chart which shows some 11 cities from 25,000 to 50,000 inhabitants, having 80 kilowatt hour consumption, and as I understand in each of these last three exhibits the price per kilowatt hour is put at the bottom of each?

A. Yes, it shows clearly how much it is.

Q. All right, we will not bother you to read it over again. Now, have you gone down into the smaller cities?

A. Yes, we have another chart from 10,000 to 25,000. There is a big group here on the left, in the western part of the State, Ambridge, Beaver Falls and Duquesne, and so forth, Homestead. The high one there is 11 cents, Coatesville, DuBois, Franklin, Meadville, Oil City are 10, Hanover, Kingston, Plymouth, Steelton, Warren 19, and the group headed under Berwick. The numbers Mr. Evans, on the chart show clearly how much the city is paying.

Q. Now, you have similar charts for the 40 and 80 kilowatt hour consumption?

MR. HAGMAIER: I don't think we need bother about the 40 and 80.

THE WITNESS: All right. The next thing I would like to show, Mr. Evans, is the counties, if I may.

BY MR. MEMOLO:

Q. Nothing below 10?

A. Yes, they are coming on right now. These are shown in two ways. We just took the towns and boroughs under 10,000, between 10,000 and 1,000, and got the county averages for them, and all that is on this exhibit. That is going to be mimeographed and submitted.

Q. Have you taken the cost to the consumer in the municipal plants?

A. They are not shown on this particular one. The data for the municipal plant is prepared and can be offered later.

MR. EVANS: We are expecting to put that in, Mr. Memolo. (Witness producing another chart.)

THE WITNESS: That is the answer to your question.

BY MR. EVANS:

Q. Now, as I understand it, Mr. Roushenbush, this map shows for each county the same data for 15 kilowatt consumption for boroughs and towns under 10,000 population. Grouped as to counties?

A. Yes.

Q. So that when you see the figure of 10.3 cents in Susquehanna County, it means that all the towns and boroughs in Susquehanna County, with a population of under 10,000 pay an average of 10.3 cents per kilowatt hour consumption of 15 kilowatt hours per month?

A. Yes, all of those that we could locate. You will see from the big maps just about everything, but there were some we could not get from the tariffs; we took what we could. The high counties there are very considerable—Pike, perhaps, with 15.8 is high, and then there is Berks, Clinton, Cumberland, Fulton, Dauphin, Wayne, Franklin, Juniata, Lancaster, Lebanon, Lehigh, Lycoming, McKean, Mercer, Montour, Northumberland, Pike, Schuylkill, Snyder, Sullivan, Tioga, Union, Wayne, Wyoming, are all pretty high for small towns.

Q. Have you a similar map, Mr. Roushenbush, for 40 kilowatt hour consumption?

A. Yes.

BY MR. HAGMAIER:

Q. Is that the 15 kilowatt hour price?

A. Yes, that was it.

Q. This is prepared (Indicating another chart exhibited), exactly the same way, only showing a consumption of 40 kilowatt hours per month?

A. Yes, it does not, of course, include rural rates where they are on a special rate. They are rates filed for small boroughs and towns.

Q. And what are the high counties in this, or do you not have them tabulated?

A. In many cases they are the same, Carbon, Lehigh, Lancaster, Northumberland, Snyder, Union, Montour, Juniata, Clinton, Franklin, and then the northern counties, Pike, are pretty high.

Q. Fulton seems in both cases to be the high one?

A. 14.6 in Fulton and then I think there is only one town we could locate there, that is all I could get on that.

Q. Mr. Roushenbush, I understand you have prepared two large wall maps of the state, showing in graphic form much of this same data for the State?

A. Yes, they enable almost anybody to find out exactly how the rates are in their own county and home city, and how they are in the nearby cities, in a very simple way.

Q. Suppose we have those brought in so that the Committee can see them?

A. If they could be put on the office wall there, they could be seen very quickly, and they might be left there, perhaps for the benefit of the Committee.

Q. Mr. Roushenbush, will you just briefly explain this map to the Committee? (Referring to large map placed on wall.)

A. This was just done in order to present rather graphically where the high rates in the State were and where the low ones were. This sort of half cross is the rate over ten cents. This cross is between 9 and 10 cents; the star shows pretty good behavior, it is between 7 and 8, but these seals indicate better behavior, between 6 and 7 cents. The chevron is between 5 and 6. The high rates are not entirely along the northern border there, but you get these crosses coming down in a sort of sweeping way, all the way down here (indicating on map), you get crosses pretty steady. Up here in the Wyoming Valley, and around Scranton you have some scattered fields of between seven and eight cents and lower rates; between six and seven are rather few, Philadelphia has got one and Pittsburgh is just a little over seven, just a fraction of a cent. Then there are different colored stars and crosses, or whatever they are, and they simply mean the size of the town. The big cities having green, and the cities of 25,000 to 100,000 have blue, the ten to twenty-five thousand have gold and the one to ten thousand, the ones we show here, the little boroughs have the red. That is why you see so many more of them, because there are red stars all over. Just because there are so many of these small ones, it looks more like a ten cent state than a lower state. Of course, when you are calculating for Philadelphia and Pittsburgh which are pretty low, they bring the net average down. We have done the same thing, Mr. Evans, for the forty kilowatt hour consumers, if you want to see them.

Q. Mr. Evans, these charts show the rates of residential consumers and not industrial rates?

A. No sir, we could not have shown all the industrial rates, without making a chart too complicated for anybody to work out.

BY MR. RHODES:

Q. Will there be any compilation of the industrial rates? A. Not on this work today.

MR. EVANS: There will be, Mr. Rhodes, if we can get to it. It is just a question of time with the limited facilities we have.

MR. RHODES: I was wondering whether you proposed to make an industrial exhibit the same as these exhibits.

MR. EVANS: Mr. Rhodes, I think that the rate schedules are such, and there are so many different rate schedules that apply to different kinds of industrial consumers, that it would be a very long and difficult job, if it were possible at all, I am afraid we can not go into that.

THE WITNESS: This is a map showing the net cost to the consumers of 40 kilowatt hours for residential lighting throughout the State. The symbols are the same, cost per kilowatt hour. As you see, the rate, the general average drops a little bit as the consumption increases, so there are fewer half crosses and crosses on this map than before, although all through here, Pennsylvania Power and Light territory, you still show a great many of them. This is the 1930 arrangement. There are some lower rates. We get into the Chevron story all around the western part of the State.

BY MR. EVANS:

Q. Philadelphia still maintains a six to seven cent rate?

A. Philadelphia is still six to seven.

Q. Is that Chester that has a six to seven cent rate there?

MR. TURNER: Yes, in Delaware County.

MR. EVANS: In Delaware County. The City of Chester is the blue circle?

THE WITNESS: Yes, that seems to be Chester, yes. One could make a great many comments on the differences between the various communities. Some of them are very close to each other, and have very considerable differences in rates, but that is a very long, technical story.



MR. RHODES: What company serves the southwestern part of the state, where they seem to have the lowest rates?

THE WITNESS: The West Penn and the Duquesne Light, both are serving close to each other.

MR. RHODES: And the Pennsylvania Power and Light serves the central part of the state, where they have the higher rate?

THE WITNESS: Yes, they circle in there around the central part of the state.

BY MR. EVANS:

Q. The Metropolitan Edison is around there?

A. Yes, around Reading and Lebanon and Easton is all Metropolitan Edison, but you get the cities like Hazleton and Williamsport, they are Pennsylvania Power and Light. We have these marked here in case you want to check them up. That is all I have on that.

BY MR. TURNER:

Q. Of course, population and location of plants, and proximity to the course of power and so forth would have some bearing on these rates, wouldn't it?

A. Yes.

MR. COOK: Hazleton is right alongside of the—

MR. TURNER: That is what I was saying here, Hazleton is right in the coal district.

BY MR. EVANS:

Q. Now, in view of this very great discrepancy in rates, Mr. Roushenbush, has your attention recently been called to any statement made by any power company official as to how these rates are fixed?

A. Yes. When the vice president of the Cresson Electric was on the stand before the Senate recently, he was asked this same question, how it happened that with the high profits this company was making they did not charge lower rates, and he said, "Oh, the rates charged were governed pretty largely by other tariffs in effect in the nearby community." Certainly implying very definitely that regulations had very little to do with the tariffs.

Q. Whom do you refer to?

A. C. M. Memory, vice president of the Cresson Electric.

Q. And that was his testimony before the Senate committee?

A. Yes, sir, it was quoted in the newspapers.

Q. Now, have you made any comparison between rates effective in Pennsylvania with those effective in other states?

A. Yes, sir, I have.

MR. EVANS: I would like to note for the record that the charts and maps which Mr. Roushenbush has been testifying from will be photostated and introduced into the record as exhibits 13 to 22.

BY MR. EVANS:

Q. You prepared this chart showing consumers costs for residential lighting in various states. This will be introduced as Exhibit No. 23. Will you explain this chart to the committee?

A. The information for this chart was compiled, as far as Pennsylvania goes, from the tariffs filed with the Commission. Information from the City of Washington was furnished by the public utilities commission there. The information on the other states, Massachusetts, Ohio, New York, Maryland, and West Virginia, were taken from the rate book of 1930 published by the National Electric Light Association. In each state in the rate book were taken and put in there, and in all cases the lowest possible rates available to consumers, using 40 kilowatt hours per month, were used. So, we have here a chart in which all the cities listed in the rate book, which is our only information available, are all here, and compared to Pennsylvania cities.

Q. Now, this exhibit, Mr. Roushenbush, applies only to cities over 50,000 inhabitants?

A. Yes, sir. All these cities over 50,000 are grouped on one chart, and those under on another one. Here we find the rates of Pittsburgh and McKeesport, for 40 kilowatt hours.

Q. Is that five and 8-10th cents per kilowatt hour?

A. Yes, sir, about 5.7, and underneath that we have put,—you see this ascending ladder of red is Ohio, running along up there, and the purple is Maryland, which shows Baltimore under our lowest in Pennsylvania, and Lakewood,—Niagara

Falls, New York, and these municipal plants, Cleveland and Holyoke. In the next highest is Altoona, a little over six cents, and there is a city in Ohio below it, and a city in New York below it, and a city in Massachusetts, and of course the Ontario cities, and Philadelphia is the next highest, and Ohio is below that, and Massachusetts, and here is the next,—you see, the Pennsylvania cities set up along the ladder that way, and the cities come a step along below it a little bit. Rochester here is close to it, and the cities step on.

Q. In other words, you have arranged the Pennsylvania cities in an ascending scale of rates?

A. Yes.

Q. And then the rate under that, the Ohio cities in a corresponding scale?

A. Yes.

Q. And the green for the Massachusetts cities?

A. Yes.

Q. The brown is New York?

A. New York, yes.

Q. The purple is Maryland?

A. Yes, sir.

Q. Yellow is West Virginia and blue is Ontario?

A. Yes. And in all those seven states, or eight, including the City of Washington,—in all those six other states there are only two rates in the whole six states that are higher than the Pennsylvania rates in Allentown, Bethlehem, Lancaster and Westmore, and there are only those two, Mount Vernon and New Rochelle, New York, and three others, that are higher than Reading. So, there are some Pennsylvania rates, even with the reduction, that are practically above anything, even in cities as far off as Brocton, Massachusetts, and Springfield, Massachusetts, New York City, and so on, that have to carry their coal a good deal farther than Wilkes-Barre, let us say, right in the coal fields, and we have prepared another chart showing those cities under 50,000 in the same states. This shows a somewhat similar story for the similar—

Q. Just a moment, in order to get our records straight,—the next chart shows similar information for cities from 10 to 50 thousand, and will be Exhibit No. 24?

A. Yes. Again the same procedure has been used, and here it is found that while the rates in practically all of these other states; these other states, using all that we could get information on, step along below the Pennsylvania rates, they do finally get a little bit above, when it comes to the interior cities of Massachusetts, which not only get their coal either by long land haul or land and water haul, and a few cities in New York State above it, but on the whole the same big group here are just about above everything, with that little exception, in all the other six states.

Q. Ontario rates are very materially lower, are they not, according to this?

A. Yes.

Q. Ontario rates for this group seem to come around three, and the Pennsylvania cities along here run from two to six cents higher.

BY MR. RHODES:

Q. Where does Ontario get its power?

A. Mostly Niagara Falls water power.

Q. That makes the difference?

A. Well, sir, you could give away to the Pennsylvania companies all the water power, the power they have, it costs about a cent, I would say, to generate it,—you could give them that, and there would still be a little question about explaining that five cents difference, which would bring it down to four cents difference. Still that would have to be explained, wouldn't it?

Q. The letter M after a city means it is a municipal plant?

A. Yes, sir.

Q. And not a privately owned plant?

A. As you see here, the city again in the western part of the state, there are quite a number of them that have pretty low rates compared to the rest of the states. Here is this whole group from Arnold to Washington in the western part, that have got a little over a five cent rate, which is not a bad rate.

Q. Have you prepared in the form of a table the similar information to that shown by this chart?

A. Yes, sir, I have.

MR. EVANS: That table will be Exhibit 25.

BY MR. EVANS:

Q. Mr. Roushenbush, will you explain this table to the committee, Exhibit 25?

A. Yes, sir. Here I have taken the averages of all the cities in these various states, on which information was available, excluding none that were high and none that were low, and weighted the averages according to population, and found that for cities over 500,000 Pennsylvania averaged 6.215 cents, and then the others are below it. New York,—

Q. Now, this is for a consumption of 40 kilowatt hours per month?

A. Yes. New York, as you see, is a little higher, 6.87. Ohio, that is one city there, Cleveland, is lower, five. Massachusetts is higher, 6.76. There are no cities of that size in West Virginia. Maryland, that is Baltimore, is lower. Washington, D. C. is lower, and Toronto, Ontario, is lower.

In the next column the cities from 100 to 500 thousand are grouped, and there the Pennsylvania average of 7.834 cents is higher than any of the others.

The third column shows the cities of 50 to 100 thousand grouped together in a weighed average, Pennsylvania showing 7.657 cents. The next one, New York, is 8.4 cents, and is higher than the Pennsylvania average for that column. However, all the others are lower, Ohio, Massachusetts, West Virginia. There are none in Maryland, and Ontario is lower.

In the fourth column the cities from 25 to 50 thousand are grouped together. Pennsylvania averages 7.36 cents. New York is about equal, just a fraction of a mill lower. Ohio is lower, Massachusetts is higher, 7.72. West Virginia, Maryland and Ontario are lower.

Pennsylvania in the fifth column, of cities 10 to 25 thousand, is 6.9 cents. New York is higher. The rate book listed none for Ohio. Massachusetts is higher. West Virginia is lower, and Maryland has none listed in the rate book, and Ontario is lower.

(Exhibit 25 reads as follows:)

#### "COMPARISON OF LIGHTING COSTS IN SEVEN STATES 1930

Cost per kwh for the user of 40 kwh monthly, in cents.

	I	II	III	IV	V
	Cities Over 500,000	Cities 100- 500,000	Cities 50- 100,000	Cities 25- 50,000	Cities 10- 25,000
Pennsylvania ...	6.215	7.834	7.657	7.36	6.90
New York .....	6.87	7.31	8.04	7.35	7.57
Ohio .....	5.0	7.45	6.52	6.58	none
Massachusetts ..	6.75	6.31	7.56	7.72	7.76
West Virginia ..	none	none	7.37	6.87	6.87
Maryland .....	5.6	5.67	none	6.6	none
Washington D. C.	4.7				
Ontario .....	2.32	2.47	3.5	2.62	2.74

"This information was compiled for the tariffs filed with the Pennsylvania Public Service Commission for Pennsylvania. The Washington information was furnished by the Public Utilities Commission of the District of Columbia. The Ontario information was taken from the report of the Ontario-Hydro-Electric Commission. Information on the other states was secured from the Rate Book, 1930, published by the National Electric Light Association. In each case all the cities listed were taken to comprise the average, and in all cases the lowest possible rates available to consumers using 40 kwh per month, was taken. Where no cities were listed in the Rate Book the word 'none' is used in the table.

"The relative distance of Massachusetts and some of the New York cities from the coal fields is an item for consideration in the comparison. Out of 26 comparisons the Pennsylvania averages show higher in 19 cases and lower in 6 cases."

BY MR. EVANS:

Q. Taking these rates in their entirety, in how many comparisons is Pennsylvania higher than other states?

A. There are 26 comparisons in which the Pennsylvania rates show higher; in 19 instances they are a little lower, and in 6 they are about equal. This showing is made not

withstanding the fact of the very considerable advantage Pennsylvania has in being closer to the coal.

BY MR. TURNER:

Q. West Virginia and Ohio have coal also?

A. That is true.

Q. And some of the other states like New York and Massachusetts have coal haulage by water?

A. Some of the eastern states do.

BY MR. HAGMAIER:

Q. To what do you attribute the fact that Pennsylvania cities from 100,000 to 500,000 and from 50 to 100 thousand down, rates are higher than in the smaller cities?

A. That is a very interesting fact. Some of the cities in the state have lower rates than the middle class cities. I think in Reading it is due to the fact that Reading has such a high rate, and some of the other Pennsylvania Power and Light rates are pretty high.

BY MR. TURNER:

Q. You have made some mention of Ontario. Ontario has a government owned plant there?

A. It is a complicated system of government and municipal ownership.

Q. But is it not publicly owned, distinguished from privately owned?

A. Yes.

BY MR. HAGMAIER:

Q. In places where they use more light, it seems to me the rate should be smaller there?

BY MR. RICHARDS:

For instance, do you know whether this government owned plant in Ontario is supported by taxes, or is it self supporting?

A. As far as I know nobody of any standing in the academic situation, not paid by the power companies, ever deducted from the reports as to their earnings, and I might state there is a very slight difference in rural extensions, where I think they get something from taxes, but I think it is a very minor item as compared to the whole. They tell a story of these electric rates being allowed the domestic consumers, but they are getting rates for municipal purposes much higher than our companies do. They don't pay any considerable taxes themselves, but they also retire their investment, which is something our companies do not do. What that seems to be doing is building up an equity in the plant and allowing the rates to be reduced each year up there. There are less capital charges.

BY MR. RICHARDS:

The thing I wanted to know the rates show a difference of four or five cents a kilowatt and were higher here with companies making fifteen per cent over all returns, then certainly the gross returns would be higher where the kilowatt charge was the higher, and the net returns would not show such a difference.

A. There are two stories to that. You find some companies like the Duquesne Light that has a comparatively low rate making a considerable profit and some with higher rates making a very little profit. I think someone else could tell you about the relation of profit to high rate better than I could. There certainly needs to be some explanation. I think the two things go together in a large way. When you look at this first exhibit and see the earnings through 1925 and 1929, and then look at the high rate, part of the story is told. These two things have some inter-relation there.

BY THE CHAIRMAN:

This hearing will now stand adjourned until tomorrow morning at 10.00 o'clock in this room.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment and to the call of the Honorable D. Glenn Moore, Chairman, the Committee met in the House Caucus Room on Thursday, March 19, 1931, at 10.00 o'clock A. M.



There were present:

Messrs. D. Glenn Moore, Chairman,  
Bart Richards,  
Martin Memolo,  
Louis W. Hagmaier,  
Ellwood J. Turner,  
Frank L. Bowers,  
Chester A. Rhodes,  
Harry J. Crawford,  
Father James R. Cox,  
Morris L. Cooke, Esq.,  
Harold Evans, Esq.,  
John M. Walker, Esq.

MR. EVANS: Mr. Chairman, while we are waiting, I would like to make a correction in regard to exhibit numbers of yesterday. The first two exhibits that were introduced were indicated as Exhibits Nos. 5 and 6, but we find that 5 and 6 had already been placed in the record, and therefore suggest that Exhibit No. 5, which is a list of electric companies under review before the Committee, introduced yesterday by Mr. Morgal, be designated as 5A; Exhibit No. 6, which was the report submitted by Mr. Morgal to the Committee and designated as 6, be now designated as 6A. That will straighten us out.

M. CLYDE SHEAFFER sworn.

BY MR. EVANS:

Q. Mr. Sheaffer, what is your position in the Department of Revenue?

A. Supervisor of Corporation Tax Bureau.

Q. You have been subpoenaed by the Committee to produce capital stock reports of various electric companies; have you got those certified copies of the material portions here?

A. I have some certified copies of the material parts of those reports. Due to lack of time it was necessary to curtail all of the information, insertion sheets which show a list of bondholders and similar information.

MR. EVANS: I think the easiest way will be for us just to call for these reports for each company, and introduce them as exhibits without any comments. They can later be examined.

BY MR. EVANS:

Q. Have you the report of the Abington Electric Company?

A. Yes.

Capital Stock Report of the Abington Electric Company, produced and marked Exhibit No. 26.

Capital Stock Report of Bangor Electric Company, produced and marked Exhibit No. 27.

Capital Stock Report of Barnesboro-Spangler Electric Company, produced and marked Exhibit No. 28.

Capital Stock Report of Bedford Electric Light, Heat and Power Company, produced and marked Exhibit No. 29.

THE WITNESS: That report covers a part of the period.

Capital Stock Report of Bradford Electric Co., produced and marked Exhibit No. 30.

Capital Stock Report of Brockway Light, Heat and Power Co., produced and marked Exhibit No. 31.

Capital Stock Report of Brechenridge Light and Power Co., produced and marked Exhibit No. 32.

Capital Stock Report of Carlisle Gas and Water Co., produced and marked Exhibit No. 33.

Capital Stock Report of Chester County Light and Power Co., produced and marked Exhibit No. 34.

Capital Stock Report of Citizens Electric Co., of Lewisburg, produced and marked Exhibit No. 35.

Capital Stock Report of Clarion River Power Co., produced and marked Exhibit No. 36.

Capital Stock Report of Culver Electric Co., produced and marked Exhibit No. 37.

Capital Stock Report of Cresson Electric Co., produced and marked Exhibit No. 38.

Capital Stock Report of Delta Electric Power Co., produced and marked Exhibit No. 39.

Capital Stock Report of Delta Water Power Co., produced and marked Exhibit No. 40.

Capital Stock Report of Duquesne Light Co., produced and marked Exhibit No. 41.

Capital Stock Report of Edison Electric Co., of Lancaster, produced and marked Exhibit No. 42.

Capital Stock Report of Edison Light and Power Co., produced and marked Exhibit No. 43.

Capital Stock Report of Ellwood City Hydro-Electric, produced and marked Exhibit No. 44.

Capital Stock Report of Erie County Electric Co., produced and marked Exhibit No. 45.

Capital Stock Report of Erie Lighting Co., produced and marked Exhibit No. 46.

Capital Stock Report of Fleetwood and Kutztown Electric Light, Heat and Power Co., produced and marked Exhibit No. 47.

Capital Stock Report of Glen Rock Electric Light and Power Co., produced and marked Exhibit No. 48.

Capital Stock Report of Harmony Electric Co., produced and marked Exhibit No. 49.

Capital Stock Report of Hershey Electric, produced and marked Exhibit No. 50.

Capital Stock Report of Keystone Public Service Co., produced and marked Exhibit No. 51.

Capital Stock Report of Lancaster Electric Light, Heat and Power Co., produced and marked Exhibit No. 52.

Capital Stock Report of Lehigh Electric Light, Heat and Power Co., produced and marked Exhibit No. 53.

Capital Stock Report of Luzerne County Gas and Electric, produced and marked Exhibit No. 54.

Capital Stock Report of Mauch Chunk Heat, Power and Electric Light Co., produced and marked Exhibit No. 55.

Capital Stock Report of Metropolitan Edison Co., produced and marked Exhibit No. 56.

Capital Stock Report of Natrona Light and Power Co., produced and marked Exhibit No. 57.

Capital Stock Report of Northern Pennsylvania Power Co., produced and marked Exhibit No. 58.

Capital Stock Report of Palmerton Lighting Co., produced and marked Exhibit No. 59.

Capital Stock Report of Penn Central Light and Power Co., produced and marked Exhibit No. 60.

Capital Stock Report of Pennsylvania Electric Co., produced and marked Exhibit No. 61.

Capital Stock Report of Pennsylvania Power Co., produced and marked Exhibit No. 62.

Capital Stock Report of Penn Water and Power Co., produced and marked Exhibit No. 63.

Capital Stock Report of Pennsylvania Power and Light Co., produced and marked Exhibit No. 64.

Capital Stock Report of People's Power Co., produced and marked Exhibit No. 65.

Capital Stock Report of Philadelphia Electric (Inc. Philadelphia Suburban Counties all year), produced and marked Exhibit No. 66.

THE WITNESS: This report covers a portion of the year on account of a merger.

Capital Stock Report of Portage Light and Power Co., produced and marked Exhibit No. 67.

THE WITNESS: This report covers five months of 1929 on account of the sale of property and franchise.

Capital Stock Report of Renovo Edison Electric Light, Heat and Power Co., produced and marked Exhibit No. 68.

Capital Stock Report of Rockingham Light, Heat and Power Co., produced and marked Exhibit No. 69.

BY MR. EVANS:

Q. The Scranton Electric Company?

A. That report has been misfiled, and it was not possible for me to locate it at the time.

MR. EVANS: We will reserve the number 70 for that report when it is filed.

Capital Stock Report of Shippensburg Gas and Electric Co., produced and marked Exhibit No. 71.

THE WITNESS: That covers five months of 1929, on account of the sale of property and franchise.

Capital Stock Report of Solar Electric Co., produced and marked Exhibit No. 72.

Capital Stock Report of South Penn Power Co., produced and marked Exhibit No. 73.

Capital Stock Report of Southern Pennsylvania Power Co., produced and marked Exhibit No. 74.

Capital Stock Report of Sullivan County Electric Co., produced and marked Exhibit No. 75.

Capital Stock Report of Wellsboro Electric Co., produced and marked Exhibit No. 76.

Capital Stock Report of West Penn Power Co., produced and marked Exhibit No. 77.

Capital Stock Report of Windber Electric Corporation, produced and marked Exhibit No. 78.

MR. EVANS: I offer Exhibits No. 26 to 78 inclusive, in evidence.

BY MR. EVANS:

Q. Mr. Sheaffer, have you got a copy of the Philadelphia Electric report including the Philadelphia Suburban and Counties Gas and Electric systems for the entire year of 1929?

A. The Philadelphia Electric report covers a portion of the year 1929. I have here a certified copy of the report covering 10 months of the year 1929 for the Philadelphia Suburban Counties Gas and Electric Company.

MR. EVANS: I offer that in evidence as Exhibit 66A.

W. M. DIETRICK sworn.

BY MR. EVANS:

Q. You are a certified public accountant.

A. I am.

Q. What has been your accounting experience, briefly?

A. I have been in public accounting since 1924.

Q. And have you had any experience in utility accounting?

A. During that time I have been on audits of all different concerns, including public service companies and corporations, and my experience in the gas field in the neighborhood of Kane and Warren, Pennsylvania. I also worked on the Clarks Ferry Bridge rate case.

BY MR. TURNER:

Q. Under whom?

A. At that time I was working with Main and Company.

BY MR. EVANS:

Q. Have you made any study of valuation cases before the Commission?

A. I have prepared from the record of decisions of the Public Service Commission from 1921 to 1930 a series of charts and statements comparing values of the various companies as submitted by the respondents, the complainants, and the Commission. In preparing these statements and charts I reviewed 68 cases.

Q. Have you prepared a table showing valuations by the Public Service Commission from 1921 to 1930?

A. I have.

MR. TURNER: Of these 68 cases?

MR. EVANS: Well, this table does not include the whole 68. I will ask him about that.

BY MR. EVANS:

Q. This table, Mr. Dietrick, does not include the whole 68 cases, does it?

A. No, not the first table. This is Table No. 1 of valuations of Public Service Commission as presented in their volumes of decisions of 1921 to 1930 inclusive. There were nine cases from which I will present a comparison of original cost depreciated and fair value according to the Public Service Commission, together with the per cent over original cost.

Q. Now in selecting the cases for this examination covered by your tables 1 to 4, did you use all of the cases that you could get the information from during this period?

A. I used the cases wherein I could clearly determine the figures as presented in the decisions.

BY MR. TURNER:

Q. That is, you took the figures from the decisions, not from the records in the Commission.

A. No. These figures are taken entirely from the Public Service Commission decisions.

Q. And, as I understand it, these cases entail all of the cases in which you could get complete enough figures on which to base your calculations, is that right?

A. That is right.

Q. They were not selected in any other way?

A. There was no discrimination shown in the selection.

MR. EVANS: I offer this exhibit, consisting of two sheets, as Exhibit No. 79.

(Two sheets titled "Valuations by the P. S. C. 1921-1930, Tables 1, 2, 3 and 4," marked Exhibit No. 79.)

BY MR. EVANS:

Q. Now, Mr. Dietrick, have you prepared a chart covering the information set forth in table 1 of Exhibit 79?

A. I have had this chart prepared covering this information.

Q. And this is the chart headed "Valuations above original cost depreciated, Commission's own figures, 1921 to 1930?"

A. Yes.

MR. EVANS: I offer this in evidence as Exhibit No. 80.

BY MR. EVANS:

Q. What comments, Mr. Dietrick, have you to make on this chart? What, for instance, does the black portion of each column at the bottom represent?

A. The black portion of each column represents original cost depreciated, the Commission's own figures.

Q. And the shaded portion above represents the additional amount found in determining the fair value of the property?

A. That is right.

Q. So that, taking the cost of the Panther Valley Water Company, in 1921, the fair value of that property, as determined by the Commission, was somewhere over 120 per cent above the original cost as found?

A. No. The original cost is the 100 per cent.

Q. Oh, I should say 20 per cent above the original cost.

A. 22 per cent.

Q. Now, the next case is the Pennsylvania Gas Company, and that shows about eighty some per cent over original cost found for fair value.

A. 81.8 per cent.

Q. In the Waynesboro Gas Company case, what was the percentage there by which the fair value exceeded the original cost as found by the Commission?

A. 26.9 per cent.

Q. And in the Johnstown Water Company case?

A. 43.9 per cent.

Q. The Dallastown Yoe Water Company?

A. That should be the Dallastown Yoe Water Company, 29.7 per cent.

Q. Ridgway Light and Heat Company?

A. 50.1 per cent.

Q. Lehighon Water Supply Company?

A. 92.5 per cent.

Q. Minersville Water Company?

A. 54.6 per cent.

Q. Clearfield Water Company?

A. 56.6 per cent.

Q. And another case in 1930 of the Lehighon Water Supply Company?

A. It was 74.4 per cent.

Q. In other words, there were two cases of the Lehighon Water Supply Company, one in 1924 and one in 1930?

A. In the 1924 case the original cost was given as \$155,000, on which was allowed a fair value of \$390,000. In the 1930 case, the original cost depreciated was \$215,000, and the Commission allowed \$375,000.

Q. In the case of the Ridgway Light and Heat Company I notice a note on Exhibit 79 says "Minimum Value fixed by the Public Service Commission" will you explain that briefly, Mr. Dietrick?

A. In that case the Commission did not set out clearly the fair value but stated the minimum value that they could find was \$1,580,000.

Q. I assume therefor that the rates—

A. The rates were based on that figure.

Q. And were not excessive based on that valuation?

A. No, sir.

Q. Have you got any other comments in regard to Exhibit 80? That is the charter that we have been discussing.

A. No. I think the facts are clearly set out in the figures and in the chart.

Q. Have you prepared a chart covering the information set forth in Table 2 of Exhibit 79?

A. In Table No. 2 I wish to present a comparison between original cost undepreciated and fair value found by the Public Service Commission, also per cent over original cost. These figures were taken from 11 cases. I want to emphasize in this case that the figures give our original cost undepreciated.

Q. And the figures in Table 1 of 79 are original cost depreciated?

A. That is right.



BY MR. TURNER:

Q. Does that appear in the report?

A. Yes, sir.

Q. That is, it appears in the report that those were original cost figures, undepreciated?

A. That is right.

Q. And they were selected how by you?

A. In the same manner as the first table.

Q. That is, you selected all the cases where you could get sufficient facts?

A. That is right.

MR. EVANS: In saying that, Mr. Dietrick, my understanding is that it covers the period of 1920 to 1930?

A. 1921 to 1930.

MR. EVANS: The chart covering Table 2 of Exhibit 79 is headed "Valuations above original cost before depreciation, Commission's figures, 1921 to 1928." I offer this in evidence as Exhibit No. 81.

Q. What comments, Mr. Dietrick, have you to make on this chart?

A. On this chart the blank is the 100%, that is the original cost before depreciation.

Q. As found by the Commission?

A. As found by the Commission.

Q. The red line block is the fair value in excess of the original cost before depreciation from the Commission's own figures?

A. Yes.

Q. In the case of the Ellwood Water Company, what is the percentage over undepreciated original cost found by the Commission as fair value?

A. 17.8.

Q. And the Middletown & Swatara Water Company?

A. 16.5.

Q. The Waynesboro Water Company?

A. In the Waynesboro Water Company case a fair value is under the original cost undepreciated.

Q. How much under?

A. Original cost undepreciated was \$205,000 and the fair value found by the Public Service Commission was \$200,000.

Q. The Water Company of Punxsutawney?

A. 32.6%.

Q. Above original cost?

A. Above original cost undepreciated.

Q. Kulpmont Water Company?

A. 17.8%.

Q. Mt. Carmel Water Company?

A. 34.9%.

Q. Shavertown Water Company?

A. 63.8%.

Q. McConnellsburg Water Company?

A. 22.8%.

Q. Armstrong Water Company?

A. 11.5%.

Q. South Pittsburgh Water Company?

A. 28.4%.

Q. And the Snow Shoe Water Company?

A. 45%.

Q. Have you any further comments you wish to make in regard to this exhibit?

A. I think the Table No. 2 and the chart as presented show that the fair value on all except one case is above original cost before depreciation from the Commission's own figures.

Q. Turning to Table No. 2 of Exhibit 79, have you prepared a chart in the same way showing graphically the material there presented?

A. In Table No. 3 I present a comparison of original cost depreciated according to the city's fair value as found by the Public Service Commission.

Q. When you say the original cost according to the City's, is that set forth in the Commission's report?

A. I might qualify that and make it complainants.

Q. In other words, the Commission sets forth in its report what the complainants estimate what the original cost is?

A. That is right.

Q. You have used that figure there as original cost depreciated and you have used that figure and compared it with the fair value found by the Commission?

A. Yes.

Q. And this chart is the one I now show you valuations above original cost depreciated and you have called it city's

figures 1921 to 1928, and by city's figures you mean to include the complainants in general?

A. Complainants.

BY MR. TURNER:

Q. Again do you arrive at the cases which you selected by the methods as you did in the others?

A. I did.

MR. EVANS: I think he said in his original testimony that was true.

MR. TURNER: I think that is important to know in each one of these cases.

THE WITNESS: I can go on record as stating that there was no discrimination shown in the selection of these cases.

MR. EVANS: I offer this exhibit No. 82.

BY MR. EVANS:

Q. Mr. Dietrick, the black portion of these columns again represents the cost depreciated as testified to by the complainants in the case?

A. That is right.

Q. And you compared that with the fair value found by the Commission, the first case is the Luzerne County Gas and Electric Company, you have divided that column into two parts, one marked Gas and the other marked Electric; will you explain that to the Committee, please?

A. The figures as set out in the decision separated these figures so we show them separate on this chart. They separate them as to gas and electric divisions of the Luzerne County Gas and Electric Company.

Q. And what is the percentage of fair value as found by the Commission from the original cost depreciated by the Commission over the original cost depreciated as testified to by the complainants in the case of the gas property?

A. In the case of the gas property it is 39.8%.

Q. In the case of the electric property?

A. 70.5%.

Q. In the case of the Lewistown-Reedsville Water Company?

A. The case was the excess, was 60.1%.

Q. And the Renovo-Edison Light, Heat and Power Company?

A. 86.7%.

Q. In the Biglerville Water Company?

A. 83.3%.

Q. Do you have any other comments that you wish to make in regard to this chart?

A. I think statement No. 3 on the chart as presented shows that the fair valuation in each case is in excess of the original cost depreciated from the witness' figures.

BY MR. TURNER:

Q. What does the word "historical" mean in Biglerville?

A. That is set out as a historical cost in that case.

BY MR. EVANS:

Q. What is historical cost? Explain it to the Committee.

A. By the Commission, in its report, in Volume No. 4 of Public Service Commission decisions, on page 750, historical cost is defined, I read from that volume: "Historical cost may be defined to be cost ascertained by applying to the profit of the company the prices prevailing at the time the plant was constructed or properly acquired. It is ascertained when original cost is not available. Historical cost therefore may be more or less than the original cost, but neither should be confused with fair value as they are only elements ascertainable in the manner indicated to be considered by the Commission in reaching its decision."

Q. Mr. Dietrick, have you prepared a chart covering the first set-up in Table 4 of Exhibit No. 79?

A. I have. Table No. 4 sets forth a comparison—

Q. This is headed "Valuation above costs on either basis, Commission's own figures, 1923-1929"?

A. Yes, sir.

MR. EVANS: I offer this chart in evidence as Exhibit No. 83.

BY MR. EVANS:

Q. This chart is prepared on the same principle as the preceding one?

A. It is.

Q. Except in this case the black portion of each column represents the historical cost undepreciated as found by the Commission?

Q. In no other case was set up as historical costs?

A. In two the original figures, figures in the first column, are on the investment as stated in the volumes of decisions referred to.

Q. Suppose we run through these. Which cases are historical cases on this Exhibit?

A. The Marion Heights Water Company is actual investment.

The Clark Summit Water Co. is actual investment.

The others are all historical cases.

Q. I notice some of them—one of them is marked historical cost undepreciated, the Belle Vernon Water Company. As far as could be determined that is the only one that had clearly set out historical costs undepreciated?

Q. Do any other cases clearly set out that depreciation has been taken into consideration?

A. They do not.

BY MR. MEMOLO:

Q. Were there not two cases of the Clark Summit Water Company, one in 1926 and one in 1929?

A. Yes, sir.

Q. In other words, were there two boosts of the rate there?

A. I am not prepared to say that.

There is an error in that chart. In 1926 there should be the Waterford Water Company.

BY MR. EVANS:

Q. Mr. Dietrick, will you submit a corrected exhibit showing that?

A. I will.

Q. Eliminating that and taking up the Belle Vernon Water Company column, what was the percentage by which the fair value as found by the Commission exceeded the historical cost not depreciated?

A. 40.3 per cent.

Q. And in the case of the Marion Heights Water Company, by what percentage did the fair value exceed the actual investment, as found by the Commission?

A. 46.6 per cent.

BY MR. TURNER:

Q. Why the change to actual investment?

A. The decision did not clearly set out any other figures. In this last table we have taken original cost or rather historical cost.

BY MR. EVANS:

Q. And in the other tables in each case you used the original cost there as found by the Commission or as testified to by the complainants.

A. I did.

BY MR. TURNER:

Q. What is the difference between original, historical cost and actual investment? I know what the difference is in one way, but I want to know why this table change is made on actual investment.

A. In the case of the Marion Heights Water Company the only figure I could use to indicate the original cost was the actual investment figures as set out.

Q. The actual investment figures appeared in the report?

A. In the decision.

BY MR. EVANS:

Q. Now in the case of the Philadelphia Suburban Gas and Electric Company, by what did the fair value as found by the Commission exceed the historical cost?

A. 22.5%.

Q. Did it appear in the Commission's report in that case whether the historical cost as set forth in the report was depreciated or not depreciated?

A. It did not.

Q. In the case of the Warren Water Company, what was the excess of the fair value as found by the Commission over the historical cost?

A. 5.7%.

Q. And in the case of the York Water Company?

A. 76.8%.

Q. And in the case of the Myerstown Water Company?

A. 80%.

Q. And in the case of the Towanda Water Company?

A. 27.2%.

Q. And in the case of the Waterford Water Company, which you are going to have placed on the chart?

A. 36%.

Q. And in the case of the Newville Water Company?

A. 7.7%.

Q. And in the case of Clarks Summit Water Company?

A. 115%.

Q. In that case that was from the actual investment and not from the historical cost?

A. That is right.

Q. Have you any further comments to make in this matter?

A. I have not.

BY MR. COOKE:

Q. About what is the percentage in all of the cases, valuation cases, during that period?

BY MR. EVANS:

Q. Your next table covers some 60 cases, does it not?

A. 68 cases covered during that period.

BY MR. COOKE:

Q. Only 35 of them gave you enough material to make these tables?

A. Yes, sir; they only gave me figures that I could be sure of—clearly set out.

BY MR. TURNER:

Q. How many cases approximately were decided within that time? How many are in the report?

A. I think you will find that there was all of the cases on gas, light and heat—on gas, light and water, that could be found during that period.

Q. 68 cases are all the reported cases found during this period?

A. I qualify that by saying cases, wherein figures were set out—

Q. I understood that to be your answer, that the 68 cases were the only ones you got figures on, and I am asking you the further question, how many cases were there in the report during that time?

MR. EVANS: Do you mean valuation cases or not?

MR. TURNER: Yes, surely.

THE WITNESS: I am unable to state how many there were, valuation cases, light, gas and water, during that time.

BY MR. TURNER:

Q. There were a number of other cases in which no figures of valuation sufficient were set forth for you to make a report on?

A. Yes, sir.

BY MR. EVANS:

Q. Have you prepared another chart covering 60 odd companies?

A. I have.

Q. Mr. Dietrick, I show you the chart headed "Valuation cases, reproduction, estimate, light, gas, water cases, estimate, 1921 to 1930," in which the maximum value is \$200,000 or under, and I ask you whether you prepared that exhibit or had it prepared under your direction?

A. Yes, sir, I had it prepared under my direction.

Q. This covers all of the valuation cases that you have included in your 60 cases, where the valuations were \$200,000 or under?

A. That is right.

MR. EVANS: I offer this in evidence as Exhibit No. 84.

BY MR. EVANS:

Q. Now, will you explain this exhibit briefly to the Committee? Take as a typical example the column marked 1, at the left of the chart.

A. Before I go into this chart, I want to explain that these figures—there is a new element in this case, in the valuation, in the preparation of these figures, we now deal with reproduction new and reproduction new depreciated. The figures as set forth on these charts are on those two valuations, as given by the respondents or complainants and the Commission. The respondent's figures are in red; complainants' figures are in blue, and the Commission's figures are in green.



Q. In order to make this perfectly clear, as I understand this chart deals solely with reproduction estimate?

A. Reproduction new and reproduction new depreciated.

Q. How have you indicated the difference between reproduction new and reproduction new depreciated on the chart?

A. They have not been indicated.

Q. Taking the column marked 1, the red column goes up to a point somewhere above 150,000. What does that represent in that case?

A. Valuation case No. 1 is the Borough of Frackville, v. Mountain City Water Company.

MR. TURNER: Are we to have a schedule of these like we have on these other cases, or are we just to follow the testimony?

MR. EVANS: We are going to have prepared by Mr. Dietrick, as a final exhibit, but it is not yet ready—those actual figures.

BY MR. EVANS:

Q. The first red portion of column 1, you were just stating what it represents?

A. That was reproduction cost new, respondent's estimate, \$162,255, which was the highest estimate submitted. This figure includes intangibles.

Q. What do you mean by intangibles, such things as going concern value?

A. I will read from Volume No. 6, page 553 of the Commission's report, wherein they state their intangibles. They give a list of intangibles in that case:

"To this is added \$823,410 for intangibles during construction, less omissions and contingencies, engineering and supervision, general and administrative expense, taxes, insurance and interest and for promotion and organization; also for materials and merchandise, working capital, securities, discount, franchises, and going concern value, making a total alleged value of the plant, exclusive of gas lines of \$2,058,080."

In Volume No. 6, page 628, the Commission gives an additional definition, "Legal expense during construction."

In Volume 5, page 552, future capital requirement is included as an intangible.

BY MR. COOKE:

Q. What you are reading, Mr. Dietrick, has nothing to do with this case?

MR. EVANS: I understood that he has stated that these things are included.

THE WITNESS: They are to explain that in the first four charges, original cost, original cost depreciation and original historic cost and book cost, intangibles are not included, but in the reproduction cost new and reproduction cost depreciation, the question of intangibles now plays a very important part.

MR. COOKE: And you have gone to other cases to get your information as to what is included in these intangibles, because none of these cases go above \$200,000?

MR. EVANS: This is just a chart, and we are going to get charts in the higher valuations.

BY MR. COOKE:

Q. And does what you are reading appear in those cases that you are going to bring in?

A. Yes.

BY MR. EVANS:

Q. And does what you have on this chart, the reproduction estimate of the company, include items for intangibles?

A. That is right.

Q. And what you have been reading from the reports is merely to, in a general way, indicate to the Committee what items are comprehended under that head of intangibles?

A. That is right.

Q. When you said intangibles are not included in the original costs which you have been testifying to, as I understand it, you mean they are not included as any separate time, but they are a charge that went into the company, if the books had been complete, would have been shown in that original cost?

A. That is right.

Q. And that would have included legal expenses, interest during construction and all of these various items?

A. That is right.

MR. TURNER: Are you going to take the other table in connection with this table?

MR. EVANS: I was just trying to make it clear to the Committee when he said that intangibles were not included in the

original cost which he had been testifying to in the other tables, Mr. Turner, what he meant. In other words, they are not included separately as cost estimates so made, these are actual figures so far as the books of the company are concerned.

MR. TURNER: Do I understand it then that these other tables, in making up your totals for original cost depreciated, original cost undepriciated, and so forth, that you took different items as they appeared in the report, or was there a lump sum valuation finally found?

A. A lump sum found.

Q. Therefore, you don't know what element went into that original cost depreciated or undepriciated?

A. That is right.

Q. You don't know what elements went into that, you only know that is a lump sum as found?

A. That is right.

BY MR. EVANS:

Q. Mr. Dietrick, are you prepared to give the Committee a definition as to what original costs is? I think we ought to get this perfectly straight.

A. Original cost is the cost of the plant, the cost of property, the land and any other element that goes into making the plant a going concern.

Q. And if interest was paid during construction that would be entered as an item of original cost.

A. That is right; in should be.

Q. And if legal expenses were incurred in connection with the property, those also would be included.

A. It should be.

MR. TURNER: What I was trying to get at Mr. Evans, was this: That while they should be, as he says, and while these ordinarily are the elements that make it up—I understand that perfectly well—what I wanted to know was whether from these reports the different elements were given that make up the sums totals, as he has them on the chart, or whether it is merely given in the report as the lump sum.

MR. EVANS: I think he has so testified, that it was given as a lump sum.

MR. TURNER: Therefore he does not have those elements; he does not know whether those elements are in there or not.

BY MR. EVANS:

Q. I take it that is true, Mr. Dietrick.

A. Yes.

MR. TURNER: I am not trying to raise any question, I am merely trying to be perfectly clear as to what these items mean.

BY MR. RHODES:

Q. Were these intangibles taken into consideration?

MR. EVANS: That is in reproduction costs, he means.

BY MR. BOWERS:

Q. Were they taken into consideration on the other charts?

MR. EVANS: Mr. Bowers, the distinction between original cost and reproduction cost estimates, is that original costs is supposed to represent the actual investment in the property as shown by the books of the company, including every proper item chargeable to capital. Now, if the books of the company are incomplete or inaccurate, of course, the amount found for original cost will be correspondingly inaccurate. When you come to reproduction cost, that is an estimate of what it would cost at current price to reproduce the property, and as an element of that cost these various intangibles are added to the actual reproduction cost of the physical property. I don't know whether I made that clear.

MR. BOWERS: That is clear, that is what I wanted to know.

MR. EVANS: That is my understanding the situation.

BY MR. EVANS:

Q. Now, in some of these cases, Mr. Dietrick, I notice there are very considerable differences between the columns, not only different colors, but also the columns of the same color. Have you comments to make in regard to that, and won't you just go ahead and make comments such as you have for this chart.

A. You want me to go ahead and develop each individual case?

Q. Well, I think it is only necessary for you to pick out special ones that you wish to call attention to, because the

figures will be shown in later exhibits for each case. I don't think we want to take the time of the Committee to go over everyone in detail.

A. I might be discriminating.

Q. Now, Mr. Dietrick, take for instance No. 24. There seem to be three red columns there of different heights. Will you tell the Committee what case that represents, and what the different columns are?

A. Case No. 24, is the borough of State College, which is the State College Water Company. The figures submitted here, three respondents' figures, they are all reproduction costs depreciated, the respondents submitted three estimates, one was \$96,531, based on an average of prices over a ten year period; the next figure was \$122,579, based on five years average prices; the next was \$189,214, based on one year prices, as of 1920. Now, there is a difference of \$92,685 between the respondents low figure for reproduction costs depreciated, or a difference of 96% in those estimates on that one case.

Q. Now, are there on this chart any cases where there are different estimates based on reproduction cost on spot prices at the time of valuation?

A. The last in 1924 was on spot prices, or rather on current prices in that year.

Q. Yes, but those you stated were one a ten year average and one a five year average and one a—

A. One year average.

Q. Now I ask you whether in this case there are any differing estimates based on the one year average, for instance?

A. I don't believe I understand what you mean, Mr. Evans.

Q. Well, cases where the respondent had two or more engineers who made estimates of reproduction costs on the same basis and differed in their results.

A. No, there was only one estimate on the one year basis given by the respondent in this case.

Q. Well now, in case 41, there seems to be some five or, I guess, six red columns. What do they represent?

A. The six red columns represent the different estimates given by the respondent in this case.

Q. Of reproduction cost?

A. They are reproduction cost new and reproduction cost depreciated.

Q. Well, will you give those figures briefly to the committee?

A. The respondent first submitted a figure of \$129,749 based on 1923 prices. That is reproduction cost new. His next figure was submitted on a five year average prices of \$115,244. The next estimate, based on a ten year period, was \$97,750. Based on ten years, that is. There was a difference of \$31,999 between these different estimates submitted by the respondent of reproduction cost new, or a difference of 32.7 per cent in his own estimates.

The respondent then submits reproduction cost depreciated first on 1923 prices, \$122,444. On five year average prices \$108,684. And on a ten year average \$90,282.

The complainant in this case gave a figure of \$77,208 based on 1923 prices. The complainants gave a figure of \$70,212 on five year average and \$60,025 on a ten year average. The difference between the complainants' low figure of \$60,025 based on a ten year average and respondents high figure of \$122,444 was \$62,414, or a difference of 104 per cent.

Q. All right; well now, let us take a look at 52, which seems to have a variety in the high columns. What case was that?

A. That is the case of Brubaker v. Millersburg Home Water Company.

Q. Where was that reported? In the commission's reports? Have you got it?

A. Volume No. 8, page 195.

Q. What do the two left-hand red columns in that series represent?

A. They represent the respondent's estimate. He gave two estimates in this case on reproduction cost new. The first was on a ten year average \$140,786. He gave an estimate on cost prices at the time of the complaint of \$189,811. The complainant in this case gave reproduction cost new of \$77,027 based on a ten year average, and \$102,427 on current prices. The difference between the complainant's low figure and respondent's high figure was \$112,782, or a difference of 146.4 per cent between the low estimate for reproduction cost

new and the high estimate for reproduction cost new in this case.

Q. But in that, Mr. Dietrick, you are comparing the respondent's, the company's estimate of reproduction cost on one year average prices with the complainant's estimate of reproduction cost on a ten year average, are you not?

A. That is right. I am comparing the high and the low.

MR. EVANS: I just want it perfectly clear.

BY MR. EVANS:

Q. Now, there is a second series of red columns. What do they represent?

A. They represent the respondent's estimate on reproduction cost depreciated. His first figure is on a ten year average of \$129,540. His second estimate was on cost prices, \$173,385. Complainant gave a figure on a ten year average of \$69,093; on current prices at \$92,220. And the commission in this case gives an estimate of \$81,175 on a ten year average, or \$113,200 on current prices. The difference between the low estimate given on reproduction cost depreciated and the high estimate given on reproduction cost depreciated was \$104,292, or a difference of 150.9 per cent.

Q. Are there any other particular cases in the chart, Mr. Dietrick, that you want to call attention to?

A. No, not unless there is any that the committee would like to have read, or they want to know the figures on.

MR. TURNER: Let me ask you, before you take that down. The ones that the questions were asked on there, 26 and 41, are they water companies?

MR. EVANS: Would you like to have all the names of the cases?

MR. TURNER: No. Just the question asked here.

THE WITNESS: 26 is the Dallastown Yoe Water Company,—and what is the other?

MR. TURNER: And what is 41?

THE WITNESS: That is the Matamoras Citizens Water Company.

MR. TURNER: Could you tell us the capitalization in each one of those cases? Have you got that data?

THE WITNESS: I can not. I can give you the fair value in each one of them.

MR. TURNER: No. We want the capital.

THE WITNESS: You mean the capital stock plus the—

MR. TURNER: Yes, what is the capital stock of the company?

THE WITNESS: I couldn't tell you. I can look it up, if you want it.

MR. TURNER: Will you get that information, Mr. Evans, please?

MR. EVANS: Yes. Will you make a note of that, Mr. Dietrick, and get the capitalization?

MR. TURNER: Mr. Crawford would like to have 48.

THE WITNESS: The capitalization of 26—

MR. TURNER: The capitalization of 26, 41, and 48.

MR. EVANS: Do you want the name of 48?

MR. CRAWFORD: Yes.

MR. EVANS: What is 48?

THE WITNESS: That is the West Norriton Water Company.

MR. HAGMAIER: 52 is a water company too, isn't it?

THE WITNESS: It is the Millersburg Home Water Company.

BY MR. EVANS:

Q. Are there any other features you want to comment on, Mr. Dietrick?

A. Not unless the Committee would like something else.

MR. EVANS: If the Committee please, I asked Mr. Morgal to come over and give us one or two additional reports that the bureau of accounts have made. He was not here when we started, and he has come here now, and we are taking a good deal of his time from his work at the commission. I do not like to interrupt this witness' evidence, but I think, in order to let Mr. Morgal go, it would be well to do it.

B. F. MORGAL recalled.

BY MR. EVANS:

Q. Mr. Morgal, in your previous testimony you referred to certain reports which the Bureau of Accounts had made to the Commission in regard to the Clarion Power Company; I have



asked you to produce those reports this morning, have you got them with you?

A. I have.

Q. Will you just state what these reports are?

A. The first report filed by the Bureau of Accounts and Statistics on the Clarion River Power Company was dated October 2nd, 1925. This was a preliminary report prepared jointly by accountants from the Public Service Commission and the Federal Power Commission in connection with the determination of actual legitimate cost of the project under the Federal Water Power Company Act.

MR. EVANS: May I just ask that that be introduced in evidence as Exhibit No. 88.

BY MR. EVANS:

Q. Have you any other report on Clarion River?

A. The second and complete report on the Clarion River project was dated November 4, 1925. This was also a report prepared jointly by accountants of the Pennsylvania Public Service Commission and the Federal Power Commission.

MR. EVANS: I offer this in evidence as Exhibit No. 89.

WITNESS: The third report prepared by the Bureau of Accounts was dated March 1st, 1930, and was merely a report upon the basis of the proceedings before the Federal Power Commission as it was determined by the Chief Accountant of the Bureau at that time in a conference with Chief Accountant King of the Federal Power Commission.

BY MR. EVANS:

Q. Between 1925 and 1930 the Bureau of Accounts was not asked by the Commission for any further reports on Clarion River?

A. We kept in touch with the case through correspondence with the Federal Power Commission but we were not asked to file any reports. We were asked by the Federal Power Commission to participate in a further audit of some of the construction company's account, but at that time the request was made our accountants were tied up with other assignments and we were unable to participate.

Q. When was that request made, Mr. Morzal?

A. In April, 1927.

BY MR. COOKE:

Q. What reason was given the Federal Power Commission for not co-operating in that? I understood you to say that the Federal Power Commission had asked the co-operation of our Commission?

A. In a further audit.

Q. Yes.

A. As I explained, at the time that request came from the Federal Power Commission our accountants were all in the field and we could not undertake the work at that particular time, they were all engaged.

Q. You wrote the Federal Power Commission that you could not take it up because of that?

A. That is correct.

MR. EVANS: I offer the Bureau's report to the Commission dated March 1st, 1930, as Exhibit No. 90.

BY MR. EVANS:

Q. Are there any other reports on Clarion River?

A. That is all.

BY MR. COOKE:

Q. You do not happen to recall, Mr. Morgal, what other cases you worked on at that time?

A. No, I don't.

Q. Would it be a difficult matter to find out?

A. I think it would at this time, that was back in 1927.

BY MR. EVANS:

Q. Mr. Morgal, turning to page 27 of the report dated November 4, 1925, Exhibit No. 89, I note the following: "From the above statement, as well as the foregoing report, it will be noted that out of an aggregate net charge to fixed capital as of December 31, 1924, of \$10,985,729.62 we were able to verify cash transactions amounting to only \$1,824,524.25, or 9.33%, the remaining 91.67% being represented by security transactions?"

A. That is what the report showed.

Q. Mr. Morgal, in connection with the Scranton Electric case you stated that the company had filed a new schedule effective November 1st, 1930, which the company estimated

would reduce the rate by a total of \$750,000; what steps are being taken by your Bureau to check up the accuracy of that estimate?

A. We have not had any direction from the Commission to make any verification thus far of that reduction.

BY MR. COOKE:

Q. I would like to ask, Mr. Morgal, whether it has been the practice to check up? We read in the newspapers that this company and that company is going to make a reduction amounting to sometimes as high as a million dollars a year, does your Bureau check up afterwards to find out what happened?

A. We have a direction from the Commission when a deliverance is made by the Commission finding an allowable gross revenue that when subsequent annual reports are filed we shall make an effort to check through those annual reports to determine whether that allowable gross revenue has been exceeded. We have not, except there are some cases in which we went out and made a field examination to determine that, notably the Clarks Ferry Bridge case was one of those. There may have been others, I don't recall them at the present time.

Q. In my home town the company has on three or four occasions in recent years announced cuts of approximately a million dollars a year, have you ever checked up on that to find out whether that was the case?

A. No, sir.

MR. DIETRICK resumes the witness stand.

BY MR. EVANS:

Q. Now, Mr. Dietrick, this represents similar data to that of the preceding chart except that this covers valuations, light cost and water cost up to \$1,000,000 as I understand it?

A. That is right.

Q. It does not cover any of the cases on the preceding chart?

A. No.

Q. Each case, one or more of the estimates on this chart runs over the \$200.00 mark, which was the limit of the preceding chart?

A. That is right.

BY MR. TURNER:

Q. Where did you get these cases?

A. These were taken from the Public Service Commission's volumes of decisions from 1921 to 1930.

Q. Just the same way as you got the other?

A. Just the same as the others.

BY MR. COOKE:

Q. What is the 31 case. Apparently the lowest limit is one-third of the top estimate. Will you tell me the possible reason for that?

A. Case thirty-one is the borough of Mount Carmel v. Mount Carmel Water Company. These figures were submitted through an engineering conference representing the principals involved, that is the respondent, the complainants and the Commission.

BY MR. EVANS:

Q. You have designated that all in red?

A. Yes, sir.

BY MR. COOKE:

Q. Can you identify the comparison of that bottom one to the lowest one in 1931?

BY MR. EVANS:

Q. Give the Committee the various figures of estimate.

A. The lowest one is \$186,586 that is reproduction cost depreciated on a ten year average.

The high figure in that case is \$702,516. That is reproduction cost too, based on 1920 figures.

BY MR. TURNER:

Q. What year was that case?

A. The case was decided in 1923, rather the decision was written in 1923.

BY MR. EVANS:

Q. The valuation, I take it, that was as of the time of 1920?

A. The 1920 prices were used in the valuation.

Q. Is there anything there to show what the Commission findings were in that case?

A. The Commission found a fair valuation of \$295,000. The lowest figure on the ten year average was \$186,586.

BY MR. HAGMAIER:

Q. What was the high figure given?

A. \$702,516.

In the reproduction cost value and the figures just given there was a difference of \$477,008.

The difference between the high exceeded the low by 211.5 per cent.

New reproduction costs depreciated, there was a difference between the low and the high of \$177,742.

And the difference between the high and low was 95.3 per cent of the low figure.

BY MR. COOKE:

Q. Now take No. 43, tell us what the difference is between those estimates?

A. Case 43 is the Borough of Towanda versus the Towanda Water Company.

Q. You have four different values for the Commission.

A. The first figure and the highest as submitted by the Commission in this decision was \$647,863. That was based on 1923 prices.

The next lowest figure was \$552,804, which was based on 1922 prices.

The next figure was \$483,949 based on a five year average.

And the lowest figure was \$380,516 based on a ten year average.

Q. What was their final figure? What was the reproduction cost new after consideration of depreciation?

May I ask, Mr. Dietrick, the Commission's estimate of reproduction in that case seems to be higher than that of the respondent, were they on the same basis?

A. Apparently as set out in the decision.

Q. What was the company's estimate of reproduction new as of 1927 figures?

A. \$607,224.

Q. As compared with the Commission's, what?

A. \$647,863.

THE WITNESS: You want the fair value, as given in this case? The Commission found the fair value in this case to be \$350,000, with their ten year average reproduction cost of \$380,516.

MR. TURNER: They found \$350—?

THE WITNESS: Yes, sir. That isn't their low figure; that is reproduction cost new, not considering depreciation.

BY MR. EVANS:

Q. In the table that you are going to prepare and later introduce as an exhibit, are you expecting to give the fair value as found by the Commission for each of these cases?

A. I will include that, if the Committee would like.

MR. EVANS: I think that will be helpful.

BY MR. EVANS:

Q. Take No. 59, Mr. Dietrick, what case does that represent?

A. Case No. 59 is Borough of Clearfield v. Clearfield Water Company. In that case there were estimates submitted by the respondent, complainant and the Commission on reproduction cost new. The respondent's figures, based on 1926 prices were \$925,476. The complainant's estimate, based on 1927 prices, was \$583,576. The Commission's estimate, based on 1926 prices, was \$792,000. The difference between the high and the low and the reproduction cost new was \$341,900, or an excess of 58.6 per cent. The reproduction cost estimated on 1926 prices was \$803,799; the complainant's, \$413,344; the Commission's, \$717,009, or a difference in reproduction cost depreciated between the high and the low of \$390,075, a difference of 94.4 per cent.

BY MR. HAGMAIER:

Q. What was the Commission's finding in that case?

A. The Commission allowed a fair value of \$600,000 in that case.

BY MR. EVANS:

Q. Which of these cases are electric cases, can you say?

A. I can go over each one—

Q. You need not do that. It happens that the ones we picked out were mostly water cases. I notice in No. 47 that the

respondent's estimate of reproduction cost seems to be lower than the complainant's estimate. Will you state whether or not those are on the same basis?

A. What case is that?

Q. 47.

A. No; the highest figure on that—yes, you are right, that was submitted by the complainant, \$623,193, based on prices in 1923. The company's engineers claimed on the same basis \$583,262; that is on the same basis.

Q. Did you say what case that was?

A. That is the case of the Borough of Minersville v. Minersville Water Company.

Q. Do you know who the engineer for the company was in that case?

A. No, I do not.

Q. Have you got the reference to the report, volume and page, of that case?

A. Yes, sir; Volume No. 8, page 143.

Q. Are there any other cases there that the Committee want specially commented on?

MR. RHODES: In taking up these exhibits, in addition to the amount found by the Commission, would it not be well to have him give the volume and page where these are found in the report?

THE WITNESS: That will be submitted.

BY MR. EVANS:

Q. Mr. Dietrick, you have prepared also a similar chart, covering valuations of \$1,000,000 or over?

A. Yes, sir, I have.

MR. EVANS: This chart, headed valuation cases, reproduction estimates, light, gas and water cases, 1921 to 1926, is offered in evidence as Exhibit No. 86.

BY MR. EVANS:

Q. This was prepared under your direction?

A. Yes, sir.

Q. Prepared on the same basis as the preceding chart?

A. Yes, sir.

Q. That is, taken from the reports of the reports of the Commission?

A. That is right.

Q. This chart—suppose you take up No. 5 and tell the Commission what case that involves.

A. Case No. 5 is the complaint of the City of Erie against the Pennsylvania Gas Company. In this case the respondent submitted three figures, including intangibles. The first figure, average—based on average prices from 1906 to 1915, was \$6,268,327. The next figure, based on prices from 1914 to 1918, was \$9,026,290. The third figure, based on 1918 prices, was \$13,217,375. The difference between these three estimates was \$6,949,048, or a difference over the low of 110.9 per cent.

Q. In these cases, such as that, where there is only the company's estimates given, does the report not show what the respondent's estimates or the Commission's estimates were?

A. No, they are not given—not clearly set out.

Q. What was the Commission's finding of fair value?

A. The Commission found a fair value of \$14,380,000 in that case.

Q. More than the reproduction cost estimated by the company's own engineers, as of 1918?

A. That is right.

Q. Were these estimates that you have charted here depreciated or undepreciated?

A. Not depreciated—reproduction cost new.

Q. Take No. 13, what case was that?

A. Case No. 13 is the complaint of the city of Reading against the Reading Transit and Light Company.

Q. And what were the companies' estimates in that case?

A. In that case the complainants gave an estimate based on prices from 1913 to 1915 of \$3,737,886.

Q. That is the complainant's?

A. That is the complainant's estimate. The complainant next gives a figure of \$4,128,056, based on average prices from 1913 to 1915. The next figure submitted by the Public Service Commission of \$4,522,827. The rest of the figures are all from the respondent.

Q. Was the Commission's estimate of reproduction cost new undepreciated?

A. All these figures are reproduction cost new depreciated. The respondent gave as a valuation \$6,526,711, not stating what



prices were used. The next was \$7,658,509, on basis given. The next was \$6,850,472, no basis given. The next was \$7,962,452, based on 1914-1919 prices. The next figure was \$8,532,964, based on 1917 prices. The next figure was \$9,551,137, no basis given. The next figure was \$10,072,019, based on 1919 prices. The next figure was \$12,727,784, based on 1920 prices.

Q. What value did the Commission find as a fair value?

A. The Commission allowed fair value of \$6,000,000 in that case.

BY MR. COOKE:

Q. Do I understand that \$6,000,00 was the company's low estimate?

A. \$6,000,000 was the Commission's valuation \$3,526,711 was the respondent's lowest estimate.

BY MR. MEMOLO:

Q. As of what year?

A. There was no basis given.

BY MR. EVANS:

Q. But the Commission's figure there of reproduction value was four million and something, was it?

A. What is that, please?

Q. The Commission's estimate of reproduction value was \$4,000,000?

A. Yes, \$4,526,827.

BY MR. COOKE:

Q. What did I understand you the Commission's final figure was?

A. The final finding was \$6,000,000, or a difference of about \$1,500,000.

Q. Above the Commission's estimate?

A. Yes.

BY MR. EVANS:

Q. Now, take No. 19, what case was that?

A. That is the complaint of Cauffiel against the Johnstown Water Company.

Q. What was the company's estimate in that case?

A. The respondent gave two estimates of reproduction cost new. The first estimate they show five year average prices was \$5,899,655.00. The next estimate based 1920 was \$8,283,485.00. The complainants in this case offered an estimate based on ten year average prices of \$4,025,138.00 or a difference between the complainants figures and the respondent's high figures of \$4,258,547.00, or an increase over the low of 105.8%. On reproduction cost depreciated the respondent's estimate was \$5,496,790 on a five year average and \$7,167,741.00 on 1920 prices. The complainant on a ten year average submitted a figure of reproduction cost depreciated of \$3,789,555.00, a difference between the high and the low of \$3,927,241.00 or an increase of the high over the low of 103.7%.

Q. What did the Commission find the fair value?

A. The Commission granted a fair value in this case of \$4,750,000.

Q. And suppose we look for a moment at No. 37. What case was that?

A. That is the city of York, complaint against the York Water Company.

Q. The respondent's figures or the company's figures were what?

A. The respondent's estimate were two. First based on five year average prices, \$5,887,574.00 and on 1922 prices \$4,246,813.00. The complainant one a ten year average submitted \$2,503,370.00 and on 1922 prices \$3,221,296.00. The Commission submitted an estimate of reproduction cost new in this case on ten year average prices of \$3,556,200.00 and on 1922 prices \$4,154,700.00. There was a difference between the high and low estimates of reproduction cost new of \$3,384,204.00, or an increase of the high over the low of 135.1%. For reproduction cost depreciated the respondent's estimate was \$5,360,810.00 based on five year average prices. The complainants figure was \$2,264,136.00 based on ten year average prices. The Commission submitted two estimates of reproduction cost depreciated, first on a ten year average of \$3,329,800.00 and on 1922 average prices of \$3,794,200.00, or a difference between the high and low in reproduction cost depreciated of \$3,096,674.00 an increase of the high over the low of 136.8%.

BY MR. COOKE:

Q. What did the Commission find as the fair value?

A. The Commission found as a fair value \$3,823,800.00.

BY MR. EVANS:

Q. Now, Mr. Dietrick, I notice No. 57, the columns are reasonably near the same height. What case was that?

A. That is the case of the city of Pittsburgh against the South Pittsburgh Water Company. The respondent submitted a figure based in 1924 prices, on reproduction cost new, of \$9,112,933. Now this excludes working capital and going concern value. That is what it states in the decision. The complainant's figure is \$8,211,343, based on 1924 prices, and they also exclude working capital and going concern value. The commission submits an estimate on 1924 prices of \$8,990,000. Now then, they exclude working capital and intangibles in this case, the Commission.

Q. At what amounts are they included? Have you got that?

A. I can not set that out.

Q. That looks as though—what are the other Commission figures?

A. On reproduction cost depreciated the Commission submitted three figures. First, \$8,340,000 based on 1924 prices, \$8,640,000 on five year average prices, and \$7,850,000 on ten year average prices. All these figures submitted by the Commission on reproduction cost depreciated include working capital and intangibles.

Q. And what was the fair value found there?

A. The Commission found a fair value in this case of \$7,500,000.

Q. Now, turning to the three columns at the right of the chart, they all end in points. What does that indicate?

A. They go over the \$15,000,000 mark. Each figure is set out in the column there.

Q. Suppose you give us the data for these three cases.

A. Case No. 61 is the City of Pittsburgh against the Equitable Gas Company. The respondent's estimate on reproduction cost new based on 1914 prices was \$45,961,654. On ten year average prices \$79,844,229. On five year average \$93,844,851, and on 1923 prices \$93,989,134. Now, those figures include no intangibles. There was a difference between the high and low there of \$48,027,480, or an increase of the high over the low of 104.5 per cent.

On reproduction cost depreciated, and respondent's estimate—these are based on the straight line depreciation—the 1914 prices, \$30,548,515; on ten year average prices, \$52,118,270; on five year average prices \$61,030,240, on 1923 prices, \$61,338,793; on 1914 prices \$28,184,438; on ten year average \$47,957,006; on five year average \$56,137,814; and on 1923 prices \$55,957,929. A difference between the high and low of \$33,154,355, or a difference of the high over the low of 117.6 per cent.

Q. Did the complainant or the Commission find reproduction cost in this case?

A. No, nothing except the Commission's fair value.

Q. You referred to depreciation on the straight line method. Can you briefly explain to the Committee what the straight line method of depreciation is?

A. In the straight line method, take furniture and fixtures, the usual procedure is to take ten per cent. on the beginning balance and one-half of ten per cent. on the net additions during the year,——

Q. In other words, in general you estimate the life of the property and set aside for depreciation the same amount each year during the life of the property?

A. Yes.

Q. What other methods of depreciation—

A. In this case the respondent wants the four per cent sinking fund method.

Q. Will you explain briefly what that means?

A. I can quote from an accountant's handbook, which I have, which I think will give you a clearer definition than any that I can give you. This was written by E. A. Saliers. "Sinking Fund Method. This method employs the principles ordinarily used in establishment of sinking funds. The rate of depreciation is made a function of an interest rate and is purely theoretical. A fixed sum of money is set aside each period to accumulate at compound interest. Amounts thus set aside plus interest accumulations should equal the desired amount at end of life of assets in question."

FATHER COX: How did this Pittsburgh company so manipulate things that they could get up to \$95,000,000 without those

marvelous intangibles that you talk about? Don't need excuses in Pittsburgh, is that the idea?

THE WITNESS: I am from Pittsburgh, and I would rather not—

MR. EVANS: I do not believe Mr. Dietrick can answer that, Father Cox. He is dealing only with figures.

MR. TURNER. Perhaps the difference is, Father Cox is used to dealing with intangibles and Mr. Dietrick with tangibles.

FATHER COX: I thought the clergymen only dealt with tangibles.

BY MR. EVANS:

Q. Mr. Dietrick, taking No. 62, what case is that?

A. No. 62 is the City of Pittsburgh, complaint against the People's Natural Gas Company.

Q. What were the respective reproduction cost estimates there?

A. Reproduction cost new submitted by the respondent in this case was \$51,310,742, based on 1924 prices. The complainant in this case submitted an estimate based on the same prices of \$37,717,933, a difference between the respondent and the complainant of \$13,592,809, or an increase of 36 per cent. On reproduction cost depreciated the respondent's estimate was \$39,419,079, based on 1924 prices. The complainant's was \$23,121,695. He also based his estimate on 1924 prices. The difference between the two of \$16,297,384, or a difference, the high over the low, of 70.5 per cent.

Q. What fair value did the Commission find?

A. The Commission in this case allowed a fair value of \$29,100,000.

Q. I am not sure whether you stated what valuation the Commission found in 61, did you Mr. Dietrick?

A. No, I did not. Case No. 61 the Commission found a fair from forty to forty-three million dollars.

Q. Taking their last column, No. 68, what were the figures in that?

A. Case of Citizens of Scranton and Wilkes-Barre against the Scranton-Spring Brook Water Service Company.

Q. What were the respective estimates there?

A. Reproduction cost new submitted by the respondents \$43,910,246. The complainants submitted an estimate of \$23,465,586. The Commission submitted an estimate of \$36,179,242, or a difference between the high and the low estimate on the reproduction cost new of \$20,444,660, or a difference in the high over the low of 87.1%. On reproduction cost new depreciated the respondent submitted a figure of \$41,317,593, the complainant \$20,927,484, and the Commission \$34,528,459, or a difference of \$20,399,109, or an increase of the high over the low of 97.4%. None of these figures neither reproduction costs new nor reproduction costs new depreciated include intangibles.

BY MR. COOKE:

May I ask the witness, Mr. Evans, what do you mean by that now? Are you just quoting from the report?

A. Yes, sir, it is stated in the report whether or not these figures include intangibles.

Q. What I would like to know is, what is the most intangible thing that was included? There is not a sharp line between what is tangible and what is intangible.

A. Earlier I read from one of their decisions what they considered—what the Public Service Commission considered to be intangible. I will read that again if you want it.

MR. EVANS: I think, Mr. Cooke, that Mr. Husselman in his testimony on the Scranton-Spring Brook valuation of properties brought that out.

BY MR. MEMOLO:

Q. Have you the fair rates as given by the Commission?

A. The Commission found a fair value in that case of \$43,650,000.

Mr. MEMOLO: Was that fair value with all intangibles?

A. Yes, sir.

Q. With the intangibles in?

A. They are all in there, I suppose.

MR. TURNER: When they found fair value it is reasonable to suppose that everything is in there?

A. Yes, sir.

BY MR. EVANS:

Q. I want to ask him in regard to No. 32 A, C, F and J, what would these indicate?

A. They are the Philadelphia Suburban Gas and Electric Company. They are set out in the decision under the different divisions of that company, and that is 32 A, 32 C and 32 F, refer to the divisions of that company.

Q. Is there any other comment, Mr. Dietrick, that you want to make on this chart?

A. I could not make any more except an expression of opinion and it is not within my duty as certified public accountant to do that.

Q. May I ask you this: From an examination of all these cases, have you been able to ascertain any standard by which the Commission apparently fixes fair value in rate cases?

A. After reviewing all these cases I am unable to find to my complete satisfaction how or what method the Public Service Commission uses in determining their fair value.

Q. When you say to your complete satisfaction, can you give us any idea from this study as an accountant how you think the Commission arrives at its valuation?

A. The thing that is given the most weight in these decisions is reproduction cost new and reproduction cost new depreciated. To this is added intangibles and that is what I find to be their method of determining fair value, but I have not been able to take any figures and build up the fair value as submitted by the Commission or determined by the Commission.

Q. And in one case, for instance, they found a fair value that was under the original cost of the property, if I remember rightly, was it not?

A. Yes, I believe it was.

MR. HAGMAIER: In case 5 and one other.

Q. Yes, and in other cases the Commission's estimates of reproduction costs exceeded even those of the companies, or in one case, I should say?

A. Yes, sir.

Q. That is the only case you found?

(No answer.)

BY MR. RHODES:

Q. In that Spring Brook water case did you say that the valuation was fixed by the Commission at \$34,000,000?

A. \$43,000,000.

Q. I mean their original estimate?

A. Reproduction new depreciated was \$34,528,459.

BY MR. MEMOLO:

Q. Fixed by the Commission?

A. That is what they determined to be the reproduction new depreciated, but included no intangibles.

Q. Then their fair value was—

A. \$44,000,000—\$43,650,000.

BY MR. RICHARDS:

Q. The difference between that would be intangibles?

A. That is about the only thing would make it go up.

Q. That is what I want to know, what constitutes that difference?

A. The reason for my hesitancy is, it does not clearly set out what that difference is made up of.

MR. TURNER: You cannot determine from the Public Service Commission's figures given what went into making up that figure?

BY MR. RICHARDS:

Q. Can you find out what constitutes that difference? I would like to know.

A. In that Scranton-Spring Brook case I have gone beyond the decision for information, I went to the docket of the Superior Court, 1931 term of February, Volume No. 35, page 45 A, and I found a possible make-up of the difference and I will give you that if you would care to have it.

BY MR. MEMOLO:

Q. Let us have that.

A. The Commission found reproduction cost new depreciated \$34,528,459. To this the Commission adds omissions and tangibles \$960,000, engineering and superintendence, etc., \$1,396,000, promotion and organization \$627,000, administrative and legal \$485,000, insurance and taxes \$313,000, interest during construction \$1,342,000, working capital and supplies \$500,000, cost of financing \$1,900,000, going concern value \$2,600,000. Now that makes a total of intangibles of \$10,123,000, which



added to the original estimate of the property made \$44,651,000. The Commission allowed a fair value of \$1,000,000 less than that, \$43,650,000. I don't know where the million was lost.

BY MR. RHODES:

Q. Those intangibles are intangibles that come within the definition according to that decision you gave us a few minutes ago?

A. Yes.

MR. COOKE: What percentage is the going value there of the total?

BY MR. EVANS:

Q. Going concern value.

A. The Commission's original estimate was \$33,187,571, to which were added additions from the time that these figures were submitted to the date of the writing of its decision \$1,340,888, or the total cost of the plant, excluding intangibles was \$34,528,459 by the Commission's own figures.

BY MR. EVANS:

Q. Reproduction cost?

A. Yes, reproduction cost depreciated.

Q. You said actual cost.

A. Pardon me, reproduction cost depreciated.

Q. What did they find for what the concern valued as intangibles?

A. \$2,600,000.

MR. COOKE: That is very conservative, because Mr. Morgal testified here yesterday that they used 10% of those estimates that he gave us yesterday, which would make it over four million.

BY MR. EVANS:

Q. That is about 5% they added for going concern here.

A. More than that.

Q. You spoke of this data you are now reading, I think, coming from Volume 35. I think you meant by that the number of the case in the Superior Court?

A. I don't know whether there was a number on the outside cover.

Q. That was the number of the appeal in the Superior Court, for the information of the Committee.

BY MR. MEMOLO:

Q. From these figures there was an appeal?

A. This Scranton-Spring Brook case? I really don't know whether there was an appeal in that or not.

MR. EVANS: Both sides have taken an appeal to the Superior Court.

If I have not already done so, I offer Exhibit No. 86 in evidence. The testimony given by Mr. Dietrick has related to this exhibit.

Recess until 2 o'clock P. M.

CHARLES H. YOUNG sworn.

BY MR. EVANS:

Q. Mr. Young, when did you become a member of the Public Service Commission?

A. July 21, 1927.

Q. For the term to July 1, 1931, I think?

A. That is right.

Q. You are chairman I understand of the Electric Rate Committee of the Commission?

A. That is correct.

Q. When was that committee formed?

A. On February 28, 1930.

Q. What was the occasion for that committee being formed?

A. I think it is set forth in the minutes of the Commission more clearly probably than I could express it. Prior to that time, I think in 1928, a list of the electric companies was compiled by the Chief of the Bureau of Rate and Tariff showing, I think, 94 of them had rates above ten cents in the first block. A conference was had with the chairman of the Commission with the electric companies and the Electric Association for the purpose of getting all these companies who had this rate for the first block to reduce their rates to a block not to exceed a ten rate for the first block. The occasion for that was that there was some difficulty in getting extensions of electricity to rural communities under General Order No. 28,

with these high rates prevailing. These matters were handled by the Chairman after this conference and subsequently, I cannot give the exact date, the rates were reduced until there were only about twenty companies that had the high rate and since it has been reduced, I think, to five. The Commission determined when this Committee was appointed that there ought to be someone in charge of that activity and also to keep in touch with the annual reports of the electric companies and to proceed against those whose reports indicated that they were making too high a rate of return.

Q. You spoke of a conference called by Chairman Alney with the representatives of the electric industry. When was that conference called?

A. My recollection is that it was in February, 1928. There is a record of it in the minutes of the Commission. I cannot give you the exact date in February.

Q. Prior to the formation of the Electric Rate Committee whose duty do you concede it to have been to look after the subject of electric rates, so that the consumers were protected?

A. Well, I would say the duty rested on the whole Commission, not one any more than another one.

Q. Were no particular members delegated for that duty before that time?

A. No, sir.

Q. You spoke of reports filed annually by the electric companies with the Commission. What do you conceive is the purpose of requiring utilities to file annual reports with the Commission?

A. It is to give the Commission information as to their operation and income and all the facts set forth in these annual reports. As I understand the Commission has outlined a form of report to be made by the companies.

Q. And ultimately the purpose is, is it not, to see whether or not the rates that are collected from the public are too high or too low or whether they are properly adjusted?

A. I think that is possibly the principal purpose.

Q. Now you are familiar with the fact, are you not, Commissioner Young, that the Commission in 1928, directed the Bureau of Accounts and Statistics to submit an analysis of the electric rates of the companies in Pennsylvania?

A. No I am not familiar with that fact, Mr. Evans.

Q. Mr. Morgal has introduced here two reports made in 1924, covering an analysis of the reports of the electric companies for 1923, which has been furnished to the Commission?

A. I don't think I ever saw those reports. That was three years before I came to the Commission and I don't think I ever saw them.

Q. Now just for your information these reports are dated, according to Mr. Morgal's testimony, June 10, 1925 and December 30, 1924, both covering the electric companies reports for the year 1923. Mr. Morgal also testified that the Bureau of Accounts and Statistics had presented to the Commission on August 7, 1928, survey with respect to the control, financial and operating characteristics of electric utilities operating in the state of Pennsylvania.

A. Yes.

Q. You are familiar with that report, are you not?

A. Yes sir.

Q. And that is this report of (showing exhibit to the witness) Statistics in 2 Volumes.

A. Yes I received a copy of that report at the time it was compiled.

Q. It appears in the record of this Committee as exhibit number 8.

Have you made any careful analysis of that report to the Commission from this Bureau of Accounts?

A. You mean by this Committee or individually?

Q. Individually?

A. Well, at the time it was submitted I read the report, that was some time ago.

Q. You familiarized yourself with the fact of what was set forth in the report, I assume?

A. I don't know how familiar I am with it. There is a lot of data contained in it. I would not say I could retain all that, after having read it two or three years ago.

Q. Referring to Schedule C-1 of this report, this gives among other things the income statistics of the various companies listed for the year 1927, and among other things shows their net income, the dividends declared, and the balance available for surplus. Among other companies covered by this

C-1, Commissioner, is that of the Scranton Electric Company, which shows that in the year 1927 it declared dividends on the preferred stock of \$171,552; on common stock, \$1,200,000, at the rate of 48 per cent, and in addition to that transferred to surplus \$1,659,359.

A. Yes.

Q. Does that data as regards the Scranton Electric Company suggest to you the possibility that the rates of the Scranton Electric Company are too high, or were too high in 1927?

A. No; that data alone would not determine that.

Q. I did not say that it would determine it. I said, does it suggest it, Mr. Commissioner?

A. It might be some indication that it was too high; I don't think very much.

Q. What investigation was made of the Scranton Electric Company as a result of this report?

A. None that I know of.

MR. TURNER: May I ask you why?

THE WITNESS: The reasonableness of rates is based on the valuation of the property. A company might declare a large dividend one year; it might partly declare it out of surplus—

BY MR. EVANS:

Q. This is all earnings, Mr. Commissioner, gross income, deductions, net income?

A. That is the net income, but I was speaking of the 48 per cent dividend.

Q. That is this figure.

A. But in any event the reasonableness of rates is determined on the value of the property and the operating expenses, and the law determines how we shall fix the valuation.

Q. Mr. Young, the annual reports of the companies do not show the value of their property, do they?

A. The annual reports show the book cost, as they carry it on the books, but it does not show the fair value of the property for rate making purposes.

Q. Therefore, in your opinion, the annual reports are of very little value in determining whether or not the Commission should investigate any particular company to see whether its rates are excessive?

A. I wouldn't say that. They are of some value. It is an indication, but if the company has never had a valuation made of their property, it is not of very much value. If the company in the past has had a valuation and put in on their books, put the valuation on their books and carried it on their books, it is a pretty good indication of what their earnings are and a fair value of their property.

Q. I am not saying that it is determinative at all, but I am asking you whether in your opinion, in your construction of the facts such as are disclosed in this report in regard to the Scranton Electric Company to the Commission in the summer of 1928, whether or not the facts are sufficient to make it advisable that the Commission investigate that company and see whether or not its rates are excessive. That is what I am trying to get at.

A. I would have to make a closer scrutiny of this report than I can do just in a few minutes, and determine whether or not it would be advisable for the Commission to make a further investigation. I am not an accountant myself, but the annual reports, I think, do give sufficient information to put the Commission on notice whether or not they should make an investigation. I would say that.

Q. Well now, Mr. Commissioner, a study of the annual reports of the Scranton Electric Company for the years 1925, 1926, 1927, 1928, and 1929, introduced before this Committee as Exhibits No. 2 and 12, show that the Scranton Electric Company in 1925 was earning 17.96 per cent on the depreciated overall book value of its property, and in 1929 was earning 14 per cent on the depreciated book value of its property. The last figures I have stated have been checked by Mr. Morgal, the chief of the bureau of accounts, but he has not had an opportunity to check the other figures. Taken in connection with the reports you have before you, does that suggest to you as a Commissioner the possibility that the rates of the Scranton Electric Company have been too high for a number of years and merited investigation at the hands of the Commission?

A. Yes, I think it does and that is the reason the Commission instituted inquiry and investigation against the rates, it was on that information submitted by Mr. Morgal.

Q. In 1928, and the Commission acted in February of 1930?

A. No, at the time that it instituted it.

Q. What report was submitted by Mr. Morgal at the time the Commission instituted this action?

A. The Commission had before it some data submitted by Mr. Morgal, and I think it had working sheets that he had in his office, showing a return of 14% more for that company, together with a number of other companies.

Q. Mr. Morgal has testified that he has produced to this Committee all the reports that he has submitted to the Commission.

A. Well, my recollection is that it was not a report, but at the request of the Commission he submitted some working sheets he had in his office containing this data, and it was done at the request of the members of the Commission. I don't think it has been tabulated in the form of a report, that is my recollection of it. It had been later on submitted to the members of the Commission.

Q. Now, Mr. Commissioner, I realize that you were not a member of the Commission in 1925, but in the report which I refer to, submitted by the Bureau of Accounts and Statistics under date of June 10, 1925, entitled Earnings of Pennsylvania Electric Companies during the year 1923, and introduced here as Exhibit No. 9, The Scranton Electric Company, as far back as 1923 shows their earnings 14.7% on the book value of its electric properties.

A. Yes.

Q. With all this data for these number of years before the Commission, up 1928, do you still feel that there was nothing on the records of the Commission which indicated the desirability of investigating the rates of The Scranton Electric Company.

A. No, I didn't say that; I have not said it.

Q. Will you answer me; do you think there was?

A. Well, evidently there was if it was in the annual report that they were earning 14% in 1925, I think you were on the Commission then, I think there was some evidence that they were earning too much money, and that is the kind of evidence that the Commission acted on at the time they filed the complaint.

Q. And you think it should be the Commission's policy, and it has been your policy, to urge the Commission to act in every such case?

A. I think it is the duty of the Commission to do it if they have evidence and reliable information that the company is earning more than a fair return on the fair value of the property.

Q. You, you have no knowledge of the fair value of the Scranton Electric property? I take it, have you, Mr. Commissioner, except its book value?

A. Well, we have some knowledge, of course, it is not definite, but there was a valuation of that property made in a merger proceeding in 1928, which made it easier to determine the fair value than it would be in a company that had never had such a valuation.

Q. That was the time that the company wrote up its valuation about \$5,000,000, wasn't it?

A. Well, I don't know how much they wrote up their valuation, but there was a merger in 1928, and I think they did write up some figures. I cannot give you the figure.

Q. What I am anxious to get, Mr. Commissioner, if I can, clearly, would you think it is the duty of the Commission to proceed against a utility on the basis of the data furnished by the annual reports of utilities subject to the jurisdiction of the Commission in regard to their annual return and its relation to the book values of the property?

A. I answered that before the Senate Committee yesterday, and this is my view about it. I think it is the duty of the Commission to act on their own initiative, institute an investigation, whenever there comes to the Commission reliable information that the company is charging too high rates, or their earnings are too high on the fair value of the property. Now, that information, most of it, of course, comes from the Commission through the annual reports, or it might be on some information from some other source, and if we do get that, it is our duty.



Q. When it is indicated by the annual report that the company is earning too high a return, you think it is the duty of the Commission to act on its own initiative?

A. Well, at least make an investigation, or make a decision to have the accountants go over the books and check them up to see whether there is any real foundation for instituting an inquiry, and that is the policy of the Commission, and has been the policy since its organization.

Q. How many cases, since you were on the Commission, prior to February 19, 1930, did the Commission on its own initiative institute and investigate the rates of utilities subject to its control?

A. I cannot give you that information off-hand.

Q. Can you name any cases?

A. I cannot off-hand, now.

Q. Can you name any case where you urged it to be done?

A. No, I don't think so.

Q. And yet you had this data before you, and you think it is the duty of the Commission to do it, and yet it was not done?

A. Well, this data when it was submitted to us, why, the Commission acted on it. Of course, it is not possible for the members of the Commission to examine all these annual reports.

Q. This was submitted to the Commission in August of 1928?

A. Does this show the percentage of income? I don't see it here.

Q. It is very easy to figure out, if it is not on that sheet, our accountants have done it very readily?

A. Well, we depend, of course, on the accounting bureau to figure out these tabulations.

Q. Now, Mr. Commissioner, when a company with a fixed capital, as shown by its annual report, of \$17,329,261, as shown by its own books, earnings and net income of \$3,030,911, it is not very difficult to find what the percentage of earnings on fixed capital is?

A. No, that could be easily computed.

Q. And right on the face of it, this is over 15 per cent, isn't it; three millions income on 17 millions fixed capital?

A. Yes.

Q. And still I understand you did not feel that there was any duty of the Commission to investigate the situation when this report was submitted?

A. No, I don't think I said that, Mr. Evans.

Q. Will you tell me then whether you do or not, Mr. Commissioner?

A. Well, I explained that in my former answer—

Q. Won't you answer yes or no and then explain, and then we can get at it that way?

A. I don't think that I can answer it yes or no. I say that it is the duty of the Commission to investigate when they have reliable information that the law is being violated or that too high a return is being earned. Now, of course, I don't mean that we can do that; in fact, we can not do it, we do not have the force to do it, and that has been evidenced by the work that we have done in the past year. We know that there are other companies that ought to be investigated, and we have had our accounting bureau working all year, all that we could spare, and they have only completed about half of what we directed them to do. It is impossible for us to do the work with the force that we have.

Q. I appreciate, Mr. Commissioner, that there are decided limitations of the personnel at the command of the Commission, but can you explain why what was done in 1930 could not equally as well have been done in 1928?

A. Yes, and it might as well have been done in 1925, when you were a member of the Commission.

Q. I say, will you explain why it could not be done in 1928?

A. I can make no further explanation than I have made.

Q. Now, as a matter of fact, Mr. Commissioner, is it not true that the real reason for the Commission commencing activity in February, 1930, in regard to the Scranton Electric Company was the fact that in that month the Federal Trade Commission made an investigation of the Scranton Electric Company and introduced into its records exhibits showing that the company in 1923 had earned 15.25 per cent on its fixed capital, in 1924, 14.75 per cent on its fixed capital, in 1925, 17 per cent on its fixed capital, in 1926, 20.8 per cent on its fixed capital, in 1927, 21.9 per cent on its fixed capital, and in 1928, 14.7 per cent, without making allowance for the write-up at that time? Is not that actually the fact?

A. No, it is not.

Q. You were not familiar with this at all?

A. I never saw that. I have heard recently some talk about the action of the Federal Trade Commission. I never saw their report. I never even saw anything in the papers with reference to the Scranton Electric, coming from their report.

Q. Did you know that the Federal Trade Commission was investigating the electric industry?

A. Yes, I knew that.

Q. And you did not in any way attempt to keep informed as to the matters investigated in that committee that pertained to Pennsylvania?

A. No, I didn't know that they were making any special investigation in Pennsylvania.

Q. No, but I mean—

A. Except I did know this later, that they sent some men up here from the Federal Trade Commission to examine our reports. I learned that—I can not give you the date when I did learn it, but I know that they had some men up there. It was talked about.

Q. And it was a mere coincidence that in February, 1930, this disclosure was made before the Federal Trade Commission and in the same month the Public Service Commission of Pennsylvania commenced its investigation of the earnings of electric utilities in Pennsylvania?

A. The Pennsylvania Commission did not commence their investigation at that time. As I stated before, back in 1923 this matter of electric rates was taken up and a conference had with the companies to get them to reduce their rates, and very much was accomplished, and it was followed up, but not as actively as it has in the past year, since this committee was formed because then it was placed definitely in the charge of certain members of the Commission.

Q. Mr. Morgal has submitted a table, introduced here as Exhibit 5, showing the list of electric companies under review by the Commission and its electric rate committee as of March 17, 1931.

A. Yes.

Q. You are familiar with that, are you not?

A. I am familiar with that, yes.

Q. This report states that with regard to the Scranton Electric Company, the date the bureau was directed to examine the accounts was February 10, 1930; is that correct, as far as you know?

A. I think that is correct. It was about that time.

Q. And on the 11th of March, 1930, the Commission filed a complaint on its own motion against the Scranton Electric Company?

A. That is correct.

Q. Now, according to the testimony of Mr. Morgal, no directions were received by the bureau to examine the accounts of electric companies prior to February 10, 1930?

A. Well, it was after the formation of this committee that he received directions to examine reports.

Q. Well, Mr. Commissioner, was not the committee actually formed after February 10, 1930?

A. Yes, it was formed on February 28th, I believe.

Q. So this one case was—

A. Well, I explained before that he brought before the Commission some working sheets that he had showing the earnings of the Scranton Electric, together with some other companies, and that was the basis on which he was directed to make an examination of the Scranton Electric's books, before the committee was formed.

Q. Can you explain to the Committee how the electric rate committee reached its conclusion as to which companies the bureau should examine into, as set forth in this list?

A. Yes, I think I can. After the committee was formed, we asked Mr. Morgal to make a tabulation of some of the companies that, from their annual reports, appeared to be earning more money than they should, and I think a copy of that was offered in evidence here by Mr. Morgal, and it was from that tabulation that the committee determined what companies should be examined.

Q. Now, you have before you the report to which you are referring, have you?

A. Yes.

Q. And that is headed "Public Service Commission tentative rate of return calculations for Class A electric companies, revenues in excess of \$250,000, operating in Pennsylvania, based upon data contained in annual reports for 1928?"

A. Yes.

MR. EVANS: Introduced before the committee as Exhibit No. 9.

BY MR. EVANS:

Q. According to my check on this, Mr. Young, and I had only last evening to do it in, you requested the Bureau of Accounts on March 10, 1930, to examine the accounts of the Edison Light and Power Company of York, which, on Exhibit No. 9 showed a return of 36.25% on its fixed capital.

A. Yes.

Q. And you considered that sufficiently high to warrant an investigation?

A. Yes, that is one of the companies that we thought ought to be investigated.

Q. As far back as 1923, according to the report submitted by the Bureau of Accounts to the Commission, that company was earning a return of 12.47% on its book value; in your opinion did that warrant an earlier investigation of that situation?

A. Well, I would think so.

Q. The Abington Electric Company, you requested the Bureau to investigate its accounts on June 19, 1930?

A. Yes.

Q. That is shown on Exhibit No. 9—no, I think that is not shown on Exhibit No. 9.

A. My recollection, Mr. Evans, is that the reason that was investigated was on account of some informal complaint that was made. I am not certain about that. It is not a large company, but I think that is the reason that we directed an investigation there.

Q. It has been testified here that in 1929 it showed an overall return of 28.5%

A. I don't see it on this list.

Q. I think it is not on Exhibit No. 9, Mr. Commissioner. Now you also requested the Bureau on the 19th to investigate the Renovo Light, Heat and Power Company?

A. Yes.

Q. Is that on Exhibit 9?

A. No, it is not on this, and that is in the same class I think with the Abington, it is a small company, there was some complaint made there about the rates.

Q. On June 29th, 1930, you requested them to investigate the Fulton Light, Heat and Power Company?

A. That was on informal complaint.

Q. And on March 25th, 1930, you requested them to investigate the Chester Valley Electric Company?

A. Yes.

Q. Is that on this report?

A. I think so, yes, sir, about the middle of the page.

Q. And what return was it earning?

A. Slightly over 14%.

Q. So you felt that 14% merited an investigation?

A. Yes.

Q. Now, going down the list, you also requested an investigation of the Glen Rock Electric Light and Power Company, did you not, on March 18th, 1930?

A. Yes.

Q. Is that on this report?

A. The way they came to be investigated, it is a subsidiary of the Edison Light and Power Company of York and there was an informal complaint came in with reference to the rates, and while we were investigating the one we started it against the other.

Q. Now, Mr. Commissioner, has it been the practice of the Commission whenever there are informal complaints against the rates of a company to institute an investigation on the Commission's own initiative?

A. No, not in all cases. It is not the practice even now today in all cases, often those informal complaints can be adjusted.

Q. Can you refer me to any cases where it was done prior to 1930?

A. Well, we usually make some kind of an investigation, I don't know that we ever sent our Accounting Bureau out to go over their books on an informal complaint.

Q. I mean, Mr. Morgall testified that it was a case that the Bureau has requested?

A. I think probably that is true.

Q. Now the next one is the Keystone Public Service Company?

A. Yes.

Q. That, I believe, is covered by Exhibit No. 9, is it not?

A. Yes.

Q. And that shows a return of 12.28%?

A. That is right.

Q. So you felt that 12% merited an investigation?

A. Yes.

Q. The next one is Penn Central Light and Power Company on March 25th, 1930, that is covered by Exhibit No. 9, is it not?

A. Yes.

Q. And shows a return of 7.35%

A. That is right.

Q. What made you investigate that company?

A. Well, that is, I think, one reason why we directed an investigation there, it is the same company really that owns the Keystone and the Edison of York, the Penn Central Company are all under the Middle West Utilities Company, and also the Chester Valley.

Q. In other words, then you did not do this on the basis of a return but you took a system of companies—

A. No—complete your question.

Q. You took a system of companies where some of those companies, or a substantial number of them, were showing a substantial return, you investigated all of them?

A. No, that is not correct. In this particular case they did show an excess return according to their annual reports. Now, the Penn Central of course is not as large as the others, but we directed an investigation.

Q. The Penn Central is not as large as the others?

A. I mean the return is not as large.

Q. But as a company it is larger?

A. It is very much larger.

Q. Do you mean 7.35% return on the book value indicated an excessive return in that case that merited investigation?

A. Well, that alone would not.

Q. What other investigation did you have?

A. Well, I have stated that it applied to this group, and while we were investigating those others we also investigated this, really the larger one in the group.

Q. I am just trying, if I can, Mr. Commissioner, to find out the basis on which you determined which companies were to be investigated and which were not. Now, under date of November 25, 1930, you requested the Bureau to investigate 12 companies, did you not?

A. Yes.

Q. I think a number of those are not included in Exhibit 9—Chester County Light and Power Company I think is not, is it?

A. It doesn't seem to be on there.

Q. The Delta Electric Power Company?

A. No.

Q. The Cresson Electric Light Company?

A. No, I might explain, Mr. Evans, I think we had some other data before us than this Exhibit at the time we directed these investigations of some other companies. I don't know in what form it was given us, but it came from Mr. Morgall's office. At the time this was done there were twelve of them picked out by the committee for investigation. Mr. Morgall had reported to us that his force had completed the other work on which they had been engaged, so the committee went over a list of the companies and picked out what they thought were the companies that were the next important one for investigation and they selected these companies.

Q. What I am not quite clear on yet, Mr. Commissioner, is whether you did that on the basis of the rate of return on the investment employed or what were the determining factors as to why a given company should be investigated or not?

A. It was largely determined on the rate of return. There may be some where other factors entered into it, where informal complaints were made and the rate indicated that much.

Q. I think, Mr. Commissioner, one of the things that disturbed me was that you ordered an investigation on November 25, 1930, of the South Penn Power Company, which is a company having an undepreciated book value of fixed capital of \$1,400,531 and shows a return of 8.60 per cent. You did order an investigation of that company?

A. Yes, sir.

Q. At the same time, you did not order an investigation of a company of the same system, the West Penn Power Com-



pany, with undepreciated book value of \$92,000,000, and showing a return of 10.54 per cent?

A. Well, I don't know but what that probably should have been put in with this group, but the real fact is, that we were giving the accounting bureau probably enough work to keep them going for a year. The order in which these companies is taken up and examined by the accounting bureau, we might have taken those showing the highest return and worked backwards, but we did not think it was necessary.

Q. You did not judge it as important from the public standpoint to investigate a ninety-four million dollar company that was earning a very large return than you did a million dollar company with a much smaller return?

A. In one sense of the word you might think so. Here is the position the Commission is in: If we put our accounting force on the books of the West Penn Company, that might occupy them for four or five months, and they would not get anything else done but investigate one company in the year. It is a matter of judgment I think with the Committee whether they ought to do that or whether they ought to investigate a number of companies scattered over the State.

BY MR. TURNER:

Q. In what section of the State does the West Penn operate?  
A. The West Penn is in the southwestern part of the State

BY MR. EVANS:

Q. Another large company which didn't seem to be investigated was that of the Pennsylvania Water and Power Company. That is the last one on the list, a twenty-seven million dollar concern, book value, with a return of 10.41 per cent. Was there any particular reason for omitting that?

A. Not that I know of. There are several we have not directed an investigation which I think should be and probably will be investigated if the Legislature increases our funds.

BY MR. TURNER:

Q. According to the testimony produced yesterday, that territory in the southwestern part of Pennsylvania, has the cheapest rate of any part of the state?

A. That is a factor that entered into the judgment of the Committee. We compared the rates being charged also and found that the rates were comparatively low, we took that into consideration in directing our investigation. If the rate runs unusually high that is a factor that enters into it.

BY MR. EVANS:

Q. According to Mr. Morgal's report, exhibit number 5, a number of these companies filed tariffs as a result of your investigation. The first one on the list being the Scranton Electric Company, a tariff being effective November 1, 1930. That was about a week before the election, was it not?

A. That is correct.

Q. What does the Committee estimate that reduction to be?

A. \$750,000.

Q. It was a reduction supposedly in residential and commercial rates?

A. Yes sir I think in both.

Q. What steps has the Commission taken, if any, to check that and see if the reduction actually amounts to what is claimed by the company.

A. There has been nothing done yet because the annual report will be filed by this company and then we can make a check on the return, and it is the purpose of the Committee to follow these up and probably get monthly reports to check it up. It would only be an estimate if you would make any analysis of the new tariffs and compare them with that.

Q. Did the Commission make any comparison with the reports of the company?

A. I have not.

Q. Did the Commission just accept, the company's rates?

A. We had an analysis made of the rates by the Bureau of Rates and Tariffs, showing the amounts of the reductions.

Q. So the Bureau of Rates and Tariffs has made a report to you?

A. I think I have it here. It is just in the form of a letter from Mr. Pickenscher.

Q. Will you be good enough to give us that. Mr. Morgal said he had not been directed to make any check of it. The paper you have just handed to me is nothing but a statement. Is there any calculation as to what the new rate would bring in in way of return, or is it a statement of the reduction of

rate. The company's report to the Committee showing how much in kilowatt hours is sold for each class of service covered by their tariffs, do they not?

A. Yes sir.

Q. Then from this data it is not difficult to make some calculations as to the reductions in given rates, and what it would amount to?

A. You can make calculations, you would have to take the amount sold in the past and make your calculations on that.

Q. The Commission marked the case against the Scranton Electric Company closed, did they not?

A. It is not closed, it is subject to being reopened again. We don't regard it as closed at all, although it was so stated in the minutes.

Q. The next company on that list is the Edison Electric Light and Power Company of York. They also filed a new tariff under date of November 1, 1930?

A. That is right.

Q. It estimates that its reduction will amount to \$126,000 in a year.

A. That is correct.

Q. What you have stated as to the Scranton Company with regard to checking up applies also to that?

A. After the annual reports are made, it will be checked. In that case the complaint instituted by the Commission is still pending. There has been no disposition made of it.

Q. Other decreases also were made effective on November 1, 1930 by the Fulton Electric Light, Heat and Power Company and the Glenrock Electric Light and Power Company?

A. That is correct.

Q. The Chester Valley Electric Company seems to have made a small reduction, effective on August 1, 1930.

A. That is right.

Q. Then the last 12 companies that have been ordered to be investigated, some seem to have filed tariffs before the investigation was ordered and some after, but the amounts are not estimated.

A. No; some of these companies have been making studies of their rate structures, with a contemplation of filing a new tariff. For instance, the Chester County Light and Power Company, I see they have filed a tariff after the investigation was ordered, and even before Mr. Morgal had made his report. They probably had that in contemplation.

Q. Mr. Commissioner, in making up statistics from the annual reports of the company, showing the rate of overall return on the fixed capital, no adjustment is made for the write-ups of that fixed capital, is there—in the reports that you have had?

A. You mean the report that Mr. Morgal—

Q. Made to the Bureau.

A. No, I don't think he makes any adjustments of that. He probably would make reference to it.

Q. The report submitted by the Bureau of Accounts in 1928 did show that, didn't it—in some cases, at least?

A. It may be. I don't recall.

Q. It is a matter of knowledge to you as a Commissioner, isn't it, that a number of these companies have very largely written up their fixed capital?

A. That is true.

Q. What action has the Commission taken in regard to it, if any?

A. I don't know that they have taken any action on it, as the companies make an appraisal of their property from time to time; they enter it on their books at the appraised value. It is a write-up, but it doesn't affect the rates in any respect, in the valuation case.

Q. It must, however, be taken into account when you look at a report, showing the rate of overall return on the fixed capital?

A. Of course, you would have to take it into account in such a report as this.

Q. Now, Mr. Commissioner, going back to the report furnished you by the bureau of accounts in August of 1928, take, for instance, the Harrisburg Light and Power Company. That shows, does it not, that the company in 1927 paid \$310,663 in dividends?

A. Yes, sir.

Q. Or the equivalent of 12 per cent, on its common stock?

A. That is correct.

Q. It also transferred in that same year \$463,206 to surplus, did it not?

A. Yes, sir.

Q. That would be an addition of approximately 18 per cent, would it not, half as much again as the dividend, roughly?

A. About that.

Q. So altogether, according to that report furnished to the Commission, the Harrisburg Light and Power Company in 1927 earned nearly 30 per cent. on its common stock?

A. That would probably be correct, but I don't see it appearing on this sheet prepared by Mr. Morgal.

Q. I think by that time it had merged, had it not, into some other company? Didn't it merge into the Pennsylvania Power and Light system in 1928?

A. Yes, sir; but the Pennsylvania Power and Light doesn't show an unusual high return—a little higher than seven per cent.

Q. Of course, we are dealing with 1927. You turn to page A-1 of this same report, which is Exhibit No. 8 before the committee. You find a fixed capital of \$10,479,441, do you not?

A. Yes, sir.

Q. What are the reserves for renewals?

A. \$590,946.

Q. So, that shows a depreciated fixed capital of somewhere around \$9,900,000, does it not?

A. A little under \$10,000,000—about \$9,800,000.

Q. The operating income of that company for the year 1927 was what?

A. The total operating income, \$1,100,351.

Q. So a return of \$1,100,000 on something less than \$10,000,000 fixed capital, would be a return of something over 11 per cent., would it not?

A. About that, yes.

Q. Now, Mr. Commissioner, just taking this as a typical case, and 10% return on say \$10,000,000 of capital would be \$1,000,000, would it not?

A. That is right.

Q. And this company actually received \$1,100,000 income.

A. That is what I said before, \$1,100,000.

Q. So the excess over 7% was something over \$400,000 in the one year collected from the consumers?

A. Well, I would not say that.

Q. Well, that was the excess over 7%?

A. As shown by their return here it would be. If a valuation was made it might be less than 7%.

Q. Well, assuming that the book value of approximately \$10,000,000 was the actual value of that property there would be an excess return to the company, collected from the consumers of \$400,000, would there not?

A. Yes, assuming that fact.

Q. Suppose we look at it another way, Mr. Commissioner. If we capitalize \$400,000 on a 7% basis you get something like \$5,800,000, don't you.

A. I have not figured it out, but that is about what it would be.

Q. Well, approximately, I am only dealing in round numbers. So that in order to make that company have a fair return you would have to add to its \$10,000,000 of book value, fixed assets, \$5,800,000, and to get a total fair value of \$15,800,000.

A. It would be about that, I assume. I did not make the computation, but it would have to be increased over the book value.

Q. In other words, the fair value of the company would have to be approximately 58% over the book value of the property in order for them not to be earning more than a fair rate of return?

A. I have not computed it.

Q. I think we have gone right along with the figures.

A. Well, I agreed it would be increased yes; it is just a matter of computation.

Q. Does that not suggest to you that that company's rates might be investigated by the Commission, or did it not suggest to you that fact, in 1928?

A. Well, I said before, Mr. Evans, that while the annual reports show that the rate of return is larger than that allowed by the Commission, considerably larger, that that is sufficient evidence to justify the Commission, and in fact, I think makes it their duty to make an investigation. It does not mean, however, that after the investigation that the facts developed are going to show that they are in excess of the rate of return.

Q. I appreciate that. It is merely that it is a matter for investigation.

A. Yes.

Q. Now, I do not want to weary you, Mr. Young, but if you would be good enough to have the Bureau of Accounts of the Commission from their report of August 27, 1928, pick out the Portage Light & Power, the Solar Electric Company, the Edison Electric Company of Lancaster, the Pennsylvania Power, the West Penn Power, the Metropolitan Edison, the Pennsylvania Water Power Company, the Duquesne Light Company and the Philadelphia Electric Company, and take from those reports the data such as we have just gone over on the fixed capital depreciated, and the income of these companies, and capitalize the excess of their 7% return on fixed capital, I think it would be very helpful if we could have that in the records of the Committee, if you could introduce it at a later date?

A. I didn't write all that down, and I would suggest, Mr. Evans, that you address a letter to us, giving us what information you want, and we will get it for you.

Q. I will do that. Then we can get you to go over that at a later date.

BY MR. TURNER:

Q. Before you get away from these sheets, might we ask, Mr. Young, whether there is any significance in these dates, in the first place, under this Exhibit 5, it shows the date effective of the new tariff filed—

A. Yes.

Q. Does that mean that the Commission made an order on that date, or the company filed it?

A. No, these tariffs were voluntarily filed. I might explain to the Committee how the Commission has operated. You will notice in the first column there are four of the first companies mentioned in the list, where formal complaints were filed. Three of these are still pending, and one of them is the Scranton Electric Company, to be dismissed after they file their tariff. The others, after Mr. Morgal, or the Accounting Bureau have examined their books and made a report to the Committee, the Committee would direct this report to be sent out to the company for their inspection, for a reasonable time, and then our legal bureau would ask the company to meet with the Committee and our Bureau in conference, and see what they would do about it. We have always done that, and we would ask them if they had criticism of the report to make. Some of them have made a few criticisms, not very material, and then the Committee would put it up to them whether or not—what they were going to do about it, that the reports show that they were earning too much money, and in most instances they agreed to file a new tariff or reduced rates. Now the reason the Committee adopted that policy was on account of the lack of help, and if we could get them voluntarily to reduce the rates without sending our engineers out to make a valuation, we felt that we were accomplishing some good, without the expense of litigation, and we can get over more territory by doing it that way than if we went through with a formal complaint. We didn't have much difficulty in getting them to do it. Now most of those tariffs were filed voluntarily at the suggestion of the Committee after a conference.

Q. Now then, four of these were filed on November 1, 1930, and one October 1, 1930?

A. Yes.

Q. Is there any particular significance, in so far as the election of 1930 was concerned?

A. Not at all. You will notice that nearly all of those tariffs are to go into effect on the first day of the particular month. I think that is a matter of convenience for the companies, probably, in sending out their statements.

Q. Can you give us any records as to the time when those companies agreed? Is there anything in your records between your committee and these companies as to the date of the conference and when they finally agreed to the time?

A. Yes, you will find in the minutes of the committee, of which I think you have a copy here, and also in the minutes of the Commission, a reference to all of these cases. Now, in the minutes of the Committee they may not be complete, because we didn't have any secretary. I simply acted as secretary myself. After we had had a meeting of the Committee, I would take notes and after it was over, dictate to a stenographer the action of the committee, and place it in the file. There may be one of two instances that I failed to make a minute of the action, but in that case it would appear in the minutes of the Commission, because we make a report to the Commission.



Q. Well, the company would file its schedule, of course, sometime before this date that it was effective, would it not?

A. Yes, at least thirty days before.

Q. And in that they would state the date when it was to become effective?

A. Yes.

Q. Would it be possible to supply that information?

A. Oh, yes, you can get that from the rate bureau, the dates when they were filed.

BY MR. EVANS:

Q. Won't Mr. Fickenscher's reports show that, as to when the Scranton Electric was filed?

A. I think I can give you that, yes. No, he don't state the date when it was filed. He says to become effective November 1st.

BY MR. TURNER:

Q. What is the date of his letter?

A. It was on October 9th that he made this report, and in it he states, "I would report that the Scranton Electric Company has filed a new tariff known as P. S. C. Pa. No. 9, effective November 1, 1930," which would be filed at least 30 days before the effective date; it would have to be; and it might be a longer period.

Q. Was there any pressure put by your committee upon these companies to reduce their rates before the November election?

A. No. The matter of politics had no consideration whatever in the action of this Committee. There were two companies that the effective date is on November 1st. There is one that is on October 1st. Three companies on November 1st, and one October 1st.

Q. There are four on November 1st?

A. One August 1st.

Q. Four on November 1st and one October 1st?

A. Yes, the Chester Valley; and the Fulton, which is a small company.—their reduction is only \$900. Now, the reason we directed an investigation there was on an informal complaint, and their rates were unusually high, but they serve a rural community, where it is sparsely settled, and really I don't know that we ought to have compelled them, or asked them, to reduce the rates, because they are not earning any money, they just serve a few people.

BY MR. EVANS:

Q. Mr. Commissioner, perhaps it would help you, in connection with the Scranton Electric case, the minutes of the Electric Rate Committee on September 30, 1930, reads, "Counsel Weiss advised the Committee that the Scranton Electric Company had filed a new tariff, and in connection therewith had also filed a supplemental answer to the complaint of the Commission. The matter was discussed generally by the Committee and Counsel Weiss was instructed to submit to the Bureau of Accounts and Statistics and the Engineering Bureau the supplemental answer filed, with instructions to study the same and be prepared to advise the Committee as to the effect of the new rates and the accounting features involved in the answer of the respondent company at a future meeting."

A. Yes.

Q. Has that report on the effect of the new rates ever been made?

A. No, it has not; that gives the date when that was filed.

BY MR. RHODES:

Q. Mr. Commissioner, you speak of obtaining the valuation of these properties. That means the same thing as the fair value, does it not?

A. Yes.

Q. Does your Commission have any recognized, distinct method for determining the fair value?

A. Only that fixed in the law.

BY MR. TURNER:

Q. Well, what is that?

A. Well, the act creating the Commission determines how fair values shall be determined. There are certain elements that we must take into consideration: Original cost, sometimes referred to as historical cost, and the earnings, as fixed by municipal contract, on any rate determined by.—I can not give you the exact language of that. We must take into consideration the reproduction cost now less depreciation. And

the act says that we can take into consideration any other factor affecting value.

BY MR. RHODES:

Q. That makes it pretty wide, doesn't it?

A. Yes.

BY MR. CRAWFORD:

Q. How wide, Mr. Commissioner?

A. Well, that would be pretty hard to define. I don't think I can define it.

BY MR. TURNER:

Q. Well, going concern value is considered one of those factors, is it not?

A. Yes.

BY MR. CRAWFORD:

Q. In your experience, though, what would be the high and the low that would come into your consideration?

A. I don't know what you mean by high and low.

Q. I mean does it vary,—if you state certain things you would expect a variation of, say, five per cent., and other things might vary by a greater percentage. Now, on this reproduction new less depreciation, in your experience, how widely have two estimates made by the Commission varied?

A. I can give you a pretty good example of that, in the Scranton water case, where the estimates of one side were just double what they were on the other.

Q. I mean the Commission's estimates, though?

A. I don't know what you mean. As compared with what other figure?

Q. Well, you have your own Bureau of Engineering?

A. Yes.

Q. To make these estimates. Now, in your experience, how widely have your own engineers varied in their reproduction cost new less depreciation estimates?

A. With that of the Commission itself?

Q. Between two,—we have shown this morning cases where the Commission itself had used it in valuations and arrived at different rate bases, rather; now, I was just wondering what,—you say you do it by the law,—now, how definite does the law make it? We would expect the two contenders to vary by a great deal, perhaps; but your own estimates, how widely do they vary?

A. Well, I don't think I could give you any rule on that, or any percentage. Ordinarily, the engineers do not vary a great deal in their—

Q. Well, when you say a great deal, what do you mean by that? Would 20 per cent. be a great deal?

A. Well, I think that would be high. I would not think it would be ordinarily over five or ten per cent.

Q. Reproduction cost new less depreciation?

A. Yes. As I stated, in this water case, it was very much more than that; but that was unusual, it was not an ordinary case.

Q. My recollection of the exhibits we had this morning, Mr. Commissioner, was that there was not a single case where the variation was as little as five per cent. I am sure we would have very little trouble if the percentage was as low as that.

A. Yes; I never made any comparison to determine that.

BY MR. RHODES:

Q. What I had in mind, Mr. Commissioner, there is no fixed formula that you can apply to every case alike, is there?

A. Only the law itself. It says what factors we must take into consideration, and then any other matters.

Q. That allows a great deal of discretion to the Commission?

A. Oh, yes. Now, ordinarily, I don't know of any case where the Commission has ever fixed a fair value at the reproduction cost. We have to determine the reproduction cost, but I don't know of any cases where the Commission has ever fixed it at that figure. It is usually lower.

BY MR. COOKE:

Q. You said in connection with the Scranton electric case, Mr. Commissioner, that the case was closed but subject to being reopened and checked, simply a matter of procedure; what do you mean by procedure?

A. Well, we could have held that open and secured reports to see how the reports tallied with their estimates.

Q. On a case of that kind, I take it from what you said, that you had a regular procedure of checking up afterwards when you give the order, a procedure for checking up?

A. That is the purpose of the Commission, to follow them up and check them, and we have not done that yet, for the reason that there has not been any annual report filed since the investigations have been made. The last day of this month is the last day for filing of those reports.

Q. Do you know of any case since you have been on the Commission where they have checked up to see whether the prediction as to what changes in rates, presumable reductions, would amount to if checked, any case where they checked up to see whether they actually did amount to that, whether your expectations were realized?

Q. Do you mean electric companies?

A. Any case.

A. I recall this toll bridge out here north of Harrisburg—what is it?—Clarks Ferry Bridge, the Commission directed the company to file monthly reports of their revenues for the purpose of checking up on the order which they made fixing their rates.

Q. Do you know of any other case?

A. I think that has been done in a number of cases, I cannot recall them offhand.

Q. I wonder whether you would be willing to let us have one good sized case where that has been done? I have often wondered whether the Commission did do that.

A. I will make inquiry about that.

BY MR. EVANS:

Q. Mr. Commissioner, earlier in your testimony you spoke of having a conference called by Chairman Ainey with representatives of electric light companies and the Pennsylvania Electrical Association with a view of reducing the highest brackets of rates; I understand by that you mean the residential rates, the first bracket. There was just put in evidence before the Committee a study made by Mr. Roushenbush of rates throughout the State in towns and boroughs of under ten thousand, and averaging them by counties for the year 1930, taking a typical small consumer using 15 kilowatt hours per month and showing how much he was paying per kilowatt hour. There seemed to be in 1930 a number of cases where there is an average charge of 10 cents or more for that much consumption; have your studies of the situation covered this angle of the rate situation at all?

A. Well, not in that form. As I stated before, there has been submitted to the Commission a tabulation of the companies in 1928 that charged rates above 10 cents and that had been reduced, I think, to four or five companies at the present time.

Q. There seemed to be, for instance, on the northern tier of counties, McKean, Potter, Tioga and Bradford, are all paying an average of 10 cents or more; what companies are operating there?

A. I can't tell you offhand.

Q. From what date were these figures obtained?

A. These were taken from the rate schedules of the companies on file with the Commission.

Q. At what time?

A. 1930.

Q. Well, that may have been correct at that time, and at the present time there are only about five tariffs on file that provide for rates over 10 cents.

BY MR. COOKE:

Q. Do you know what five companies these are?

A. I have that data, I don't know whether I have it with me or not. It is at the office, they are small companies.

BY MR. TURNER:

Q. When you say 10 cents, do you mean 10 cents on the kilowatt hour basis?

A. Yes.

BY MR. EVANS:

Q. Are you not taking into account the service charge in addition to that? Are you really dealing with the energy charge?

A. I am not certain about that, Mr. Evans.

Q. Of course the thing the consumer is interested in is the total bill and not whether it is energy or service charge?

A. I think it relates to the energy charge, but I am not certain.

Q. Who made that rate study for the Commission, was it made by the Bureau of Rates?

A. Bureau of Rates and Tariffs.

Q. Would it be possible for you to submit to the Committee a copy of that study, showing the five remaining companies that have a charge of 10 cents or more?

A. Yes, I can do that, yes, I will do that.

BY MR. COOKE:

Q. You have said in connection with another case, as I got you, that write-ups do not affect rates on the ground that in a rate case these inflations would be disregarded, that is my own recollection of what you said, just what did you mean when you said write-ups did not affect rates?

A. For instance, a company is carrying their property on their books at a certain figure, then they have a valuation made by engineers that shows the property is worth say two or three million more than they have been carrying it on their books; now they would write that up on their books to correspond with the valuation that they had made, but when you come to determine the reasonableness of rates—

Q. Would not that at the same time they did that be a temptation to them to raise the rates?

A. I don't think so.

Q. You would not say that is not an actual tendency?

A. No.

Q. If it was an actual tendency, then the only way it could be counteracted would be through a rate case?

A. Yes, if that was a tendency of course it would result in a rate case, it probably would.

Q. You could not get the influence of those write-ups out of rates except by a rate case?

A. Well, I don't think it would influence the rates, a write-up of that kind at all.

Q. Increasing the capitalization of a company would not have any effect on rates?

A. Well, it is not increasing the capitalization. They have the same property, they only put a different value on it than they had before.

Q. The point I want to ask to get your opinion about, is that it is only the property of an operating company that affects rates, that is a matter of fact I assume that it was the general experience that holding companies are required to pay a return on their securities and they do hold up rates or move up rates, and the only way you can get that influence out is by a rate case, and out of the hundreds of companies that we have the number of rate cases is almost negligible, is that not so?

A. I don't think there is any tendency to increase the rates because they have written up the value of their property on their books. My experience has been these large companies that take over smaller companies, and there is a good deal of that has occurred in the electrical industry, the result has been a reduction of those rates in those communities in almost every instance.

BY MR. COOKE:

Q. Between the time you went on the Commission on July 21, 1927, and December 31, 1929, that was two and a half years, what rate cases were started, or rather, what rate cases were there started or consummated on the initiative of the Commission?

A. I cannot name them for you, Mr. Cooke.

Q. Where there any?

A. Yes sir, there were four of them.

Q. In the last half of 1927, and in 1928 and 1929, in a period of two and a half years, the first two and a half years you were on the Commission, what cases were either started or finished on the initiative of the Commission?

A. This rate case on Clarks Ferry Bridge is one I recall. There may be others I cannot recall them now.

Q. You don't recall any others than the Clarks Ferry Bridge?

A. No.

Q. Leaving out rate cases, what action was taken by the Commission on its own initiative during the two and a half years that I refer to, that resulted in anything of a benefit to the consumer?

A. I think one of our bureaus made a tabulation of all our cases that were instituted by the Commission.



Q. I say, leaving out the Clarks Ferry Bridge and the conference with the electric companies, what other action taken on the initiative of the Commission during this two and a half years resulted in anything of benefit to the consumers, that you recall?

A. There are a great many things that the Commission has done that resulted in benefit to the consumer.

Q. I say on their own initiative?

A. What I have mentioned here, the action of the Commission in having the conference with the heads of the electric companies in Pennsylvania, and persuading them to voluntarily reduce their rates in no case to exceed ten cents, certainly resulted in favor of the consumers.

Q. I asked in regard to the Commission on its own initiative?

A. These are some of them.

Q. These are not matters of record, they are just informal conferences?

A. There is a record in the minutes, that is, the conference was had, and our records show the result that was obtained. And the Commission on its own initiative in 1927 adopted General Order No. 28.

Q. That was before you were on the Commission?

A. Just about a month before.

Q. I say between the time you went on the Commission and the next two and a half years, you have given me the Clarks Ferry Bridge case and these informal conferences, or got-togethers, with the heads of certain companies?

A. Now Mr. Cooke, I started to explain and you interrupted me—

Q. I am sorry, proceed?

A. That we have tabulated by one of our bureaus all the cases in which the Commission initiated the proceedings. I cannot recall them here without having that data before me.

BY MR. TURNER:

Q. Mr. Cooke, I think we can find that among the data that we have called for from the Commission.

MR. YOUNG: It is all tabulated, I cannot recall all of that.

MR. COOKE: Are these the cases that were started, which the Commission initiated?

MR. EVANS: I think so, that is just what was received today.

BY MR. COOKE:

Q. I have been interested in the Rate Committee. Are there other such agencies within the Commission?

A. There have been a few committees appointed of the membership of the Commission, but the work of the Commission is largely done through its organization of bureaus, but the Commission has divided some of its work among the members of the Commission. This is the principal committee which now exists among the members of the Commission.

Q. It would be helpful, it seems to me, if we could get inside of your council chambers and offices and see you function. We talk about the Commission but it leaves me with a very inadequate idea as to how you function. You are something more than a court, you are an administrative body.

A. Yes sir, we have the right on our own initiative to conduct investigations and inquiries on matters which we think are justified.

Q. But you cannot tell us of any other agency within the Commission that has this administrative work such as is being done by your rate committee?

A. There are other committees in the Commission whose functions are not as important as these.

Q. I mean in working out some general policy.

A. I don't know of any that is working out some general policy. There may be matters that come up that would go to some member of the Commission who would be asked to consider that.

Q. Now in the two and one-half years that you have been on the Commission, was there anything that you individually did, that you can point to, any special assignment as working out a general policy?

A. Not as to working out a general policy. I have done a lot of work on the Commission.

Q. Hearings and things like that?

A. Yes sir and I have been present at most of the meetings.

Q. And what is the greatest contribution you as an individual have made in working out a regulation.

A. I would not want to answer that question, Mr. Cooke. I would rather have other people pass on my work than do it myself.

Q. Now, another thing I would like to get your opinion on—we started regulation in Pennsylvania in 1913—quite an experimental procedure at that time. What recommendations have originated in the Commission in those 17 years as to its improvement? I know there have been some. Can you tell us what they are?

A. Of course, I can only speak from the time I have been on the Commission. From personal knowledge I know that the Commission has considered certain amendments that ought to be made to the Act to make it more effective.

Q. Have they been transmitted to the Legislature—the Governor?

A. I think the Senate committee have asked for some of them. I don't think they have been transmitted.

Q. That is for the present session?

A. Yes, sir.

Q. Before this current session, what recommendations?

A. We have been studying that question for a year or more, the matter of what amendments have to be made to the Act.

Q. Do you know of any recommendation definitely made since the act was originally passed, except to ask for a larger appropriation?

A. I have been told—I don't know this from my own knowledge—I get it from other members of the Commission—that they frequently have made recommendations to amend the act in the past. I have no personal knowledge of that.

Q. Formal or informal?

A. I can not answer that question.

Q. You do not know of any formal action?

A. I was not a member at that time.

Q. Since you have been a member do you know of any formal action taken, looking towards the strengthening of the regulations in Pennsylvania, taken by the Commission itself?

A. Only in the form of recommendations as to legislation.

Q. What, for instance?

A. The Commission, I think, is united and have prepared—the Law Bureau has prepared an act to amend our present act—

Q. I mean action that has already been taken at previous sessions of the Legislature. There is a good deal of interest now. I mean prior to this time, has the Commission made any definite recommendations?

A. Are you referring to legislation or to—

Q. I am referring now to suggestions, formal suggestions from the Commission as to how the legislation controlling regulation might be improved. At the last session, the New York Legislature had 28 bills passed, and at the present session, I understand there are eight. I do not recall of any recommendations ever having come out of the Pennsylvania Commission. I haven't looked into it.

A. I have only been on the Commission during one session prior to the present session. There was some legislation passed, I think, at nearly every session since the act has gone into effect, amending it in some respects. I have been advised by my colleagues that the Commission has made suggestions from time to time in the way of amendments, but I can speak from my own knowledge that during the past year they have given a good deal of consideration to amendments that ought to be enacted.

BY MR. EVANS:

Q. Mr. Commissioner, the Commission did take an active part, did it not, in the introduction of the Daix bill, providing for the underlying street railways in Philadelphia—

A. That was before I came on the Commission. I understand they did. That was to carry out the McChord report. The Commission had employed McChord to make that study. He recommended the enactment of such a law, authorizing the condemnation of the underliers. As a result of that, the Commission recommended it.

BY MR. RHODES:

Q. Are there any important changes that you recommend now to the present law?

A. There are some that I am in favor of.

Q. For instance, what?

A. I am in favor of the act being amended to give us the right to suspend rates.

Q. For how long?

A. That is a matter of judgment. There are two ways that that might be dealt with,—either give us the right to suspend rates, with a limitation of a certain number of months or a year, or, as it is dealt with in some of the states, a longer period of time is fixed for the rates to go into effect, to give the Commission an opportunity to determine the reasonableness before they can go into effect. There are different kinds of acts of that sort, but the real purpose is to determine the reasonableness of the rates before they become effective. That might be done in several different ways. I am in favor of giving the Commission the right to pass on securities before they are issued, which we do not have now. Another very important thing, and I think it is a thing which has caused more criticism than any thing else, is the excessive cost of rate cases. That is particularly burdensome on small municipalities. Some people recommend that we have a people's counsel to deal with it, but as I stated yesterday, before the Senate committee, I am not satisfied that that is the remedy. I think a better plan is to provide, either in the Commission organization, or in an independent body, technicians, who can be called upon by the municipalities to make their appraisals—accountants and engineers—and relieve them of the appraisal expense. If that is done, there won't be the demand that now exists for the Commission to institute proceedings on their own motion, because they are relieved of the expense. They will be willing to make the complaint, where they feel they are justified. The Commission can sit in judgment in those cases. There is an excessive expense incident to rate proceedings. If that were corrected, it would remedy a lot of criticism that now exists.

Q. The matter of the determination of the fair value could be more specific—

A. That might help a little, but you would have to go up against the Supreme Court of the United States and the Federal Constitution, but I don't think that would help very much.

BY MR. TURNER:

Q. They do it in other states by legislation.

A. How do you mean?

Q. A determination of the methods of arriving at valuations.

A. Well, all of the laws of the states are not the same. Massachusetts has a little different system than most of the other states. There may be one or two other states. There are some other particulars that I think there ought to be amendments for, but they are not so important as the ones I have mentioned.

Q. I think you have already mentioned that the personnel of the Commission was not adequate?

A. I think that is very important.

Q. Do you mean in the number of employes or in the Commission itself?

A. I mean in the employes, particularly in the accounting and engineering bureau. There ought to be a much increased force to do the work that we ought to do. We have been handicapped all along in the work. In the work of this committee, we could have done much more work if we had the accountants put on it. We do not have them and can not get them.

Q. You mentioned a while ago that the question of increase in the capital or in the book values of write-ups did not have anything to do, as far as you could see, with the rate question. You mentioned the electrical field, but we have had before us a number of representatives of boroughs, and it seemed to be true in almost every complaint there that a rate increase followed immediately after a consolidation or a merger, or a purchase of some kind by outside interests.

A. Are there any particular instances related?

MR. TURNER: I think we have quite a number.

MR. EVANS: The Scranton Spring Brook case was one.

MR. TURNER: That is the most glaring, but we had a great number of others.

THE WITNESS: Was that a rate increase?

BY MR. EVANS:

Q. There was according to the testimony and the reports.

A. There may have been a few instances of that kind, but I think you will find in the great majority of cases where

there has been a merger, it has generally resulted in a reduction of rates, that is, where the smaller companies have been taken over by a stronger company, giving it a more efficient management, and it has resulted in a reduction of rates.

Q. Didn't you sit in the Scranton Spring Brook case and hear the testimony?

A. Yes—the water case?

Q. Yes.

A. Yes. I thought you were referring to the Scranton Electric Company.

Q. No, the Scranton-Spring Brook, and I was surprised to hear you say that?

A. Yes, that is true, of the Scranton-Spring Brook, I was thinking, and I had in mind electric cases. That is true, they did raise rates.

Q. Can you give us an instance of water or gas where there was a consolidation that resulted in a decrease in rates?

A. I cannot offhand. I had in mind electric companies when I was speaking of these consolidations. Now, in the water companies, I don't think it has resulted that way so much.

BY MR. TURNER:

Q. Mr. Young, it has been said, and it is common knowledge, that in the meeting of the League of Boroughs, for instance, that comprise some 900 boroughs of the State, and that had 800 or 1,000 representatives at their convention, that there have been lately motions to abolish the Public Service Commission, and there has been a great deal of complaint. Why has not the Commission investigated those complaints?

A. You mean of the organization?

Q. Yes, of the criticism; what would cause such public sentiment as that?

A. Well, I think I said the principal reason, the expense that boroughs and municipalities have to go to to determine rate cases in the past, has caused a great deal of criticism which should not have been directed against the Commission particularly, but against the law.

Q. But it seems to me, as I heard the testimony, that the Commission failed in not carrying out what you have termed public relationship in contact with these people. If they are wrong in their theory and the Commission is not to blame, they should have brought that to their attention.

A. Well, I think the Commission has been a little lax in the matter of public relations. As a matter of fact, publicity—the Commission so far as I know don't give publicity to any matters except that as sent out in the reports in the individual cases. I think it would be much better for the Commission if the public better understood the work the Commission was doing.

Q. And the problems involved?

A. Yes.

BY MR. MOORE:

Q. Mr. Young, in one or two instances, or three that I recall, the costs incurred by the water companies in these particular instances in fighting rate cases, were saddled on the boroughs, in addition to what they had to expend themselves, and amortize over three or five years, and that still held on?

A. You mean where they lost the case—where the boroughs lost the case?

Q. Yes.

A. Or where the water company lost the case?

Q. Yes, that is what I have in mind.

A. That may have been done in some cases, and I will not say that it was not, but since I have been on the Commission I don't know of any case where the respondent lost the case and was permitted to amortize the cost of the litigation and put it in.

BY MR. TURNER:

Q. If they were permitted to amortize that cost does that in any way go into the rate?

A. Well, it might affect it, yes.

Q. Is it added into the rate?

A. They are permitted to put it in as an expense.

Q. Well, I know it may—

A. Of course, that would affect the rate.

Q. I have heard it contented that it does not enter into the rate, and yet these people contend that it does enter into it, and they have pointed to instances ten or fifteen years ago where there was a complaint and they were permitted to



amortize it and put it into the rate, and their feeling is, and that is one of the complaints, that therefore they are still paying the \$10,000 or \$15,000 that was allowed to be amortized.

A. Well, it might affect the rate, I would say that, and if it is a large amount it probably would affect it more.

BY MR. EVANS:

Q. If the cost of a rate case was permitted to be amortized by the respondents it seems that these costs over the amortization period are put in as an operating expense of the company, does it not?

A. Yes, and it permits the company, of course to earn a greater return than it otherwise would.

Q. And does the Commission, so far as you know, make any check to see that at the end of that amortization period the rates are reduced.

A. Well, I cannot answer that. I don't know any.

Q. That was the complaint of several of the boroughs.

MR. TURNER: And I think a very valid complaint if it exists.

BY MR. COX:

Q. Where you receive reports of excessive rates,—or do you receive reports each year of excessive earnings of each company—does the Commission receive them?

A. The Commission receives every year an annual report of all utility companies, that is, they are required to file them. I think they are filed with our accounting bureau something like thirty-five hundred of them every year.

Q. When you know they are making more money than they are entitled to, do you call them in, or do you do anything to have them reduce their rates? Today you didn't seem to know very much about it, seemed to be news to you that they were making excessive earnings, and I wondered whether it was the fault of your organization.

A. I thought I had explained that so it was understood. These annual reports do not determine definitely whether they are making too much money or not. That is only the book value, it is not the fair value for rate making purposes, but it is an indication, if their annual report shows they are making say ten or fifteen per cent., it is an indication that they are making too much, but when you go into the value of the property, it might be that they are not.

Q. Do you do one or the other, when you find that, do you make an examination of the company to determine whether that is right or not, or do you just let it ride.

A. The work of this electric rate committee which we have done this last year, is work of that kind affecting electric companies. Now, we cannot go any further than that because we have not the force to do it. In addition to these electric companies there are the water companies, there are the gas companies, the street car, and in fact there are about thirty-five hundred utilities. Now, to go over all these annual reports, and check them and then to send out accountants and go over their books, as we would have to, would require a much augmented force.

Q. Don't you think it would be a good idea to maintain a force to do that work, it would save a whole lot of money?

A. I certainly do.

Q. It would not cost them as much in taxation as it would in excessive rates?

A. That is what we are asking for.

BY MR. COOKE:

Q. There are only two ways in which rates could be reduced, either somebody make a complaint or the Commission take action upon its own initiative?

A. Yes, our rate cases are instituted either by formal complaint, by some municipality or determined on the action of the Commission.

Q. And this schedule that you have handed us, which covers five years, shows that eight cases have been initiated on the part of the Commission, several of them are obviously very important, so that it represents an average of a little bit over one case a year for that period, started on the Commission's own initiative, so that in a community where there are not enough people with sufficient interest to make a complaint, or so situated that they cannot bear the expense of making a complaint, the community is practically helpless, isn't that true?

A. Well, I wouldn't say they are helpless. I would say this—

Q. What acts in a community, where you only make an average of a little over one—initiate on an average a little over one case a year? Now what operates in those communities where there are no complaints, to see that the people get a square deal?

A. Well, there wouldn't be any action taken. If the local people or the Commission didn't act,—I might explain,—

Q. Whether it should or not, the Commission does not act, because one case a year is not very many?

A. Well, I would say it has not been the policy of the Commission to institute proceedings, rates cases, in the past, and the reason for it largely is the lack of help. We haven't got the force to do it with. But there are some cases of—some cases that have been brought to the attention of the Commission, that were unusual, in which they have done it.

BY MR. EVANS:

Q. Mr. Commissioner, just in regard to that, will you explain to me why it involves so much more help and necessity for work on the part of the Commission to institute a rate case than it does to have had the engineers go out in the field, as they do in an ordinary rate case, and go over all of the items which naturally enter into a rate case, and in many cases submit those in evidence before the Commission?

A. Well, you are mistaken, Mr. Evans; they don't do that in the ordinary case.

Q. Well, they do it in many cases?

A. Well, I wouldn't say in many. That is, as compared with the total number of cases.

Q. Isn't it a very common thing for the Commission to have engineering conferences, Mr. Commissioner?

A. Oh, yes.

Q. And is not the result of those conferences quite often introduced in evidence?

A. Yes.

Q. And isn't it perfectly possible in a rate case instituted by the Commission to follow that same procedure?

A. Well, someone would have to make a valuation in the first place, an inventory of the property and a valuation, to make a basis for a conference.

Q. Well, if the complaint is filed before the effective date of the rates, that burden is placed on the company, isn't it?

A. Yes.

Q. And then all the Commission has to do is to check over that value and put in its own independent engineering data and accounting data, or do it at their conference?

A. Well, that would be true in that particular case, but you mentioned sending our engineers out and going over the property. Now we don't do that to any great extent and—

Q. Didn't they in the Scranton-Spring Brook?

A. In the case where you mentioned where the burden is on the respondent, is where they file a new tariff, but if it relates to an old tariff, which has been in existence for some time, the burden is on the complainant, and they have to do it.

Q. Take the Scranton-Spring Brook case, Mr. Commissioner, didn't the Commission send its engineers out to make an examination of the property?

A. No.

Q. Are you sure of that?

A. Well, they may have made an inspection. Our own engineers, you mean?

Q. Didn't they make an inspection of the property and file engineering reports?

A. Dr. Snow may have gone up there and gone over that property himself, and he may have had someone with him.

MR. TURNER: Dr. Snow is here. Why not call him? He is right over there.

THE WITNESS: There was no time spent on it.

MR. EVANS: Dr. Snow, will you take the stand just a moment? I think you haven't appeared before the House committee?

DR. SNOW: No.

F. HERBERT SNOW sworn.

BY MR. EVANS:

Q. Dr. Snow, in the Scranton-Spring Brook water case, did you or your assistants make any examination of the property?

A. Yes, one week, in company with the representatives, legal and others, of all parties concerned.

Q. And you made your appraisals based on what is known as the Downs' appraisal, going back to 1918, which consisted of a complete inventory, supposedly, of the property, as it then existed?

A. Yes, and all other portions of the record.

Q. And you could have introduced that engineering report of yours in evidence before the Commission, could you not?

A. If called upon, we had it there.

Q. And so far as the word of your bureau was concerned what additional work would have been involved in placing your report before the Commission if it had instituted a complaint on its own initiative?

A. We would have had to examine the property in detail, all classes of the property, as of the date of the proceeding.

Q. Did the respondent's engineers do that?

A. Yes.

Q. Didn't they make their report on the basis of the Downs' appraisal?

A. Well, they testified they used it in part, and then they had real estate experts and their own engineering staff, and they did new work as of the date of the purchase of the property.

Q. But you could have put your report in evidence before the Commission without any great additional amount of work, could you not?

A. Well, no; I think we would have had to cover the field the same as the engineers of both parties.

Q. Suppose you had had one additional assistant? Could you have done it then?

A. Oh, no. There were 75 water companies merged in one operating company now, and we would have had to have done a very considerable, long job to inventory, and especially inventory and appraise the property, and that would have to have been done.

Q. So that your appraisal, then, you do not consider was a real valuable appraisal for determining fair value?

A. Well, our appraisal was made in 1917, and as of that date—

Q. I do not mean the Downs' appraisal, Dr. Snow. I mean the appraisal that you submitted to the Commission, the engineering report on the value of that property. You do not consider that was of sufficient value to be introduced in evidence?

A. Oh, no, I don't say that at all. The work that we did was confined wholly to a review of the record after the record was closed.

Q. Didn't you say you made an examination of the property?

A. I said we, in company with all parties were out for a week.

Q. Then you did more than go over the record, did you not?

A. Well, that was just to go and look and see it.

Q. That was a junket, was it?

A. In automobiles, about the same as you would see property when you were on an express train.

Q. Then that was just for a little outing?

A. Well, it was not an outing.

Q. Well, Dr. Snow, was the appraisal that you made for the Commission a valuable appraisal for the purpose of determining the fair value, or wasn't it?

A. Yes.

Q. It was?

A. On the record, on the record, and wholly on the record.

Q. What do you mean, on the record? Didn't you put your own prices on the units?

A. Yes, sir; that is office work.

Q. Then you did not just take it on the prices put by the other engineers?

A. Why, there was all kinds of prices, all kinds of engineers, and all kinds of property.

Q. I am just asking you what you did, Dr. Snow.

A. I worked from the record.

Q. And the only thing then that you haven't got in that appraisal is a complete and original inventory of the property?

A. Yes, that we did not do.

Q. And the respondent's engineers themselves did not make that, did they?

A. Yes, they did.

Q. Did you go out and measure the—

A. Oh, my, yes.

Q. Dr. Snow, doesn't the record show that they took the Downs' appraisal and added to it property that was—

A. Mr. Counsel,—

Q. Added from that time?

A. —the Downs' appraisal was only for the Spring Brook Division, which is one-half of the total property.

Q. Well, we will take the Spring Brook Division.

A. I am answering you the best I can.

Q. We will take the Spring Brook Division, as to that. The respondent's engineers took the Downs' appraisal, didn't they?

A. Yes.

Q. And they did not make a new appraisal of the property, I mean a new inventory of the property?

A. Yes, they did.

Q. How then did they take the Downs' inventory?

A. Well, they took it; I don't know what they did with it. The record shows itself.

Q. Don't you know that they did that, as the basis of their appraisal?

A. They testified to the extent to which they used it, and it was written into the record, and accepted as part of the record and worked with.

Q. And you used the Downs' appraisal also, which was just what they used, on the Spring Brook now?

A. I used the record, which included everything, the engineers of the complainants, the engineers of the respondents, Mr. Downs, and everything that is in the record of 7,000 pages and 7,000 pages of exhibits. Everything there used.

Q. Dr. Snow, in making the engineering bureau's independent estimates of the value of that property, you took,—we will confine ourselves to the Spring Brook,—you took the inventory of the Downs' appraisal and put your own unit prices on those items of property did you not?

A. Yes, plus additions. The Downs' report—

Q. Plus additions?

A. Yes, very material,—I think in Spring Brook running to about \$5,000,000,—tunnels,—one of the biggest reservoirs in the state, built since,—a lot of things were done, I can't remember now; but the Downs' inventory and appraisal of 1917 was only a part of the whole property.

Q. And that, as far as the inventory went, was also the basis of the respondent's estimate of reproduction value of the Spring Brook property?

A. Yes, I think they took substantially the Downs' inventory and appraisal, as far as it went.

Q. And applied the unit prices to it?

A. Which didn't go half way through the property, not half way through.

Q. Isn't it true that if the Commission had instituted that case on its own initiative, that you with your 40 volumes of supporting engineering data could have gone in before the Commission and testified, with your assistants, as to the reproduction cost of that property?

A. Do you mean without any more field work?

Q. No, I don't say without any more field work.

A. Well, we couldn't do it without more field work. We should have gone all through the property of the Spring Brook Division, which is larger than—

Q. Do you mean to say you would have to make a new inventory of it?

A. Yes.

Q. Did the respondents make a new inventory of it?

A. The respondent made an inventory of the Scranton Division, which included—

Q. I say, talking about the Spring Brook.

A. Well, that is less than half the property.

Q. I am asking you as to the Spring Brook, did they make a separate inventory of it?

A. Yes, they added to the Downs' report.

Q. Property constructed since that time?

A. Yes, and that changed some of Downs' figures.

Q. As to the property that was in existence when the Downs' report was made, they took that inventory as the basis of their report, did they not?

A. They testified to that effect, yes.

Q. And you did the same thing?

A. Yes, I took the record.

Q. Therefore as far as the Spring Brook was concerned your report was on the same inventory basis that the respondents' engineers made theirs?

A. Yes, but I would have gone into the field if the responsibility for that work had been put upon me.



Q. Then you did not place any credence upon the respondents' estimate of value of the Scranton-Spring Brook property?

A. I won't say that. I weighed it all and gave it a value and I have got in the text of my report all the pros and cons of every class of property and every conclusion that I reached for the consideration of the Commission, as explained in the text and in my 45 pages of notes.

Q. Dr. Snow, I am merely trying to get before the Committee an idea of how the report that you made on the Spring Brook portion of the Scranton-Spring Brook property differed from the way the respondents' engineers made their report; now will you explain that just as briefly as you can?

A. All I know about what the respondents' methods were is what the record shows, as I was not in the field with them at all. I think I have explained myself, giving weight to the testimony and the facts and produced a report for the judgment and the consideration of the Commission.

Q. That is not the question I asked you. the question I asked you is in what respect does the report and the method by which you valued the Spring Brook property differ from that used by the respondent's engineers?

A. I think it goes much farther than the respondents.

Q. In other words, your report was more accurate than theirs?

A. Than the respondents?

Q. Yes.

A. I think so, most assuredly.

Q. Therefore your report could have been introduced in evidence just as well as theirs was?

A. I think so.

BY MR. RHODES:

Q. Was it introduced?

A. No, it was not. My report was not made until after the testimony was all closed.

Q. Was it utilized by the Commission?

A. Oh yes, I made it for the use of the Commission.

Q. The Commission utilized the report in the determination of the case?

A. I suppose it must have been used, it was made for that purpose.

BY MR. TURNER:

Q. How long a time would it have taken you to have done the field work?

A. I testified before the Senate Committee that in my judgment I could have, with ample force, I could have made the appraisal of the whole property, not the other, but the Spring Brook, the Scranton, the Oliphant and the whole blamed thing in the time that it took to check the report and go over the record and make my report.

Q. Why did you not do that?

A. I am not a statutory officer, sir.

BY MR. EVANS:

Q. You did what the Commission directed you?

A. My duties are wholly assigned to me by the Commission itself.

Q. Then it would not have involved any additional cost for the Commission to have instituted this case on its own motion so far as your Department is concerned?

A. I don't know what you mean by no more cost.

Q. You have just said in answer to Mr. Rhodes' question that in the same amount of time that it took you to review the record and make the report which you did for the Commission, you could have made a complete inventory and appraisal of the entire property?

A. Yes, Mr. Counsel, with sufficient force, I say, and that big force is more than what I have now.

BY MR. TURNER:

Q. How many more would it have taken?

A. A good many more, sir.

Q. What is your guess?

A. On the basis that we would have stopped all of our other work, which would mean I would have had to have all new men, I think, to do the work in the time I specified, it would take 50 or 60 men constantly employed, and I think in that time I could do it in six months as thoroughly as such a case ought to be prepared, in view of the fact that it may be sent to the Appellant Court, and I understand that more

than that number of men were employed by the respondent and that the complainants, for lack of money, had a very much less staff, and therefore it took very much more time and delayed or extended the proceeding very many months.

Q. Do you know what the respondents' engineering cost in the case?

A. They claimed about \$580,000 sir.

Q. Do you know what was their valuation what was their engineering cost?

A. I am relying on memory, I think they asked for an allowance of \$450,000.

Q. Would it have cost the Commission as much money?

A. No, sir, not on the basis of the proposition I made.

BY MR. EVANS:

Q. I want to be clear on this, what did you mean in answer to Mr. Rhodes by saying that in the same amount of time you spent in reviewing the record you could have made an inventory and appraisal of the property, what did you intend to convey to Mr. Rhodes by that?

A. Just exactly what the words implied. I started in October and I finished my work the first week, the third of July, the following July and my instructions from the Commission, my regular duties as Chief were assigned to the Assistant Chief and I devoted—I was instructed to devote all of my time, and that would be over—that is about over seven months, and the evidence of my time is in the volume now before the House Committee and my own notes, in my own pencil. I think my notes alone cover 25 volumes and I had the assistance of certain members of my staff who were assigned to work with me. Now that was office work and we certainly could not go out in the field and check up in the field with any such force and I know those properties, Mr. Counsel, as Chief Engineer of the Health Department, beginning in 1905, I became familiar with those properties. I trampled all the streams, some of the dams were built during my time in the Health Department, I have personal knowledge of those properties, I handled three great typhoid epidemics up there, and that gave me an insight into the water works, as well as later in the Public Service Commission. I had a very intimate personal knowledge of those properties.

Q. All of which would have helped you in making an inventory of those properties?

A. Most assuredly, and did help me very materially in making my report. Does that answer the question?

Q. I still feel somewhat at a loss to know what your estimate of the additional cost which would have been incurred would have been if the Bureau of Engineering had made a reasonably adequate inventory and appraisal of the property over what it did cost, doing the work that you did?

A. That is an easy calculation if I had my estimate anywhere near right, of 50 or 60 men and seven months in the field, plus their work in the office.

Q. How many men did you use in the work?

A. In making this record I had—there were six or seven of us assigned, one man worked with me all the time and these other assistants that were brought in worked for from a few weeks to two or three months perhaps, and that was wholly on the office work on checking the record.

Q. Would you say \$75,000 would have covered the additional cost?

A. As long as it cost the respondent \$450,000, I would say that we could have done it on the basis I am talking about—

Q. I am not asking what it cost the respondent. You say six men for six months?

A. Yes.

Q. What did you expect to pay 50 men for six months?

A. I think those men could be figured from \$2500 to \$4200 a year, but I don't know how much my judgment would dictate as work in the field. There were something like 6000 test pits dug along the pipe line to determine it was rock or earth material through which the trenches were dug, I don't know how much of that I would have done if I had been in authority in the field, and that would add very materially to the cost.

Q. What is your estimate of the cost, Doctor?

A. We could not have done it for \$100,000, but I would want to reserve the right to change that estimate if it is material to counsel.

MR. TURNER: I think there is some misunderstanding there that we ought just as well clear away at this time. There seems to be a feeling among some of us that have been

discussing it here that Doctor now is referring to the length of time it would take, and he meant to refer to the number of men for that length of time. What he did mean by that, that with a field force it would not have taken any longer to do the work than it took him in checking it up himself.

MR. EVANS: I quite understand. But to me it don't mean anything to say it would take the same amount of time unless you take the same proportion. Obviously if he had had fifty or sixty men digesting the records for him, he could have done it in less time.

MR. SNOW: There are seventy-five separate water companies all now merged and tied together as one property. If you assign one man to each one of these seventy-five water works systems, and kept him on it from the start to the finish, it only gave me a basis for a snap judgment which, I say, if material I would like to modify. I think in the time I took the record with fifty men there would be some economy or saving in the number of men I think I could do it with. I think I could do it with fifty men in that time and of course we would try to get these men who are able to do this work for as reasonable a price as might be for men accustomed to appraising water works. At the present time there are so many men out of employment, and so many engineers out of employment, that we might be able to get men for a lower price. I have seen ties during the years that I have been on the Hill when you could not have gotten fifty engineers for any amount of money. Therefore my estimate of a hundred thousand dollars, I don't like to guess, I can err as easily as anybody else.

BY MR. MEMOLO:

Q. With this handicap that you refer to in the number of men employed, has your Department ever made that known to the members of the Legislature?

A. In 1919 we put in an estimate for three million dollars for adequately equipping the Public Service Commission, and to the satisfaction of the people who complained and wanted service, and I know of no such estimate or request being made to the General Assembly since 1919.

Q. That is the only time you know of?

A. Two years prior to that there were over two millions asked for, but not since 1919 do I recall of any such estimate being asked of the General Assembly.

Q. You are the head of the engineering bureau?

A. I have been the chief engineer of the Public Service Commission since its beginning.

Q. You are appointed by them?

A. Yes sir.

Q. And they have supervision of your Department and give your orders?

A. The office is not a statutory one, but is created and falls under the supervision of the Commission.

BY MR. RHODES:

Q. You say you asked for three million dollars for 1919, how much did you get?

A. I don't recall sir, but not much.

Q. Did you get a million that session?

A. I doubt it, I think the Commission now is receiving about as large a total appropriation as it has ever had, and that seems to be not much over a million now.

Q. Do you mean for the year?

A. No sir, for the biennium period.

COMMISSIONER YOUNG recalled

BY FATHER COX:

Q. You say you have about thirty-five hundred companies to receive reports from each year?

A. I think it is about that.

Q. And you say that only eight of them were investigated because in your opinion they reported excessive earnings?

A. About that.

Q. Don't you think, considering things human, that there should have been quite a number of these companies that would have justified your instituting proceedings in order to get conditions better. You said previously you had no publicity. Now, including this Scranton-Spring Brook Water Company you had publicity that you did not particularly desire. The complaints we have heard here were that there was

no use in going to the Commission; that when they did go to the Commission, they were either given the impression that the Commission was not interested or that you didn't hear them. Which is correct or what was the trouble?

A. These things are not true to the extent that they are represented here. I got that from the newspaper account, of course, I didn't hear the testimony. In every proceeding, disappointed litigants complain. I do not say that there are not municipalities that do not have just causes of complaint about the Commission, and the Commission probably does make mistakes, but the Legislature has provided that when they do the court is the place to correct it. Since this Commission has been instituted, sixteen or seventeen years ago, there have been a lot of cases appealed to the courts for correction. I think in twenty-eight or thirty of them appeals have been taken and I think in five of them we have been reversed, but in every instance in which we were reversed we were reversed because we put the valuation too low and not in a single instance have we been reversed because we put it too high, and that is some evidence that we are looking after the interests of the people. In addition to that we have had a compilation of the railroad cases made which shows that seventy-five per cent. of these cases have been decided in favor of the rate payer and twenty-five per cent. in favor of the railroad, and I have also data with reference to other rate cases which is about similar. Now, of course, in every rate case that comes before the Commission there is a corporation on one side and the consumers on the other. It is not likely that corporations are wrong always. Occasionally they are right, but when we decide against a community a lot of people are disappointed and criticize. We are bound by law just the same as any other governmental agency and we have to follow certain rules in deciding valuations, and we cannot always decide for the public. My observation has been that this Commission leans, if it leans any way at all, towards the public. We are not supposed to do that, we are supposed to be fair to all the parties. That is my own judgment of the matter.

Q. Complaints come from all parts of the State here to us. Now from the records here it appears that in every year there are thirty-five hundred reports made, and certainly it don't seem as though you are as vitally interested in regulating these conditions as you are supposed to do by law.

A. I will agree the Commission has not followed the policy of instituting investigations on their own initiative, there has been more done the last year than formerly. The principal reason is that we have not the help to do it. If we institute the proceedings one community hears of it and another community thinks they are entitled to the same thing, they have a right to the same rate, but we do not have the force to handle it. I want to go further to say there is a question in my mind just how far we ought to go with instituting proceedings on our own initiative. I think it would be an unfortunate position for the public of Pennsylvania, if they would look upon the Public Service Commission solely as an inquisitorial body and not as an unbiased body to try issues between the corporations and the consumer, and I mean by that they would become a solely inquisitorial body and would become biased, and the people would not have confidence in them. I realize that there are many cases in which it is impossible for the complainants to bear the expense of the investigation. If these two things are corrected there won't be the insistence on the part of the public for the Commission to institute proceedings on their own motion, and there won't be the necessity because the communities will be relieved from that expense, and there will be no unjust rate imposed upon them, until it is determined by the Commission and I think these things ought to be remedied and corrected, particularly the imposing upon a community of a rate without it first having been decided by a tribunal as to whether the rates are fair.

BY MR. TURNER:

Q. It may be helpful to some of the members of the committee if you would give us an idea—while there are 3500 cases, all of your time was not taken up with these so-called rate cases, I mean where there were complaints, but there were many other functions of the Public Service Commission, like the issuance of certificates of public convenience to bus lines and others, was there not?

A. Yes, sir; that takes up a lot of our time.

Q. Does the Commission or do members of the Commission have to sit every week in the year?



A. We have a calendar for every week in the year, in Pittsburgh, Harrisburg and Philadelphia, and occasionally in Erie, Scranton, Wilkes-Barre and at other points in the State. In fact, we have a calendar of about 100 cases that come before us every week. Some of these are a matter of form. They are listed, but there isn't much testimony taken in them, such as municipal contracts and things of that kind, but every week we have hearings, from one, two to three days a week, in Pittsburgh, Harrisburg, and Philadelphia.

BY MR. EVANS:

Q. Of the eight rate cases that have been referred to, instituted by the Commission, six have been instituted during 1930, or after January 1, 1930, have they not?

A. I don't know that.

Q. The Scranton Electric case seems to be No. 8,273. All the other cases are subsequent in number.

A. That appears to be correct.

Q. Up to January 1, 1930, the Commission had only instituted two rate cases on its own initiative in the preceding nine years, one of these being a gas case, involving a service charge of \$30; the other the Clarks Ferry Bridge case that you have referred to.

A. Yes, sir; what years were they instituted?

Q. I assume that the Clarks Ferry Bridge was instituted probably in 1929.

A. That is recently, comparatively recent.

Q. The result of the few that you have instituted in 1930 seems to have been an estimated reduction in rates amounting to \$800,000 or more a year.

A. I think about a million dollars is my calculation.

Q. Don't you feel that this was money well spent in the interest of the public in instituting those cases?

A. Yes, sir.

Q. Even if it had cost \$100,000 in the Scranton Spring Brook case, if you had been able to save \$50,000 a year to consumers, it would have been worth it?

A. Yes, it would. We could have done it in that case, if we had the help and the money, but we didn't have it and we couldn't do it.

Q. In other words, your appropriation is not large enough?

A. Yes, sir; we do not have the force of engineers.

Q. Isn't it your opinion, as a matter of fact, Mr. Commissioner, that a great deal more of it could as a practical matter have been done as has been done?

A. That is possibly true, and a great deal more can be done if we get the help to do it. I will agree to that, and I think it ought to be done.

BY CHAIRMAN MOORE:

Q. I asked a question a little while ago and I left it up in the air. I am reading from the record of Mr. Chrostwaite's testimony, page 266, where he says:

"For instance, the borough of Hanover, of which I am solicitor, had a case against the Conewago Gas Company. The company asked permission of the commission to permit them to put in \$20,000 worth of costs, amortizing over a period of five years, making \$4,000 a year. The company lost the case, you understand, but they asked the consumer to pay \$20,000 of their costs. While the Commission did not allow the \$20,000, they did allow \$10,500, amortizing over three years, making the consumer pay to the company \$3,500 a year for losing the case. Now, the amortization over the three year period was practically the same as amortization of the \$20,000 over a five year period. The worst effect of that is, after the \$3,500 was paid on the rate basis and paid by the consumer back about 1918, that they have this \$3,500 still in there and the consumers are now paying a penalty of \$3,500 a year because they won a case against the utility, and they will continue to pay that forever or until they go in and fight another rate case."

A. Does he give the date when that proceeding was had?

Q. I don't recall whether he gave the date. It was the case of the Borough of Hanover against the Conewago Gas Company—I think about 1918.

A. Well, if the committee desires, I will have the record examined to see whether that is a correct statement of the facts.

MR. TURNER: I think it should be; we should have some report on the question of amortization.

THE WITNESS: I don't know of any instance of that kind since I have been on the Commission.

BY MR. RHODES:

Q. What I want to know is whether this amortization question goes into the basis on which the seven per cent. return is determined.

A. It goes into the operating expense and permits them to earn more money. It might affect the rates if it was a large enough amount.

Q. If it remained there indefinitely—

A. It ought not to.

BY MR. TURNER:

Q. Take that map with the rates, can you give us any reason for the wide diversion of the rates there?

A. Well, I could give you some reasons, I don't know that I can give you all of them. Rates depend upon a good many factors. For instance, the density of the population has quite a good deal to do with it. You notice in those rural communities in the northern tier, that is where the highest rates are, and you get into the densely populated communities, the rates drop perceptibly. That is one factor, of course there are many other factors.

BY MR. COOKE:

Q. What do you suppose is wrong with Chester they have a population down there.

A. That seems to be out of line with the surrounding counties.

MR. TURNER: I think there might be some explanation. Chester County has a lot of rural territory, 7.6 has a lot of industrials. Then there is Lawrence County, 5.7 as against Allegheny with 7.1.

A. Lawrence County seems to be favored, that is where I live.

(Remarks by Mr. Turner off the record)

BY MR. EVANS:

Q. Are there any other comments?

A. No.

BY MR. TURNER:

Q. Do you think that is a fair indication taking a map of that kind, and seeking the rates in the county, do you think that is a fair indication that there might be something wrong with the rate schedules.

A. No, I don't think it is. You got to take the conditions that exist in any particular community, and whether it is served by a strong company or a weak one. In some of these rural districts they were served by a local company, which was organized and they probably just had one small generating plant and the costs were high, where they didn't have any power users.

BY MR. RHODES:

Q. What is the matter in the case of Pike, 15.5.

A. It seems to be unusually high. Sullivan, Wyoming and Pike are the highest.

Q. They have a large dam up there, known as Wallerpaupack, which is right on the edge of Pike and Wayne, and they don't have any long distance to go with the current.

A. I don't know what company serves them.

MR. COOKE: It is the Rockland Company, and that is owned without Pennsylvania.

BY MR. MEMOLO:

Q. Mr. Young, do you know whether or not the cost of the rate case in the Scranton Spring Brook Company case was charged to operating expenses or not?

A. It was not allowed.

Q. It was not allowed?

A. No, for the reason that the Commission determined that the rates in the tariff they filed were too high and refused them and for that reason they would not allow them to amortize the cost of the rate case.

BY MR. COOKE:

Q. Does that mean that it is paid by the stockholders?

A. Yes, it would have to come out of their 7%.

Q. There are some of the witnesses who said it cost \$280,000 to fight that case.

A. That is the consumers?

Q. That is, the complainants.

A. I thought you were asking about the company.

Q. It cost them enough to fight it?

A. Yes.

MR. COOKE. It is a good thing they didn't have another charge to pay.

MR. MEMOLO. Well, they would eventually pay it anyhow, it didn't make any difference.

BY MR. EVANS:

Q. Mr. Young, in answer to that question of Mr. Cooke. I think you said in your opinion write-ups of the books of the Company did not affect the rates. Is that true with the companies issuing securities against these fictitious values?

A. Well, in this sense—now, of course, if they issue securities, the Act requires the Commission to take into consideration the security issues in determining the fair value, but fair value is largely determined on the valuation of the property.

Q. Then it does—

A. And the original cost and the reproduction new are the most persuasive factors in determining their value.

Q. Those are the factors that the Commission usually gives most weight to?

A. Yes.

Q. And does it give any weight at all to the market value of the securities?

A. Well, it probably gives some weight, because the Act requires the Commission to consider that, but if the market values of the securities were out of line with the reproduction cost new and the original cost, it would not be persuasive with the Commission.

Q. What control does the Commission have over securities of utilities in Pennsylvania?

A. Well, the Act provides for the Commission to have some control over it. All companies must file a certificate of notification, and they shall not issue securities except for certain things mentioned in the Act.

Q. Suppose the company issues securities on fictitious values, what power has the Commission over the matter?

A. Well, they have a right to conduct an investigation to determine that fact.

Q. Do you know of any cases where they have done that?

A. I don't recall of any.

Q. Are you familiar with the Clarion River Power Case?

A. Well, I have some knowledge of it, acquired since I came with the Commission, of what took place before I came with the Commission.

Q. Did you ever happen to see a report made by the Bureau of Accounts jointly with the accountants of the Federal Power Commission in 1925 of the Clarion Power Case?

A. No, I never saw that report.

Q. Are you familiar with the fact that the Clarion River Power Company, according to reports of accountants of the Pennsylvania Commission and the Federal Power Commission, has issued large quantities of securities on fictitious values?

A. I learned that from discussion that has taken place in the Commission, and also what I read in the newspapers, when this argument took place in Washington recently.

Q. Has any action ever been taken by the Commission with regard to that?

A. No.

Q. Have you any explanation as to why they have not?

A. Well—the report indicates, of the Commission's own accounting bureau, that there are some 5 or 6 million dollars of fictitious value in that company represented by outstanding securities?

A. I have no explanation to give why the Commission has not instituted proceedings, except that that is a project that is under license by the Federal Government, and that this audit that is being had, which shows, or which indicates rather, that the securities issued are in excess of the real value, that is being conducted by the Federal Government, in which our Commission assisted.

Q. Has the Pennsylvania Commission assisted in that since 1926?

A. Well, I don't know when the last date was.

Q. Have they since you have been with the Commission?

A. No, I don't think since I came with the Commission.

Q. Don't you feel it is part of the duty of the Pennsylvania Commission to do what it can to prevent fictitious increase of securities of utilities under its control?

A. Well, I do, and that is the reason why I think the Act ought to be amended, to make it a pre-requisite of the issuance of securities, that the Commission has control of them.

Q. But the Commission has already had that power ever since it was instituted?

A. What power?

Q. To investigate.

A. To investigate after it is done and the securities are out in the hands of the public, but that is altogether a different thing.

Q. That is entirely different?

A. Yes.

Q. They then refer the matter to the Attorney General, for action, do they not?

A. Yes.

Q. As far as you know, the Commission has never done that in a single case?

A. Not to my knowledge, no. We have a securities bureau now, but it does not help the situation the way it ought to.

Q. Do you mean in the Commission?

A. No, in the State.

Q. The State Securities Bureau?

A. Yes.

Q. Mr. Commissioner, are you familiar at all with the regulation of utilities in Ohio?

A. No, I have very little knowledge of the Ohio law.

Q. You are not familiar with the fact that municipal plants can be erected in Ohio without the consent of any state authority?

A. No, I don't know that.

Q. Would you favor such a provision in the Pennsylvania law?

A. Just state that again, Mr. Evans.

Q. Giving municipalities the power to erect municipal utility plants without the Commission's approval?

A. Well, I have never given that any study. I wouldn't like to make an offhand answer to it. My first impulse is it ought to remain in the hands of the Commission to determine whether or not that should be done. For instance, if there is an existing utility there serving the people, it would be doubtful whether it would be wise to permit a municipality to enter into competition and build a plant. I think it would be better to permit them to acquire the existing plant by some means or other rather than build one and enter into competition with an existing plant.

BY MR. COOKE:

Q. Isn't your own county, Lawrence; profiting by having a municipal plant there by very low rates, thereby influencing other rates? I have been told so.

A. Municipal plant?

Q. Yes, sir.

A. I don't know of any municipal plant in Lawrence county.

Q. In that immediate neighborhood there, Grove City, is it, or Elwood?

A. Grove City is in Mercer County. Elwood is in Lawrence County.

Q. Well, has not that a municipal plant?

A. Well, the municipality of Elwood City, I think, owns their own distributing system, but they buy their power from the Pennsylvania Power Company.

Q. Pay a cent and a quarter for it, so I was told, and they have a distribution system, and I was told yesterday, when this map was first shown to us, that the reason why Lawrence had the best rates in the State—

A. Well, that is not the reason, because Elwood City is only a small part of Lawrence County. A large part of the population is in New Castle, and the rest of the county, where they don't have a municipal plant. The greater part of the electricity would be consumed in Newcastle.

Q. I was quite prone to believe that, because somebody told me that the favorite way in Ohio of getting rates reduced was to threaten a municipal plant. They found it a much more direct method than the regulatory system,

A. Well, I wouldn't agree to that, Mr. Cooke.

Q. I am not arguing for it; I am simply stating the—

A. I don't think it is wise to permit the municipality to construct a plant and enter into competition with an existing privately owned plant. It only duplicates cost. Somebody has got to pay for it. I think if the local community desires to own its own plant, it would be better to have a law to permit them to acquire the existing plant and run it as a municipally owned plant.



Q. You know that there were towns in the United States that own their own plants and are tax free; that is, by charging approximately the same rates as the private companies around it, they pay all the expenses of the community?

A. Well, I know there are a lot of municipally owned plants throughout the United States. I don't know what the result of their operation is financially.

Q. I would like to have you, when you go home next time, just make some inquiries and see whether you can not relate that 5.7 rate in Lawrence to the proximity of a municipal plant.

A. Well, if I knew where the party who reported this got his data, I might be able to check up on it.

MR. EVANS: This is taken, as I stated. Mr. Young, directly from the rate sheets on file with your Commission, taking a consumption of 15 kilowatt hours per month, in towns and boroughs under 10,000.

THE WITNESS: Well, the thing that made me question it is this. Now the Pennsylvania Power Company serves Lawrence County. I think all of the county, unless it be a small borough in the northern part. Now, of course, I know what their rate is. It is a flat six cent rate, without any reduction for the amount consumed. They also serve the community around Elwood. They sell their power to Elwood. Of course, they have their distributing plant. Now, they have got it below six cents there.

MR. COOKE: In Elwood.

THE WITNESS: No, in Lawrence County, and I know the rate is a flat six cent rate.

MR. COOKE: I think that takes in the discount. I think somebody said yesterday,—isn't there a discount on that flat rate?

THE WITNESS: There is a discount.

MR. EVANS: I think they said it was a six cent rate less a five per cent. discount.

THE WITNESS: Well, that is probably correct, then. It is a six cent rate, just a flat six cent rate.

BY MR. TURNER:

Q. We had some figures here yesterday that showed rates in Ontario, Canada, 2.7; that is governmentally owned.

A. Well, there is a lot of factors have to be taken into consideration when you deal with any particular situation and of course tax is one thing, and there are many other things. You can not compare the rates in one community with the rates in another with any degree of accuracy.

Q. But that is a long way, between 2.7 and 7.4, for instances, for Green, and 7.1 for Allegheny?

A. Yes, it is quite a difference.

BY MR. CRAWFORD:

Q. Isn't it true that the rural lines, the expense of the rural lines are to a great extent borne by the consumers, before they put them in, don't they ask the consumers to either furnish the poles or a part of the wire?

A. Well, that is under General Order 28 adopted by the Commission, they require a guarantee of a certain amount, before they will extend their lines. In practice I don't know how it works out, whether they furnish the poles and do part of the work or not.

MR. COOKE: They pay one and three-quarters per cent. a month on the cost of a line, which makes it something over 20 per cent. a year on the cost.

MR. TURNER: Until it is paid for.

MR. COOKE: That varies. Sometimes it goes on.

MR. EVANS: We hope to have a set of rural rates later before the Committee. I think we have given Commissioner Young a rather tiresome afternoon. We are certainly very much obliged to you, Commissioner.

THE WITNESS: Is that all?

MR. EVANS: That is all I had for this afternoon. I don't care to keep you any longer.

THE CHAIRMAN: The Committee will stand adjourned until to-morrow morning at 10.00 o'clock in this room. The Committee will now meet in executive session.

# COMMITTEE OF INVESTIGATION ON RESOLUTION No. 10

Pursuant to the call of the Chairman the Committee convened in the House Caucus Room on Friday, March 20, 1931, at 10 o'clock a. m.

There were present:

Messrs. D. Glenn Moore, Chairman.

Martin Memolo.

Elwood J. Turner.

Chester A. Rhodes.

Harry J. Crawford.

Father James R. Cox.

Morris L. Cooke.

Harold Evans, Esq.

John M. Walker, Esq.

J. W. BROWN, sworn.

BY MR. EVANS:

Q. Mr. Brown, you have been a member of the Public Service Commission since March 25, 1926, have you not?

A. Yes.

Q. And your commission expires on July 1, 1932?

A. Right.

Q. You have been a very regular attender at sessions of the Commission and its Executive Sessions, I assume?

A. That is right.

Q. You have taken care of a large proportion of the hearings held in Harrisburg, have you not?

A. I have.

Q. The work that Chairman Ainey used to attend to, but for the last few years has not been physically able to attend to, you have taken care of?

A. Correct.

Q. You also have been a member of the Electric Rate Committee since it was formed on February 25, 1930?

A. Yes.

Q. As a member of that Committee, I assume that you have kept in close touch with the electric situation throughout the State?

A. Well, if you will allow me to explain that, I have not kept in as close touch as under other circumstances I would have, owing to the condition that you have just referred to. Nearly all my time at Harrisburg is taken up with the holding of hearings. I come to Harrisburg on Monday morning. The whole of Monday is taken up with arguments, practically the whole of Tuesday is taken up with Executive Sessions, and then I hold hearings for the balance of the week, and nearly all of the work of the Electric Committee has devolved upon the Chairman, Mr. Young, who has given much time to it, and I have given as much time to it as I could, but I have not given the time to it I should have liked to.

Q. So, in fact, the Electric Rate Committee has been a one-man committee?

A. No, I would not say that. We have assisted whenever we could.

Q. In the minutes of the Electric Rate Committee for March 4, 1930, reference is made to a statement by the chief of the engineering bureau, in which he states, "During the past six years the bureau of engineering has been definitely studying the growth and development of the electric industry in Pennsylvania." He then refers to a map which they have prepared and says, "At present a practically complete statistical rate study of the entire electric industry of the State showing the overall condition which exists in 1929, with the supporting data for each individual operating company." His statement continues, "Included in this work is the following data: Study of domestic rates showing resultant bill or rate for use of 25 k. w. h., 50 k. w. h.\*\* study of power and commercial schedules\*\* study by companies of the number of domestic consumers, k. w. h. sales and revenue from this class as shown in the 1928 Annual Reports. Study showing the area and population\*\* study showing kilowatt hours generated and transfer of energy across State lines. Studies showing comparisons of unchartered territory in 1924 and 1929\*\* a compilation of all electric rates briefed in a single volume." Will you be good enough to have that report submitted to the Committee, so that we may have it?

(Adjourned to Friday, March 20, 1931, at 10 a. m.)

A. Dr. Snow has already been asked to produce that, and he will produce it.

MR. EVANS: Thank you.

Dr. Snow has asked to be permitted to make a statement in connection with that. He has already been sworn, if you will allow, Mr. Commissioner?

THE WITNESS: Whatever you want.

DR. SNOW: Some of that information is in report form and bound, that I can very readily submit. Others are in detached portions in our files. They are all originals, no copies, and we are working with them every day, and what I would like to do is to transcribe and make copies of these that we are using every day, so that our work would not be impeded and the committee can also have them. That would take some time.

MR. EVANS: In order to save time of the Engineering Bureau I would suggest that the Committee direct Mr. Snow to furnish to the Committee immediately such portions of the report referred to as are in the form of bound volumes, and that the engineers or accountants of the research department be authorized to go over the other data in the Commission's offices and advise which of it is necessary for our purposes, and that perhaps will save the time necessary to copy a lot of stuff.

THE CHAIRMAN: That will be so understood.

BY MR. EVANS:

Q. Mr. Brown, in the minutes of the Electric Rates Committee, for August 26, 1930, appears the following, the Committee also referred to the report from P. E. Fickenscher, Chief of the Bureau of Rates and Tariffs, that he had prepared from answers received to letters mailed to all electric companies requesting information as to power contracts, and Mr. Fickenscher reported that he had received answers from all the companies and had divided the replies into three classes, contracts for re-sale, contracts for inter-change of power by the electric companies, and border-line contracts. Mr. Fickenscher was authorized to prepare a report on the data in typewritten form for the use of the Commission." I understand that in accordance with my request Mr. Fickenscher by the first of next week will submit to the Committee a report of that.

A. Yes.

Q. Mr. Commissioner, we were discussing yesterday the question of the purpose served by the annual reports of utilities. What is your conception of the primary purpose of having those reports filed with the Commission?

A. My conception is that the reports are filed for the information of the Commission.

Q. And for what purpose? What is the ultimate result that the Commission desires to attain by having that information at its disposal?

A. My conception of it is that, as Commissioner Young stated yesterday, I think there are approximately 3500 annual reports filed. It would be a physical impossibility for the Commission, as now constituted and manned, to examine all of those reports, but in any case where a utility files a report and anything comes to the attention of the Commission, they have that report to examine and see what it contains and to take any action they see fit.

Q. And is it your thought that it is one of the functions of the Commission to direct the Bureau of Accounts and Statistics to call its attention to any matters in any of those reports which suggest the need of action?

A. I think that would be the proper thing to do.

Q. Has the Commission ever done that?

A. Yes, sir.

Q. Will you refer me to any minute where it has been done, or any specific time when it has been done?

A. Well, I can not give you the specific case or the specific time, but I have a very distinct recollection of the Commission instructing the Accounting Bureau to give us the details of one or two annual reports, in which cases something had been called to our attention.

Q. I think you perhaps misunderstood me. Wouldn't it be advisable in your opinion for the Commission to instruct the Bureau of Accounts that in checking over the annual reports of utilities the Bureau call the attention of the Commission to any matters in any reports which suggest the necessity or the desirability of action by the Commission?

A. I think that might be a good thing, yes, sir.

Q. As far as you know, has that ever been done?

A. I can not say that it has. I do not know.

Q. The Bureau, however, has from time to time, in the case of the electric industry, submitted reports to the Commission, has it not?

A. Yes, sir.

Q. And you have been familiar with those reports as they have been presented?

A. I have seen them, yes, sir.

Q. And they have called attention to the fact that a number of electric companies were earning considerably over seven per cent. over-all return on their depreciated invested capital, as shown by their books?

A. As shown by the book cost—

Q. Yes.

A. —in the annual returns.

Q. Now, one of those reports, I think, it was testified was before the Commission as far back as 1925, showing that situation.

A. Well, I don't know that. I think that is true, however.

Q. Well now, where such an analysis shows that utilities are earning 10, 15, 20, or 30 per cent. return on the book value of their depreciated invested capital, does that suggest to you the desirability that in those cases the Commission should make investigation?

A. I think that it would suggest that something ought to be done, yes, sir.

Q. Now, disregarding the 1925 report, in 1928 such a statement was laid before the Commission, was it not?

A. Yes, sir.

Q. Was any action taken by the Commission in view of that report looking toward investigating any of the companies that were there shown to be earning large returns on their invested capital?

A. I think it was after that report that a conference was held with a large number of companies with the view of having them reduce their rates.

Q. I think Commissioner Young referred to that conference. Were you present at it?

A. No, I wasn't present.

Q. That was one of the conferences in the chairman's office, I suppose?

A. Yes.

Q. Do you think that that is the advisable way of getting at those matters of getting reductions in rates?

A. Well, that is a matter of judgment.

Q. Well, that is what I am asking, your judgment.

A. Well, my judgment is that that was advisable at that time. It saved a great deal of expense to consumers who otherwise might possibly have been compelled to make complaint against these rates.

Q. So far as you know, no action was taken by the Commission directing the bureau of accounts to make any studies, any further studies of any of these companies until 1930?

A. No, I know of none.

Q. Now, in regard to the Scranton Electric rates, that was one of the companies that was under investigation, was it not?

A. Yes.

Q. Did that company reduce its rates as a result of the conference in the chairman's office that you have referred to?

A. I think not.

Q. By the way, when was that conference held?

A. Early in 1928 is my recollection. I don't know the date.

Q. Early in 1928?

A. I think so.

Q. Can you remember anyone who was present at that conference?

A. Well, I don't think I can. I know that in the course of the morning's business I went to the chairman's office for something. This conference was going on, and there might have been 20 people there.

Q. What other members of the Commission besides the chairman were there?

A. I can't tell you that. There may have been others, but I don't know.

Q. Were any representatives of municipalities or consumers in the territories of these companies present at that conference?

A. I am not sure of that. As I tell you, I was not present at the conference. I took no part in it.



Q. Who could tell us in regard to it, do you think?  
 A. Well, I don't know of anybody but the chairman.  
 Q. No one but the chairman?  
 A. I don't know of anybody. There may be others, but I don't know.

Q. Well now, in February, 1930, the electric rate committee did request the Bureau of Accounts to make a special investigation of the Scranton Electric situation, did they not?

A. Yes, sir.

Q. Were you familiar at that time with the fact that the Federal Trade Commission was also investigating the Scranton Electric situation?

A. Only from what I read in the papers.

Q. But you were from that?

A. Yes.

Q. Did that have anything to do with the action taken by the Electric Rate Committee, so far as you were concerned?

A. Not in the slightest. As a matter of fact, I never heard it discussed in the committee.

Q. I didn't ask you that, Commissioner Brown.

A. I say so far as I was concerned, it didn't.

Q. It did not have anything to do with it at all?

A. No, sir.

Q. What had you read in the newspapers about the Federal Trade Commission investigation of Scranton Electric?

A. Well, I won't undertake to tell you now. I read so much about it that I don't know.

Q. There was a lot about it in the papers?

A. Oh, yes, there was a good deal about it.

Q. Now, as a result of this investigation into the Scranton Electric, the Commission did on March 11, 1930, filed a complaint on its own motion?

A. Yes, sir.

Q. Since you have been on the Commission, how many such cases can you remember where the Commission has filed complaints on its own motion?

A. Well, what kind of cases do you mean?

Q. I mean cases involving rates of utilities.

A. Rates? I can only recall what was mentioned here yesterday.

Q. Well, your term of service goes back a little farther than Commissioner Young's. I think he testified that of the eight cases instituted by the Commission on its own motion, only two were instituted prior to January 1, 1930. That is correct, isn't it?

A. Yes, sir, that is correct.

Q. Now these two, were you on the Commission when City Gas Company case was taken up?

A. I think not.

Q. You were, however, on the Commission when the Clarks Ferry Bridge case was before it?

A. Yes sir, that is still before the Commission. That case was carried to the Superior Court and terminated. A case that is heard—there is another case now pending before the Commission.

Q. Not however on the Commission's own motion?

A. Yes sir on the Commission's own motion. There is another case now pending in which I have heard the testimony, and which was closed about two or three week ago. That should be added to this.

Q. Now as a result of this investigation by the Committee hearings were held I believe?

A. Yes sir.

Q. Commissioner Young heard these hearings, did he not?

A. He heard one of them. Commissioner Benn heard the other.

Q. And Commissioner Young closed that hearing on August 26, 1930, did he not?

A. That may be the date, I don't remember that.

Q. Well as a result of that the company filed a new tariff November 1, 1930, which was effective November 1, 1930?

A. It did.

Q. And the company claimed the estimated reduction in revenue from that act of three quarters of a million dollars?

A. Yes sir.

Q. Mr. Young testified that no steps had been taken by the Commission to check the cuts as then made to see whether or not they would probably reduce the revenue by \$750,000.

A. My impression on that is that the commissioner was just slightly mistaken. My recollection is that after the cut of \$750,000 was made we waited until the time had elapsed

in which complaints might be filed. Every one seemed to be satisfied, and if I might add, the newspapers through that neighborhood were very laudatory and expressed themselves as being satisfied, and after that time elapsed, I think I am right, the Commission instructed the Accounting Bureau to examine into it and see what effect that cut had on the rates.

Q. I don't want to suggest your recollection is not correct, Commissioner Brown, but both Commissioner Young and Mr. Margol said no such steps had been taken?

A. I may be wrong about it, but I certainly have that recollection, and I know in that case that the matters on the minutes will show that there was an understanding that if the rates were not satisfactory we would proceed further.

Q. That would be obviously true at any time. The Commission could always start a new case on its own motion?

A. There might be a period of repose there.

Q. Do you think there is a period of repose in the actions of the Commission?

A. I think it is doubtful.

Q. Do you say that in your opinion the Commission cannot change rates until after three years elapse?

A. My opinion is that the period of repose exists.

Q. And the Commission cannot order a change of rates within a period of three years after a rate has been established?

A. I think so.

Q. If that is the law, don't you think it should be changed?

A. I do.

MR. COOKE: Mr. Evans, don't you think it would be well to ask Commissioner Brown where he gets that impression from.

THE WITNESS: The Public Service fixes that.

BY MR. TURNER:

Q. Mr. Brown, if you think that three years is too long a period, what do you think it should be?

A. If I am right I think there should be no period of repose as far as the Commission is concerned. But they should have the right to proceed at any time to inquire into rates.

Q. That might open a very serious question, don't you think?

A. In what way?

Q. It might make the Commission too much of an inquisitorial body?

A. It is just a matter of opinion. Mr. Evans thinks we have the power to proceed under the law as it now stands. I don't agree with him.

Q. Rates could not be juggled up and down?

A. I think not.

MR. EVANS: Mr. Brown, I want to correct something. I did not express an opinion but rather ask of you a question.

BY MR. RHODES:

Q. Mr. Brown, you think that ought to be at the discretion of the Commission?

A. I think so. In the Scranton Gas case they reduced their rates \$750,000. So far as we know everybody seems to be satisfied, but if upon an examination of the entire records by our Accounting Bureau it was disclosed these rates are not reduced enough, we ought to have the power to go out and make them reduce them to a proper rate, and if there is a question of law, which I think there is, that period of repose would prevent us doing that. I think that law should be amended.

BY MR. TURNER:

Q. Would it not take, Br. Brown, a period of experience on the part of the company to tell what was going to be the effect of the new rate schedule?

A. Suppose it would, yes, and it would take some time for the Commission to determine that also, but it ought not to take three years.

Q. I appreciate that. In other words, when they ask for a reduction of \$750,000, a new rate has to be filed?

A. Yes sir.

Q. Then it would take a period of experience to tell whether the rates as filed would bring about a reduction of \$750,000?

A. Exactly. But we didn't ask for the reduction. They set the figure themselves. I think it is for us to determine

whether or not that reduction is sufficient to bring it down to a legal rate, and also whether the rate filed has reduced it to \$750,000.

BY MR. RHODES:

Q. You stated a moment ago you took testimony most of the time in Harrisburg?

A. Yes sir, outside of the time devoted to argument in executive session.

Q. Does that apply to the other Commissioners also?

A. The others go to different parts of the State, some go to Pittsburgh, some to Philadelphia to hold hearings there, and I will say this, Harrisburg being the home of the Commission the volume of the business is heard here.

Q. Is it not possible that too much time is devoted by the Commissioners to taking testimony?

A. If you would sit in these cases you would think that is true, but you cannot cut the litigants off. They have to have their day, and they have to develop their case mostly in their own way. We are not like a court, we cannot confine a witness to the rules of evidence very strictly.

Q. You employ a number of examiners, do you not?

A. We have one in Philadelphia, one in Pittsburgh, and one in Harrisburg, and in addition to that in case of a rush of business, if the business gets too heavy, some of our legal department are authorized to act as examiners. But when they do that they are taken from their other duties.

Q. When a Commissioner takes testimony, is that testimony reviewed by all of the other Commissioners before any action is taken?

A. When a Commissioner hears a case, he reports his conclusions from the evidence he has heard, to the Commission, and the whole matter is discussed by the entire Commission before any action is taken.

BY MR. RHODES:

Q. Every case is taken up in that way?

A. Every case, no case is ever sent out on the individual judgment of one Commissioner, the case is always decided on the action of the entire Commission.

Q. In other words then, no one Commissioner dominates the Board?

(No answer).

BY MR. TURNER:

Q. Do you have stated periods of meetings?

A. Yes, sir.

Q. How often are they?

A. You mean our executive sessions?

Q. Yes.

A. Every week.

Q. How long are you in session?

A. I can tell you better by describing our procedure, if I do not take too much time. We meet at half past one in executive session on Monday to dispose of just things that are emergency matters, that must have immediate attention. Then at 2 o'clock we go into argument, that generally consumed the greater part of the afternoon, nearly always the whole afternoon. As soon as we finish argument, no matter what time it is, we go back to our Executive Chamber and discuss the cases that were argued. That takes up many times until away after 6 o'clock in the afternoon. Then on Tuesday we go into Executive Session and are generally in Executive Session the best part of the day. Every week that happens.

BY MR. EVANS:

Mr. Commissioner, as a matter of fact, the recommendation of the sitting Commissioner is practically always adopted with perhaps some modifications by the Commission, is it not in regard to the decision of the case?

A. Generally.

Q. Can you tell of any case where it was not?

A. Yes, I had a case last week where I made a recommendation where it was turned down.

Q. Prior to 1931, we will say, we do not consider the present situation as normal.

A. I know there have been cases, I can't just recall the names of them.

Q. I think the Commission has been asked to submit a list of them, so we will have that later. Turning back to this question of the three year period of repose, the only provision

I know of in the Act in regard to that is contained in Article II, Section 1, Clause F, which provides: "It shall be the duty of every public service company \* \* \* to make no change in any tariff or schedule which shall have been filed or published or posted by any public service company in compliance with the preceding section. \* \* \* Provided further, that no rate, practice or classification which shall have been determined by the Commission shall be changed or discontinued by the public service company, directly or through any change in classification, rules, regulations, contracts, or practices within a period of three years after such determination without application to and the approval of the Commission, of which application thirty days prior notice shall be given in the said tariff or schedules to the public."

A. Yes.

Q. Do you know of any other provision?

A. No, I know of no other.

Q. Do you still think that the Commission has no power on its own initiative?

A. I say in my own mind it is very questionable.

Q. Now Mr. Commissioner, did not the Commission in the case of the Philadelphia Rapid Transit Company authorize on the company's application an increase of fares within three years after the fares had been determined by the Commission?

A. Well, Mr. Evans, that was before my time on the Commission.

Q. I ask you whether you did not know that they did it?

A. No, I know there was an increase there, but I never went into the proceeding.

Q. Will you point out to me, or the Committee, any language which limits the duty of the Rate Commission?

A. You have read it, I have my own opinion on it, apparently from your questioning you do not agree with me and it will do not good to get into a legal discussion on it.

Q. You know of no other provision in the law on which you rely?

A. No, sir.

Q. Turning back to the Scranton Electric situation, the Bureau of Accounts and Statistics furnished to the Commission a report on electric rates, which has been introduced before the Committee as Exhibit 10, showing, among other companies, the Scranton Electric Company, and showing that that company in the year 1929 had an operating income of \$3,911,538, which amounted to a return of 13.67 per cent. on the tentative rate base of \$28,604,523, that is correct, is it?

A. That is what is shown there, yes, sir.

Q. In your opinion, under those circumstances, was a cut in rates of \$750,000 by that company an adequate reduction in rates, even assuming that its claim is correct, that that amount will be shown by the reduced rates?

A. I don't think it is adequate under those figures, but I don't think those figures are—

Q. What other figures have you to base your judgment on?

A. To make a final judgment you would have to have an appraisal.

Q. I am not asking you about a final judgment, I am asking about a tentative judgment?

A. Oh well, we had no other figures to base our judgment on.

Q. Let us look what this means, Mr. Commissioner: Suppose we take a operating income of \$3,911,538 and subtract from it \$750,000, you still have an operating income, or an income available for return of \$3,161,538, do we not?

A. Yes, sir, as a matter of calculation I suppose that is correct.

Q. \$3,161,000 on a rate basis of \$28,600,000 still shows a return of 11%, does it not?

A. That is a matter of calculation.

Q. You can accept my calculation unless you care to check?

A. No, I will accept your calculation.

Q. You still have, allowing the Scranton Electric Company on its own claims a return of 11% on the tentative rate basis found by the Bureau of Accounts, is that all the Commission could reasonably have required of the Company?

A. No, I don't think so, but as I explained to you when you first called me, my impression is, which you say Mr. Morgal and Mr. Young do not agree with, my impression is



that we were to proceed farther and find out what the effect of this reduction was on the rates, and I certainly think we ought to do it.

Q. Now, Mr. Commissioner, you are accepting the company's own claim that the reduction will result on a reduced revenue by three quarters of a million dollars?

A. Yes.

Q. You certainly don't think that the Company has underestimated the reduction in its revenue, do you?

A. I would not suppose so, no.

Q. You are accepting then the company's own estimate and still that will show a return of 11% on their tentative rate basis?

A. Yes, I understand that.

Q. Do you think that is satisfactory from the stand point of the Commission?

A. No, I told you twice, Mr. Evans, I don't think so, and I think that all appeared in our Accounting Bureau examination, and if it shows too high a return, something else ought to be done.

Q. Mr. Commissioner, we are taking the company's own claim, and taking it at its face value, and still there is 11% return.

A. I don't believe I can make myself any clearer. I will repeat that I don't think we ought to take it as final.

Q. Then you don't think the record ought to have been closed?

A. I don't think we ought to rest on it there.

Q. Do you think the record ought to have been closed in the case?

A. Well, I don't think the procedure makes much difference.

Q. Has the Commission taken any action to institute a new rate case against the Scranton Electric Company?

A. No sir, and in my judgment we ought to first find out what the effect of this reduction is on the rate.

Q. Let us just look at this and see what it means on the company's own claims—

A. I understand it shows a return of 11%.

Q. Yes. That is, 11% over the allowed return?

A. Yes, and if we find that the figures ought to be corrected, they ought to be corrected as I said, by the Commission.

Q. But when the company itself claims that, and you grant the company its claim, don't you think the Commission is entitled to go ahead and demand a further reduction?

A. I don't know what you mean by "grant the company its claim."

Q. If this new rate schedule will reduce its rate schedule by three-quarters of a million dollars?

A. I don't think there is any doubt about that, by reducing their rate \$750,000 will reduce them that much, won't it?

Q. Suppose that is true, that the company's revenue will be reduced by \$750,000, as they claim, is it not still true that the company is earning apparently an excessive return on its rate base?

A. Yes, according to these figures they are earning too much, and as I said to you before, and I will repeat, I think that we ought to examine into it; I don't think we ought to rest on this book cost, but make an examination. There is an appraisal on file here which was made several years ago, and we ought to find out whether their new tariff as filed reduces their rate \$750,000 and brings them within the legal return. Now, if you will let me see those minutes—I gave Dr. Snow my copy—will you let me see those minutes?

Q. Yes, surely. (Handing copy of Electric Rate Committee minutes to Commissioner Brown.)

THE WITNESS: Now, on September 30 the minutes show that, "Counsel Weiss advised the Committee that the Scranton Electric Company has filed a new tariff, and in connection therewith had also filed a supplemental answer to the complaint of the Commission. The matter was discussed generally by the Committee and Mr. Weiss was instructed to submit to the Bureau of Accounts and Statistics and the Engineering Bureau the supplemental answer filed, with instruction to study the same and be prepared to advise the Committee as to the effect of the new rates and the accounting features involved in the answer of the respondent company at a future meeting."

Q. When was the record marked closed?

A. On November 25th. "It appearing from the records in the above stated case that since the filing of the inquiry and investigation by the Commission, and the hearings had thereon,

the respondent filed a new tariff, being P. S. C. No. 9, becoming effective November 1, 1930, making reductions in estimated revenue of approximately \$750,000 and it further appearing that this tariff met with apparent public approval and that no protests and complaints have been filed against the tariff, and that the objections lodged against the old tariff have been met and satisfied. The Electric Rate Committee recommends that the inquiry and investigation instituted by the Commission at the above number be terminated and the record marked closed. The Commission may subsequently institute a new inquiry if the reports of the company show that the new tariff will produce more than a fair rate of return or will result in any other features inequitable to the rate payers."

Q. I appreciate that, Mr. Commissioner, but what I am asking you is whether on the basis of the company's own claim as to what this rate reduction amounts to, and showing that they would still be earning 11%, you don't feel that it was incumbent on the Commission to press the matter any further for a further reduction of rates.

A. Well, I have tried, Mr. Evans, to answer that as clearly as I can. I say that I think after all the accounting bureau has examined this, and has informed us that the company—or what the effect of this reduction will be upon the company, taking into consideration the proper figures, not the book value—

Q. They have already given us that.

A. If it still shows an improper return, I say emphatically that it is our duty to proceed.

Q. Now, what do you mean, Mr. Commissioner, by examination, to see whether the cut is accurately produced—you mean, wait for the annual reports of the company?

A. The annual report will be filed in ten days from now.

Q. Yes.

A. And I think that is one of the things to be examined.

Q. And you think the annual report for the year 1929 which shows the ten months under the old rates, and two months under the new will show what the reductions amounts to.

A. It will help. I am not an accountant, Mr. Evans, they know what to examine.

Q. You think that then the bureau will be prepared to advise you as to whether or not the company claim was substantiated?

A. I certainly think that after they have this annual report, which is filed, and other evidence which they have access to, they will be prepared to advise us.

Q. Now, Mr. Brown, suppose we assume there is an excess of 4% being allowed to the company, if you capitalize that excessive excess it means that you will get a rate basis of \$16,000,000.00 over the book value claimed by the companies, does it not?—You will take my figures for that?

A. I will take your figures.

MR. TURNER: Don't you mean \$16,000,000.00 over the capitalization shown by the company.

MR. EVANS: I mean over the tentative rate base shown by the company's books.

MR. TURNER: \$16,000,000 over that.

MR. EVANS: In order to have the reduced revenue of this company on its own claims, not to exceed 7%, Mr. Turner, it will be necessary that in addition to the \$28,600,000 of book value there, \$16,000,000 will have to be added.

MR. TURNER: Yes, that is right. I was thinking it was \$10,000,000 instead of \$28,000,000.

THE WITNESS: That is right.

BY MR. EVANS:

Q. You are aware, Mr. Brown, that in that \$28,000,000 the company itself has admitted there is about \$5,000,00 of right-ups?

A. I have so heard, yes.

Q. So that if you take that off it means that its actual book value would only be \$25,600,000 and in order to get up to \$44,000,000, to get the return to be local, you have to add \$21,000,000 to the book value in order to get a fair value that would justify these rates?

A. Well, if your figures are correct that is so.

Q. Are you familiar with the Clarion River situation, Mr. Commissioner?

A. I cannot say that I am very familiar with it; I know that in a general way. That was before I was a member of the Commission.

Q. That company has been before the Commission all during the time you have been a member of it, has it not?

A. Not to my knowledge.

Q. Certainly the Clarion River Company has been one of the companies subject to your control?

A. Well, that is the only way it has been before the Commission so far as my knowledge goes.

Q. And you are familiar, are you not, that the reports of the Bureau of Accounts, together with those of the Federal Trade Commission in your files, show that a very large amount of securities of that company have been issued fictitiously?

A. I have seen that stated, yes, sir.

Q. What has been your conception of the duty of the Commission under the Public Service Company Law when it has reason to think that utility securities have been issued fictitiously?

A. Well, the only proceeding, in my judgment, that we could take would be to certify it to the Attorney General's office.

Q. Have you ever done that?

A. No, sir, not that I know of.

Q. In other words, then, the one thing that the Commission could do with regard to fictitious securities, it has not done during the entire time you have been a member of it?

A. It has not.

Q. Have you ever urged the Commission to do it?

A. I haven't.

Q. Do you think the Commission should do it?

A. Well, I think that possibly they should, if it is brought to their attention; but the securities are out and issued and in the hands of the public, and over that we have no control.

Q. They would not get out so fast, would they, Mr. Brown, if the Commission did exercise what control it has had?

A. I don't know that.

Q. What is your opinion?

A. Well, I don't think my opinion is very important on that subject just at this time.

Q. Well, isn't it obvious, Mr. Commissioner, that if companies knew that when they issued fictitious securities, made fictitious increases in their securities, that they were likely to be certified by the Public Service Commission to the Attorney General, that they would be very much more careful about doing it?

A. It might have that effect, yes, sir.

Q. Wouldn't it obviously have it, Mr. Brown?

A. Well, I think that the probability is it would have that effect.

Q. Of course it would.

A. Well, I—if you want my opinion there, Mr. Evans, all right; I say I think it probably would, but I again repeat that they issued these securities and we have absolutely no control over the issuance of them.

Q. Before they are issued?

A. Yes.

Q. But you do afterwards?

A. Afterwards we can do just as I say, if we have reason.

Q. And what I am inquiring about is whether you have ever exercised the power that you have?

A. And I said I know of no case where we have.

Q. Do you agree with the opinion expressed yesterday by Commissioner Young that the Public Service Commission has been remiss in some of these matters?

A. Well, I don't want to just agree with that. I would like to know in what he thinks we are amiss.

Q. Well, suppose we ask you specifically?

A. Yes, sir, I wish you would.

Q. In not instituting complaints on its own motion in rate cases, where it appears from the Commission's records that companies are earning an excessive return, or maybe earning such a return?

A. No, I won't say that under the present state of affairs the Commission is lax in that. I think they ought to do it, but I don't think they can do it as we are now constituted.

Q. Well, Mr. Commissioner, in 1930 you have been doing some of it?

A. Yes.

Q. Has the press of work in 1930 in other matters been less than it was in preceding years?

A. No, I don't think it was.

Q. Then it was perfectly possible in 1929 to do it, wasn't it?

A. Yes.

Q. Or in 1928?

A. Yes, or in 1925, Mr. Evans.

Q. Well, in 1925, I may say that we fully planned to institute a full inquiry into electric rates in the State of Pennsylvania and into the Clarion River situation.

A. Yes, well, it wasn't done.

MR. EVANS: It wasn't done because, fortunately or unfortunately, there was a change in the personnel of the Commission.

BY FATHER COX:

Q. It would not have required much time or attention to have found more than eight cases in five years that it was necessary for you to initiate proceedings on.

A. Well, if you just let me explain a little,—the rate cases are a very, very small part of the Commission's work. We have instituted,—there is a list of what we have instituted on our own motion, and there are not eight cases, but there are dozens of them. Service cases. The very first case that I took part in after I came on the Commission was up at New Milford, a small village where an epidemic of typhoid fever had broken out, and 77 deaths were reported, and they couldn't get the company to move. The Health Department took it up and came to the conclusion, as they expressed it, they didn't have the teeth in their law, and they came down and asked us what to do, and within three weeks we had that company at a hearing and had the whole situation corrected, in a very short time, on our own motion. That is one illustration. Service cases. Getting after our orders to see that they are promptly obeyed, on our own motion. The bus situation all over the state, where, on our own motion, we have proceeded against dozens of violators. The rate cases are not the only thing we have to look after.

BY MR. EVANS:

Q. Aren't nearly all of these cases that you speak of cases where you have gone against the little fellows and not the big fellows?

A. No, I don't think so.

Q. The Milford situation was a little company, wasn't it?

A. It was a little company, but the situation was desperate.

Q. Yes, I appreciate that, but that was not held by any of the big holding companies, was it?

A. Oh, no.

Q. And you cannot point to any cases where, prior to 1930, the Commission on its own motion acted against any utility, in rates or service matters, where that utility was controlled by one of the big holding companies?

MR. TURNER: Mr. Evans, don't you think we are going back over a lot of testimony that we had all day yesterday, and it is all in the report?

MR. EVANS: Well, Mr. Commissioner Brown has just taken up this matter, and I think it would be interesting to know what cases he is referring to.

THE WITNESS: I gave that in reply to a question that in five years we had instituted eight cases.

MR. EVANS: Rate cases.

THE WITNESS: No, it wasn't said, it wasn't confined to rate cases. The question from the committee was in five years you have instituted eight cases.

FATHER COX: We are speaking of the cases that were presented here yesterday, as having been initiated by your Commission. What the cases were they knew here yesterday. It was a question of excessive earnings that should have been investigated. Now, you certainly could, in spite of all your other work, you could certainly find more than eight cases in five years, if you had just looked around a little bit. An office boy could have done that.

THE WITNESS: That may be your opinion, sir.

FATHER COX: Well, you try to claim now that we don't give you credit for enough work. I think we do.

THE WITNESS: I am not asking for credit. I am simply stating the facts, what we do.

BY MR. EVANS:

Q. Mr. Commissioner, may I ask you whether in your opinion the Commission has been remiss in any way in not exercising the control it has over the securities of utilities, in certifying fictitious increases to the Attorney General.

A. I think that could have been done, Mr. Evans. I think that could have been done.

Q. And should have been done, should it?

A. And should have been done, yes.



BY MR. MOORE:

Q. The last year the Commission has been short-handed. Has it not?

A. Very.

Q. And you have had practically only five men active?

A. Yes, sir.

BY MR. RHODES:

Q. It is also true, Mr. Brown, that the commission is burdened with a great deal of detail in small cases that take up a major portion of your time?

A. Oh, a very great deal, a very great deal. Just as an illustration.—

Q. And isn't there some doubt as to whether it would be advisable for the Commission to become an inquisitorial body with power to delve into all things?

A. You say isn't it a question whether it isn't advisable?

Q. Yes.

A. Yes, I think there is a very great question. This week we had a bus case to try, which we didn't think was going to be long or important. It took from nine-thirty till six-thirty in the evening, and they demand another hearing in Pittsburgh, and then will return to Harrisburg for a third hearing. That is what consumes time.

Q. Don't you think a lot of these objections could be taken care of by changing the law?

A. Yes, sir, I do.

Q. And don't you think it would be advisable to provide that the rates shall not be effective until after they are approved by the commission?

A. I have always been of the opinion that that ought to be the law.

Q. Wouldn't that eliminate a lot of these objections?

A. I think that the law ought to be amended to give the Commission power to suspend rates, just as far as they can go without being unconstitutional. You can not do it indefinitely, because that would confiscate property. But just as far as you can go, I think the Commission ought to have power to suspend the rates until they are passed upon and decided to be reasonable or unreasonable. I have always felt that.

BY MR. EVANS:

Q. Mr. Commissioner, in regard to the personnel and the adequacy of the personnel of the staff of the Commission, I think I can fully appreciate the handicaps under which you have been acting with at least two members of the Commission in poor health and the burden that has been placed upon the other members of the Commission. It is true, however, is it not, that since December 31, 1926, the personnel of the various bureaus has been very materially increased?

A. Since December 31, 1926?

Q. Yes.

A. Well some time prior to that time the personnel of the bureaus had been very much cut down and the efficiency of the Commission was reduced. Some time after that we gradually worked back to what we formerly had.

BY MR. TURNER:

Q. Have you any knowledge, Commissioner Brown, of the appropriations in 1925 and 1927?

A. Only in a general way.

BY MR. EVANS:

Q. Mr. Brown, just let me call your attention to the report which the Commission has submitted to the Committee in response to our request, giving a classified list of the employes of the Commission, which shows that in the Secretarial Office there were forty-two employes on January 1, 1926.

Forty employes on December 31, 1926.

Forty-six employes on December 31, 1930.

In the Law Bureau there were:

Seven employes on January 1, 1926.

Five employes on December 31, 1926.

Eight employes on December 31, 1930.

In the case of the bureau of Public Convenience there were:

Twelve employes on January 1, 1926.

Fifteen employes on December 31, 1926.

Thirty employes on December 31, 1930.

A. I will agree with you Mr. Evans, those figures are correct.

Q. In the Bureau of Accidents, I think, we can eliminate that, as it only has an increase of from five to six and that is minor portion of your duties?

A. Yes sir.

Q. The Bureau of Rates and Tariffs has been increased seven to eight.

There were seven employes on the first of January, 1926.

Eight employes on the thirty-first of December, 1926.

Fourteen employes on the thirty-first of December, 1930.

The Bureau of Engineering, the employes have increased from:

Twenty-two employes on the first of January, 1926.

Thirty employes on the thirty-first of December, 1926.

Thirty-two employes on the thirty-first of December, 1930.

And in the Bureau on Accounts and Statistics there have been:

Seventeen employes on the first of January, 1926.

Eighteen employes on the thirty-first of December, 1926.

Twenty-eight employes on the thirty-first of December, 1930.

Q. Has there been a corresponding increase in the work done by the Commission?

A. I think unquestionably.

Q. Can you submit any data that will show that to this Committee?

A. I cannot at this moment, but the data can be submitted readily.

Q. It is a matter of fact that the consolidation of companies reduced the number of reports made to the Commission and it in many ways reduced the volume of work?

A. It may have in that particular branch, but as a general thing the volume of business before the Commission has been increased.

Q. It is also true that whereas certificates of public convenience for taxicabs, and so forth, used to have a two year limitation, necessitating their renewal every two years, now they run for five years?

A. They run for different periods, they are not always for five years.

Q. The period generally has been extended?

A. Yes sir.

Q. That again has reduced the work?

A. It has reduced the volume of that particular work.

Q. Then where has been the increase?

A. The number of cases that come before the Commission to be heard.

Q. There are more contests before the Commission?

A. Yes sir, and all of these things go to the bureaus.

BY MR. TURNER:

Q. The Act of 1929 also put the question of aeronautics in the hands of the Commission?

A. To a limited degree, yes.

BY MR. EVANS:

Q. Does that involve a great volume of work?

A. No, not at the present time.

BY FATHER COX:

Q. Don't you think that this increase in your work is due to the fact that you are not allowing or will not grant certificates of public convenience except to combinations of interests throughout the State? There are some who think that they have a right and will fight a long time, but they are not allowed the certificate after all because the corporations are against it?

A. That is not true. As a matter of fact, the independent operators in this State would say would number ten or twenty to one to any subsidiaries of any corporations, and in every case so far as my knowledge goes in which a certificate has been granted to a subsidiary of a railroad or of a bus line or anything of that kind, the independent operators have been protected in all their rights by an insertion in these certificates.

Q. We were talking about the cities. Why did you refuse a certificate of convenience to another taxicab company in the city of Pittsburgh? Possibly you do not care to answer that here. But I will answer it, because you have opposition from the Parmalee Company, we know that definitely?

A. I do not know that definitely. I didn't sit on the case, but I know we were guided very largely in that case by the

protests which came from the city of Pittsburgh itself. The officials of the city of Pittsburgh came before the Commission and protested vehemently against it.

Q. You don't listen to the people but rather listen to the officials who sometimes are in the employe of the corporations?

A. No sir.

Q. You had information on the other side?

A. Yes sir, we had information from both sides, but the officials of the city came before the Commission and laid before us the traffic conditions there. They laid before the Commission what facilities they already had there and protested strenuously against the Commission granting another certificate.

BY MR. EVANS:

Q. Mr. Commissioner, do members of the Commission specialize in any particular branches of the work of the Commission?

A. I would not say they do.

Q. In other words, Commissioner Young is chairman of the Electric Rate Committee, and you sit and do the bulk of the work here in Harrisburg and he does the bulk of the work of the electric rate committee, that is rather an exception in that regard?

A. That is rather an exceptional case. That committee was appointed and as I tried to explain to you a moment ago, after the executive hearings are over, I go right into the hearings of complaint. Commissioner Young can stay here perhaps a day and he has undertaken that work and has taken on that burden.

Q. Nevertheless the Commission does divide its work? Commissioner Benn hears the cases in Philadelphia with the assistance of Examiner Wolf and Commissioner Shelby hears the cases arising in his general territory along with Commissioner Young and Commissioner Walker?

A. That is correct.

Q. And you hold the hearings in Harrisburg and when any are to be held in Lancaster I suppose you hold them?

A. That is correct, although I have never had but one hearing in Lancaster. We endeavor as much as possible to list the cases for the convenience of the litigants, so they can get to the most convenient point.

Q. Incidentally, you did hear the Scranton-Spring Brook Water Company case along with Commissioner Young?

A. Yes sir, I did.

FATHER COX: I can say this: A certain man whose name I can give you if you wish it, connected with the Parmelee Transportation Company, said that never in the history of the city would another company get a certificate of convenience, and he told that with a feeling behind it that indicated that it came from the Commission; and his name was Vice-President Higgins.

MR. BROWN: I can only say about that, speaking for myself, that I have never been approached or talked to, or ever said a word to anybody from Pittsburgh about applications for another certificate. As far as I am concerned if another one was presented it would receive the same consideration any other application would receive depending upon the convenience and the necessity of the public.

BY MR. EVANS:

Q. Mr. Commissioner, I think some member of the Committee earlier in the hearing asked you whether each member of the Commission reviewed the record of each case decided by the Commission and your reply was that the sitting Commissioner made his recommendation to the Commission and that the entire Commission acted on it.

A. Yes, sir.

Q. But it would obviously, would it not, be impossible in every case for every member of the Commission to read the entire record?

A. Oh yes, that could not be done. The recommendation made by the sitting Commissioner and his reason given for it and the sitting Commissioner explains to the Commission what appears in the record and why he came to the conclusion he did and from his explanation the entire Commission discusses it and, as I said before, there are frequent disagreements, but that is the procedure.

Q. Do you know of any cases where such recommendation by the sitting Commissioner was made and other members of

the Commission disagreed with the recommendation of the sitting Commissioner, and he resented it?

A. I have never known of such a case. I think every member of the Commission feels that it is his privilege to disagree and I have never known it to be resented by a sitting Commissioner.

Q. Were you a member of the Commission when the Yellow Cab Company was sold to the Philadelphia Rapid Transit Company?

A. I don't know when that was, but I rather think I was a member.

Q. You don't remember any question there being raised as to the propriety of a Commissioner dissenting from the views and recommendations of the sitting Commissioner?

A. I can't recall that, Mr. Evans.

Q. You don't recall the incident at all

A. No, I don't recall the incident at all.

Q. Perhaps you were not a member of the Commission then?

A. I was going to say it must have been before I was a member.

FATHER COX: Is the Philadelphia Rapid Transit Company in any way connected with the Parmelee Company so far as you know?

A. No, sir, I don't know anything about it.

BY MR. COOKE:

Q. I would like to ask the Commissioner, to get it clear in my mind, in the list of actions which the Committee took on its own initiative, submitted yesterday, it showed that for the four years prior to 1930 rate cases had been initiated at the rate of about half a case a year; now you had before you, of course, a good many cases, but after all relatively few raised on complaint, now what procedure, what protection, if any, is there for a rate payer there? He is not represented there by the half case a year which you start on your own initiative and complaint that may be lodged, what provision have you for safeguarding those people who simply take it lying down?

A. I know of no procedure, except a complaint be made by the people, but you say they take it lying down—that implies they do not make a complaint.

Q. Yes.

A. The only other protection that I know of that they have is in some way to have the commission's attention called to it and have them proceed on their own motion.

Q. It would be a fair statement, if you add together the complaints, you would have half a case a year that you started on your own initiative, it is a fair statement that 95 per cent. of the rate payers of the State, under existing conditions, have absolutely nothing standing between them and what the various companies decide to do?

A. Well, they have standing between them at any time their right to make a complaint.

Q. But if they do not—lots of us, you know, do not like to make complaints, we are peaceful.

A. Then there is nothing that I know of.

Q. The impression I have always had was that that is what we created the Public Service Commission to do, to stand between the community and the company to see that they both get a square deal and it was developed here it would appear that 95 per cent., which is a very conservative estimate, 95 per cent. of the rates that are paid are paid simply because they are charged by the company; you know of nothing that goes on now except the few cases that you start and those that are raised by complaint?

A. No, sir; I know of nothing else.

Q. I notice on this list of matters that you took up on your own initiative the wiping out of General Order No. 27, covering rural electrification and the inauguration of General Order No. 28, that occurred about a month after, that would be in the latter part of January, 1927—you were on the Commission at that time?

A. I came on the Commission, yes, shortly before that.

Q. That was the first month after the last administration went out, when 27 was abrogated and 28 started. What was the underlying fact there, what improvement in rural electrification service given to the farmers of the State did that bring about?

A. Mr. Cooke, I wish I could explain that to you but I will not attempt to, that was all done, ready for action before I became a member of the Commission.



Q. You had been a member of the Commission for a month...

A. I know, but it had all been attended to, conferences had and everything before I was a member.

Q. You realize that one of the effects of the new order is that the rate payer pays at the rate of 24 per cent. a year for the cost of the line and the company in each instance being allowed to state what the cost of the line was?

A. Yes, I realize that.

Q. But you had nothing to do with it?

A. Nothing.

Q. Now another matter that is always interesting me is the infrequency of dissenting opinions in the Pennsylvania Commission, it is almost unique among the Commissions in the large states, how do you account for that? You have in 17 years as many dissenting opinions as they have in New York State, for instance, in a year, or California in a year.

A. The only way I can account for that is that after a thorough discussion of the matter they come to an agreement.

Q. A band of brothers?

A. No. I don't know what that implies, I don't know what you mean by that.

Q. I mean reach a happy concord.

A. We certainly do reach a conclusion after a thorough discussion and consideration of the matters before us.

Q. You are conscious of the fact that in the 17 years there have only been about three dissenting opinions?

A. No, I never looked it up. I know since I have been a member of the Commission I can only recall two.

Q. Will you tell me those two?

A. One was in the chemical lime case. I think the Bellefonte Central Railroad—I don't recall the other.

Q. Were they important enough to be published in the Commission's report?

A. Yes.

Q. I am glad to know that, because I have been making the statement over and over again there have only been three, there must have been five, because the three I have been referring to were not either of those cases.

Now one question more: Has the Commission made any rules with regard to the charges of holding companies against operating companies?

A. Not that I know of, no, sir.

BY MR. COOKE:

Q. You know that they do make charges that from the standpoint of the layman have no relation to cost?

A. Yes, I know that.

Q. And it has been called to your attention that frequently these charges of the holding company have no relation to the cost of the service?

A. Yes.

Q. Do you know that one or two of the larger holding companies of the country are reported, of their own volition, to have adopted a rule only to charge cost, demonstrated cost, against the operating companies?

A. No, I don't know that.

Q. That might be a good rule for our Commission to adopt?

A. It might, yes.

Q. Do you know that one company, holding company, operating in the state of Pennsylvania, or a large part of it, charges against it advertising that is carried on in other states?

A. I don't know that.

Q. Now, you made the statement that you get 3,500 reports in a year. I wonder whether that is illuminating, that statement, as you made it, is illuminating, and isn't it a fact that a great majority of those are railroad tariffs?

A. No, my understanding is that there are about 3,500 utilities that file annual reports in a year.

Q. Many of those are very very minor, are they not, that is, their tariffs?

A. Well, I suppose there are a good many that are not so large.

Q. So that if you segregated several hundred, let us say, you probably would get 95% of the business?

A. That might be true. I don't know that; I cannot state that.

Q. Well, that is just an approximation?

A. Yes.

Q. That it might be possible to do what the income tax people do, pick out a certain number of them every year,

and without attempting to go over them all every year, pick a few every year and put the rest on notice that it might be their turn next year?

A. That would be possible.

MR. COOKE: That is all.

BY MR. MOORE:

Q. Mr. Brown, I realize, of course, that you have a lot of individual complaints, some of some value and a great many of them of no value: Would you tell us briefly what the procedure in reply to those individual complaints is?

A. You mean complaints that come in—

MR. TURNER: By letter, I presume; someone writes a letter in to the Commission?

MR. MOORE: Yes, by letter.

THE WITNESS: Well, the procedure is for the secretary to reply and acknowledge receipt and ask for further information, and if the information is given us, that we think we ought to send our Bureaus out to investigate, we do so. In many cases we send them out to investigate the complaints and try to rectify them.

Q. That was my understanding?

A. Yes.

Q. But I frequently heard the statement made that they ignore the letters, or simply answer on a form letter, and I wanted you to state officially that that was not true.

A. We sent out men from our Bureaus very very frequently to investigate these informal complaints.

THE CHAIRMAN: I thought that was true.

MR. TURNER: I don't believe in the members of the Committee testifying here, without being sworn at least, but I think I can say from my experience that I have sent in letters of that kind, and quite recently, in regard to a grade crossing matter, and I got a reply from the Commission very quickly and I got some action.

MR. CRAWFORD: My experience has been that those matters were handled very well. I think that is where a great deal of the trouble is, the Commission's time is taken up with these individual small matters, and the larger ones are not gotten to. I know that complaints have been put in against certain companies that have taken the Commission's attention, and that have been reported back to the company with the request for a report, and the matter has been handled very nicely in all cases.

MR. MOORE: My reason for asking that question was because that has been my experience, and I wanted him to say so officially.

BY MR. RHODES:

Q. Mr. Brown, in certain quarters the impression has grown up that the Public Service Commission is the cats paw of the utilities. Now, of course, we are all interested, and I think you are, especially in having the confidence of the public.

A. Absolutely, yes.

Q. Do you have any suggestions to make to this Committee as to how the confidence of the public can be restored in the Commission in case it has been lost, I am not saying it has been lost.

A. Well, that is rather a big subject, but I think one of the important things is if we had the money to have a publicity bureau, let the public know what we are doing, I think that in every case that comes before us the public is entitled to know what has been done and what we are doing. I think that ninety out of one hundred people in this State don't know what the Public Service Commission is and what they are doing, and if we had the publicity to show the people what we are doing, if we would go before the people and tell them that in the course of sixteen years, that this Commission has existed that about \$200,000,000.00, under the direct order of the Commission, has been spent by the railroads for the elimination of railroad crossings, protecting the lives and property of the people, I think that is one of the things that would help to get the confidence of the people, if it has been lost.

BY MR. TURNER:

Q. Why cannot you have that publicity, all the other departments on the Hill have it?

A. We have never had a man for that work, and I don't know why.

BY MR. RHODES:

Q. Have you any suggestions to give us to the modification of the Act of 1915, to improve the functioning of the Commission?

A. Well, as I said a few minutes ago, I think we ought to have the power to suspend rates, and I think we ought to have power over the issuance of securities. Those are the two most important in my mind.

Q. Your opinion is just about what Commissioner Young's was?

A. Yes, but there are other things. I on Wednesday of this week got a lot of bills that were introduced, that I would like to study, and I have no doubt that when I study these the things will be brought to my mind that will be very beneficial to the Commission.

BY MR. EVANS:

Q. Don't you think something ought to be done to reduce the expense of the rate cases to the complainants.

A. I think, that is another thing that could well be enacted into law, although I am frank to say at this time I don't know just what it should be, but I think something ought to be done to reduce the expense of carrying on a rate proceeding or a complaint.

BY MR. TURNER:

Q. A great deal of the cost in a rate proceeding is generally in valuation, isn't it, the engineering expense that goes into valuations?

A. Yes, that is the greatest part of the cost.

Q. Now, if we had some definite plan, or do you have a definite plan of arriving at valuations?

A. Well, we have a plan that is rather flexible.

Q. It is rather flexible?

A. Yes.

Q. Do you think we could arrive at some definite plan of valuation that might save engineering and other expense in valuation cases.

A. Yes, I think there could be a method worked out.

BY MR. EVANS:

Q. What is the plan that you refer to that the Commission now has arrived at on valuations, you spoke of it as a vague plan.

A. Now, I didn't speak of any plan.

MR. TURNER: A flexible plan he said.

THE WITNESS: I said the whole procedure of arriving at valuations is rather flexible, I didn't say the Commission had any plan.

FATHER COX: It seems to me that if there were more decisions in favor of the people and against the companies, but they are so consistently loyal to the companies, if there were more decisions in favor of the people they would be much more popular throughout the State. That would be the best kind of publicity possible, and I think the newspapers would grab on that so ardently that they would be the most favored Commission in the country.

MR. EVANS: I asked Commissioner Young yesterday to produce at a later session of the hearing an analysis of the reported decisions of the Commission, showing how many cases have been decided in favor of the complainants and how many have been decided in favor of the respondents, in various classes of cases, and I think that will give us some information.

MR. TURNER: That ought to be done, that would make better feeling among the people.

MR. COX: If they could show something that has been done, and as Commissioner Young stated yesterday, the record will show 75% of the cases were decided in favor of the complainants, and 25 in favor of the utilities.

MR. EVANS: I think there is some question about that. Commissioner Brown, which we had better get straightened out.

THE WITNESS: I would be very glad to have that compilation made for you.

MR. TURNER: I think that question of Father Cox' leaves some little question there. Do you refer now to contested cases, Mr. Evans?

MR. EVANS: Of course, I do.

MR. TURNER: I am presuming that you do.

MR. TURNER: I think it is fair to say, isn't it; Mr. Brown, that the vast majority of the cases are not contested cases?

THE WITNESS: Oh, yes.

FATHER COX: Of course, in the utility field, they ought to bring out more cases and do something, when they know things are wrong, but they claim the personnel makes it impossible to do all that. Now, if there are cases that come in on these annual reports that ought to be taken up, where there is injustice, that ought to be looked after, and if they need personnel, give it to them. The people have to be protected.

MR. TURNER: That is a matter for the Legislature, Father Cox, not the Commission.

FATHER COX: Now is the time. They are going to propose something to the Legislature. Now is the time to do it.

MR. EVANS: Mr. Brown, I know that I have been very much impressed with the volume of small and unimportant cases, from a state standpoint, which the Commission is obliged to deal with. In your opinion would it be practical at all to relegate a number of these unimportant matters to local control? Now, for instance, I have in mind a great number of taxicab cases involving the question as to whether A or B shall be given the right to a certain stand in some town in some part of the state. My feeling is that that is not a matter of sufficient state wide concern to make it advisable to have the Commission swamped with a lot of that sort of cases.

THE WITNESS: I agree with that. I think if some plan could be worked out that Commissions could be relieved—

MR. EVANS: And that might be relegated, perhaps, to local control of some sort?

THE WITNESS: Of some sort, to examiners, in some way. Of course, I didn't state to the committee, but after hearings, arguments, and executive sessions and hearings in all these contested cases, as Mr. Evans well knows, there are briefs and arguments and reports. Every week, when I go home from here on Friday, my whole Saturday and frequently part of my Sunday is taken up reading briefs and reports. That is part of the work of the Commission. It keeps you going pretty constantly.

MR. CRAWFORD: Mr. Evans, I have in mind, when you spoke about the same thing, something like our grand jury,—let them pick these cases and pick out the undesirable ones or the ones that need not be given expert attention, and sift them before they come to the Commission.

MR. TURNER: That also raises a very dangerous question as to who is going to determine which are the important ones and the unimportant.

MR. CRAWFORD: Well, that is true too.

MR. EVANS: Mr. Walker, my associate, Mr. Commissioner, had the impression that you testified that the Commission sits at a great number of points throughout the state.

THE WITNESS: Oh, no.

MR. EVANS: That is not the case?

THE WITNESS: The Commission sits in Harrisburg, Pittsburgh, and Philadelphia, and about every six weeks we have lists at Scranton and Wilkes-Barre.

MR. EVANS: And occasionally at Erie?

THE WITNESS: At Erie, one this week at Erie, a list. And then occasionally, for the convenience of suitors,—now, for instance, there are two cases, for the convenience of suitors, that are going to be heard at Newcastle this week. A week or two ago there were several heard at Butler. There was a case heard at Clearfield some time ago. This is for the convenience of suitors, when there are a great number of people, instead of bringing them to a distant point, we go there and hear them.

MR. TURNER: One is to be heard at Chester.

THE WITNESS: Yes.

MR. MOORE: Commissioner Shelby is at Erie?

THE WITNESS: Yes.

BY MR. WALKER:

Q. Commissioner Young is from Newcastle?

A. Yes.

Q. And Commissioner Walker from Butler?

A. Yes.

Q. Is there any of them living at Clearfield?

A. No.

Q. Who decides whether or not they shall go into these places and preside in contested cases?

A. Generally the chairman decides that.



Q. The chairman decides that?

A. The Act of Assembly provides that he shall assign the work.

Q. That is done for the convenience of the complainants or the respondents?

A. For the convenience of the complainants. In the last year or two I have gone to Allentown twice, where there were some 20 witnesses to be heard, and instead of bringing them all to Harrisburg. I went to Allentown to hear them.

Q. Just for my own information, in case a complainant municipality would file a petition where they were going to call about 300 consumer witnesses, and they requested the Commission to come into that municipality to hear the case, don't you think the Commission ought to comply with that request?

A. Unquestionably.

Q. And in case, during your term, on the Commission, such a request had been made and refused, don't you think that is unfair to the complainant?

A. I do. I know of none being refused, however.

MR. WALKER: May I cite the case of the Borough of Leechburg v. the Vandergrift Water Works?

THE WITNESS: I think that ought to be done.

MR. WALKER: Recently you went to Warren and heard a case?

THE WITNESS: A Commissioner was sent to Warren, where there were a large number of witnesses. I didn't know of that case you speak of, but I agree with you.

BY MR. WALKER:

Q. And frequently cases in Lawrence and Butler are heard by Commissioners Young and Walker, are they not?

A. Oh, no.

MR. WALKER: I know of several cases where Commissioner Walker has gone to Butler and heard them for the convenience of the citizens of Butler County.

THE WITNESS: I know of two different sittings, but not quite frequently. But I agree with you, if there were a large number of people at that place, the hearing ought to be held there, as we did do at Warren.

MR. EVANS: Do the members of the Committee have anything further to ask Commissioner Brown?

MR. MEMOLO: I would like to ask Commissioner Brown, all of the engineers and technicians and experts are under the special direction of the Commissioner?

THE WITNESS: Yes, they are under the direction of the Commission.

MR. MEMOLO: They are appointed by the Commission?

THE WITNESS: Yes, with the approval of the executive board.

MR. MEMOLO: The executive board of the—

THE WITNESS: The executive board, consisting of the board appointed by the Governor.

MR. MEMOLO: Oh, yes, I understand.

MR. EVANS: But the Commission has exclusive power to discharge the employees without anyone's permission?

THE WITNESS: Yes.

MR. MEMOLO: They have the exclusive power of hiring them and then they are approved by the administrative—

THE WITNESS: By the executive board, yes, sir.

MR. MEMOLO: Don't you think that if this personnel of the Commission, the appointing and discharging were under some other special direction other than the Commission, it would be a whole lot better?

THE WITNESS: Well, I can not at this time see any advantage. I don't see what the advantage would be. The Commission know the needs and they know what special technical men are needed.

MR. MEMOLO: Well, there is just this advantage, Mr. Brown, that there are rumors up in our county, up in Lackawanna and Luzerne Counties, that during that Scranton-Spring Brook water case certain engineers made a valuation of those properties, connected with the Public Service Commission, their employees, and they made a certain valuation there and they were told that they had to raise the valuation. Now, that is only rumor. That is pretty well published up there among the people, the consumers, and so forth?

THE WITNESS: Do you mean that engineers of the Public Service Commission made a valuation and were told they had to raise it?

MR. MEMOLO: Yes.

MR. MEMOLO: Told by whom?

MR. MEMOLO: Well, they were told by the members of the Public Service Commission. This is only a rumor, and it has gone—

THE WITNESS: Well, I can only say in reply to that that we never had our engineers make a complete valuation, and I will say, in further explanation of that, what I said to the Senate committee the other day. They asked me about the valuation, why we didn't take the valuation of our engineers that we employed for that reason, and I will state to this Committee what I stated then, because it was entirely to high, and we would not go up to it.

MR. MEMOLO: Well, the engineers,—these were also rumors,—that the Public Service engineers estimated both of those properties, after they were merged, at \$30,000,000, and the Public Service Commission allowed \$43,000,000.

THE WITNESS: Well, that is not correct.

MR. MEMOLO: Well, all right, but that would exclude any suspicion in the minds of the people, if you didn't have any special control over this personnel, wouldn't it?

THE WITNESS: Well, it might have that effect, but if they were employed, they would certainly have to be subject to somebody.

MR. MEMOLO: Yes, I know, but this would exclude this suspicion, if you wouldn't have any control over them, and if they set a valuation, it would come entirely from another department altogether. That is my thought in the matter.

THE WITNESS: Well, I understand that, but I can not—my mind can not go with you on that. I think they would have to be under the control of somebody. The Public Service Commission knows what work is to be done, and they have to lay it out and order their subordinates to do it, and I can not quite follow the plan you have in mind.

BY MR. TURNER:

Q. Mr. Brown, this question might possibly be answered by Dr. Snow, but my impression from what he said yesterday is that the engineers of the Commission merely checked up the record after the other reports had been made?

A. I think that is correct.

BY MR. WALKER:

Q. Commissioner Brown do you feel that if municipalities were permitted to built their own water, light and gas plants, without permission from the Commission, that that would assist in the regulation of these utilities and give the consumer much better service?

A. No I do not.

Q. You don't agree then with the situation in Ohio?

A. I am not very familiar with the situation in Ohio, but I think, and as Commissioner Young said yesterday, there is a provision for municipalities to acquire their water works, but to let them go ahead and just build regardless of what utilities are already in their community, to my mind would create conditions that would not be healthful.

Q. You do not think that that would contribute to the service given by the utilities, do you.

A. No I do not, because I think it would establish such a condition that neither of them would be able to live.

Q. In case such a condition existed in Ohio and produced lower rates and better service, don't you think it would be well to study the situation in Ohio and to consider it?

A. We are pretty busy.

MR. RHODES: That would be a legislative matter.

BY MR. EVANS:

Q. You spoke, Mr. Commissioner, of the power of municipalities to acquire water works; they have no power to condemn electric plants?

A. No sir, only in water works, under Act of 1874, they have.

MR. TURNER: Mr. Evans, I think, on my own behalf I would like to thank Commissioner Brown for his very frank statements here today, and I think he has been very helpful.

COMMISSIONER BROWN: Thank you. I have the same attitude. Anything I know is at the disposal of anybody. Anything you want to know I am glad to give it to you.

BY MR. RHODES:

Q. Then you don't take the position that your Commission is infallible?

A. Not by any means; not by any means.

JAMES S. BENN sworn

BY MR. EVANS:

Q. Commissioner Benn there are one or two matters that I want to ask you about at this time and later we hope to have an opportunity to hear from you on other matters.

I would like to get your views as to the function of the annual reports of public utilities to the Commission.

A. In my judgment the annual reports, the filing of annual reports, and the filing of tariffs of utility companies was for the, and is for the, purpose of aiding the Commission in so far as they contain information that would be helpful to the Commission in performing its function.

Q. And ultimately to see that the rates of the utilities are not too excessive, and are fair to the utilities?

A. To be helpful in that respect.

Q. Would it not be the primary purpose of the annual report?

A. I think, as you know, it opens up a pretty large subject. There are as has been testified to here something between three thousand and thirty-five hundred annual reports of utilities in Pennsylvania, filed with the Commission yearly. In addition to that there are something between fifteen thousand and twenty thousand tariffs filed with the Commission.

Q. Mr. Commissioner, we had better confine ourselves to the reports.

A. They have a large part in this picture.

Q. My question was directed to the annual reports.

A. It is my pronounced conviction that in matters in which the Legislature, and the Legislature alone, is responsible, that much if not most of the value of the filing of annual reports has been lost. In other words the Legislature of Pennsylvania in its wisdom, as will be shown, or can be shown by the record of the Legislature, at the time the Public Service Law was before the Legislature, made what in my judgment was a very serious omission, and that omission was not to give to the Public Service Commission what of course it should have had, and what of course it should have, power over the issuance of securities by public utilities companies.

The only power that the Commission has of an affirmative nature is one in connection with the certificate of notification filed by utilities companies which is the palest, most anemic and negative kind of power possible, because it is an attempt to lock the stable door after the horse has been stolen, an attempt after the pigeons have started out of the cote to take a gun and search around for a speckled pigeon. It is a very indefinite power. Now, therefore, much of the benefits of the filing of annual reports as far as checks upon utilities in matters of rate-making and in such matters of rate-fixing as are related to security issued and as are related to accounting features involved in annual reports, has been destroyed, or has never been reposed in this Commission by these gentlemen of the Legislature.

Q. Will the Commissioner confine himself, and let us confine ourselves, to the subject of annual reports, and the requirements in these annual reports, that the companies shall state their fixed capitals, their depreciated reserves, their gross operating revenue, their gross operating income, their operating expenses, their operating income. So far as these items are concerned, the real benefits to the Commission are to enable it to make some sort of a check as to whether or not the company is perhaps earning an excessive return and requiring investigation?

A. That is correct, yes sir.

BY MR. TURNER:

Q. But according to the history of the Commission it has practically never been considered a part of the duties of the Commission to inquire into that?

A. No, Mr. Turner, that is not so. I would like to give this Committee the benefit of my observation going back over a period of nearly twelve years.

In the first place, I am a believer in that regulation will never come in this State, or any other State, in that full flower, so to speak of it, until it is largely, predominately, on the basis of accounting, that the books will show, that the reports will show—we will go on in a maze for one hundred years, fifty years, twenty years, on the basis of valuation, vacillating according to the difference in the economic conditions or changes, if you will, in the construction of the law, or the Constitution of the United States by the courts of the country,

federal and state. So I am a believer, speaking personally, I believe that regulation must ultimately, in order to be of the fullest benefit to the public and to the utilities themselves and those who invest their money in utilities, rest upon an accounting basis rather than upon a vacillating valuation basis, and the accounting basis must rest upon a prescribed form of accounts.

MR. TURNER: You mean by that a system such as we have in the Banking Department?

A. A uniform system of accounts, such as are prescribed by the Interstate Commerce Commission and this Commission for railroads, and this and other Commissions for various utilities, electric, water, gas, street railway and so on.

BY MR. COOKE:

Q. Does that include investment?

A. You are now on a large subject.

Q. I just asked you—yes or no—do you believe in including investments?

A. You are asking my personal belief?

Q. Yes.

A. I will be very glad to give it to you, Mr. Cooke. My own belief is that until the law recognizes some—we might call it formula, based upon practical experience, such, for instance, as is embodied in the O'Fallon decision in the Interstate Commerce Commission—

Q. If you were sitting on the Federal Supreme Court bench you would have put investment and reproduction cost in?

A. If I were on the Federal Supreme Court I would have voted to uphold the Interstate Commerce Commission in the O'Fallon case. Until we can get something on the books and in these reports that are filed with the Commission upon which the annual reports will show when the books of the company, or when these annual reports are opened and will show an exact state of facts,—I think that until then regulation will be in a state of uncertainty. Of course it is in its early stages.

BY MR. TURNER:

Q. May I go back again to the question I asked, whether you imply from that suggested that these reports, that there should be some kind of an examination of the books carried periodically, such as made in the banking institutions by the Banking Department?

A. Well, Mr. Turner, I think Mr. Evans will agree with me, it would take a great many years for us to attempt, that is, through a Commission process, to get all of the utilities in Pennsylvania on that basis. I think that that should be done and I think work of that kind should be undertaken.

Q. I was going to ask you as a follow up question whether it was practical to do it or not, that is, whether the task was too big or whether it could be done?

A. I don't believe myself, and my colleagues have not always agreed with me on this and a lot of other questions, but I have advocated, or at least—yes, advocated, the use of a system partially put in by the New York State Commission, which would require not only what is recorded now in their annual reports, but accompanied by statements or appraisals of their property. The objection to that, however, is this, you place it in the hands of the utility and the utility alone to make out estimates and you get it fixed on the books of the utility and get it fixed in the reports filed with the Commission, but otherwise these annual reports based upon book value or fixed capital and so on. I say very frankly in my judgment it is largely a matter of guess work as to what value they are. For instance, book value—and I think Mr. Evans will agree with me, as set forth in the annual reports, has a very unstable foundation upon which to try to rest your feet. I don't believe of the 3500 utilities making reports to us that there are ten per cent. of them that have in their own books the basis upon which to set up an actual—not a reasonable but an actual book cost, original cost or original investment.

MR. TURNER: I do not understand that Mr. Evans does agree with you on that proposition, from the questions he has been asking and the testimony developed here.

MR. EVANS: I don't want to interrupt and of the Committee's questions, but I have asked Mr. Benn to bring certain records with him and we are going to have him later on these general questions. If the Committee wishes to sit long enough I am entirely willing, but if they are going to adjourn, I am anxious to get those matters of record.

MR. TURNER: I will withdraw any further questions.



THE WITNESS: I have lived with these things, gentlemen, a good many years and I have a lot of ideas and I am sorry if I am too voluble about them, but I feel them, it is a part of my life.

BY MR. EVANS:

Q. In connection with the annual reports of the companies, it is important, is it not, obviously that the company shall not be allowed to include as operating expense, items which are not properly so included?

A. Certainly.

Q. You have had a rather particular interest in the utility situation in and around Philadelphia, as you have had most of the hearings with Examiner Wolfe?

A. I have had a particular interest in the utility situation in Philadelphia and throughout Pennsylvania.

Q. You have heard a great many of the cases in and around Philadelphia?

A. Yes, sir.

Q. And among them you have been very familiar with the Philadelphia Rapid Transit situation, have you not?

A. Yes, sir. My services were dispensed with over a certain period when you sat in those hearings.

Q. That was a very short period.

A. It was the period in which most of the testimony was taken.

Q. My remembrance is it was from about August to November, was it not?

A. No; it was I think a little earlier than that, I think something like June.

MR. TURNER: I think the Committee will have to take judicial notice of the fact that Mr. Evans was on the Commission during a certain period. I do not think it is quite fair to come back at him in these questions.

A. I am very glad to say, Mr. Turner, that the relations between Commissioner Benn and Mr. Evans, I think were quite always at least on a very pleasant basis.

MR. EVANS: I can agree to that. We may have differed on questions of policy but it was not a personal difference.

MR. EVANS: Mr. Commissioner, in connection with the P. R. T. situation in the hearings before you recently on the present subway you made a statement which appears, I think on pages 33 and 34 of the record, speaking for the Commission, "We may go further and state that so far as this proceeding is concerned, the Commission will not include in its consideration of other matters anything concerning the management fee and operating expense. Now, is that clear to Mr. Wilson and to the company and to the city and to the other protestants." Later on, on page 34 you stated, "If there has been any doubt in the minds of anybody in this proceeding or any other proceeding, the Public Service Commission will not consider management fee as a part of operating expenses involved," is that correct?

A. Yes.

Q. Now, it is true, is it not, Mr. Commissioner, that in 1925, I think when Dr. Maltbie was auditing the books of the Philadelphia Rapid Transit Company, that company wrote a letter to the Commission stating that they withdrew the management fee as an item of operating expense, and agreed that it be paid out of fair return to the stockholders?

A. I believe that is in the record.

Q. If it appeared in the statement and reports of the Commission that Mitten Management fee had been included as an operating expense, would that thing in your opinion be a proper item of investigation by the Commission?

A. As I recall—

Q. You just answer the question, and then explain. Would it or would it not be a proper matter for investigation by the Commission?

A. Yes. Now, as I recall, the present fare of the Philadelphia Rapid Transit Company was found by the Commission to be a just and reasonable fare in January of 1926. Since that time there have been three annual reports filed, and another one is out shortly. The situation in connection with the company has been a matter of common knowledge, a turbulent one, it has been in the courts and litigation and one thing and another almost incessantly. The Commission's finding, as I recall, and I must speak now from recollection—was that the total operating revenue, or the total available for return would be about 13½ million dollars, \$13,700,000—I may be wrong a few hundred thousand, but I know that since that time I have,

time one of those reports came in, endeavored, although I am not an accountant, and although I confess I am not nearly as good on figures as I would like to be—

Q. I think you are very good.

A. I am not as good as you, Mr. Evans.

MR. TURNER: That still leaves it up in the air.

THE WITNESS: Well, we always agreed with each other as much as we possibly could. To see that the allowable fair return was not exceeded, and my recollection is that the Commission's estimate was exceeded to some extent, a few hundred thousand, but it was under rather than over \$14,000,000 allowable as a fair return on \$200,000,000.

BY MR. EVANS:

Q. In other words, you have kept in touch with the annual reports?

A. When they came in, I would send for them, Mr. Evans.

Q. Now, Mr. Commissioner, in the annual report of the Philadelphia Rapid Transit Company for the year 1925, which you have produced, the company shows on page 305, salary and expenses of general officers, \$264,117.71.

A. Yes.

Q. In 1926 what was the figure shown in the annual report of the company to the Commission for salaries and expenses of general officers?

A. \$1,176,610.

Q. And what is the increase in that over the preceding year—it is given right there?

A. You give it and I will agree.

Q. \$912,493.16.

A. Yes.

Q. Did that indicate to you that Mitten Management fee was being included in that year as an operating expense?

A. Well, this is 1925—

Q. The first was 1925 and the second was 1926?

A. You asked about 1925.

Q. And the 1926 report shows an increase over two hundred and some odd thousand dollars, of \$912,493.16 in the salaries and expenses of general officers.

A. I have no recollection of such—

Q. I say you have the report before you, does that suggest to you Mitten Management fee is being included as an operating expense?

A. No, I won't say that it suggests any such thing.

Q. Will you explain any theory you may have on which salaries and expenses of general officers of The Philadelphia Rapid Transit Company can be increased in one year, from \$264,000 to \$1,176,000 other than the inclusion of the Mitten Management fee.

A. Well, I will not concede that I infer that from that, you may infer it from it, but I have not inferred that.

Q. What do you infer?

A. I don't infer anything. Now, you are an expert in these matters, you have pursued them for years, these particular reports and things of that kind, and I cannot—

Q. Mr. Commissioner, I am nothing compared to you as an expert.

A. If you want to infer that, very well, and if you want me to analyze it to be given to you later, very well, but to confront me here with a report of five years ago and ask me to analyze and infer anything from it, I don't think that is fair.

Q. You don't think it is fair, Mr. Commissioner when you say you have examined the annual reports of The Philadelphia Rapid Transit Company, as they have come in from year to year to ask you whether you don't feel that it was a subject to be investigated, when the report shows that in 1926 the salaries and expenses of the General offices had been increased by over \$900,000.00 over the preceding year.

A. Just a minute. I said the three annual reports that have come in from the Philadelphia Rapid Transit Company since then, and they have been compiled—

Q. You examined the 1926 report and that shows it on its face?

A. I will draw no inference from it.

Q. You draw no inference when you see things like that, in the annual reports of utilities?

A. I draw no inference of the kind that you apparently want me to infer.

Q. Don't you think that is a subject for investigation by the Commission?

A. If the annual—

Q. Won't you answer that question please, yes or no, and then make your explanation about it?

A. It may be—as a matter of bookkeeping it might, Mr. Evans, but if you aren't satisfied from an examination of the annual reports of the company that the rate of fare being charged the carrier did not exceed what the Commission had found to be a just and reasonable allowance, then I think it a matter of bookkeeping in one column or the other is quite immaterial—

Q. Now, Mr. Commissioner, if one item of the operating expenses of the Philadelphia Rapid Transit Company is padded to the extent of \$900,000, isn't that a matter that you have got to take into account as to whether or not the rate of fare is reasonable?

A. Certainly, if it comes before us in a rate case, or if it would indicate to us that the commission should inaugurate a rate case.

Q. In other words, that did not indicate to you anything that required investigation?

A. It did not indicate to me that, within a year after the Commission had adjudicated that thing, in which adjudication you took part, Mr. Evans, and did not vote against it if you will recall.

MR. EVANS: I filed a dissenting opinion, Mr. Commissioner, as you very well know.

THE WITNESS: Mr. Martin wrote that dissenting opinion. MR. EVANS: I filed a dissenting opinion with Messrs. Martin and Scattergood, and you know that as well as I do.

MR. TURNER: Now Mr. Evans, I don't think it is material to this issue whether or not you assented or dissented.

THE WITNESS: As far as the Commission's duties were concerned, were or were not the car riders of Philadelphia being imposed upon in a rate of fare that was just and reasonable, and I submit that the difference of \$9,000 or \$90,000, or \$900,000, in a matter of bookkeeping, as related to the final effect of the rate of fare itself, is immaterial.

MR. TURNER: Mr. Evans, would you, for my benefit, go back to the question you asked a while ago in reference to the allowance or disallowance of the Mitten Management fee? You asked the question, I think, or read something, that it would not be allowed. Where did that appear?

MR. EVANS: This appears in the records of the application of the Philadelphia Rapid Transit Company et al for the approval of a lease for the Broad Street Subway in commission's docket M. C. 5324, at a hearing February 19, 1931, record pages 33 and 34, statement made by Commissioner Benn, in regard to the Mitten Management fee, that I read.

MR. TURNER: That that would not be allowed?

MR. EVANS: That that would not be allowed, and that it never—that the Commission, so far as our opinion,—perhaps I didn't read this,—I will read the whole thing, if you want.

MR. TURNER: I don't want to cumber the record, but I think that is important.

MR. EVANS: "So far as our opinion on the subject is concerned, the management fee as paid, or announced that it was paid, out of the fair return, and therefore became a matter and has been a matter for the stockholders of the company, and not a matter in the operating expense. We may go further and state that, so far as this proceeding is concerned, the Commission will not include in its consideration of other matters anything concerning the management fee as operating expense. Further, if there has been any doubt in the minds of anybody in the proceeding or any other proceeding, the Public Service Commission will not consider management fee as a part of operating expenses involved."

THE WITNESS: Did you object to that?

MR. EVANS: I didn't object to your making that statement.

MR. RHODES: I just want to get that clear in my mind. Assuming that the Commission said that would not be allowed as an operating expense, and assuming that they put it in subsequently, what would the effect be upon the rate?

MR. EVANS: The effect might have been very, very considerable on the rate, Mr. Rhodes. I may state for the benefit of the Committee, and I think Commissioner Benn will verify this, that the management fee amounted to in 1926 and subsequent years, amounted to two per cent. on the gross revenue of the company, and the gross revenue of the company was approximately \$50,000,000, making a management fee of somewhere in the neighborhood of \$1,000,000 a year, sometimes a little more and sometimes a little less.

THE WITNESS: Which this Commission has never recognized, and never will, and no management fee of any company, to my knowledge, has ever been recognized or approved by the Commission, and could not under the law, unless it was established on a cost or a value basis. What do they give for it? Let them establish that upon a limit, and then due allowance could be made by the Commission, but on a percentage basis it is impossible and unconscionable also.

MR. TURNER: Pardon me for interrupting you, Mr. Evans.

MR. EVANS: That is perfectly all right. I am glad to have it done.

BY MR. EVANS:

Q. Now, Mr. Commissioner, merely for the completeness of the record, I wish to call your attention to the fact that in the annual report of the Philadelphia Rapid Transit Company to the Commission for the year 1927 the salaries and expenses of general officers were placed at \$1,259,449.64?

A. Yes, sir.

Q. In 1928 at \$1,155,457.87?

A. Yes, sir.

Q. And for the year 1929 at \$1,187,012.83.

A. Yes, sir.

Q. And those reports have been examined by you from year to year?

A. I made no critical, and I would not be capable of making an accounting analysis of this. I was interested in one thing, to see year by year if the operating income of this particular utility exceeded the figure set by the Commission in its report of January, 1926, and exceeded a fair and reasonable return upon the rate base; yes, sir.

Q. And operating income, Mr. Commissioner, is determined by deducting from the operating revenue the operating expenses, is it not?

A. Yes, sir.

Q. And therefore, if the operating expenses are padded by \$900,000, the operating income will be \$900,000 less than it should be?

A. Oh, unquestionably.

Q. Therefore, by examining these reports and finding that the operating income shown by the report was not excessive, you did not get very much light on the subject?

A. No, I got a by and large answer which satisfied me, at least, that the estimates of the Commission, in which you participated, sir, were not—

MR. TURNER: Now, Mr. Benn, please don't refer to those,—I don't think that that is a fair line.

MR. EVANS: It is perfectly satisfactory to me.

MR. TURNER: I understand that, but I don't think that is a part of this record. Mr. Evans is appearing as our counsel. If he happens to be once in a while in an unfortunate position, that has nothing to do with this proceeding.

MR. BENN: And I think the Committee could not have better counsel either, Mr. Turner.

MR. TURNER: I agree with you on that.

BY MR. EVANS:

Q. Mr. Benn, you testified before the Senate Committee, I believe?

A. Yes, sir.

Q. And you were questioned by Mr. Gray in regard to the operation of the Quaker City Cabs by the Yellow Cab Company or by the P. R. T.?

A. Yes, sir.

Q. And on February 23rd, page 335 of the Senate Record, Mr. Gray asked you: "Don't you know that the concern to whom the Quaker City Cabs Incorporated wanted to sell and applied for leave to sell had actually physically taken over the property of the Quaker City Cabs. Incorporated, and are operating those taxicabs on the streets of the City of Philadelphia?" and you answered, "No, sir." Question, "You don't know?" Answer, "No, sir." A matter of fact, that had been officially called to your attention, had it not?

A. Not that I recall, Mr. Evans.

Q. You were one of the Commissioners who heard the application of the Universal Cab Company—

A. Yes.

Q. For a certificate of public convenience, which the Commission refused? I read you from page 483 of the record, Mr. Barney Graves, vice president and general manager of



the Yellow Cab Company, on cross-examination was asked: "Q. The Yellow Cab Company of Philadelphia is operating at the present time the Quaker City Cab Company, is it not?"

"A. Yes, sir.

"Q. Under what agreement or basis are you operating the Quaker City Cab Company?"

"A. A management agreement.

"Q. And the Yellow Cab Company of Philadelphia is operating that?"

"A. The Yellow Cab Company is operating that, yes, sir.

"Q. Has that agreement ever been approved by the Public Service Commission? A. I don't know."

That was a hearing held at Philadelphia in Room 443 City Hall, on September 19, 1929?

A. Yes, sir.

Q. In view of that, would you care to correct the statement you made to the Senate committee?

A. Not at all.

Q. In other words, you do not call that notice that the Quaker City Cabs were being operated by the Yellow Cab Company?

A. The Quaker City Cab, the P. R. T. applied to us for approval of the purchase of the Quaker City Cab in December of I think 1929. The Commission refused its approval and set forth in a Commission report the grounds for its disapproval. Somewhere, perhaps in June, the Commission had that report ready but it was withheld. Action on it was coming within a week or two afterwards when the Universal Cab application was made and the report of the Commission was withheld. Now that report of the Commission gave the right to the applicant company, if it saw fit, to reapply for permission to purchase on a basis that would be more equitable and fair to the purchaser as well as to the patrons of the Quaker City Cab. Of course we must have known the purpose of this acquisition which was to merge the Quaker City Cab with the Yellow Cab Company, but that was a policy not inaugurated by the Public Service Commission but by Councilmanic action in the city of Philadelphia.

Q. Pending that application for the approval of the acquisition of the Yellow Cab Company, it was unlawful for the Yellow Cab Company to operate the Quaker City Cabs without approval?

A. Yes sir.

Q. And when Mr. Graves testified in September, 1929, that the Yellow Cab Company was operating the Quaker City Cabs without the Commission's approval, so far as he knew, that would be unlawful?

A. Yes it was unauthorized by the Commission.

Q. And the Commission has never taken any steps to this day to prevent that operation?

A. As I very plainly told you—

Q. Just answer that question.

A. The Commission then had in its drawer the decision refusing the purchase of the Quaker Cab, and you know that.

Q. Mr. Commissioner, I want to ask you a simple question, whether from that day to this the Commission has taken any steps to prevent the Yellow Cab Company from operating the cabs of the Quaker City Cab Company?

A. No sir. The testimony as I understand it before the Senate Committee and certainly before Common Pleas Court No. 1, is that the Quaker City Cabs are operated under Mitten Management. And the Quaker City Cab as a corporation could hire you or myself or anyone else they might choose to operate it for them.

Q. But Mr. Graves, the general manager and vice president stated under oath in your presence in September, 1929, that they were doing so.

A. You read the record, if it is in the record, that is correct.

Q. You say if it is in the record it is correct?

A. Yes, sir. In other words, there were two matters pending before us, your matter in which unfortunately we agreed with Mr. Schnader instead of yourself, and this other matter.

Q. And you followed the usual practice of putting out these decisions at the same time, the bitter with the sweet?

A. We did not, sir.

Q. Didn't you put them out?

A. Yes. For the reason I tell you now and for the reason I told you during the pending of the Quaker City Cab case.

Q. I never knew how you decided it?

A. You know now. We decided it according to the proper basis upon which they should be based and I have not, and I think the Commission has no apologies to make for that.

MR. EVANS: Before the committee adjourns I have several letters here which I would like to have noted on the record, as follows:

A letter from E. Leroy Keen, solicitor for the Borough of Lykens, dated March 13, 1931, in regard to the rates of the Pennsylvania Power and Light Company, and so forth.

Another letter from Miss Lena Spickerman of Lykens, Pennsylvania, in regard to the Lykens Water Company, dated March 14, 1931.

Also a communication from the Beaver County Federation of Boroughs dated March 9, 1931, in regard to the actions of the Public Service Commission on franchise ordinances.

Also a letter from the Secretary of Gallitzin Borough in regard to the water situation in Gallitzin, dated March 19, 1931.

CHAIRMAN MOORE: This hearing will now stand adjourned until 2.00 o'clock Wednesday afternoon, March 25, 1931.

The hearing adjourned at 12.30 o'clock P. M.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Wednesday, March 25, 1931, at 2.00 o'clock P. M.

There were present:

Messrs. D. Glenn Moore, Chairman,

Chester H. Rhodes,

Martin Memolo,

Frank L. Bowers,

Harry J. Crawford,

Ellwood J. Turner,

Louis W. Hagmaier,

Bart Richards,

Morris L. Cooke,

Harold Evans, Esq.,

John M. Walker, Esq.,

Arnold H. Hirsch, Esq.

#### APPEARANCES:

William Clark Mason, Esq. and

Frank M. Hunter, Esq.

For Philadelphia Electric Company and  
United Gas Improvement Company.

THE CHAIRMAN: The Committee will come to order.

MR. EVANS: At the opening of the hearing, if the Committee please, I wish to put on the record a letter from Mr. W. K. Myers, Vice-President of Mitten Management, in charge of counsel of the Philadelphia Rapid Transit Company. As the Committee probably may remember, last Friday I examined Mr. Commissioner Benn in regard to the increase in salaries and expenses of general officers of the Philadelphia Rapid Transit Company, from approximately \$264,000 in 1925 to \$1,117,000 in the annual report for 1926. I asked the Commissioner whether that suggested to him that the Mitten Management fee might be included in that item by the company. On page 1217 of the record, Commissioner Benn said he did not infer anything from that fact. The letter from Mr. Myers reads as follows.

Letter from Philadelphia Rapid Transit Co., addressed to Mr. Harold Evans, Esq., dated March 23, 1931, produced and marked Exhibit No. 91.

#### PHILADELPHIA RAPID TRANSIT COMPANY —Under Mitten Management—

Mitten Building

N. W. Cor. Broad & Locust Sts.  
Philadelphia

March 23, 1931.

Harold Evans, Esq., Counsel  
for the Committee of Investigation on Resolution No. 10,  
House of Representatives,  
Harrisburg, Penna.

Dear Sir:

You have indicated to me that the Committee of Investigation on Resolution No. 10 desires the following information:

The annual report of the Philadelphia Rapid Transit Company for the year 1925 shows on Page 305, Salary and Expenses

of General Officers—\$264,117.21 The 1926 annual report of the Philadelphia Transit Company shows Salary and Expenses of General Officers—\$1,176,610.37, or an increase of \$912,493.16 over 1925. The 1926 figure includes Management fee in the amount of \$907,310.63. Since the 1925 figure for Salaries and Expenses of General Officers included no charges for Management fee, this item of \$907,310.63 accounts for almost all of the difference of \$912,493.16 between the 1925 and 1926 figures. In subsequent years the practice followed in 1926 has been continued.

Very truly yours,

(Signed) W. K. MYERS.

MR. EVANS: I offer this in evidence as Exhibit No. 91.

MR. COOKE: About what percentage is that of the net income?

MR. EVANS: Of Mitten Management?

MR. COOKE: That item that he mentions there.

MR. EVANS: Salaries and expenses of general officers would be something over 2% of the gross revenue of the company.

MR. COOKE: The net?

MR. EVANS: I cannot answer that, Mr. Cooke, offhand, I am sorry to say.

MR. COOKE: 5 or 6%?

MR. EVANS: My impression is that the net revenue of the company is somewhere between 30 and 35 million dollars, but I am not sure of that, and I would not like to answer it without verifying the figures.

I understand that the city authorities of Johnstown wish to be heard very briefly.

Is the mayor of Johnstown here?

MR. OVERDORFF: Two members of council.

MR. EVANS: Whoever you want to speak for you, will you take the stand, please?

CALVIN OVERDORFF sworn.

BY MR. EVANS:

Q. Mr. Overdorff, what position do you hold in the city of Johnstown?

A. Superintendent of the Committee on Finance, councilman.

Q. I understand you have some statement you wish to make to the Committee in regard to the utility situation in Johnstown?

A. Well, we don't have any figures here at the present time, but I can quote you from memory some of the figures, but there are some things I would like to call your attention to. We were supposed to be down here, rather the mayor and I were supposed to be down here a couple weeks ago, and the reason we did not come, I have a wife who is an invalid and who was very sick at the time, and the mayor's two children were sick, so that is the reason we did not show up. We, of course, are not satisfied with the rates in effect in Johnstown.

BY MR. TURNER:

Q. The rates of what?

A. Practically all the public utilities, water, light, telephone and the gas, but I want to state that there has been no increase in any public utility since I became a councilman, except a slight increase in street car fare.

BY MR. EVANS:

Q. When did you become a councilman?

A. In June, 1927. I got in in time though to attend some of the hearings before the Public Service Commission on the water rate case and the telephone case, but they were raised and in effect before I went in as a councilman.

Q. Has the city of Johnstown at the present time any matters pending before the Public Service Commission?

A. Why, something, only the return of increased rates which were not allowed in the telephone case, that is the only thing that is pending.

Q. Is there anything further you wish to add to the Committee at this time.

A. Nothing else, unless I could give you some information as to the rates. Now, for our fire hydrants, the City of Johnstown—I think we have about three hundred sixty-seven fire hydrants, and they charge us a yearly rental for each hydrant of \$10.00 plus a mileage charge of \$250.00 a mile, so the total charge, divided by the number of fire hydrants we have, makes the hydrants cost the city of Johnstown approximately \$86.00 per hydrant, fire plug.

Q. Mr. Overdorff, if the City of Johnstown has any matters which it wishes, during the course of these hearings, to bring before the Committee, I am sure the Committee would be very glad to hear from you at any time. I understand you are not prepared now with any details of the situation, but if in the future you find any matter you wish to present, I am sure the Committee will be glad to hear from you.

A. We will be glad to furnish you with the raises that have occurred over a period of years and the fights we had before the Public Service Commission, from which we never got any results, and we just feel at this time that it is foolish for the City of Johnstown to go and hire engineers, and fight those rates, for we never seem to get anywhere, just like bumping your head against a stone wall. I really think it is a State matter as to how the utilities should be regulated.

Q. Is there anything else?

A. I think that is about all I have to say.

BY MR. HAGMAIER:

Q. Mr. Overdorff, do you know a man by the name of McCloskey.

A. Yes, I know him.

Q. Did you read any of the statements regarding the officials of Johnstown made by him when he was here at the hearing?

A. Yes, I read them in the local paper.

Q. Do you wish to make any statement in regard to the statements that he made at that time about you and the mayor and the rest of you fellows?

A. Well, I believe one thing that he said there was, that we were controlled and bossed by the Bethlehem Steel Company, something to that effect. When he said that, I say he is simply a liar; there is no public utility that controls me, or anyone else.

BY MR. RHODES:

Q. Are you an employe of the Bethlehem Steel Company?

A. No, sir.

Q. Any of your councilmen employes of the Bethlehem Steel Company?

A. No, sir.

Q. Is the mayor?

A. No.

BY MR. TURNER:

A. Has there been any protest made by the officials of the city to contest the different utilities in an endeavor to have them reduce their rates.

A. No, there has not, because the water rates, the case was only settled about two years and a half ago, and I believe it stands for three years; I think that is the rule.

BY MR. EVANS:

Q. Does the Bethlehem Steel Company have interest in any of the utilities that you know of.

A. Yes, the water service; they have the controlling interest in the Johnstown Water Company.

Q. Any others.

A. No, I don't think they have an interest in any of the others.

BY MR. MOORE:

Q. You contemplate filing a brief with the Committee, do you not, covering your complaint.

A. Yes.

BY MR. EVANS:

Q. Is there anything further you want to be heard upon.

A. No.

M. Z. SMITH sworn.

BY MR. EVANS:

Q. Mr. Smith, you are a member of the council of the city of Johnstown.

A. Yes.

Q. How long have you been a member?

A. About seven and a half years.

Q. Have you any additional statement that you wish to make to the Committee regarding the utilities situation in Johnstown?

A. Well, I could not add very much to what Mr. Overdorff has said. We certainly would like to fill up our record here, that is one of the things we are here for, after the statement



that has been made that members of city council were owned and controlled by the Bethlehem Steel, which is positively not correct in any way shape or form. We are dissatisfied with our rates, have been—well, ever since the Public Service Commission has existed.

Q. Why have you not filed complaints with the Commission, or have you?

A. We have filed complaints on three different occasions—four, I guess. First was the traction company; next was the gas company; the third was the water company and the fourth was the telephone company, and we might as well have stayed at home so far as filing the complaint is concerned, and we would be in the amount of money that it cost us to fight those cases.

BY MR. TURNER:

Q. What do you mean by that, you didn't win your complaints?

A. We didn't win anything.

Q. Do you have any figures of what it cost the municipality for those contests?

A. The water contest amounted to about \$17,000—or the telephone, I should say, about \$17,000.

Q. What else did you spend?

A. The water company, we have taken their setup only for two years. They had contested the water company previous to that, and we examined the records, and three years later we protested against them, and we took the figures as set up by our engineers just a little over two years. Now, we had not went before the Commission, inasmuch as the setup which they had would have entitled the Johnstown Water Company to 2% additional increase. Now, we have in Johnstown—or we think in Johnstown the whole matter is in the setup, and that it is hard to overcome it, and the utilities can institute a stock certificate sufficient to keep their earnings down at 7%.

Q. Of course, their earnings are not based on the capital or stock?

A. Replacement value.

Q. What other cases did you bring where you spent any money besides the water case?

A. Those are the only ones that have been before the Commission during my term of office.

BY MR. EVANS:

Q. You don't know what the costs of the other two complaints were?

A. The water case, of course, did not mature, and that was not so costly. I would imagine they spent over four or five thousand dollars in that case, because we had the figures for the last two years available to proceed with there.

Q. Is there anything you wish to add, Mr. Smith?

A. No, I have nothing, only we are here willing to furnish our figures and set-ups as we have them.

BY MR. TURNER:

Q. How long have you been a member of council?

A. Seven and a half years.

Q. Are you an employee of the Bethlehem Steel, or any other utility?

A. No sir. I have been employed in my time three months, not by the Bethlehem Steel, but by the Cambria Iron Company.

BY MR. EVANS:

Q. Did you read the account of Mr. McCloskey's testimony before the committee?

A. Yes sir.

Q. Have you anything to say in regard to that?

A. I might say it was misleading. It left the wrong impression on our people to this extent, that the people would think from the statements made that we were a controlled body, and we are here to deny that we are in any way, shape or form controlled by utility corporations.

Q. Do you know of any officials of the city of Johnstown employed directly or indirectly by the Bethlehem Steel Company?

A. No sir.

BY MR. TURNER:

Q. Is your system of telephones a part of the Bell System?

A. No, it is an independent system. We were given notice that we would be given an increase on the business houses, and of course the business people have protested on that and they immediately proceeded to file a claim to prevent this. Mr. Shade, then manager of the Johnstown Telephone Company, said if we didn't withdraw the case he would make a general increase and of course did make a general increase in that particular case. The increases had been paid I think in the neighborhood of two years before the case was heard, and that still remains in the coffers of the Johnstown Telephone Company instead of being returned to the people who have paid this excess rate.

Q. Did the telephone company win their case?

A. Well, they won it and they didn't.

Q. What do you mean by that?

A. Well, they claimed they were giving us a reduction and the Commission left us under the impression it was a reduction, to the amount of \$3700 a year. That is hard to explain unless you see the briefs of the Johnstown Telephone Company and take their set-ups.

Q. By that you mean the schedule of rates?

A. Yes sir. That were shown in this brief, which showed they were making between twelve and thirteen per cent on their set-up.

Q. On their capital?

A. It might be, in my opinion is, it is not capital.

Q. But they were making on their valuation?

A. As I said, according to the figures it amounted to between twelve and thirteen per cent.

BY MR. EVANS:

Q. Do you mean on a fair valuation of their property as a set-up valuation?

A. On the replacement value.

BY MR. WALKER:

Q. Do I understand that the Bethlehem Steel Company does not take any interest at all in local elections there?

A. They didn't in my two campaigns. I rather judge part of them were against me.

Q. Then they do take part in campaigns?

A. The companies, I don't think they do, but there may be some individuals that work for the company that are interested and take it up.

Q. You never heard of officials issuing any orders as to who they wanted for council?

A. No sir.

Q. They control the water company?

A. Yes sir.

Q. When did you have these contests with the water company over rates?

A. In 1926.

MR. EVANS: Mr. Turner has suggested that in order to clear up the matter of the three year period of repose, as it is usually called, that it might be well to put on the record at this point the actual provisions of the act which was under discussion with Commissioner Brown on last Friday. The act merely provides that "No rate, practice or classification which has been determined by the Commission shall be changed or discontinued by a public service company directly or through any change in classification, and so forth, without the application to and the approval of the Commission."

BY MR. MEMOLO:

Q. Mr. Smith, what is your rate on fire hydrants?

A. Mr. Overdorff can answer that better, but I think about eighty-six dollars a year. The total for the city runs between thirty-one and thirty-two thousand dollars a year.

Q. I didn't catch that from Mr. Overdorff?

A. I don't know whether he said that, but he said the rate runs about eighty-six dollars a plug.

BY MR. TURNER:

Q. What is your total income?

A. Of the City? I cannot answer that off hand. Our assessed valuation is about eighty-four million based on fourteen mills, that is, for city purposes.

MR. EVANS: It is our purpose now to take up the situation of the Philadelphia Electric Company and the United Gas Improvement Company of Philadelphia.

Mr. ARNOLD H. HIRSCH, who is associated with me as counsel for the Committee for this purpose, will conduct the examination of the witnesses.

JOHN E. ZIMMERMAN sworn.

BY MR. HIRSCH:

Q. What is your full name, Mr. Zimmerman?

A. John Edwin Zimmerman.

Q. What is your position with the United Gas Improvement Company?

A. I am president.

Q. What is the corporate relationship between the United Gas Improvement Company and the Philadelphia Electric Company?

A. The United Gas Improvement Company owns about 98 per cent of the common stock of the Philadelphia Electric Company.

Q. Do you occupy any position with the Philadelphia Electric Company?

A. I am Chairman of the Board, and Chairman of the Executive Committee.

Q. Do you receive any compensation for it?

A. I do not.

MR. TURNER: Compensation as what?

MR. HIRSCH: As Chairman of the Board of the Philadelphia Electric Company?

THE WITNESS: I do not.

BY MR. HIRSCH:

Q. Have you ever received any compensation as Chairman of the Board?

A. I have not.

Q. Do you receive a bonus or percentage of the earnings of the Philadelphia Electric Company?

A. I do not and I have not.

Q. In other words, your services as Chairman of the Board are gratuitous. Is that correct?

A. My services personally are gratuitous.

Q. Does the United Gas Improvement Company receive any compensation or fee from the Philadelphia Electric Company for your services?

A. It does not receive a fee.

Q. There is no arrangement between the Philadelphia Electric Company and the United Gas Improvement Company for a fee of any character?

A. The United Gas Improvement Company once a year renders the Philadelphia Electric Company a bill for services which it might have rendered and is compensated for those services.

Q. These services include your personal services to the Philadelphia Electric Company?

A. They include merely such time as I may give as Chairman of the Board of the Executive Committee.

Q. Approximately what did this amount to for 1930?

A. I could not tell you.

Q. Do you remember what this bill amounts to?

A. The bill last year was \$150,000 and the year before it was \$100,000, for which services were rendered.

Q. What is the nature of the services which the United Gas Improvement Company renders the Philadelphia Electric Company?

A. It has a legal department; it has a tax department, on which the Philadelphia Electric Company calls. It has special gas experts in its technical department which give services. It has given service in the form of financial services in the issuing of securities and raising money, and it has a research department which the Philadelphia Electric Company can call upon, and out of which have been produced methods of producing gases of great advantage to the Philadelphia Electric Company, and other miscellaneous services which I cannot remember.

Q. Do you know whether the Philadelphia Electric Company pays the salaries of any of the other officers connected with the United Gas Improvement Company?

A. It pays none of them.

Q. Does it pay the salaries of any of the employees in the organization connected with the United Gas Improvement Company?

A. It does not.

Q. Is there any management or supervisory fee which the Philadelphia Electric Company pays to the United Gas Improvement Company?

A. There is none except what I have just explained to you as a bill for services rendered.

Q. Is this bill for services rendered on a sliding scale depending on the total income of the Philadelphia Electric Company?

A. It has nothing to do with it. It is like a lawyer who would render a bill to a client for services. There is no sliding scale, only for the services which are rendered and for what they are worth.

Q. Who determines the worth of the services?

A. The President of the Philadelphia Electric Company and myself, by looking over the time sheets of the work of the men in the United Gas Improvement Company who have been put on Philadelphia Electric Company matters during the year.

Q. How long have the United Engineers and Constructors been doing construction work for the Philadelphia Electric Company?

A. That question is a little bit difficult to answer accurately. I should say that they have been doing the work probably three years, since the United Gas Improvement Company acquired the Philadelphia Electric Company's majority stock, which was early in 1928; since 1928.

Q. Are the United Engineers and Constructors controlled by the United Gas Improvement Company?

A. No; the United Engineers and Constructors is controlled fifty per cent by the United Gas Improvement Company and fifty per cent by the Public Service Corporation of New Jersey.

Q. What is the nature of the work done by the United Engineers and Constructors?

A. They do work as engineers and constructors. They design structures, plan buildings, office buildings, and transmission lines. They construct them, and they do work all over the United States and in foreign countries.

Q. Sometime last year, it was announced in the newspapers that the Philadelphia Electric Company proposed to spend approximately twenty-six million dollars on new construction during 1930. Do you recall the figure?

A. Yes sir.

Q. Of this twenty-six million dollars construction, how much would you say the United Engineers and Constructors were given?

A. About three or four millions.

Q. On what basis does the Philadelphia Electric Company award contracts to the United Engineers and Constructors?

A. On two bases, depending on the nature of the work.

Q. What are those two bases?

A. There is one basis, in the work consisting of the preparation of plans and specifications and the construction of the work, there is a sliding scale charged on the basis of a fixed fee. The sliding scale for the first \$500,000 of work, 10%. For work over \$500,000, 7½%. The estimate of the cost of the job is made. It is checked by the Philadelphia Electric engineers, and once agreed; the estimate is confirmed, and is on a fixed fee, based on those percentages, and if the work costs more than that fee, it does not go up, and if the work costs less the fee is reduced to the percentages; it is reduced by those percentages.

Q. Does it make any difference about the type of construction that the United Engineers and Constructors do, as to whether they get more or less percentage of increase?

A. No; it is based on the cost of the work.

Q. Is there any upper limit as to the cost of the construction before the United Engineers and Constructors undertake it for the Philadelphia Electric Company?

A. "Upper limit"; I do not understand the question.

Q. In other words, when a job of construction is authorized by the Philadelphia Electric Company to the United Engineers and Constructors, is there a limiting feature as to the cost of that construction?

A. It is a limiting feature based on the estimate.

Q. In other words, if the United Engineers and Constructors undertake a one million dollar job, which has been estimated, and perform construction work for two million dollars, they still receive their fee do they not?

A. No; they receive their fee on the one million, not on the two million; and the illustration is an absurd one, because the engineers and the constructors don't do their work that



way. They don't over run their estimates. Their record is just to the contrary. The work has been done on an average of three per cent less than the estimated cost.

Q. Who does the estimating?

A. The estimating is done by the United Engineers and Constructors, and it is submitted to the engineers of the Philadelphia Electric Company. It is checked. A great deal of the work, permit me to say to you, is handed by these contractors to minor contractors. In other words, if there is an office building to be built, the bricklayer, the man for the foundation, the doors, the mill work is all submitted to outside bidders, and they are given the contract to put them in, and the United Engineers and Constructors fix the supervising and assembling fee, which is usually what a general contractor will get.

Q. And if the estimate cost for such construction is \$500,000, or more, you say it is ten per cent for fees?

A. I said that if the job was a \$500,000 job, they would get a fee of ten per cent, which is \$50,000, out of which the United Engineers and Constructors has to meet all its administrative expenses, taxes, and other expenses.

Q. Who pays for the services of the engineers which the United Engineers and Constructors put in the field to supervise such construction?

A. The client.

Q. In other words the ten per cent fee is clear profit to the United Engineers and Constructors?

A. It is not, and the record will show that it is not.

Q. You have just said—

A. The fee of the United Engineers and Constructors, if you want to know it, since that is the direction you are pursuing on this work is between three and three and one-half per cent.

BY MR. TURNER:

A. That is the net profit?

A. Yes, sir.

BY MR. HIRSCH:

Q. How did you arrive at the three and one half per cent, if ten per cent is the total fee?

A. There are a lot of costs and expenses the United Engineers have to spend. Out of that it has all its administrative expenses, all their offices, all their buildings, their taxes, their heat, their lights, their rents, and everything has to come out of that.

Q. But is it not a fact that all the field men which the United Engineers and Constructors sent out to supervise the work have their salaries paid by the Philadelphia Electric Company?

A. Of course, they do. They are men on the construction like any other contract.

Q. Since the United Engineers and Constructors are controlled by the United Gas Improvement Company, which also controls the Philadelphia Electric Company—

A. I didn't say that the United Engineers and Constructors were controlled by the United Gas Improvement.

Q. On a fifty per cent control?

A. A fifty per cent interest.

Q. The Philadelphia Electric Company could not very well object to any estimates that the United Engineers and Constructors prepared, could they?

A. They nevertheless do. They are perfectly independent of the Engineers.

Q. But is it not true that you as Chairman of the Philadelphia Electric Company, as President of the United Gas Improvement Company, which has a direct pecuniary interest in the construction company, assist in the approval of such estimates, prepared by the United Engineers and Constructors?

A. I do not. The Philadelphia Electric Company and the President of the United Engineers do that. I don't get into those details.

Q. And the President of the Philadelphia Electric Company could not very well object to any over estimate on the part of the United Engineers and Constructors?

A. He would do that, if it was submitted to him.

Q. Would his objection carry any weight?

A. Absolutely, totally, 100% weight.

Q. You said a few minutes ago that the United Gas Improvement Company controlled 98% of the stock of the Philadelphia Electric Company?

A. Yes; but we do not conduct our business in the way you want to infer. The Philadelphia Electric Company has its own staff, its own president, and its own organization and it conducts its business as an independent organization in that respect.

Q. Is it not true that the higher the cost of construction, the higher the electric company fixed its base for rate making purposes?

A. Of course.

Q. And quite obviously the consumers, who have no control whatever on these expenditures, must pay the higher rates to the Electric Company?

A. Yes, but I object to the form of that question, what you are trying to infer from that, that you have no right to, and that is that these construction costs are padded.

Q. Do you agree with me that a wholesome change in the Public Service Laws of this state would be to prohibit utilities from awarding any construction contracts in excess of say, \$200,000, except on a competitive basis?

A. No; I do not agree with you.

Q. And contracts awarded with the approval of the Public Service Commission?

A. I do not agree with you at all. There is a certain class, in fact a very large class of work that is best done by this way, and I think it is illustrated by the fact that the United Engineers and Constructors in the years it has been in existence have done a billion dollars worth of work, and every bit of it was done this way, and sixty per cent of the work it does today is on open orders, and seventy per cent it does today is for outside clients, and the work they have done for outside connections, they have been awarded on this basis, rather than a lump sum basis you are talking about.

Q. Who does all the architectural work for the Philadelphia Electric Company?

A. I believe Mr. John T. Windrim.

Q. Is he a member of the board of directors of the Philadelphia Electric Company?

A. He is.

Q. From a public utility standpoint, do you think it good practice to give a director the exclusive right to do this work?

A. Do you select your lawyer by going out and getting him on a competitive basis?

Q. I am asking you a question, Mr. Zimmerman.

A. I think it is all right to select your architect, not for the considerations that you say, but the best man that your judgment tells you. Mr. Windrim was the architect long before my time, and as far as I know he has done good work and performed good service.

Q. Do you not think that such dealings with a director of a company breeds suspicion on the part of the public?

A. No; I don't think so.

Q. Do you think, Mr. Zimmerman, in order to prevent abuse of a public trust, which all utilities enjoy, it would be—desirable to have a public observer on the board of directors of these utilities?

A. That is a question which, I think, I am hardly prepared to answer offhand.

Q. What do you think of the present law that permits utilities to earn a fair return on the fair value of the property?

A. What do I think of it?

Q. Yes?

A. I think it is all right.

Q. Do you think that the present seven per cent return, as generally decided by the our Commission is satisfactory or not?

A. No; I think it should be greater.

Q. What do you think it should be?

A. I think it should be anything up to eight per cent.

BY MR. EVANS:

Q. While Mr. Hirsch is waiting, may I ask you, do you know what percentage of the total of Philadelphia Electric construction contracts are let on competitive bidding?

A. No. I don't, Mr. Evans I couldn't tell you. The vast amount of work—you see, the Philadelphia Electric's expenditures in the last five years have run pretty near, I think about thirty millions a year. Now, a large proportion of that work, a very large amount of it is done by the Philadelphia Electric's own people.

BY MR. HIRSCH:

Q. Mr. Zimmerman, I have here an advertisement appearing in the Philadelphia newspapers on January 29, 1931, describing a forty million bond issue of the Philadelphia Electric.

A. Yes sir.

Q. It is called the First Refunding Mortgage Gold Bond 4% series, due in 1971?

A. Yes sir.

Q. Can you identify it? It appears under your name as chairman of the board.

A. It looks right.

Q. Is it a fact that this forty million dollar bond issue can be considered as representing the value of so much construction and improvement?

A. My recollection is that this \$40,000,000 bond issue was sold to take up certain other issues getting rates of interest higher than 4%. I think it says so here, doesn't it.

Q. What I am trying to get after is, does it really represent, whether past, present or future, does it show construction and improvements put in Philadelphia Electric Company property?

A. It represents—it is a mortgage on the Philadelphia Electric Company's property.

Q. But the money that is derived from such issues, is converted into property, plant, improvements, isn't that correct?

A. Not necessarily; not the money from this.

Q. I don't mean that particular issue, but I mean that the \$40,000,000 is represented by property?

A. Is represented by property.

Q. By property, that is correct?

A. Yes.

Q. Since the Commission allows a utility to earn a 7% return on the value of such property, upon which the Philadelphia Electric Company pays only 4% to the bondholders, the stockholders immediately become heirs to 3% profit on \$40,000,000, is that not correct?

A. If that is in the rate base, yes.

Q. This would therefore represent an annual profit of \$1,200,000 to the stockholders at the expense of the rate payers, isn't that correct.

A. I would say that was pretty nearly nonsense.

Q. You have agreed with me that the law allows a 7% return—

A. On the value of the property, and you are—

Q. \$40,000,000 represents the value of the property?

A. It represents a piece of the value of the property. There are other factors besides the amount that that bonded debt represents that are factors in the value of the property. You are talking about the value of the property—

Q. But the \$40,000,000 which you receive from any bond issue, whether it represents stock, or bonds, that \$40,000,000 is converted into property, which is in the possession of the Philadelphia Electric Company, isn't that correct?

A. Yes.

Q. You have agreed that the Commission allows a 7% return on the value of such property?

A. Yes.

Q. Since you pay 4% interest to the bondholders, there is a 3% margin which the stockholders make, amounting to \$1,200,000 each year?

A. Not at all, because that 40,000,000 dollars, that may be used to create that property, and the value of that 40 million might be 50 million.

Q. In which case you would allow the stock a greater profit. In other words, if that \$40,000,000 in valuation amount to \$40,000,000 worth of property, it means there is a still greater margin of profit that the \$1,200,000 a year, isn't that true?

A. I don't think so.

Q. Since the U. G. I. Company controls 98% of the common stock of the Philadelphia Electric Company, the profit of say \$1,200,000 each year passes into the treasury of the U. G. I. Company, isn't that correct?

A. The United Gas Improvement Company through the ownership of the stock of the Philadelphia Electric Company, that is represented by value, shows an investment of the U. G. I. in the Philadelphia Company, and is part of the value of the property of the Philadelphia Electric Company, and whatever the U. G. I. may get, comes to it by way of dividends on that stock.

Q. Can you tell me which bankers usually underwrite the security issues of the Philadelphia Electric Company?

A. Yes. Drexel and Company.

Q. Are those bankers represented on the Board of Directors of the U. G. I.?

A. Yes.

Q. Referring to the \$40,000,000 bond issue, what brokerage was paid to these bankers for floating the issue?

A. You are asking me now to go on my memory, and I cannot answer that accurately. I think I can answer it approximately; I think it was 3%, 3 points.

Q. That is, 3 points below the par value of the bonds?

A. No, there was 3%, or a 3 point commission to the bankers. The bonds, as I recall, were sold to the bankers at 90, and they were sold to the public at 93 or 93½.

Q. That means a profit of about \$1,200,000 to the bankers?

A. No, not necessarily.

Q. It was over that?

A. The bankers have expenses like other human beings who are in business.

Q. Was there any brokerage to the bankers in addition to the discount commission?

A. Not a cent.

Q. Is the Board of Directors of the United Gas Improvement Company controlled by bankers?

A. It is not.

Q. How many directors on the Board of the United Gas Improvement Company?

A. I think there are 14.

Q. I shall read you a list of your Board of Directors, and I would like you to tell me which of those men are bankers.

A. Yes.

Q. E. T. Stotesbury of Drexel and Company; J. P. Morgan?

A. Banker.

Q. Howard Stanley, a partner of J. P. Morgan?

A. Is a banker.

Q. Edward Hopkinson, Jr., a partner of J. P. Morgan and Company?

A. He is a partner of Drexel and Company, he is a banker.

Q. Thomas S. Gates, he was formerly with J. P. Morgan and Company?

A. He is not on the Board any longer. He is president of the University of Pennsylvania.

Q. He is not on the Board?

A. I beg your pardon, he is now. He is president of Pennsylvania University.

Q. He was formerly with J. P. Morgan and Company?

Q. L. K. Thorn, president of Bonbright and Company?

A. Yes, he is a banker.

Q. Effingham B. Morris, Jr., Chairman of the Girard Trust Company?

A. You have said it.

Q. Morris W. Stroud, formerly of Stroud and Company?

A. No. Mr. Stroud is not a banker. Mr. Stroud is a retired gentleman.

Q. What were his former connections?

A. Mr. Stroud was president of the American Gas Company.

Q. Richard B. Mellon, president of the Mellon National Bank, Pittsburgh?

A. Well, you have said it.

Q. Clarence H. Geist?

A. He is not a banker, he is a man that has been interested in utilities for many years, and I would say Mr. Geist was a public utility man.

Q. Is it not possible, Mr. Zimmerman, under the present system of utility regulation in this State for the bankers who have received this \$40,000,000 bond issue at a discount of say 50%?

A. I don't know. I should think it would be extremely dangerous to do it, I don't think they would have any lawyers that would advise them to do any such thing.

Q. Can you state how it could be prevented?

A. Well, I think, while I am not a lawyer, I don't know whether the laws of the State as they now exist would prevent them from doing it. If they do, why, I should think we needed no further enactments, and if they don't, we may need some more enactments.

Q. I show you an exhibit, showing a 7% return on the fair value of the utility's property to the common stockholder under our present laws. Will you take a look at that? (Handing exhibit to witness)

A. Yes.



Q. Mr. Zimmerman, the exhibit I have shown you is an example of an electric utility investment, I assume the value of the property at \$100,000,000, and a fair return of 7% under the laws of the State as interpreted by the Public Service Commission, \$100,000,000 of property at 7% return would entitle the utility to a \$7,000,000 rate of return. If the company raises this money by means of \$75,000,000 of bonds at 4½%, the interest would amount to \$3,375,000. Then if the utilities float a preferred stock issue of \$50,000,000, at 6%, that would amount to \$3,000,000, or a total for the bonds and preferred stock of \$4,275,000. \$10,000,000 is raised by means of common stock, which would mean, therefore, that the \$2,725,000 be distributed among those common stockholders, would return 27.25%. Is that not the reason why the utilities are floating so many bonds today and issuing preferred stock to the public?

A. No, sir, not necessarily, by any means, and furthermore, you can make these figures anything you like, depending upon the proportions you take of preferred stock and common.

Q. You announced before that you thought eight per cent would be a better return to the utilities, and according to this example that would make you 37.55% instead of 27.25%.

A. Well, I could make other illustrations from that that will show you 11% on the common stock. That is simply a mathematical problem, depending upon the proportion you take of the cost of each security.

Q. Isn't it a fact that since the United Gas Improvement Company acquired control of the Philadelphia Electric Company the public was never asked to subscribe to the common stock.

A. Yes, that is perfectly true—well, except the minority outstanding there is roughly say two per cent of 10,000,000 shares, that would be 10% of 10,000,000 would be 1,000,000, 2% would be 2,000,000, about 200,000 shares outstanding in the hands of the public, and they have the same rights as all the stockholders.

Q. I have here a little circular—

MR. TURNER: Before you leave that, where would the cost of operation come in this.

MR. HIRSCH: That is taken out of the return; they are allowed 7% return over and above the cost of operation, that is clear.

BY MR. HIRSCH:

Q. I show you a little circular which the Philadelphia Electric Company has been recently sending out to various customers asking them to subscribe to \$5.00 preferred stock. I shall read a portion of it. "In answer to the present widespread desire for investments that are both conservative and attractive the Philadelphia Electric Company is shortly to extend to its customers and employees the right to purchase the issue of 20,000 shares of \$5.00 dividend preferred stock without nominal or par value, recently authorized by its board of directors.

Shares may be purchased from any employee, or at any office of the Company, by the payment of \$100 in cash, per share—or on the convenient term payment plan of \$10 per share with order and \$10 per month for nine months. Fully paid subscriptions will begin earning dividends May 1, 1931. Another section, "Money realized from the sale of this five per cent preferred stock will be used to provide actual physical property necessary to the improvement and expansion of electric service in the city of Philadelphia and electric and gas service in the suburban areas embracing either wholly or in part the counties of Delaware, Chester, Montgomery, and Bucks." I note that the issue which you are giving the public carries dividends at the rate of five dollars per share, whereas in my example I used preferred stock dividend of six per cent.

A. Yes. But what has that got to do with it?

Q. Furthermore, in the example I have given I used four and one-half per cent interest on bonds, whereas the recent issue of the Philadelphia Electric Company bonds was four per cent, which shows that the net return as figures is conservative and that if the actual figures were used, in all probability the net return would be much greater.

A. I don't agree with your conclusions for an instant. They are fallacious in every respect. You cannot apply that example to the Philadelphia Electric Company unless you put down the entire capital stock. You take but fifteen millions. Just to show you there is no comparison, prior to the sale of preferred stock, prior to the sale of the bond issues to the stockholders of Philadelphia Electric, the stockholders subscribed \$20,000,000 of common stock, which went into the improvement of the property.

Q. This being 98 per cent of the stockholders?

A. Yes sir, and the balance for the public.

Q. In other words, two per cent went to the public?

A. Two per cent of the stock, \$400,000 worth.

Q. It is interesting to know why the huge United Gas Improvement Company never has acquired the other two per cent of the stock. Has any effort been made to obtain it?

A. Yes sir.

Q. Is it not true, Mr. Zimmerman, that as these utilities are adding to their property, they are issuing more and more senior securities in the nature of bonds and preferred stock?

A. Are you asking me that question as a general question of industry, or as it particularly refers to the United Gas Improvement Company?

Q. As it applies to the United Gas Improvement Company?

A. We are not. Just the contrary.

Q. I think you have not got the whole question. It is not true that as these utilities add to their plant for which they are raising the money by means of greater quantities of bonds and preferred stocks it will produce a return so that the common stockholders will obtain a much higher return on the money they have invested?

A. No, I don't agree with that.

Q. In the annual financial reports of the Philadelphia Electric Company, in a statement to the Philadelphia Stock Exchange, I have observed the following statement: "It is the practice of the company to set aside each year from the surplus and reserve, or both, an amount of money which in the judgment of the management, based upon experience, will care for current retirement, and in the course of time will provide an increasing reserve to provide for future major retirements." Is that the practice of your company?

A. Yes, so far as I know.

Q. I have observed in your financial reports you have "Depreciation, amortization, replacement and renewals, and so forth," and here is an additional clause which covers further reserves; Is this the means of removing a certain amount of surplus that might otherwise be used in reduction in rates to consumers?

A. No sir, of course not.

Q. Since this statement has it that the amount depends upon the judgment of the management, what is to prevent that judgment being used for the purpose of absorbing all the available surplus of the electric companies which might be used for the reduction in rates?

A. That would be a dishonest judgment. The judgment is not exercised that way. The best answer to that is the history of the company and the reserve set up, instead of referring to circulars filed with stock exchanges. The records are available as to the reserves set up and I think will show a consistent history.

Q. Were you active politically in the last election?

A. What do you mean by that?

Q. Did you urge any of the officers or employees of the Philadelphia Electric Company or the United Gas Improvement to take an interest in the campaign?

A. No sir, they had to exercise their own free consciences in that matter.

Q. Did you instruct any officers and employees how to vote?

A. I did not, and you have no right to ask me that, and I resent it.

Q. Did you write or send any letter to the stockholders?

A. I did. Would you like me to read it to you?

Q. Yes sir, if you have it with you?

A. I think I have it with me. Maybe I am speaking too quick. Here it is:

"THE UNITED GAS IMPROVEMENT COMPANY  
1401 Arch Street, Philadelphia.

Office of the President.

October 30, 1930.

To Our Stockholders:

I enclose earnings statement for the quarter ended September 30, and for the twelve months ended the same date. Similar statements will be sent you at the end of each quarter, except for the quarter ending December 31, which figures will be included in the annual report.

I particularly desire to call your attention to attacks of a political nature now being directed against your company and some of its subsidiaries, which are so false and misleading

that you should combat them with all the influence at your command. It is the duty of every individual citizen to see that proper men are elected to public office, and it is not only the right but the duty of every stockholder to protect his property by challenging statements made for the purpose of arousing the ill will of the voter against his corporation.

The good will and friendliness of the public which it serves are essential to the successful operation of any utility. To attempt to break down the confidence of the public in these utilities in order to serve selfish political ambitions is neither fair nor decent.

The average revenue per kilowatt hour sold in Philadelphia for electricity for domestic, commercial and power uses is about 5% lower than the average revenue per kilowatt hour sold for such uses throughout the United States. The policy of your companies for many years has been that of voluntarily reducing rates, thereby sharing with the public the reductions in cost obtained by increased sales and greater efficiency in operation and management.

The Philadelphia Electric Company has made six voluntary reductions in rates within the last six years, resulting in a saving to consumers of \$6,000,000. The charge attributed to Mr. Pinchot that industries are leaving Philadelphia because of excessive power rates of the Philadelphia Electric Company can be briefly answered by quoting the following statement of the Philadelphia Business Progress Association:

'Claim can be made with all due conservatism that the Philadelphia area enjoys more advantages with respect to power than any other important industrial center of the country.'

and the further statement of that Association that:

'Based on bills for average month of twenty-five working days of ten hours each, to consumers of 1000 H.P., the cost of power in Philadelphia is less than in Cleveland, Cincinnati, Boston, St. Paul, Minneapolis, Brooklyn (which enjoys the lowest rate in Metropolitan New York), Baltimore, Chicago, Milwaukee, Detroit, St. Louis, Kansas City, Louisville and Norfolk.'

John E. Zimmerman, President."

Q. Now Mr. Zimmerman, as you stated, that Philadelphia Business Progress committee did provide a great deal of your information relating to a comparison of the rates between the Philadelphia Electric Company and the electric companies in other cities?

A. I quoted it from the Philadelphia Business Progress Committee. I confined myself to quotations taken from the reports they prepared.

Q. Can you tell me how much money the United Gas Improvement Company contributed to the Philadelphia Business Progress Association when it was organized?

A. I don't remember?

Q. Was it something like a hundred thousand dollars?

A. No I don't think it was anything like it. If you want the figures I can get them for you.

Q. Is it not a fact that William H. Taylor of the Philadelphia Electric Company was the Chairman of the Committee that raised the money that put into being the Philadelphia Business Progress Association?

A. I think so, but you can find out from him.

Q. Is it not a fact that the Philadelphia Electric Company contributed \$75,000 to the Business Progress Association of Philadelphia?

A. I don't remember the amount. It contributed something, but I don't remember the amount.

BY MR. RHODES:

Q. What was the purpose of that association?

A. The purpose was to advance the interests of Philadelphia as an industrial center and to invite industries to come to Philadelphia, and to point out, as I understand, the advantages of the city as a big industrial center, and to get more industries in.

BY MR. HIRSCH:

Q. Did you personally make any financial contributions to either party during the last campaign?

A. I did.

Q. What was the amount?

A. A thousand dollars.

Q. Was this amount charged to any expense account of the Philadelphia Electric Company?

A. It was not. And that is a question I have a right to resent. You must not judge others by your own self.

MR. TURNER: Now, Mr. Zimmerman, you don't think you ought to—

THE WITNESS: My dear sir, I think I have a right to resent that kind of a question.

MR. TURNER: It is perfectly proper for you to resent it, but I don't think you should take advantage of the position of counsel.

BY MR. RHODES:

Q. Mr. Zimmerman, can you give us the capital set-up of the Philadelphia Electric and the U. G. I.?

A. Yes sir.

Q. I do not think that was brought out.

A. I would be glad to give you anything you want.

Q. I would like to know what is the amount of your bond issue, and the amount of your capital stock and your common stock.

A. I have a statement.

Q. I would like to have it.

A. Yes sir. Do you want me to give you the capital stock first?

A. Yes.

A. The 5% dividend preferred stock is \$12,680,000; the common stock is \$135,160,000. There is an eight per cent cumulative preferred stock of the Philadelphia Power Company. Of course, I am giving you this from a consolidated balance sheet, I mean to say that it not only represents the Philadelphia Electric, but what we call the Philadelphia Electric System, and then there is the Susquehanna Electric which in turn controls the Conowingo. There is \$12,000,000 of that eight per cent preferred, and then there are funded debts that total \$159,376,000, and of the Susquehanna Utility there is the preferred stock, in round figures \$600,000?

Q. Do you have that in a form which we can put in evidence?

A. It is right here in the annual report of the Philadelphia Electric. I would be very glad to leave it.

MR. RHODES: I would suggest that that be offered in evidence.

THE WITNESS: Do you want the U. G. I.?

MR. RHODES: If you have it that way. You do not have to read it if you have it in such form that you can leave it with the Committee.

THE WITNESS: Unfortunately, all I have is the galley proof of the U. G. I., which will go out in two or three days.

MR. TURNER: It will possibly save time if you will read it into the record.

MR. EVANS: If the Committee please, I would suggest that we reserve an exhibit number for it, and allow Mr. Zimmerman to send it to us, if that is satisfactory.

THE WITNESS: That is satisfactory; yes.

BY MR. HAGMAIER:

Q. In your judgment, do you think the Public Service Commission laws in the state of Pennsylvania need revision?

A. I do, yes sir; and I should be glad, if the Committee would permit, to express my thoughts in that respect.

BY MR. EVANS:

Q. Just before you get out of the more general line, may I ask you what has been the dividend rate of the Philadelphia Electric common stock from 1925 to 1929?

A. You want exact—

Q. I mean in percentages, roughly.

A. As far as I remember, from 1925 to the close of 1929, and the early part of 1929, the dividend was eight per cent on a par value of \$25 a share, which would be \$2 a share. Subsequent to that time there was, of course, the increase in the Philadelphia Electric system by consolidation of the Philadelphia Electric through the merger act into the Philadelphia Counties Gas and Suburban Electric Company, and we had then a situation where the Philadelphia Electric Company had stock of a par value of \$25, the Philadelphia Suburban had stock of no par value, and we consolidated them into the new Philadelphia Electric Company with a stock of no par value. Just prior to the consolidation of the two, the dividend on the Philadelphia Electric stock was increased to match the



dividends that the Philadelphia Suburban were going to get on their stock. Do you see what I mean? They were putting them together. After that the Philadelphia Electric paid subsequent dividends on its common stock, the amount of which I don't remember off hand; I can give that to you. It was the stock of the Consolidated Corporation.

Q. Would you give us those dividends for 1929 and 1930?

A. Very glad to.

Q. And so as to show whether or not there is any change in the dividend per share from 1927 to—

A. Very glad to.

BY MR. HIRSCH:

Q. Mr. Zimmerman, you just said that in order to match the dividends which the Suburban County Electric Company had been paying—

A. Per share?

Q. Per share on their stock with that which the Philadelphia Electric had been paying on their stock, the electric company increased its dividends in order to match that dividend?

A. What I meant, when we took the dividends prior to the consolidation, the Philadelphia Suburban was getting a certain percentage of the earnings by way of dividends, we will say eighty-four per cent. Now, we formed the consolidation, and the stockholders of the Philadelphia Suburban and the stockholders of the Philadelphia Electric got the stock of the Consolidated Corporation. So, it was taken out in the same proportion of the earnings that the Philadelphia Suburban was taking prior to the consolidation. In other words, if it was only taking eighty-four per cent we brought the other up to eighty-four per cent.

Q. That was very generous to the consumers to have boosted the dividend rate?

A. What has that to do with it? What have dividends to do with it? The question is whether the earnings made on the property were reasonable or unreasonable, and the dividends have no bearing on it at all. The dividends might be 100%. The question is the return on the value of the property. You asked me to express my views?

MR. HAGMAIER: Yes.

THE WITNESS: I think that the Commission Act, as we have it in Pennsylvania today is one of the best acts taken as a whole that I know of. I think I am fairly familiar with the acts of other states. I have had occasion to be a witness before other Commissions and taking it all in all I think the Pennsylvania act is a good act. I do not think it needs certain reinforcing in this respect, and I think the two principal points in which it needs that reinforcing is, one, that there should be some power in the hands of the Commission for a suspension of rates where there is an application for an increase in rates. Then, to go hand in hand with that, there should be a mandatory provision that the Commission shall give its decision within a certain time.

Now, I went through the war and I went through with utilities that had black figures in the earnings which all ran into red, and some of those utilities couldn't get relief from the Commission. In other words, there was no mandatory provision in the Commission Act that relieved, and the application was made for the increased rates, and the increased rates would not be granted; we would go on for a year or two and in some instances, we had very serious difficulties.

Another thing in which the act needs strengthening is in connection with the issue of securities, I think in that respect it should be strengthened. I think it should not be made too wide in the powers given to the Commission, but I think full and reasonable powers should be given them to control the bond issue of securities. So, at this time, as nearly as I can understand the law of the state, together with the law of the Public Service Commission—and the teeth have been put into the act; it is a very dangerous thing, if not practically impossible, for any officer of a public utility to issue securities unless he receives the proper consideration in cash for them. The utilities have been under regulation since 1913; that is practically eighteen years, and in that eighteen years, they have been required, under the Commission Act to reflect all their costs of additions to the property and everything else in the cash costs in their books, and in those two respects, I think the act should be strengthened.

BY MR. COOKE:

Q. We have asked other witnesses who have been here what they think of the annual report. Would you be kind enough to tell us what you think? What is your general impression as to what should be done with that?

A. Mr. Cooke, I don't know that I have any impression as to what should be done with that.

Q. Just carrying out the—

A. Just carrying out the requirements of the act, to file the report. I think what is in your mind probably is the study of those reports by the Commission?

Q. I was just wondering what you considered to be feasible. And now, I assume there has got to be some vising of your operations other than what is precipitated by complaints. I was wondering whether there was any orthodox way in which the Commission, representing the Legislature, can get that under supervision.

A. Of course, I think it is merely a question of personnel. I don't see any reason, why these public utility corporations should not be required to file the proper data and reports, provided that the Commission had a large enough organization which could scrutinize those reports, and determine what profits are being made, but that will not do, unless they have simultaneously the valuation of the property. Now, if in 1913, when the Commission first went into force, instead of trying to do what they have been doing here and the Federal Government have been trying to do, to get at things by retroactive legislation—if in 1913, the act had said the book value of these utilities would be recognized as such from now on; you say, reflect thereon, the capital, the money costs to date, you would to do what they have been doing here and the Federal Government have a situation that a great deal of your owed property, because seventeen years, in the passage of time it has been marked off, it has gone, and you would have on your books today the actual cost.

MR. TURNER: That is what I was going to ask you, whether their capital reports, whether they do not reflect the valuation, as I understand from the testimony which has been before the Committee?

A. That may be or may not.

Q. That may or may not; isn't that one of our troubles?

A. That is one of our difficulties, but we should all remember—I am just pointing out this retroactive legislation. We should all remember that the utilities of the state for seventeen years have run their properties on the law of the state, and the law as it is today in the state is a question of what is value, and the law of the land as announced by the Supreme Court is value. Now, all the securities which have been sold to the public and everybody else, of course, they have been sold with the knowledge that that was the law at the present time; and so I say that if we are going to make any amendments to the act, don't let us try to pass things in a retroactive sense.

BY MR. COOKE:

Q. And now, apparently seventeen years or more ago you would have been willing to get the same sort of fixture; what would be your reaction to include prudent investment from now on and let the law of the land apply to what has gone over the dam.

A. Mr. Cooke, I would be in favor of that in that sense, but if we established today—we took the book value of these companies and from now on we would reflect thereon purely the money that you have put in. I have a little quarrel with you about the word prudent, for this reason; it is extremely easy—if I can point out to you; you know these problems—I sit down, for instance, today and I get the best technical advice I can get on the deciding whether I shall spend \$500,000 or \$1,000,000 on certain things.

We ought to use our best judgment, and in exercising our judgment we say that shall be done. Two or three years afterwards when we are able to apply hindsight to it, we see it was not very wise. Now, on the prudent investment theory, would that be thrown out.

MR. COOKE: Oh, certainly not.

THE WITNESS: That is all right. That is the thought I meant to convey.

BY MR. COOKE:

Q. As I understand it, the only reason for putting in the word prudent is to guard against our getting together and putting something over, but if you use your judgment—

A. That would be different.

Q. And that is the only way that I can see how we will ever get out of this mess that we all admit we are in now.

A. Of course, there is a question there, Mr. Cooks, you have thought of this thing, and I have thought of it, and I think we have to bear in mind a bit, and that is that after all the purchasing power of the dollar enters into this thing. In other words, let me illustrate that: If 20 years ago the dollars had a purchasing power of 100 cents, and a dollar today only has the purchasing power of half that, and you get 7% on your dollar, the purchasing power of that 7% that you get today is half of what it was then, and that is the reason for this par value established by the Supreme Court, I think. Now, you can either do it by altering the base, or recognizing inflation and deflation of the dollar, or you can do it by keeping the base constant and changing the rate of return with the value of the dollar.

Q. I believe if you use prudent investment, you have to change the rate of return?

A. That is all right.

Q. What it seems to me, the whole country is looking for, is how to do it. If you had been in the room here last week and had seen this multiplicity of valuation of the same property—I know how you personally feel about that, that is not the type of work that would please you, you are too much of an engineer—but we have to get out of that, and the only way I can see out of it is to plug in and say we will avoid that sort of thing, and let the company and the public thresh it out.

MR. EVANS: Is this a copy? (Referring to copy of Electric Company report on counsel table) Are you going to leave this with the Committee, or are you going to furnish that later?

THE WITNESS: I think Mr. Rhodes asked for a copy of the Hyde Gas Improvement Report, and that will be sent as soon as it is prepared.

Annual report to the stockholders for the fiscal year ending December 31, 1930, of the Philadelphia Electric Company, produced and marked Exhibit No. 92.

MR. EVANS: I offer the annual report of the Philadelphia Electric Company for the year 1930 as Exhibit No. 92.

WM. H. TAYLOR sworn

BY MR. HIRSCH:

Q. What is your full name, Mr. Taylor?

A. William H. Taylor.

Q. What is your position with the Philadelphia Electric Company?

A. President.

Q. When did you first become president of the electric company?

A. On the 14th of February, 1928.

Q. Was that immediately after the United Gas Improvement Company acquired control of the Philadelphia Electric Company?

A. It was shortly after, I don't know how immediate.

Q. Whom did you succeed as president?

A. Mr. Walter H. Johnson.

Q. When you first assumed office as president of the Philadelphia Electric Company, did you find the organization an efficient one?

A. I found the organization efficient, and made up of men who are highly skilled in their business.

Q. Approximately how much construction work did you award to the United Engineers Construction during the year 1930?

A. Mr. Hirsch, I could not answer that exactly, I can say approximately in my opinion it would be in the neighborhood of possibly \$4,000,000 maybe \$4,500,000.

Q. Can you say whether most of this work was done of the 10% basis referred to by Mr. Zimmerman.

A. I could not answer that off hand.

BY MR. HIRSCH:

Q. Could you estimate what the average fee you gave the United Engineers Construction for the service they rendered your company during the year 1930.

A. No, not without referring to the books and the records.

Q. Does the Keystone Paving and Construction Company do much work for the Philadelphia Electric Company?

A. They do some, not a great deal.

Q. On what basis do they do work for your company?

A. They do work on the basis of cost plus and percentage.

Q. What is that percentage?

A. Fifteen per cent.

Q. Can you say approximately how much construction work this company did for the Philadelphia Electric Company last year?

A. They have been doing each year for the last two or three years in the neighborhood, I suppose, of an average of \$500,000 worth of work.

Q. And all that work is on a cost plus 15% basis?

A. Yes, on a cost plus 15% basis, for the reason, that it is a very special kind of work, and it is a work that requires a certain type of labor; it is work that cannot possibly be let out on any sort of a lump sum contract.

Q. Do you know who controls the Keystone Paving and Construction Company?

A. It was controlled by the late Isaac D. Hetzel.

Q. Do you know who is in control since his recent departure?

A. No, I don't.

Q. Is this the same Isaac D. Hetzel who was a member of city councils of Philadelphia, for a number of years?

A. The same man.

Q. He was a member of the Public Utility Committee of City Council, was he not?

A. I don't know that.

Q. Does the Philadelphia Electric Company itself perform any underground construction work.

A. The Philadelphia Electric Company on underground construction work lets out the laying of the conduits, the installing of the terra cotta conduits, and the manholes, the cutting open of the streets and the paving and back filling. Its own electricians install the cables and other electric appliances or devices necessary for a complete underground construction.

Q. Does the Philadelphia Electric Company do its own maintenance work in connection with their underground conduits?

A. It does its own maintenance work in connection with the electric work and a large maintenance job involving the renewal of conduits or something of that kind requiring the cutting open of the streets, would probably be let to a contractor.

Q. Is there any other contractor besides the Keystone Paving and Construction Company that you have ever awarded any contract to for your underground construction?

A. I don't know.

MR. TURNER: I presume these questions all go to the time since Mr. Taylor has become president?

MR. HIRSCH: Yes, sir; that is the time I refer to.

MR. RHODES: When did Mr. Taylor become president of the company?

MR. HIRSCH: It was answered on February 14, 1928.

BY MR. HIRSCH:

Q. Is there any overhead construction or substation work which your company does itself?

A. The company does a great deal of overhead construction work; in fact, we do the bulk of all of that kind of work by our own forces. Our whole arrangement in regard to doing work ourselves or contracting out work is based on this; we try to keep a force of men who are available for both maintenance or construction work, a force, that, due to the usual and daily routine operations of the property, enables us to keep a practically constant force. We also like to do our own work, what we call "hot" work; that is, work that may involve the close proximity or work on charged electric wires, because of the better control of the safety of men. When it comes to a matter of a large construction job, where in the ordinary course of events, in order to undertake it or perform it, we would have to increase our force and,—well, increase our force to taking on an entirely new gang, which would involve taking on the overhead, a foreman, and superintendent, and things of that kind,—we prefer to give that job out to an outside contractor, and that is the method we pursue.



BY MR. HIRSCH:

Q. Mr. Taylor, does your company pay the United Engineers and Constructors Company any fee or commission for any construction which your company does itself?

A. I does not. It pays for nothing except what the United Engineers and Constructors perform for us.

Q. Is anything charged on such construction for a supervisory fee to the United Engineers and Constructors?

A. You mean on work we do ourselves?

Q. That is right.

A. Absolutely nothing.

Q. Has a fee or commission ever been paid to the United Engineers and Constructors for such work?

A. No.

Q. Who does the purchasing for the Philadelphia Electric Company?

A. At the present time the purchasing is done by the Purchasing Department of the United Gas Improvement Company, and that is one of the services that the United Gas Improvement Company renders to us. I think Mr. Zimmerman failed to mention that. Up I think until sometime during the latter part of 1929 or sometime in 1930, I am not exactly clear on that, the Philadelphia Electric Company maintained its own purchasing department at a cost of about \$90,000 a year. It seemed foolish to have two purchasing department operating in the same city for the same interests, so it was arranged that the Philadelphia Electric Purchasing Department would be merged with the Purchasing Department of the United Gas Improvement Company in one purchasing agency, and that relieved the Philadelphia Electric Company of that expense to that extent.

Q. What items do they purchase for your company?

A. The Purchasing Department purchases everything practically, I think with no exceptions at the present time, and also negotiate the contracts.

Q. Do you pay the U. G. I. any extra fee for the purchase which they make for your company?

A. We do not. We pay only the invoice price for material and the contract price on contracts, there is no fee, no percentage and nothing added.

Q. Do you pay the bills directly to the vendors of this equipment?

A. We do.

Q. In other words, when a purchase of coal or electric apparatus is made for the Philadelphia Electric Company, the order is sent to the U. G. I. and they in turn order the equipment and have it shipped to the Philadelphia Electric Company.

A. No. The Purchasing Department of the U. G. I. acts as the Purchasing Department of the Philadelphia Electric Company. Mr. R. Z. Zimmerman is the Purchasing Agent and is listed as the General Purchasing Agent of the Philadelphia Electric. Whatever services they render, they render as agents for Philadelphia Electric.

Q. And the bills that cover such merchandise equipment are sent directly to the Philadelphia Electric Company?

A. I don't know whether they come directly to the Philadelphia Electric or the Purchasing Department first, but they come to the Philadelphia Electric for payment, the original bills as submitted by the vendor.

Q. You know of course, Mr. Taylor, that the purchase of transformers and other electrical apparatus, the makers of this equipment allow a certain discount on quantity purchases each year. Are these discounts passed along to the Philadelphia Electric Company?

A. Any discount earned at the end of the year under that sort of an arrangement would be apportioned to the Philadelphia Electric and other companies for which Mr. Zimmerman might act as purchasing agent proportionate to their purchases.

Q. Who receives these discounts, the Philadelphia Electric or U. G. I.?

Q. Approximately how much coal does the U. G. I. purchase for the Philadelphia Electric each year?

A. The Purchasing Department purchases practically one million tons in round figures, they do it as agents for the P. X.

Q. Approximately what would one million tons of coal cost to the Philadelphia Electric.

A. Something, at the present time, about \$4,500,000.

Q. And what fee does the U. G. I. get for that purchase?

A. Nothing, it is a service rendered.

Q. How do they arrive at a basis of payment to the Philadelphia Electric for the purchase of such a large quantity of coal?

A. I don't understand the question?

Q. What is the basis of payment to the U. G. I. when they purchase that quantity of coal for your company?

A. That doesn't enter into the transaction at all except with the purchasing department. They enter into a contract direct with the seller of the coal acting, for us, and the contract is made in the name of the Philadelphia Electric. There is no intermediate.

Q. Is there any service fee charged on a contract which U. G. I. makes for you?

A. Absolutely not.

Q. Do you know or would you know whether the shippers of coal give the U. G. I. Company any rebates on your purchases of coal?

A. I don't know. I cannot say that I know, but I am certain that they don't. The U. G. I. doesn't do business that way. Mr. Hirsch.

Q. Who looks after the disposal of your discontinued equipment?

A. The Purchasing Department.

Q. Of the U. G. I.?

A. The Purchasing Department of the U. G. I. is also the Purchasing Department of the Philadelphia Electric.

Q. And for such purchases the U. G. I. Company makes an annual charge depending on the quantity; is that correct?

A. An annual charge on the disposal.

Q. On the purchase and disposal of equipment?

A. They make no charge whatever except what is included in the fee at the end of the year for service rendered.

Q. In arriving at that fee, at the end of the year, is any one from the Philadelphia Electric called into consultation with the U. G. I. to determine the size of that fee?

A. They certainly are. I am called in and pass on the bill as to its reasonableness, and whether it is a bill that is satisfactory.

Q. Does the U. G. I. likewise purchase your electrical appliances?

A. This joint purchasing department purchases all—makes all purchases for Philadelphia Electric, with the exception of possibly some miscellaneous minor material that may be bought directly on the job or at some of our division headquarters. It would be very small stuff and emergency stuff.

Q. Who is the head of the purchasing department of the U. G. I.?

A. I. C. Zimmerman.

Q. Does he receive any salary from Philadelphia Electric.

A. He does not.

Q. Does the U. G. I. receive any compensation for the services rendered by Mr. I. C. Zimmerman?

A. Not from Philadelphia Electric.

Q. Is that likewise included in the annual fee, which the U. G. I. received from the Philadelphia Electric.

A. The U. G. I. does not receive any stated annual fee for any fixed amount. It renders during the year certain services, and among those services is this purchasing department. It also renders other services. At the end of the year a resume is made of what these services have been during the year and an agreement reached as to an amount which will—I won't say compensate the U. G. I. for the work they have done, because I don't think the amount paid does; but it will be mutually satisfactorily, and in that respect the U. G. I. has leaned over backwards, so that it could not be accused of asking for more than what would be a fair return.

Q. Do you think the U. G. I. is losing money by rendering such service to the Philadelphia Electric?

A. The U. G. I., in my opinion is not being compensated for the services rendered, at what the service would cost, if provided by our own or outside agencies. Whether it is preferable or not I don't know.

Q. You sell a great deal of your electrical appliances on the instalment plan, do you not?

A. A great deal of the appliance sales are sold on the instalment plan.

Q. Do you have a special fund set aside for this purpose?

A. I don't have any special fund set aside. The accounts of the merchandise department show the operations of that department and all those transactions are segregated.

Q. If there are any losses in this fund, or sustained by the appliance department they are passed along to operating expense, are they not.

A. They are not.

Q. How are those losses taken care of?

A. These losses, if any, are included in what is known as the non-operating accounts, or non-operating revenues or expenses, and it is the usual practice for public service commissions and others in dealing with the rate of return, the rate based on earnings of a company to exclude these non-operating revenues or expenses from any consideration in arriving at a rate; so that if there are any losses in the department it comes out of the stockholders accounts and does not enter into the rate base.

Q. Are you operating your appliance department at a profit?

A. At the present time or for the year 1930, the appliance department, has been operated at a loss. For 1929, I think it just about broke even. Everybody knows that in 1930 we have been going through a very strenuous business depression. We had to decide whether we should lay off or discharge some three hundred and fifty or four hundred men because of the fact that people were not buying appliances at the rate at which they had previously been buying them, and that our volume of sales was not equal to what it had been in several prior years. We either had to decide to throw these men out of work and put them on the unemployed list, or keep them employed and endeavor to sell as much as we possibly could. In following that policy for the year we show a small loss relative to the volume of business done.

Q. Are there not many reputable electrical appliance people in Philadelphia covering the territory served by you?

A. A great many.

Q. And may I ask whether in the sale of these electrical appliances you have included a proper portion of your salary and other executives who devote part of their time to it?

A. I don't recall offhand; in fact, I don't know whether any of my particular salary is included in that; but I would say that the accounts represent every charge that we can think of that might properly be applied against the appliance department.

Q. Where these appliances required servicing, like mechanical refrigerators, isn't it a fact that the cost of such servicing is borne by some other departments in your company?

A. These appliances are sold—both of the appliances of that type are sold with a guarantee attached. The guarantee, may run for three months, for six months, or a year, or maybe longer in some cases. Any appliance that is sold with a guarantee is serviced at the cost of the merchandise department during the guarantee period. After the guarantee period, it takes its place in our system just the same as any other appliance that may have been sold by a department store, or an electrical dealer, or a contractor, or anybody else.

We service any appliance for anybody regardless of who sold it. That is part of the electric service that is rendered. We make a charge for this service to some extent, but a great deal of it, necessarily—I won't say a great deal, but some of it necessarily, can't be charged for, because if a customer calls us up and tells that the refrigerator is not operating properly, and we go there and find that it takes about a five minute adjustment; it takes a matter of turning a few valves or adjusting a few gadgets on this refrigerator, the time is so short that the customer can't see why that service should not be rendered to them, and we don't attempt to make a charge in a case of that kind, but if we furnish any material or labor we try to charge the cost of that work.

BY MR. TURNER:

Q. That cost, when you make any charges, is borne by the appliance department or by the general operations?

A. After an appliance has been moved out, has been moved away from the merchandise sales department, after its guarantee period has expired, it has the same standing as an appliance sold by a department store or electrical dealer or anybody else. In other words our consignees—after the guarantee period is over then it is serviced by the company at or near cost as it is possible. And now, if that particular department does not break even on these service costs, and there will be a certain amount of free work included on appliances we have sold, and appliances that have been sold by anybody else; that becomes an operating charge that is known as the utilization account.

Q. If your charge for the installation of appliances would not amount to the actual cost of that installation, that would have to be borne by the appliance department?

A. If the appliance—at the end of the year the appliance department, the merchandise department, if it has been operated at a loss, that is a loss to the stockholders, and would not be considered in arriving at a rate base.

Q. Charged to that specific department itself?

A. That is right.

BY MR. HIRSCH:

Q. When you purchase these appliances, they come out of the general fund of the company, do they not?

A. The cash is provided by the company; there is no identification of a dollar in our treasury.

Q. In other words, your appliance itself has been bought by the money contributed by the rate payers, is that correct?

A. No, I don't think so.

Q. Well, does not the money paid by the rate payers go into the general fund of your company?

A. That goes into it, and so does the money contributed by the purchasers of securities.

Q. Approximately how much did the Philadelphia Company lose in 1930 in the appliance department?

A. I don't remember in exact figure, but it was in the neighborhood of \$100,000 on some \$4,000,000 worth of sales.

Q. When there are profits made in the appliance department, where do they go?

A. They follow the same course that losses would take.

Q. Would they go to enrich the stockholders?

A. They go through the non-operating revenue account, and would become a direct charge to profit and loss, just the same as losses, if any, are a charge against profit and loss.

Q. Suppose you sustain a loss of a million dollars a year in your appliance department, how would you make up that loss?

A. I would not have it, I would shut the department up first.

Q. You certainly would not charge it against the stockholders account, would you?

A. If we lost a million dollars, or two million dollars through that account, it would be a loss to the stockholders, it would be a charge against profit and loss.

Q. Where you have a combined district office and appliance department, do you charge any rental for the use of that district office, using the room?

A. We do, we charge the merchandise department with a proportionate part of the rent.

Q. Is that based on the value of the space occupied?

A. It is necessarily an allocation, and is based on our judgement as to what proportion of the cost is incurred by the merchandising department. For instance, Mr. Hirsch, I might explain it this way: Regardless of the fact, taking one of our district offices, regardless of the fact whether we do any merchandising there or not, we would have to maintain an office in order to take care of the customers who come in and make contracts with the company, and also to pay bills and transact the multitude of business affairs they have with us, that office would have—we would have to have that office, regardless of whether we have merchandise sales there or not, now when we expect merchandise there occupy some of the floor space, they are charged rent for that. The wages and salaries of the people employed on the sales floor to handle sales, or make sales, are also charged against the merchandise department.

BY MR. EVANS:

Q. Mr. Taylor, do you charge the appliance department with a rental charge, which would be approximately the market rental of that space?

A. Yes, in our judgement that is the market rental—not necessarily in square foot area, but we make a compromise, what would be our costs—well, our cost would be a certain amount if we had an appliance department, the charge against the merchandising department would be a certain allocation of the space, I won't say it would be exactly the number of square feet, because it is almost impossible to determine that. All the space occupied by the merchandise department is also used as a passage way for people coming into the office, parts of the office, and we exercise our best judgment as to what is a fair allocation of costs to the merchandise department.



BY MR. HIRSCH:

Q. Does your report for 1930 show a loss of \$100,000 in the appliance department?

A. Our report for 1930—what report do you refer to.

Q. Your reports that you are preparing for the Public Service Commission.

A. I don't know whether the report of the Public Service Commission would show that item as a segregated item or not. Our reports to the Public Service Commission will show none operating revenue, I am sure, and the loss in this department that we are telling about would be included in that.

Q. Isn't it possible, Mr. Taylor, under such an arrangement, which depends upon your own judgment as to the rental to be charged against the appliance department and the proportion of the salaries of the supervisors and officers of the company get, or receive, isn't it possible when the appliance department is faced with a loss, to charge the rental, and change the proper segregation of salaries so that it will come out of operating expenses.

A. Why, that would be possible, but that is not the way we do business.

Q. Isn't it a fact, Mr. Taylor, that the other dealers of electrical appliances have been strongly opposed to the electric companies activities in this direction?

A. Why I would think at the present time it is quite the opposite. I think the association of contractors and dealers, jobbers, and others who are selling merchandise, appliances, in the City of Philadelphia, are banded together in what is known as an electric association, and I think that at the present time there prevails a real spirit of harmony between this association and the utility company, so much so, that they are operating together; they are co-operating in various plans for the improvement of the industry in general, we expect to have a joint refrigerator show there shortly where all the manufacturers, will set up their machines and that will probably be followed by an electric range exhibition and all these various dealers, distributors will participate in that with us.

Q. Do you charge the proper advertisement expense to your appliance department?

A. I think we do.

Q. Or is a great deal of your advertising charged against good will advertising and put into operating expenses.

A. Is very easy to identify advertising from its nature as to whether it is advertising of merchandise or whether it is promotional or good will advertising, and any advertising is allocated to the proper division. If it is merchandising it is charged against merchandise.

Q. Who does the allocating, Mr. Taylor?

A. It is done by the department that has charge of the advertising.

Q. Approximately how much do you expend for advertising in a year.

A. Well, that would be a guess on my part right now Mr. Hirsch, I would say in the neighborhood of possibly \$550,000.

Q. Is that for appliances?

A. Not for appliances, I thought you meant general advertising.

Q. No, I mean for appliances.

A. A much less sum than that. We try to regulate the appliance and merchandise advertising to approximately 3% of the gross sales.

Q. Where your company engages in the sale of coke in Delaware County and other places on the installment plan you render bills to the purchasers of such coke on the same form that you render your electric and gas bills.

A. I don't know. I haven't seen one of the coke bills.

Q. In other words, where you have an electric consumer purchase coke from your company and he receives his monthly electric bill, doesn't he also in that same bill have an added charge for the coke he purchases?

A. He may or may not. I can not answer that, as to what their practice is on the selling of coke or the billing of it, whether they would add that on to the gas or electric bill or not. I don't think so. My impression is that that is billed separately, but I am not positive on that point.

Q. Have you ever been active in politics, Mr. Taylor?

A. Never.

Q. Were you active politically during the last campaign?

A. I was not.

Q. Did you urge any of your officers or employees to take an active interest in the campaign?

A. I did not.

Q. Did you ask or instruct any of your officers or employees to assist financially or otherwise in the election?

A. That would be a personal matter with them. I don't interfere with their personal affairs.

Q. Did you personally make any financial contribution to either party during that election?

A. I did.

Q. What was the amount, Mr. Taylor, of your contribution?

A. One thousand dollars.

Q. Whom did you pay that to?

A. To, I think the initials are—Montgomery,— well, it is Montgomery, R. L. Montgomery, treasurer of the Liberal Party.

Q. Did you discuss your contribution with Mr. J. E. Zimmerman before you made it?

A. I did not.

Q. Was your contribution charged to any expense account in your company?

A. It was not. It was a personal expense of my own.

BY MR. EVANS:

Q. Mr. Taylor, Mr. Morgal, the Chief of the Bureau of Accounts of the Public Service Commission, the other day testified that in their analysis of electric company accounts they usually included non-operating income, because most of it was usually income from the sale of appliances, and they had found that the property devoted to the sale of appliances was usually included in the plant account of the company as reported to the Public Service Commission. Is that the practice of the Philadelphia Electric Company?

A. Well, in the Philadelphia Electric Company—I don't know how Mr. Morgal would treat the matter,— but we try to compensate in every way for the expense of the merchandise department—

Q. Well now, maybe I didn't make my question clear. In your reports to the Public Service Commission is property devoted to the sale of appliances included in your plant account?

A. Yes, to a certain extent.

Q. I mean if a district office, for instance,—

A. If we own the district office, then that district office would be in our property account.

Q. Property account,—though part of it might be used for the sale of appliances?

A. Yes; and we charge the merchandise department a rent for that which we think compensates the company for the use of that property, just as if we were renting from an outside person.

Q. But if you were looking at your annual report and taking a seven per cent. return on your property account, that seven per cent. would include the property devoted to appliances?

A. Yes. That would be small proportionately.

Q. Can you state, in round figures, what percentage of the construction contracts of the Philadelphia Electric Company are let on a competitive bidding?

A. The great bulk of the work—I think the greater part of the money spent for construction purposes is spent by the company itself, work done by its own forces. The part that is given out is both given out by competitive bidding,—well, in fact, it eventually is given out by practically all competitive bidding, for when we use the United Engineers and Constructors, to for instance, build a building for us, that work is in turn let through sub-contractors who bid competitively for the work. In that case the United Engineers and Constructors simply are acting for us, as a clearing house, and take charge of the construction, and relieve our regular operating forces from a burden and from a type of construction that they are not particularly familiar with. That is, I am referring now to buildings. By doing it this way, we don't have to provide a large overhead organization, we can keep our organization down to a basis where we can practically give constant employment to a certain number of people, and we aim to keep ourselves in that position and not be in the position of having large quantities of floating labor or temporary labor from time to time, as well as the staff of engineers and constructors and people of that type who would be necessary. We don't like to be in the position of taking a lot of people on and having to lay them off, and we try to regulate it about along that line.

Q. Approximately how much did the company spend for construction in 1930?

A. I think approximately around twenty million dollars.

Q. And of that, four to four and a half was given to the United Engineers?

A. That would be my recollection of it now, Mr. Evans.

Q. And about how much of that would go to the Keystone Paving and Construction Company?

A. I don't remember the exact figures, but the last time I checked it up the average for the Keystone Paving and Construction Company was in the neighborhood of about \$500,000 a year. Now, I might explain a little bit about the work of the Keystone Paving and Construction Company. It is all underground construction work. Most of this underground is installed in narrow city streets. It is installed in locations where it is almost impossible, if not impossible, to get, or to prepare plans and specifications in complete detail, because we can not always tell what we are going to meet when we open the street up. The streets in Philadelphia are, I presume you know, down town, narrow; they are badly congested, with not only electric conduits and construction, but gas and telephone and what not, and water and sewers; so that no contractor can bid on a lump sum basis or on a competitive basis for that kind of work, unless he is going to pad his bid for contingencies to such an extent that we could not consider it at all. Therefore work of that nature has to be taken on a basis of the actual time and material plus a percentage. Sometimes we will open up a street and we may get a section partly open and we find an obstruction that will make us change our plans entirely. Now, to avoid that and let the work by lump sum contract to the man would mean that we would have to spend so much money in preliminary investigation and exploration, digging, and things of that kind, that the eventual cost of the work would be exorbitant.

Q. Well now, those two items then comprise roughly somewhere around \$5,000,000?

A. About \$5,000,000.

Q. Now, of the remaining \$15,000,000, how much would have been done by the company directly?

A. The company would have controlled or done itself all the balance; that is, the company itself may have let out some work to sub-contractors, but it itself would have controlled and done the work, that is handled the work.

Q. Can you say whether the work let out to sub-contractors is all done on competitive bidding?

A. The work that is let out to sub-contractors, I would say, is very largely,—that small work would be very largely let on competitive bidding.

Q. Fifteen million dollars seems to me a large sum. Can you give us any idea at all as to how that \$15,000,000 was spent in 1930, for what purposes?

A. I would rather give you the details, Mr. Evans. I could tell you in a very general way, but for me to attempt to segregate that,—a large amount of that, for instance, goes into the purchase of meters, to take care of new customers,—transformers,—all kinds of equipment.

Q. That goes into construction, not equipment, does it?

A. It goes into construction. That is, it is a capital charge. When I am speaking of this twenty million dollars, that means capital improvements of whatever nature that may have gone into the property.

Q. Well now, you spoke, or Mr. Zimmerman spoke, on the question of Mr. Windram being the company architect. He has been the company architect for a long time?

A. Yes, sir.

Q. On what basis is he compensated?

A. He is compensated on the exact architects scale. The architects, you know, have a regular system of prices for various classes of work. He gets exactly the same compensation that the Institution of Architects set up as a proper charge.

Q. For instance, you build a generating station, does he get the architect's commission on the total cost of the plant?

A. He would get his architect's commission to the extent that the scale of prices of the architects association award to him from this scale, to the extent to which it applies. Mr. Windham does not do the engineering on a basis of that kind, but comes in on the architectural features of the building, therefore his compensation is based on the same scale commensurate with the work he does.

Q. Do you know roughly what his compensation amounts to?

A. I do not.

Q. You spoke about having succeeded Walter H. Johnson. Is he still in the compensation of the company?

A. He is on service annuity.

Q. What is his compensation?

A. \$40,000.

Q. He performs no services for that?

A. He performs some services, but very little, mostly in an advisory capacity. He has spent, I think he was with the company some forty-two years and under the pension plan of the company he was entitled to retire on service annuity.

BY MR. TURNER:

Q. Did he pay part and the company part?

A. No, on that plan the company pays it all.

BY MR. HAGMAIER:

Q. Who does that include?

A. All employees, everybody.

BY MR. EVANS:

Q. There was no special arrangement made with Mr. Johnson?

A. I had nothing to do with the negotiations that had to do with the U. G. I. acquiring the stock of Philadelphia Electric and I knew nothing about the arrangement at that time.

Q. Now, turning to your contracts for supplies purchased through the U. G. I., the joint purchasing department, do you happen to know whether these contracts for coal are let on competitive bids?

A. They are, and the competition is keen. And that applies to all the large purchase contracts.

BY MR. COOKE:

Q. Are you familiar with your rural electric service?

A. Yes sir, to some extent.

Q. Do you carry any—does the rural construction go into plant account and therefore into the figure of a rate basis?

A. It does.

Q. Under this new system of rates brought in by General Order No. 28 of the Commission, until within the last few months the charge to farmers was on the basis of two per cent. per month on the cost of construction of the line. I understand that has now been changed to one and three-quarter per cent.; is that right?

A. It is one and three-quarter per cent. quite generally over the State. The Philadelphia Electric we have never adopted the two per cent. charge and I think our charge is one and one-half per cent. except in a small territory we have through the Southern Pennsylvania Power Company, and that takes the one and three-quarter per cent.

Q. How long does the farmer pay that; I suppose there is a distance charge or line charge?

A. He would pay that indefinitely until such time as the loading on the line would reduce it to a vanishing figure.

Q. I don't want to go into fractions, so I will take the two per cent. that has been generally charged throughout the State?

A. That by the way, Mr. Cooke, is simply a minimum charge for which the farmer or the rural customer gets energy to the extent of the minimum charge. It is not in the way of a service charge or an added charge.

Q. He is practically paying a very considerable percentage of the cost of the line in doing that?

A. No, in doing that he is simply agreeing to take service of so many kilowatt hours, or service to a certain amount per month to put him on the basis of the city dweller where the density of the customers per mile of line is very much greater.

Q. That juice costs a half cent.

I don't want to be captious about that, but if he pays two per cent. a month for twelve months, that is twenty-four per cent. a year, and in four years he pays the cost of the line, and if you leave the juice out of that and that doesn't stop at four years as it runs indefinitely, so all you give him in addition to that is the juice which you make at a fraction of a cent, and the customer charges, such as reading the meter?

A. I don't think that is right.

Q. I am not trying to be critical?

A. I will try to explain it. You take in the city or in the towns we have a certain density in the number of cus-



tomers per mile of line which results in our being able to give a rate of say, seven and a half or six cents, or whatever the rate may be. Now when we get into the rural areas and have to extend the line for a mile we will say to pick up three customers, it would obviously be unfair to give the same rate we do in the dense areas where we have to extend lines a third of a mile for each customer.

Q. Your density for all the lines built during the last four years has been in excess of twelve per mile?

A. I am simply using an illustration. Where there are twelve per mile, then the monthly minimum to a customer is reduced in proportion. For instance, if we have three customers to a mile and their monthly rate is \$6.00 apiece, and they increase that number to twelve a mile, then the monthly minimum will be decreased proportionately to each customer. And cost is not just the cost of the kilowatt hour at the station, it is the cost with the service which involves very many other things. As I said before, it is not an added charge, it is simply that the customer agrees he will use a certain number of kilowatt hours per month, and if he doesn't use it he agrees to pay for it.

Q. Have you gone into that thoroughly enough to know whether you are personally satisfied with the system?

A. I think it is an excellent system and is working out fine and the farmers are taking on that service at an accelerating rate.

Q. What percentage of the farmers in the State do you think have it?

A. I could not say that.

Q. Possibly fifteen per cent?

A. I do not think so.

Q. I imagine your territory would be higher. I understand the percentage of all farmers in the State is in the neighborhood of fifteen per cent?

A. I have not noticed any figure on that recently.

BY MR. TURNER:

Q. Mr. Taylor, it was testified to here that fifty-one per cent. of the domestic users were within the fifteen kilowatt per hour basis. Now do you know whether that is correct or not, from your experience in your company?

A. I could not answer that, Mr. Turner, because we have no analysis in the city of Philadelphia that would disclose whether that would be true or not. It doesn't look quite reasonable to me, but I have no definite information on it now.

Q. We have charts here on fifteen, forty and eighty kilowatt users per month?

A. I would say the percentage or the average consumption in our case is somewhat over forty kilowatts per month, that is, domestic.

BY MR. EVANS:

Q. In order to make our records correct, would you be good enough to produce the actual figures for the amount of the contract of the Philadelphia Electric, the construction work of the Philadelphia Electric done by the United Engineers and Contractors, say for the years 1928, 1929 and 1930?

A. Yes, sir.

Q. And also the amount of the purchases made through the Purchasing Department of the U. G. I. for those three years, and third, the amount of fees paid for each of those years by the Philadelphia Electric to the U. G. I., also the fees paid to the United Engineers and Constructors on your construction work?

A. That is, on the construction work they have done for us, and what it has amounted to.

JOHN E. ZIMMERMAN recalled

BY MR. EVANS:

Q. Mr. Zimmerman, Mr. Turner has raised the question of whether or not U. G. I. is controlled locally in Pennsylvania or whether its control is largely in the hands of non-residents of Pennsylvania. Can you state what the facts are in regard to that?

A. It is controlled in Pennsylvania, Mr. Evans. The U. G. I. has in round figures, twenty-three and a quarter million shares of stock—23,250 shares of stock—

BY MR. TURNER:

Q. Are they the voting shares?

A. Yes, sir. A majority of the stock is held by residents of Pennsylvania. I have covered that in my annual report, which

has just gone out; also, the majority of individual stockholders. My recollection is there are about 78,000, or thereabouts, common stockholders, of which 48,000 are residents of Pennsylvania. Do you mind if I read this (indicating)?

Q. No, sir. Go ahead.

A. Pennsylvania leads in the number of preferred and common stockholders, there being residents in that State 17,321 preferred and 46,745 common stockholders, 78.8 and 60.2 per cent., respectively, of the totals. The residents of the State also hold the largest number of shares, 526,377 preferred being 68 per cent. of the total, and 12,343,565 shares of common, being 53.1 per cent. of the total.

BY MR. EVANS:

Q. Well, now, Mr. Zimmerman, generally it is true, I think, that a company such as the U. G. I., is controlled practically by its large stockholders. Have you any information as to the number of non-resident stockholders, say, that hold over a thousand shares apiece?

A. Yes, sir. The largest stockholder of U. G. I. is the United Corporation, which is a Delaware corporation, and which has six million shares out of the twenty-three million and a quarter shares. That is roughly, say, about 24 or 25 per cent.

Q. Are there any other large holdings.

A. No. I don't know who the other largest stockholders are, but of course to-day there is a great deal of stock held in investment trusts; a great number of investment trusts; but those holdings are not large holdings, they are spread out.

BY MR. TURNER:

Q. What percentage do your employes hold, do you know that.

A. Now, I don't.

BY MR. EVANS:

Q. Could you, without too much difficulty, give us a statement of the resident and non-resident stockholders, owning one thousand shares or more of the stock, or would that be a very difficult thing to obtain.

A. It would be quite an undertaking. There is also a lot of stock in street names, in the hands of brokers.

Q. As a practical matter is it not true, Mr. Zimmerman, that the United Corporation and the Morgan and Drexel interests, for all taxable purposes control the United Gas Improvement Company?

A. No, I don't think so. I am not under anybody's control.

Q. Now, I didn't say control the officers, but I say control the company.

A. I am president of the company, I am director of the company and I am controlled by nobody's interests.

BY MR. COOKE:

Q. You are not still operating under the idea that it takes 51%.

A. Well it takes 51% to get a majority of the directors. The majority of the stock is held in the State of Pennsylvania, scattered all over the State.

BY MR. EVANS:

Q. Mr. Zimmerman, in your experience is it not true that in the case of any interest, or group of interests controlling 20% of the stock of a company, such as the United Gas Improvement Company, that they practically control the company.

A. No.

BY MR. HIRSCH:

Q. The United Corporation is controlled by Morgan, Bonbright interest, is it not?

A. No, the corporation is controlled by the stockholders of United Corporation, and the United Corporation stock has an enormous distribution. The bankers of the corporation happen to be the Morgan and Bonbright companies.

MR. EVANS: If the Committee please, since the question has been raised, I should like to have a list of stockholders of the United Gas Improvement Company, holding 1,000 shares or more of stock as they stand on the books of the company today, with their residences.

A. I will be very glad to furnish it. That is 1,000 shares or more? You had better make a date of record, say December 31, 1930.

MR. EVANS: That is perfectly all right. Whatever date is easiest for you.

THE WITNESS: I think we have some of that now.

MR. EVANS: That is all, thank you, Mr. Zimmerman.

HORACE P. LIVERSIDGE sworn

BY MR. EVANS:

Q. What is your name, Mr. Liversidge.

A. Horace P. Liversidge.

Q. What is your position with the Philadelphia Electric Company?

A. Vice-President and General Manager.

Q. How long have you been Vice-President and General Manager?

A. Approximately four years.

Q. What was your position prior to that time?

A. Vice-President and Assistant Chief Engineer.

Q. Would you say that the Philadelphia Electric Company had a very efficient organization during the time you were Vice-President and Assistant Chief Engineer?

A. I always considered it did, yes.

Q. The Electric Company performed most of its own construction during that period, is that not true?

A. Yes, except large construction jobs which were given out to independent construction organizations.

Q. Can you mention any of those large construction organizations which performed your work.

A. Stone and Webster was one.

Q. During that time, is it not true, that your company designed most of its own engineering structures.

A. Yes.

Q. Who does the designing today?

A. Well, we have an engineering department headed by a Vice-President. The small and miscellaneous extensions to our plant are designed by our engineering organization. Special jobs, large special constructions, those are designed by United Engineers. I might add to that, in collaboration with our engineering department. We practically have the entire say in the details of the designs, usually agreed upon, because of our intimate familiarity with our operating problems. That has worked out in a most satisfactory manner.

Q. Does the United Engineers Constructors assist in the design of structures which they themselves do not erect?

A. No cases that I can recall in which that has been done. However, if we felt, because of our press of work, or of the special character that the United Engineers organization could better do it, I know we would refer it to them, whether they did the construction work or not.

Q. Have you been referring much work to them in that connection?

A. No, I think very little has been referred to them.

Q. Your company has recently awarded a contract for the erection of a large gas holder in Conshohocken, is that correct?

A. Yes.

Q. Who assisted in the design of that structure?

A. The design of the structure, if I recall it, was entirely United Engineers, in collaboration, however, with our own engineering and operating organizations.

Q. To whom was the contract awarded for the erection of that gas holder?

A. United Engineers.

Q. And what were they paid for that work?

A. That I could not answer offhand.

Q. Where the United Engineers design a structure which they themselves do not erect, what is the basis of pay to them for such service?

A. That would be included and charged to special services, as part of the charges made at the expiration of the year. These special services, however, would be indicated by special orders issued by the Philadelphia Electric Company for that work, and a record of the actual time and miscellaneous things which entered into that charge.

Q. Is it a fact that before the control of the Philadelphia Electric Company passed into the hands of the United Gas Improvement Company, the Philadelphia Electric Company maintained a large organization to do such work itself?

A. Yes, quite a large organization.

Q. What caused the Philadelphia Electric Company to discontinue the organization and turn over the work to the United Engineers Constructors?

A. Well, long before we turned over any work to the United Engineers Constructors, we had learned our lesson insofar as large jobs were concerned. For instance, a large generating plant, while we had the ability to design it, and we had the organization to construct small jobs, this job and special construction projects required a very large increase in organization. We learned then that while we might secure the satisfaction of having done that job ourselves, that it always tended to disorganize to a certain extent the specific functions that meant more than any thing else to the company, that of operating the company. And for that reason we gave a generating station to an outside contracting organization, and it was our policy before the combination of the Philadelphia Electric Company with the United Gas Improvement Company to give these major jobs to outside special construction organizations, for the specific reason that it was a logical and an economical thing to do.

Q. Is it not a fact that before the control of the Philadelphia Electric Company with the United Gas Improvement Company to give these major jobs to outside special construction organizations, for the specific reason that it was a logical and an economical thing to do.

Q. Is it not a fact that before the control of the Philadelphia Electric Company passed to the United Gas Improvement Company the Philadelphia Electric Company performed its own substation work?

A. Yes, all, I believe.

Q. And now who does that work?

A. Part of that work is done by United Engineers and Constructors; part of it is done by our own construction organization. We have in the neighborhood of six hundred men in our engineering and construction organization. We must maintain an organization for specific jobs, emergency cases, and miscellaneous extensions to plant, which are small but are coming to us day by day. Special jobs such as a new substation building and so forth would be given to the United Engineers and Constructors. An extension to an already existing substation, which might or might not be in operation, might, if we were not too pressed with work, and had the organization available, be done by Philadelphia Electric Company. And we have had a certain flexibility in that work, so as to maintain an even balance and keep our organization operating at maximum efficiency and using the maximum number of men which could be kept on that basis.

Q. Isn't there a certain amount set aside on every construction job which the Philadelphia Electric does itself to pass into the United Engineers and Constructors, even though they do not do anything in the work?

A. I just don't understand the question, Mr. Hirsch.

Q. Where the Philadelphia Electric Company performs its own construction, doesn't the agreement with the United Engineers and Constructors call for their getting a certain commission on that work?

A. No.

Q. Mr. Liversidge, you are familiar, I think, with the policy of the company in regard to installing equipment in department stores and such, are you not?

A. Reasonably, yes.

Q. It is true, is it not, that about a year ago Lit Brothers were expecting to construct an isolated plant?

A. Yes.

Q. And that the Philadelphia Electric Company submitted an estimate to Lit Brothers by which, if Lit Brothers would invest approximately \$150,000 in equipment, you would serve them under rate E, and that you thought that you could save them money over an isolated plant?

A. Well, I don't remember those figures, but in the early part of 1930 —

Q. Well, have you got those papers with you, Mr. Liversidge?

A. They would be part of the records.

Q. Perhaps we can take it up tomorrow, if you have.

A. Yes, I have those papers with me.

Q. Then suppose we go into that tomorrow, and then we can take it up more briefly. Has the Philadelphia Electric Company any fund from which it makes contributions to either corporations or other consumers?

A. Contributions for what, Mr. Evans?

Q. Well, for instance, charitable consumers that they make contributions to.

A. None that I know of.



Q. You never heard of their making any contributions—

A. Oh, yes.

Q. And from what fund are they made?

A. They would be taken from the general account.

Q. And to what item are they charged?

A. Well, I couldn't answer that specifically.

Q. Can you find out and let us know tomorrow?

A. Yes. May I just add, Mr. Evans, that as a utility doing business in a large community, we have always recognized our part as a citizen in that community, and contributions for those things which are helpful to the community, when others have joined in such contributions, we have felt that we should at least join, as a business interest of the community, and as a citizen we have done those things.

Q. Are those contributions that you are referring to always confined to strictly charitable institutions?

A. Well, I would not call the Philadelphia Progress Committee, for instance, a charitable institution. We made a contribution to them.

Q. How much did you contribute to the Philadelphia Progress Committee?

A. I don't recall the exact amount.

Q. Well, approximately?

A. Well, in the order of fifty thousand.

Q. You could get that figure for us, couldn't you?

A. Yes, I can do that.

Q. The United Engineers and Constructors have an architectural department, do they not?

A. I believe they do.

Q. It would be quite easy for you to have your buildings designed, from an architectural standpoint, by them, as well as to have the engineering features superintended by them, wouldn't it?

A. Well, they have tried to sell us on that point at various times. We have just not yet reached the point where we believe that their architectural ability would meet our, probably, aesthetic ideas.

Q. Isn't it true, Mr. Liversidge, that your buildings are very much standardized in design?

A. To a certain extent we have tried to maintain as near a standard design—

Q. And to a very large extent?

A. You must understand that there are no two properties exactly alike in size, even for similar use, and with the general changes in requirements we learn each time we erect a building that we could do differently in the next. The exterior appearance probably would look somewhat alike.

Q. What would be the additional charge which the United Engineers and Constructors would make for architectural design as well as their other services for which you now pay?

A. I presume that they would charge the standard architect's fee.

Q. You have never discussed that with them?

A. No.

Q. Will you let us know the amount paid to Mr. Wyndrin for architectural services during the past three years, annually?

A. Yes.

BY MR. HIRSCH:

Q. If the United Engineers and Constructors simply determined to do the architectural work for the Philadelphia Electric Company, or any other construction there is not much serious opposition the Philadelphia Electric Company could offer to such an attempt, is there?

A. Well, Mr. Hirsch, the Philadelphia Electric organization have always been permitted to maintain its independence, and there has not been a contract let, or there has not been a job given out, in construction of any kind, that has not met the entire satisfaction of the Philadelphia Electric organization; and when it comes to a question of architectural treatment, that, I am positive, will continue to be in our power to decide, as we see fit.

Q. Of course, while they have permitted you to enjoy such latitude, it is because of generosity on their part, rather than a legal right to do so; isn't that true?

A. No; it is good business sense.

Q. Well, there is nothing to prevent them from simply insisting that the United Engineers and Constructors are to do all of your construction work?

A. Nothing, but we haven't done business that way.

Q. If the United Gas Improvement Company felt that during 1931 they wanted a greater income, they could simply insist that the United Engineers and Constructors do all the work for the Philadelphia Electric Company, couldn't they?

MR. TURNER: Mr. Hirsch, it seems to me we are going far afield. We are dealing in questions here that affect the utilities, their practices, and what they have done in the past, and so forth; what might be the effect in the future doesn't seem to me to be exactly germane to what we are trying to get at here.

MR. HIRSCH: You see, Mr. Turner, the point here borders on the relationship between the holding company and the operating company.

MR. TURNER: Well, I think that is obvious.

MR. MASON: Mr. Chairman, I would like to ask counsel whether they are going to ask from Mr. Liversidge or Mr. Taylor anything more tomorrow except the detail, which we can furnish from others who will be here, as we have to have somebody running the public utility in Philadelphia; it can not be done from this room. Everybody is here at the moment.

MR. TURNER: Wouldn't it be better if you would take that up with Mr. Evans after the session?

MR. MASON: I just saw the Chairman look at the clock and I thought if you did want anything from them we could cover it this afternoon in the next ten minutes and we could finish up with Mr. Liversidge and possibly Mr. Taylor. There are only those two.

MR. TURNER: Mr. Evans, I would like to ask Mr. Zimmerman if he would not just answer a couple of questions again.

JOHN E. ZIMMERMAN recalled

BY MR. TURNER:

Q. Mr. Zimmerman, the consolidation or the purchase by the P. G. I. of the Philadelphia Electric stock; has that resulted in economies, do you feel, to the companies?

A. Yes, sir; very decidedly.

Q. That took place some time along in 1928, did it?

A. Yes.

Have those been reflected in any way in any reductions to the consumers?

A. Yes, there have been numerous,—quite a number of rate reductions since then. The straight rate reductions; that is to say, the reductions made each year since 1924, have aggregated something over six millions, or an average of about a million a year; and if you take the cumulative effect of those rate reductions for that period on the Philadelphia Electric and the other U. G. I. properties in Pennsylvania, the total rate reductions have been about nineteen millions.

Q. Do you feel that those have been reflected from the ability to handle the two properties together?

A. Yes, sir. We can demonstrate that in a good many ways. We can demonstrate it just simply in one respect, in the reduction that has taken place in the operating ratios of these companies; and we can demonstrate it in other ways.

I would like to say, for instance, if you want a specific illustration to that effect; the United Gas Improvement Company maintains a research department, which devotes a great deal of its time to research in chemistry and physics of gas practices. By certain developments of that research department, which have been patented, we have been able to reduce, to effect economies in the cost of gas last year to the Philadelphia Gas Works and the U. G. I. gas properties of about two millions a year. In the Philadelphia Gas Works alone the effect of those processes was to reduce their costs about a million a year.

BY MR. EVANS:

Q. Well, Mr. Zimmerman, that had nothing to do with the Philadelphia Electric?

A. Yes, because the Philadelphia Electric Company runs a very large gas business.

Q. Well, since their consolidation with the Suburban Counties; but they didn't prior to that time?

A. No, not prior; but they have gotten the benefit of this process.

Q. Well, taking the Philadelphia Electric Company as it existed in 1928; what benefits have accrued to it from its consolidation with the United Gas Improvement Company?

A. The benefits that have accrued to it have been through more efficient practices, by strengthening the organization, which the U. G. I. has been able to do, by advice and other matters.

Q. In other words you don't think that Philadelphia Electric was an efficient organization?

A. I think we made it more efficient.

Q. In directing economies in the purchasing department, would that be an economy to the Philadelphia Electric?

A. Yes, sir, decidedly, we consolidated these two department and by our mass purchasing it has resulted in our being able to buy things so much cheaper.

BY MR. HIRSCH:

Q. Is it not a fact, Mr. Zimmerman, that before the advent of the U. G. I. in the life of the Philadelphia Electric; the electric company had made more successive reduction of rates each one amounting to over one million dollars between the years 1922 and 1926 and then no reduction, no general reduction in rates was made effecting the consumer in Philadelphia until June 15, 1929? In other words there is a lapse of over three years, between March 1, 1926, when the Philadelphia Electric made its general rate reduction to June 15, 1929, when they made their next general rate reduction?

A. No the Philadelphia Electric was taken over by the U. G. I. in the early part of 1928 and there were rate reductions made subsequent to the date.

BY MR. COOKE:

Q. Was there more than one?

A. Yes. Do you want—

Q. They reduced the rate when they went from eight cents to seven and one-half cents which was announced as approximately a million dollars a year. Has there been any other reduction except that?

A. That was the last one.

Q. The last one, is the one about which there is some controversy?

A. We can demonstrate that that was over a million dollars. My recollection is that was either one million, five hundred thousand dollars or one million, seven hundred and fifty thousand dollars.

Q. Not inside the city of Philadelphia?

A. That was the whole Philadelphia territory.

Q. Yes. The bills on that last reduction, which announced as approximately a million dollars inside the city of Philadelphia, I think I am right, it was nine cents on each bill.

A. That was only some—

Q. That applied in the first step.

A. I can give you the amounts if you want them.

Q. I have figured them over and over again and again, nine cents on every bill of twenty-five kilowatts, fifty kilowatts, up to one hundred kilowatts, it is a reduction of nine cents to the domestic consumers inside the city. I think you will find the only reduction you made since the consolidation that has affected the City of Philadelphia is the one that came about May, 1929.

A. No; there was a reduction made in September, 1929.

Q. That is the one I have reference to.

A. There was one made before that. I can tell you that.

MR. EVANS: Let us have it. It is quicker than—

(Discussion off the record)

THE CHAIRMAN: This meeting will stand adjourned until 10.00 o'clock tomorrow morning in this room.

(Adjourned until Thursday, March 26th, 1931, at 10.00 o'clock a. m.)

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Thursday, March 26, 1931, at 10.00 o'clock A. M.

There were present:

Messrs. D. Glenn Moore, Chairman

Bart Richards

Chester H. Rhodes

Martin Memolo

Ellwood J. Turner

Louis W. Hagmaier

Harry J. Crawford

Morris L. Cooke

Harold Evans, Esq.

John M. Walker, Esq.

Arnold H. Hirsch, Esq.

#### APPEARANCES:

William Clark Mason, Esq. and

Frank M. Hunter, Esq.

For Philadelphia Electric Company, and United Gas Improvement Company.

MORACE LIVERSIDGE recalled

MR. EVANS: It has been called to my attention that either through my mistake, or through a typographical mistake, Exhibit No. 7 has never formally been offered in evidence. I now offer it in evidence.

BY MR. EVANS:

Q. Mr. Liversidge, you are familiar, are you not, with the negotiations which the Philadelphia Electric Company has had with Lit Brothers, the Philadelphia department store, with regard to its service since January 1, 1930?

A. In a general way, yes.

Q. On January 1, 1930, Lit Brothers were receiving service from the Philadelphia Electric Company, were they not?

A. Complete.

Q. And what electric service were they receiving?

A. They were receiving both electric service and a steam service.

Q. And was it a. c. service or d. c. service?

A. The service was supplied both from our direct current system and our alternating current system.

Q. Do you have any information as to what proportion was a. c. and what was d. c.?

A. Not exactly, but the larger proportion was direct current.

Q. About that time the charge for the steam service was increased, was it not?

A. Yes.

Q. And Lit Brothers complained about that increase in those steam rates?

A. Yes, they did.

Q. The Philadelphia Electric Company then after that complaint was made began to negotiate with Lit Brothers in regard to possible changes of their equipment so as to receive a. c. current exclusively?

A. Well, our first negotiation with Lit Brothers was to supply them completely with alternating current.

Q. That came as the result of their complaint about their increase in steam rates?

A. Well, I could not answer that directly. I might say that Lit Brothers were served both direct current and alternating current, on what we know as Rate "D", wholesale light and power. In order to serve them at a lower cost, we were in a position, providing certain changes were made, to serve them with our Rate "E", wholesale power, untransformed rate, on the basis of our primary rate "E" service. We could show to them a considerable saving as against their rate, miscellaneous supply at low voltage, combining both direct and alternating current service, and the original negotiations were started on that basis.

Q. Now, Mr. Liversidge, on or about January 28, 1930, the Philadelphia Electric Company submitted a list and preliminary estimate of the cost of adapting its plant to the use of alternating current, did it not?

A. Yes.

Q. And in that preliminary estimate Lit Brothers were required to expend the sum of \$150,000 for equipment?

A. Well, I am not just familiar with that figure. Mr. Evans, I don't recognize any of these figures.

Q. Mr. Liversidge, are you prepared to say that the Philadelphia Electric Company did not submit such an estimate?

A. No, I don't want to take the time of the Committee explaining a situation which had developed because of the policy of the Philadelphia Electric Company in changing its entire supply in the downtown area of Philadelphia from direct current service to alternating current service.

Q. Before we get into that, Mr. Liversidge, I want to get the matter of these estimates clear. Who would be familiar in your organization with a preliminary estimate such as this?

A. Those estimates are made on the authority of our commercial department by our engineering organization.

Q. And if I want to ask someone how this estimate was made, who would be the proper person to testify in regard to it in your organization.

A. Our commercial manager.



Q. What is his name?  
 A. M. C. Huse.  
 Q. About this time you became aware that Lit Brothers were complaining that they could not make satisfactory terms with you, and that they would install an isolated plant.

A. They had that in mind for over a year.

Q. Had you known of it for over a year?

A. We had.

Q. So that when you submitted this estimate assuming that it was submitted, one of the reasons for submission of that was to keep Lit Brothers from installing an isolated plant.

A. Mr. Evans, I know nothing about the submission of such an estimate. I have before me a signed proposal of March 29, 1930.

Q. Yes, Mr. Liversidge, you don't mean to indicate that you think that was the first negotiation that passed between Lit Brothers and your company, do you?

A. The first official notification that I have any knowledge of.

Q. I did not say whether it was official or unofficial, but isn't it true that the practice of your organization is to submit preliminary estimates before entering into final contracts such as this.

A. That is always possible in negotiations of that kind.

Q. Now, I show you another paper, headed reported of comparative operating expenses, Lit Brothers, dated February 25, 1930, in which the cost to Lit Brothers of making the necessary changes is now stated to be \$92,000. Are you familiar with the estimate of which that is a copy?

A. No, I am not familiar with this at all. May I add that I see here an estimate of 3,269,136 kilowatt hour for direct current, 424,818 kilowatt hours for power, direct current and 422,500 kilowatt hours for alternating current power. That does not agree with the figures which entered into the first official proposal that I am familiar with of March 29.

Q. And Mr. Huse again would be the man that would be familiar with this estimate if it was furnished.

A. He would.

Q. Now, are you familiar, Mr. Liversidge, with the fact that a third estimate reduced the cost to Lit Brothers to \$70,000, or thereabouts, was submitted by your company to Lit Brothers subsequently February 25, 1930.

A. No, Mr. Evans, as a matter of fact it would be impossible for me to follow preliminary estimates leading up to a final definite proposal.

Q. Mr. Taylor was subpoenaed to produce these contracts and the preliminary estimates leading to Lit Brothers contract. Now, I appreciate that you may not have had time to gather them together, but we, at least, asked you to bring them with you today.

A. I have here a preliminary estimate as of September 10, 1930, which covers—

Q. That was subsequent to your actually entering into the contract with Lit Brothers, was it not?

A. That was subsequent to our actually entering into the contract for the supply of primary power to Lit Brothers. There is involved in this estimate which was the subject of further negotiations, the costs of change over of the customers' equipment in order to adapt it to receiving alternating power from our system, rather than direct current that had been served to the down town area previous to that date.

Q. So that estimate was not a preliminary estimate leading up to the contract, which was called for by subpoena?

A. No.

Q. As a result of these negotiations you finally entered into a contract with Lit Brothers, did you not on or about March 29, 1930?

A. Yes; on March 29, 1930, we entered into a contract for the supply of power and our rate E power service.

Q. I am now referring to the contract entered into for the equipment necessary to change over Lit Brothers to a. c.?

A. Yes. We made a proposal in that contract in a letter of March 29, in which we gave the estimated cost to be paid for by the consumer of \$67,000 for the primary receiving equipment.

Q. And under that estimate the Philadelphia Electric Company was to expend a total about \$283,000, in order to make the change at Lit Brothers, and Lit Brothers in turn were to refund about \$67,000 of that amount of the Philadelphia Electric?

A. The original—

Q. Would you say whether that is correct or not?

A. Will you repeat.

(Question read)

THE WITNESS: No; that was not in the letter of March 29.

Q. The letter of March 29 provides for certain work to be done by the Philadelphia Electric Company at its own expense and certain work to be done by the Philadelphia Electric Company on Lit Brothers premises at its expense.

A. That is correct.

Q. What was the total cost of all the work to be done, Mr. Liversidge, approximately?

A. At that time we did not have a correct estimate of the amount.

Q. What, under a subsequent estimate, did that turn out to be?

A. \$283,500.

Q. And under this contract Lit Brothers were to pay \$67,000 of the total cost, were they not?

A. Lit Brothers were to pay \$67,000 of the total cost, which was the cost of the primary receiving equipment.

Q. So that the Philadelphia Electric Company was proposing to expend the difference between \$283,000 and \$67,000 out of its own funds?

A. Exactly.

Q. Out of this amount, approximately was to be expended for equipment on Lit Brothers premises, the title to which was to vest in Lit Brothers?

A. Practically the entire amount.

Q. Practically the entire amount?

A. With one exception, that in the agreement Lit Brothers agreed to provide a building at a cost to us of not exceeding \$12,500 for such transforming equipment which we installed at our expense, in order to change over their direct current supply to alternating current supply.

Q. Subsequently it was agreed that Lit Brothers should do the work or contract for the work and that the Philadelphia Electric Company should pay them the sum of \$283,000 on account of the contract price?

A. Yes; excepting \$67,000.

Q. And the \$67,000 by a subsequent agreement was to be refunded to the Philadelphia Electric Company in annual payments over a period of five years, commencing one year after the service was put into operation?

A. Exactly; with interest at six per cent. on unpaid balances.

Q. So that the Philadelphia Electric Company at the present time has expended \$283,000 for this equipment, the title to which vests in Lit Brother, and the only thing that the Philadelphia Electric Company has is the agreement of Lit Brothers to refund \$67,000 of that amount over a period of five years?

A. Less \$12,500 because they had to provide a space for the transforming equipment.

Q. For the transformers. So that the actual amount to be refunded is \$54,500?

A. \$228,500.

Q. No; I say that the actual amount that Lit Brothers are to refund?

A. It would be \$55,000; the difference between \$7,000 and—

Q. And didn't you say \$12,500?

A. \$12,500.

Q. That is \$54,500?

A. \$54,500.

Q. Is the new service in operation at the present time?

A. Not entirely complete.

Q. To what accounts have these sums totaling—

A. \$228,500.

Q. It is \$283,000. To what accounts have they been charged?

A. That portion, \$54,500, was paid to us. The difference between that and \$283,500 was charged to utilization account on customers promises, and it was an operating expense.

Q. Has the \$54,500 actually been paid, or is Lit Brothers to repay it?

A. No; they will repay it.

Q. They will repay it.

A. Yes.

Q. When is that account charged at the present time? Is not the whole \$283,000 charged to utilization?

A. No; that is practically an advance, the \$54,500.

Q. Where is that amount charged at the present time?  
The Philadelphia Electric is to pay it and it is to be refunded?

A. Exactly.

Q. To what account is it charged?

A. I can't answer that, Mr. Evans.

Q. You don't know?

A. It is a suspense account.

Q. It is true, is it not, that in all such cases as this the Philadelphia Electric Company, where it is confronted with this possibility or probability that the customer will install an isolated plant, makes the best terms possible with that customer in order to retain them on the Philadelphia Electric lines?

A. Mr. Evans in negotiating—

Q. Just answer the question and then explain, if you will, because it is much clearer in the record.

A. Yes.

Q. Now, then, will you make any explanation.

A. I would like to modify that answer, however, by saying, that our proposals are strictly based on the tariff of rates.

Q. However, there is no tariff on rates covering the amount which the company will expend in the way of equipment on the customer's promises is there?

A. None whatever.

Q. So that so far as that item is concerned one customer may receive very much more from the Philadelphia Electric Company than another customer situated in the same position?

A. I can't answer that statement, except by making an explanation, Mr. Evans. I would ask that you refer to the costs of changing the customers' equipment in the area effected by our change over policy in litigation.

Q. I am speaking of the general class of patrons where the Philadelphia Electric Company is confronted with the probability that a customer will install an isolated plant, and what I want to find out is whether or not you have a schedule filed with the Commission, which states what you will do for those customers, so that every one may be treated alike?

A. Yes; we have that.

Q. Will you call my attention to it in your filed schedules as to rate E.

A. Primary power service, requires that the customers purchase and own the receiving equipment. We deliver service and meter on primary side of that equipment. The cost of that equipment is a matter of negotiations in which the Philadelphia Electric Company have taken the position that it will do all in its power to assist the customer in obtaining an installation of equipment that will meet his requirements and that will satisfy our requirements as to reliability of service at the lowest possible cost.

Q. And will prevent the installation of an isolated plant?

A. That has no bearing on the subject. We desire to sell all customers in our territory.

Q. Is it not true that the Atlantic Refining Company threatened recently to install an isolated plant in Philadelphia?

A. No, not threatened.

Q. Suggested the possibility of an isolated plant?

A. They have an isolated plant and have had one for years.

Q. And have they been persuaded to abandon that plant?

A. Part of that power is being supplied by us and they are increasing their demand.

Q. To what extent do you furnish equipment to the Atlantic Refining Company for this purpose?

A. I am not familiar with that detail.

Q. You filed with the Commission a rate to take care of that particular situation, did you not?

A. Do you refer to the high load factor rate of four mills?

Q. I understand you did put into effect a rate which applied to the Atlantic Refining Company and a few other consumers?

A. I think you refer to the high load factor rate of four mills, about 60 per cent. load factor on rate E primary power service.

Q. Do you know how many customers are taking service on that schedule?

A. I cannot say.

Q. Who would know?

A. We would have to refer to our records. I don't think that we have them here. We hoped there would be a great many more and hope there will be in the next few years.

Q. I want to be entirely frank with you as I believe you do with me, but I think we both realize there is a problem as to how far charges of this sort can be charged to operating expenses so the domestic consumer can bear his share of the cost. You agree with me there is a problem there?

A. No, I don't believe there is a problem, because I think your consuming our energy rate and cost of supplying electric energy with the cost of equipment purchased and owned by the customer on his promises.

Q. Let us look at the problem this way. What do you estimate will be your annual net return from the services you render to Lit Brothers?

A. Well, I cannot answer that.

Q. Surely, you must have taken that into account in your estimate, did you not?

A. The annual rate of return on the revenue?

Q. The annual return in dollars and cents?

A. I have no figures.

Q. Assuming Lit Brothers had installed an isolated plant and you lost some of the customers, would that have had any particular adverse effect upon the domestic consumers in Philadelphia?

A. Well, if you carry that question far enough, it undoubtedly would have a very serious effect.

Q. I am asking you about this one case?

A. It would be small.

Q. And infinitesimal?

A. I think so, Mr. Evans.

BY MR. TURNER:

Q. If they did not, does it have an effect on the customer?

BY MR. EVANS:

I was just coming to that, Mr. Turner.

Q. Then the question is whether or not the expenditure of this sum of money is an advantage to the domestic consumer in order to prevent Lit Brothers from installing an isolated plant?

A. Sure it was, Mr. Evans, sure it was.

Q. Now I don't want to have any confusion, Mr. Liversidge. I am not discussing with you now the question of transfer from these D. C. to A. C. current, but I am discussing with you the question of the effect of Lit Brothers installing its own isolated plant. So one thing the Philadelphia Electric Company would have lost on that, in dollars and cents, would have been whatever revenue they derived from Lit Brothers?

A. Exactly.

Q. And you think that revenue represents a fair return not only on the property of the Philadelphia Electric Company devoted to that service but also on the \$228,500 of equipment which you have given to Lit Brothers?

A. Mr. Evans, there is no relation whatever between that \$228,500 and our contract for the supply of Rate E. Primary Service.

Q. The \$228,500 has been charged as an operating expense?

A. Exactly.

Q. And therefore it is taken into account in fixing your rate for all consumers?

A. Yes.

Q. So it is an item that affects all consumers?

A. But it has no bearing whatever on return or on the residential customers of the supply of primary service for Lit Brothers for which they paid \$67,000 for primary receiving service. They are entirely separate.

Q. Let us get at it this way. What was your approximate gross revenue from Lit Brothers?

A. I think the estimate is approximately \$45,000 annually.

Q. So that under that estimate it would take five years of that revenue to pay for the equipment that you have furnished Lit Brothers?

A. Yes.

Q. So that for the next five years you in effect are serving Lit Brothers free of cost?

A. Mr. Evans, I cannot answer that in that way. But in answering it, I want to say that the relation between the expenditures for the supply of primary service which gave them a rate showing a saving over the operation of their own plant had no bearing whatever on our expenses on the customers' property of \$228,500, because that expenditure was only a part of a very large expenditure which the company entered into in its program of changing the downtown district from direct current to alternating current.



Q. I don't want to reiterate. But if you had lost Lit Brothers as a customer through their installation of an isolated plant the company would have had its operating expenses reduced during the past year by \$228,500, or \$283,000, not taking account of the offset?

A. That is a fact.

Q. And the revenue which you will receive from Lit Brothers will amount in your estimation to \$45,000 a year?

A. I think so.

Q. So for the next five years the amount you have charged to operating expenses or furnishing this equipment will offset the revenue you receive from Lit Brothers?

A. No.

Q. Will you explain why not?

A. The very fact that we spent \$228,500 and thereby were able to continue supplying that customer with an annual revenue of \$45,000, permitting our shutting down several plants in the city of Philadelphia.

Q. But you could have shut them down if Lit Brothers had gone over to an isolated plant?

A. Had we any assurance that they were going to a private plant?

Q. I think you had so much assurance that you made very generous terms to them, did you not?

A. We have no different terms with Lit Brothers than we made with any other customers under the same conditions.

Q. It is true that John Wanamaker had an isolated plant?

A. Yes sir.

Q. And it is true you transferred the Seeds Building from an A. C. to a D. C., a small building, and charged them \$10,000 for their equipment.

A. I am not familiar with that.

Q. Let us be perfectly frank. It comes down in the last analysis to the question as to how much the company is justified in paying and charging to operating expenses in order to prevent an isolated plant from being installed?

A. No, Mr. Evans, that has no bearing on the question.

Q. You mean to tell this Committee that the Philadelphia Electric Company does not take into account at all the question whether or not a customer is going to install an isolated plant in negotiations such as we have been discussing?

A. That has no bearing on our estimate. We try to give the customer the very lowest cost under our rate applicable to them, and give the service, and where it is primary service we try to give them the benefit of our advice and engineering in order to get the lowest possible cost of equipment. I must again say the cost we are discussing here is an entirely different problem, and if I had time I would like to explain a little of the background leading up to what is now one of lowest large customers on our direct current system.

Q. In order that this situation may be perfectly clear, will you produce at a later date from your commercial department the three primary estimates made to Lit Brothers for the change there, the first calling for an expenditure by Lit Brothers of approximately \$150,000, that being dated or about January 28th or January 29th, 1930. The next is dated February 25, 1930, calling for an expenditure by Lit Brothers of \$92,000 for receiving equipment?

A. This is our preliminary estimate for the cost for making these changes, which is as follows; I will read it if you wish.

Q. We won't take the time. The third, the estimate made between February 15th, 1930, and March 30th, for the expenditure by Lit Brothers of the sum of seventy or seventy-odd thousand dollars?

A. I will be very glad to.

MR. MARTIN: I would like to say to the Committee, if Mr. Evans has the documents that we would otherwise have in our files, we cannot find them now. We have not been able to find them on our subpoena. If these are the documents that we were subpoenaed to bring here, it is a simple matter to put them in evidence.

MR. EVANS: I think that is all, Mr. Liversidge, that I have to ask you on this phase.

MR. MASON: Before you stop, as I suggested yesterday, go in into these contracts and the detail of them, it seems to me that you ought to give Mr. Liversidge an opportunity to explain the real reason for that expenditure, that it was made as part of the general policy, and a similar expenditure made for similar customers under similar circumstances.

MR. TURNER: Had not you better come up here and talk to the Committee for just a moment.

BY MR. RHODES:

Q. Mr. Liversidge, can you tell the Committee approximately how much of this type of expense was added to operating cost by your company in the past year?

A. In round numbers, \$1,000,000.

Q. And that \$1,000,000 was charged to operating cost?

A. Operating cost.

(Discussion at Bar by counsel and members of the Committee.)

BY MR. TURNER:

Q. Mr. Liversidge, go ahead under Mr. Evans' direction or questioning, or if you want to, you may make the explanation without that.

MR. TURNER: Do you care to ask the questions, Mr. Evans, or would you rather just let Mr. Liversidge make the statement.

MR. EVANS: I would like just in order to clear up any possible misapprehension to state that the copies of these preliminary estimates, which I have before me, came to me through Lit Brothers, and the concern that was to install the isolated plant for Lit Brothers, and was in no way obtained from the files of the Philadelphia Electric Company. I think that is only fair.

MR. MASON: They are just as acceptable to us under those circumstances as otherwise.

BY MR. EVANS:

Q. Mr. Liversidge, in the Central Philadelphia District, you have in the past served your customers with direct current, have you not?

A. Yes, Mr. Evans.

Q. And you have desired to get rid of that direct current system?

A. Yes.

Q. And one of the reasons which has prompted you to make those changes of equipment at the company's expense on customer's premises is your desire to make that change as easy as possible for your customers, is it not?

A. Yes.

Q. And you estimate that by getting rid of your direct current system in the Central City District, you save something like a million and a quarter annually in operating expenses, do you not?

A. Yes, based on the loads as of 1931, with the increase and as the demand in the territory increases.

(Discussion between Mr. Evans and the witness at the instruction of Mr. Evans off the record.)

BY MR. EVANS:

Q. Will you make your explanation just as brief as you can, since we are pressed for time?

A. I would just add that Lit Brothers is one of the large installations on our direct current system which had not been changed over. In 1924 we faced the situation, in reviewing our ten-year budget, in which we saw that by changing from direct current to alternating, in ten years we would be able to satisfactorily meet the increased demand in that territory at a lower cost for investment in plant, and also included in that change-over cost, the cost of all equipment on consumer's premises after the change-over was completed, and we were serving the territory on alternating current instead of direct current at the expiration of a ten-year period. We would then be operating on an annual operating saving of approximately \$1,250,000. We faced the situation then, in 1924, in which we were able to do one of two things. We could use direct current supply at a greatly increased cost of investment to serve that territory, or change to alternating current and include in the cost of change-over all consumers' equipment. We saw that we would be able to serve the territory during a period of ten years at a lower cost of investment on alternating current than on direct current, and would thereby gain an additional saving because of low operating cost on our alternating service, and we took the cheapest, from an investment standpoint, and the cheapest from an operating standpoint. Those savings have been reflected in our rate reduction. That was the policy established in 1924, and is almost completed.

BY MR. TURNER:

Q. And those savings and reductions in costs that you speak of, were they reflected in the consumer's rates.

A. All consumers. Now, in the Lit case we have reached a point where we desired to change the equipment to alter-

nating current, and at the same time wished to serve them on a primary rate, giving the customer a lower rate than he had received under our rate D. We entered into negotiations with them, first on our standard terms of rate E in which the consumer bought and paid for the equipment to transform the primary service of \$67,000 and we entered into an agreement at the same time to change over all the equipment on the customer's property at our expense. We did exactly the same thing, in so far as change over was concerned with all consumers connected and served by our direct current system in the downtown area during our change over period of ten years. Two things were involved, gentlemen. First the delivery of primary service on our standard rate, and at the lowest estimated cost for changing that equipment which would be designed and installed. Second, the agreement to change all the equipment from direct current to alternating current supplied at our expense. The two had no bearing whatever on our final agreements and contracts, for the entire job, and that is a matter of record. There was no discrimination and no deviation from the practice that we have followed as far as all customers are concerned in the two separate jobs in our service for primary power which the customer paid for and owned the primary receiving equipment, and second the change of equipment on the customer's property so as to permit us to supply all alternating current rather than direct current.

BY MR. EVANS:

Q. Now, Mr. Liversidge, do you state that there are no cases outside of the D. C. district in which you have furnished equipment on the customer's premises, title to which is vested in the customer, in order to retain that customer.

A. Not to my knowledge, Mr. Evans.

Q. You know of no case where you have installed equipment on any customer's premises outside of the D. C. district at the expense of the Philadelphia Electric Company?

A. Title vested in the customer?

Q. Yes.

A. Not to my knowledge.

Q. Suppose title does not vest in the consumer, do you know then of any changes?

A. I certainly can't recall, Mr. Evans.

Q. In your opinion, Mr. Liversidge, in the interest of effective regulation, should not agreements for the installation of equipment be filed with the Commission, so that they shall be open to public inspection?

A. The detailed contracts of the cost of that equipment, you mean, Mr. Evans.

Q. I mean, you have stated a general policy to the Committee?

A. Yes.

Q. Suppose that general policy had been filed as a schedule affecting rates with the Public Service Commission, would that then be desirable from your point of view?

A. On change over costs, Mr. Evans?

Q. Yes.

A. Well, I think it was a matter of routine, Mr. Evans. I don't see what could have been changed. It was a matter of public knowledge and there was no discrimination insofar as the treatment of all customers affected by the change over policy was concerned.

Q. If it appeared that your original proposition to Lit Brothers was that they should expend \$150,000 and you later reduced it so that they only expended \$67,000, does not that indicate that it was a matter of bargaining rather than a matter of fixed policy?

A. Mr. Evans, to answer that, I must say that every original proposal has certain elements, in which the engineering, and design and requirements of the customer are given consideration. A job may originally be considered from the standpoint of the very best practice in equipment, the very best practice in engineering—

Q. That does not answer my question.

A. I think I must make this statement—

Q. Please answer my question, and then make any explanation you want, and it will be much clearer on the record.

(The question read).

THE WITNESS: No.

BY MR. EVANS:

Q. That is your answer. Do you want to make any further explanation?

A. Yes, Mr. Evans, I might say that in all such cases, as explained before, matters of design, questions of the requirements of the consumer, all those enter into what is ultimately developed as to the cost of that equipment, and the costs vary considerable, so that we may start with a certain figure, changes in the demand, changes in location of equipment, changes in the type of equipment may bring about a number of estimates before we finally reach a mutually satisfactory decision and price for the equipment.

Q. And whether or not that was the case will appear probably from your preliminary estimates, when produced?

A. I am quite sure.

MR. EVANS: In order to expedite this matter, I ask that the Philadelphia Electric Company, produce the three preliminary estimates referred to, and that they be given exhibit numbers as follows when produced: Estimate dated January 29 or 28, 1930, exhibit number 94; estimate February 25, 1930, exhibit number 95; and the subsequent preliminary estimates, exhibit number 96; that the contract of March 29, and the four amendments thereto be produced as exhibit number 97.

That is all I have from this witness, unless you have some questions.

BY MR. COOKE:

Q. I would like to ask Mr. Liversidge one thing. I understood you to say that the Philadelphia Electric Company assumes responsibility for seeing that customers get the advantage of the best rates. Did you mean to say that?

A. Well, I meant that we assume the responsibility, but we are continually analyzing the various rates and the requirements of the consumers, and trying to see that they secure the best possible rates, Mr. Cooke.

Q. The reason I ask you is because I am on the board of the Germantown Hospital, and we recently discovered that if we owned our transformers, which I understand have since been acquired by the payment of \$1900, that we would get this desirable rate E. Now, that installation has been in some years; I can't tell you how many, but it is some years; and as I understood you to say, if the meter had originally been put on one side of those transformers, rather than on the other, we would have jumped from the rate E paid to the rate that we are now paying; under rate E. I never knew that your company assumed the responsibility for seeing that the customers got the best rates.

A. No; we don't assume the responsibility, Mr. Cooke, but we do attempt to analyze the various requirements, the bills, the bills of the larger customers that might fall in the rate E class.

Q. I don't know whether I have a right to do it, but I would like to know whether if it can be established that conditions have not changed at all in all those years, whether we have not got a claim against the company for whatever we have been over paying under the rate E.

(No answer).

ROBERT L. YATES sworn

BY MR. EVANS:

Q. You are vice-president of the Skinner Engine Company of Erie, Pa., are you not?

A. Yes sir.

Q. Your company is engaged in the manufacture and installation of isolated electric plants; is it not?

A. That is right.

Q. Will you briefly state to the Committee the negotiations you had with Lit Brothers for the installation of an isolated plant in their store in Philadelphia in the year 1930?

A. We were advised on November 30, 1929, that the president of the Lit Company, felt that he was not getting proper rates on steam and current, and we were advised to get in touch with them, which we voluntarily did early in December, 1929. Upon agreement with them, we had our service engineers survey the plant, so as to make an estimate as to the savings that we felt we could effect in the plant. We do not manufacture boiler equipment, on the power equipment, but our survey had to cover both. In December, 1929, we then made what we call a Guaranteed Savings Proposal to Lit Company, wherein we agreed to furnish our equipment at



a certain price; at one dollar; and take the balance of the contract price monthly in the savings that we could prove by the operating run in their plant. Our proposal was made on December 26, 1929. That was carried along in different conferences until the middle of February, 1930, when we were advised that they were ready to make contract with us; in fact, I personally was there, and was told that I could leave for home, and that the matter could be concluded and would be concluded within the next two or three days with our Philadelphia representative.

Mr. Evans, do you want me to—

Q. I will ask you a question. During the course of the negotiations did Lit Brothers furnish you with the copies of the preliminary estimates, as submitted to them by the Philadelphia Electric Company?

A. Yes.

Q. I show you one dated January 28 or 29, 1930, and ask you whether that is one of those estimates that you referred to?

A. I believe that it is; yes sir.

Q. And that calls for the installation of equipment by Lit Brothers to what amount, Mr. Yates?

A. \$150,000.

Q. And what are the items making up that \$150,000?

A. Shall I read them?

Q. Yes; if you will, please.

A. Estimated costs of services switches, connections, and so forth, \$13,000; service transformers and connections, \$16,000; motor generators, \$34,000; switchboards, \$15,000; changes to lighting circuits, appliances and so forth, \$48,000; mains to tie in present scattered service single service points, \$24,000; total \$150,000.

Q. Did Lit Brothers subsequently furnish you with a copy of the preliminary estimate of the Philadelphia Electric Company dated February 25th, 1930?

A. Yes sir.

Q. In that estimate, what is the cost of the equipment to be installed and paid for by Lit Brothers?

A. \$92,000.

Q. And what does the equipment consist of?

A. Service switches and connections, and so forth, \$13,000; transformers and connections, \$16,000; means to tie in present scattered service to single point service, \$38,000; substation construction, \$25,000, making a total of \$52,000.

Q. Did you subsequently see any other estimate furnished by the Philadelphia Electric Company to Lit Brothers?

A. Yes sir.

Q. And what was the cost of the equipment to be furnished Lit Brothers on that estimate?

A. I was talking to one of the officials of Lit Brothers and he told me at the time that the reduction had been made to \$79,000.

Q. Did you at any time attend a conference between the various parties in regard to negotiations between Lit Brothers and the Philadelphia Electric Company?

A. Yes sir, I was in one conference.

Q. What was the date of that conference?

A. Approximately?

Q. Yes, approximately?

A. It was the latter part of February, about February 26th.

Q. Will you state who was present at that conference as representing the Philadelphia Electric Company?

A. I think their names were Mr. Gaskell and Mr. Dyre.

Q. Do you know what position Mr. Gaskell held with the Philadelphia Electric Company?

A. I do not.

BY MR. EVANS: Mr. Liversidge, will you be willing to state what position Mr. Gaskell holds?

BY MR. LIVERSIDGE: He is an engineer in the power sales department.

BY MR. EVANS:

Q. And Mr. Dyre is also?

MR. LIVERSIDGE: He is a sales engineer.

BY MR. EVANS:

Q. At that conference, was the proposition of the Philadelphia Electric Company discussed?

A. Yes sir.

Q. And what was the proposition at that time submitted to the Philadelphia Electric Company; how much equipment was Lit Brothers to furnish?

A. The amount at that time was \$79,000. Just what the total of the equipment was, I did not read the report over. I was shown it very quickly.

Q. Who was present at the conference on behalf of Lit Brothers?

A. The President of the Lit Company.

Q. What is his name?

A. Mr. R. J. Goerke, and also a gentleman from Memphis, Tennessee, and one of our own engineers, Mr. Bradt, and myself.

Q. What did Mr. Goerke tell the representatives of the Philadelphia Electric Company?

A. That he could not consider taking on their service unless it could be put in for nothing, that is, at no cost to him.

Q. Unless that was done, he would install an isolated plant?

A. That was the premise.

Q. He didn't say that?

A. I cannot say he did.

Q. You reached the point in your negotiations with Lit Brothers where you were told that the contract for an isolated plant to be furnished by you would be signed within a day or two, did you not?

A. Yes sir.

Q. And the contract was initialed by the officers of Lit Brothers?

A. It was.

Q. Was that contract ever entered into?

A. No it was not.

Q. Were you ever advised by Lit Brothers that they had entered into a contract with the Philadelphia Electric Company?

A. Yes sir.

Q. And about when was that, if you remember?

A. Well, it was sometime prior to the execution of the final contract, and I judge we were advised early in March.

R. Z. ZIMMERMAN sworn

BY MR. HIRSCH:

Q. What is your full name, Mr. Zimmerman.

A. Richard Z. Zimmerman.

Q. What is your position with the United Gas Improvement Company?

A. Vice-president in charge of purchases.

Q. How long have you held that position?

A. Since April 1st, 1929.

Q. What position do you hold with the Philadelphia Electric Company?

A. General Purchasing Agent.

Q. Do you receive any salary or compensation?

A. No.

Q. As General Purchasing Agent of the Philadelphia Electric Company, do you receive any compensation?

A. I receive no compensation.

Q. Does the U. G. I. Company receive any fee for your services?

A. I don't know of any fee outside of what has been stated before, that is, a bill is rendered to include our services.

Q. You mean a bill is rendered by the U. G. I. Company to the Philadelphia Electric Company and that includes your services as Purchasing Agent?

A. The services of the Purchasing Department as a whole.

Q. Are there any members of the purchasing department of the United Gas Improvement who receive a certain portion or all of their salaries from the Philadelphia Electric Company?

A. None.

Q. Is there any bonus or special compensation that you receive at the end of the year, depending on the earnings of the Philadelphia Electric Company?

A. No.

Q. What is the nature of the purchases you make for the Philadelphia Electric Company?

A. We make all kinds of purchases of materials used in operation.

Q. Can you specify some of the major items that you purchase?

A. We purchase coal, we purchase transformers, meters, wire, cable.

Q. How long has the United Gas Improvement Company been making such purchases for the Philadelphia Electric Company?

A. We merged the purchasing department in August, 1930.  
Q. Can you say approximately the total of your purchases for the Philadelphia Electric Company since that date?

A. Since that date?

Q. Yes sir.

A. No, I cannot. I can give you the total for the year.

Q. Can you give us that figure?

A. The total for the year of 1930 was \$21,673,000.

Q. Since the departments were merged on August 16, 1930, would you say that that total represents the purchases since August 16, 1930?

A. I should not say so.

Q. Did you not say—

A. Until August 16, 1930, their department was operating separately.

Q. Were you not purchasing agent for the Philadelphia Electric Company prior to August 16, 1930?

A. Yes sir.

Q. What was the nature of your duties?

A. The nature of my duties was the supervising of all purchases, and I particularly gave attention to the purchase of coal.

Q. Then is it a fact that during 1930 you personally supervised the purchase of approximately \$21,000,000 in equipment and merchandise for the Philadelphia Electric Company?

A. Yes sir.

Q. And for such supervision you received no compensation?

A. No.

Q. Can you tell me how the United Gas Improvement Company arrived at the figures for their compensation for such services?

A. No.

Q. Did you personally submit any estimate of the value of your services rendered?

A. I was asked an opinion on it, yes.

Q. What was your opinion?

A. I don't recall the figure.

Q. Would you say it ran in excess of \$100,000?

A. No.

Q. About how much coal did you purchase each year for the Philadelphia Electric Company?

A. 1930 we purchased about 1,219,000 tons.

Q. Can you give us the average cost per ton?

A. I think I can give you the cost delivered, yes. The total was \$5,099,803.

Q. Who received the bills for this coal after it had been shipped to the Philadelphia Electric Company?

A. The bills for the coal were received by the Philadelphia Electric Company.

BY MR. COOKE:

Q. Is it anthracite or bituminous?

A. Bituminous mostly.

BY MR. MOORE:

Q. What was the price per ton?

A. It varies.

Q. On an average?

A. I would say the average would be somewhere around \$1.79 or \$1.80 at the mines.

BY MR. HIRSCH:

Q. Are these bills made out in the name of the United Gas Improvement Company or the Philadelphia Electric Company?

A. They were made to the Philadelphia Electric Company.

Q. The United Gas Improvement Company orders this coal from the shippers, do they not?

A. They order it for the Philadelphia Electric Company.

Q. Do they use the name of the Philadelphia Electric Company as the ones who order the equipment?

A. All orders are issued by the Philadelphia Electric Company.

Q. Don't you use the stationery of the United Gas Improvement for making such orders?

A. What stationery do you mean?

Q. Do you issue orders to shippers on some letterhead or do you call them on the telephone, or how do you issue these orders?

A. These orders—most of the coal is bought on contract, signed by the Philadelphia Electric Company. The orders

issued are Philadelphia Electric Company orders. Now, whether there is some correspondence at times that occur on United Gas Improvement Company letterheads, that may be.

Q. Well, just how are these orders placed, over the telephone or by telegram?

A. Well of course we do use the conveniences we have. We do use the telephone sometimes and orders issued confirming all purchases.

Q. When these orders are issued confirming purchases, who signs these orders?

A. I sign them as general purchasing agent.

Q. For the Philadelphia Electric Company?

A. Yes sir.

Q. Is there any discount which the shippers allow the United Gas Improvement Company for quantity purchases?

A. Of what kind?

Q. Of coal?

A. No sir.

Q. Is there any quantity discount that you receive on the purchase of transformers and other electric apparatus?

A. Yes.

Q. When is this discount given to you?

A. Well, some are semi-annual, usually annually.

Q. To whom are those discounts or credits sent?

A. To the companies making the purchases.

Q. And would you say they are sent directly to the Philadelphia Electric Company?

A. Yes.

Q. Is there any percentage of those discounts which the United Gas Improvement Company retains?

A. None.

Q. Does your department in the United Gas Improvement Company supervise the disposal of salvaged equipment for the Philadelphia Electric Company?

A. Yes, it comes under the salvage department.

Q. What commission does the United Gas Improvement Company receive for this work?

A. None.

MR. HIRSCH: Does the Committee have further questions?

BY MR. RHODES:

Q. Are you related to the president of the United Gas Improvement Company?

A. I am his half brother.

BY MR. WALKER:

Q. Mr. Zimmerman, might I ask you about these coal contracts. Do you contract for your annual supply of coal?

A. In the majority of cases we do, that is, in the large plants.

Q. And is there any certain company to whom that business is generally given?

A. It is competitive. In other words, we receive bids. We receive as high as 75 bids, and we select the coal very carefully for the quality of service that we expect from the companies, and they are all rated.

Q. And does it so happen that certain companies have received these contracts since you have been general purchasing agent?

A. Yes, there happens to be—let me see—I was going to say two of them.

Q. And who are those companies?

A. The Sterling Coal Company and the Madeira Hill Company.

Q. You said it runs a little over \$5,000,000 delivered, is that right?

A. Yes.

Q. Can you give me an approximate figure per ton delivered; your figure of \$1.75 was at the mine?

A. I can give you the tonnage. I think it comes around \$4.20, something like that; it is a matter of division there. The cost varies according to the delivery point, the freight rate changes. If it is going to a certain plant, you go down to the pier rate, which is lower than the others.

Q. Can you give me any approximate estimate of the percentage of the coal that is purchased from the Madeira Hill Company?

A. In 1930 we purchased 200,000 tons.

Q. From the Madeira Hill. And the Sterling Company?

A. Yes, I can give you approximately—I think it will vary—the contract years are from April 1 to April 1.



Q. About what percent do you purchase from the Sterlin outfit?

A. The Sterling Company has furnished us for the contract year beginning 1929, they furnished 200,000 tons, and we always have a 10% more or less clause in those contracts. In 1930 to '31, the contract called for \$250,000 tons.

BY MR. HAGMAIER:

Q. It does not always pay to buy cheap coal, does it?

A. No, it does not, and for one reason, I might add, you have got to remember that we furnish a decidedly favorable type of business to them. In many cases it becomes a back log to them. In other words, we take the coal every day, and they get paid promptly, that is a great asset to them, and because of that, I think sometimes we can get better prices.

Q. You have certain specifications, according to the amount of ash, do you?

A. That is right, yes.

BY THE CHAIRMAN:

Q. Where are the Sterling Mines, what counties, do you recall?

A. Wait a minute—I want to get the right county. They are nearby Spangler.

Q. Cambria County?

A. That is in Cambria County.

BY MR. WALKER:

Q. Do you happen to know what mines furnish the Madeira Hill Coal.

A. The Madeira Hill, usually comes from their Brookwood and Spangler mines. At times we receive some Rock Hill coal.

BY MR. HIRSCH:

Q. Another question, Mr. Zimmerman. How long have you been general purchasing agent for the Philadelphia Electric Company?

A. Since April 1, 1929.

Q. And during that time you was also vice-president in charge of purchases for United Gas Improvement Company?

A. Yes.

MR. HIRSCH: That is all unless the Committee has further questions.

F. X. MONVILLE sworn

BY MR. HIRSCH:

Q. What is your full name?

Francis X. Monville.

Q. What is your occupation?

A. Superintendent of buildings.

Q. What company?

A. In the Electric Realty Corporation.

Q. Who controls the Electric Realty Corporation?

A. The Philadelphia Electric Company.

Q. What is the nature of the work done by the Electric Realty Corporation?

A. It acquires all real estate, properties, which I have anything to do with; also maintains, operates the buildings exclusive of stations and sub-stations.

Q. Do the profits made by the Electric Realty Corporation go into the general income of the Philadelphia Electric Company?

A. I don't know.

Q. Is the United Gas Improvement Company interested in any way in the Electric Realty Corporation?

A. No.

Q. When you arrange for the purchase of a building do you retain title in the name of the Electric Realty Corporation or do you act as agents and resell to the Philadelphia Electric Company?

A. I don't know, because that is not my phase of the work.

MR. TURNER: I do not quite catch who the Electric Realty Corporation is.

MR. HIRSCH: A subsidiary of the Philadelphia Electric Company.

MR. TURNER: Owned entirely by the Philadelphia Electric Company?

MR. HIRSCH: That is the question I asked, and I tried to find out whether the United Gas Improvement Company had an interest, and the witness said he didn't know.

MR. TURNER: I am asking the other question. Does the Philadelphia Electric Company own the Electric Realty Corporation?

THE WITNESS: Yes.

BY MR. TURNER:

Q. Entirely?

A. Yes.

MR. COOKE: Then why does he not know whether the profits go to the Philadelphia Electric Company, it is a subsidiary.

A. It would be a natural deduction that they do.

Q. You assume that they do.

A. Yes.

MR. TURNER: We cannot deal with an assumption, we ought to deal with the facts. If he don't know we can get that easily enough.

BY MR. HIRSCH:

Q. Do you know whether or not the Electric Realty Corporation is owned privately by any officials of the Philadelphia Electric Company, or the United Gas Improvement Company?

MR. TURNER: The witness said he did not have the information, and it seems to me if you want that you better call the proper authority to tell us.

BY MR. HIRSCH:

Q. Can you tell me, Mr. Monville, or tell the Committee, who in the Electric Realty Corporation can tell us who the real owners are.

A. Yes, I would say our President, Mr. Taylor.

Q. Is he here in the room today?

MR. MASON: Mr. Porter can answer that question. Mr. Porter is here Mr. Hirsch. Mr. Taylor went back as he was relieved by the Committee.

THE CHAIRMAN: Mr. Taylor was excused.

BY MR. HIRSCH:

Q. Do you have any connection with the Utilities Realty Company?

A. Yes.

Q. What is your position in that company?

A. General manager.

A. Who owns the Utility Realty Company?

A. The United Gas Improvement Company.

Q. What is the nature of the work done by the Utilities Realty Company?

A. Owns and operates certain buildings of the United Gas Improvement Company.

Q. Do they own and operate any buildings owned by the Philadelphia Electric Company?

A. No, sir.

Q. Do they supervise the maintenance of any of the buildings owned by the Philadelphia Electric Company?

A. No, sir.

Q. Who pays your salary, Mr. Monville?

A. Both the Electric Realty Corporation and the Utilities Realty Company.

Q. Approximately what percentage of your salary is paid by the Electric Realty Corporation controlled by the Philadelphia Electric Company?

A. Over two-thirds.

Q. And the United Gas Improvement Company pays you as general manager of the Utilities Realty Company the other third, is that correct?

A. Yes, that is correct.

Q. Approximately how is your time divided between these two realty companies.

A. On a nine hour basis, approximately, two hours per day for the Utilities Realty Company.

Q. And would you say the other seven hours you devote to the Electric Realty Company?

A. Yes.

Q. Are not many of your duties in both of these realty companies common ones?

A. Yes.

Q. Can you mention those that are really common?

A. The supervising of the physical maintenance of the buildings, both in the Electric Realty Corporation and the Utilities Realty Company; the general upkeep; the general maintenance of buildings; the cleaning; the motive power; the elevators and so forth.

Q. Do you employ the help of both companies.

A. Yes.

Q. Do those persons that you employ do the cleaning; clean both the buildings owned and operated by the Utilities Realty Company and the Electric Realty Corporation?

A. In their respective companies.

BY MR. TURNER:

Q. Do both companies occupy the same buildings at any place.

A. No, sir.

BY MR. HIRSCH:

Q. Do both these realty companies have any property in common?

A. No sir.

Q. Is there any fee which the Utilities Realty Company, controlled by the United Gas Improvement Company receives from the Electric Realty Company?

A. No, sir.

Q. When a building is purchased or about to be purchased, does the Utilities Realty Company have anything to do with it?

A. No, sir.

Q. In the maintenance of your building at 1000 Chestnut Street—your main office building—who pays the help for doing that work?

A. The Electric Realty Corporation.

MR. TURNER: That is the Philadelphia Electric Company?

MR. HIRSCH: Yes.

BY MR. HIRSCH:

Q. In the maintenance of the office at Broad and Chestnut Streets, occupied by the United Gas Improvement Company, does the Electric Realty Company assume any of that expense?

A. None.

Q. Then, would you say that the Utilities Realty Company, controlled by the United Gas Improvement Company, is engaged exclusively with the ownership and maintenance of buildings of the United Gas Improvement Company only?

A. Absolutely.

BY MR. COOKE:

Q. Did I understand you to say that the U. G. I. paid a part of your salary or does that portion come from the Utilities Realty Company?

A. I said that it came from the Utilities Realty Company.

MR. COOKE: I misunderstood you then. I thought you said that the U. G. I. paid you a portion of your salary.

Q. The U. G. I. owns the Utilities Realty Company?

A. Yes, sir.

Q. The U. G. I. does not pay you any portion of your salary direct?

A. No.

Q. It comes through the Utilities Realty Company; is that correct?

A. It comes through the Utilities Realty Company; yes, sir.

EDWARD PORTER sworn

BY MR. HIRSCH:

Q. What is your full name, Mr. Porter?

A. Edward Porter.

Q. What is your position with the Philadelphia Electric Company?

A. Vice-President and Controller.

Q. How long have you occupied that position?

A. Since September 12, 1928.

Q. What was your position prior to that date?

A. General Auditor, United Gas Improvement Company.

Q. As Vice-President of the Philadelphia Electric Company, do you still perform any services for the United Gas Improvement Company?

A. No, sir.

Q. Do you occupy any position in the Electric Realty Corporation?

A. Vice-President.

Q. Can you say who the owners of the stock are?

A. Yes, sir; the Philadelphia Electric Company.

Q. The Philadelphia Electric Company owns the stock as a corporation or is it owned in the names of certain individuals in the Philadelphia Electric Company?

A. The stock, with the exception of the directors' shares, is in the name of the Philadelphia Electric Company.

BY MR. TURNER:

Q. You mean by that that certain individuals for the purpose of holding directorships would have to have a share of stock?

A. Yes, sir; one share of stock.

Q. One share?

A. Yes.

Q. And the other stock is owned by the Company?

A. By the Company.

BY MR. HIRSCH:

Q. Do those directors receive a special fee or compensation?

A. No, sir.

Q. What is the nature of the work done by the Electric Realty Company?

A. It is a general real estate company, holding, buying and selling real estate, as the policy may require. It also owns some office buildings and also does maintenance work for office buildings.

Q. Do the profits of the Electric Realty Company go into the general income of the Philadelphia Electric Company?

A. It is hoped that they will. Up to this time there have been none.

BY MR. TURNER:

Q. They have lost?

A. Yes.

Q. They have run into the red?

A. It is in the red by reason of the fact that purchases of real estate, which require a heavy investment, we may have to hold for some time, and, of course, they are borrowing money to carry it, and that runs into quite a sum.

BY MR. RHODES:

Q. What is the realty company's capitalization?

A. \$50,000.

BY MR. TURNER:

Q. What is the par value of the stock per share?

A. \$100.

BY MR. MASON:

Q. As a matter of fact, if Mr. Hirsch will ask Mr. Porter the question as to how those directors' shares are endorsed, he may find they have gone back into the company.

BY MR. HIRSCH:

Q. Are they engaged in any other real estate transactions other than real estate properties for the electric companies, in the operation of its properties?

A. The Philadelphia Electric and its subsidiaries.

Q. In other words, a loss sustained by the Electric Utilities Company, it comes out of the operating expense of the Philadelphia Electric Company?

A. Well, no. That is carried on the books of the Electric Realty Company. Following your thought there, if there would be any profit, it would accrue to the Philadelphia Electric Company through the non-operating revenue accounts as a dividend.

Q. Any deficits, therefore, must be made up in the Electric Utility Company, how are they taken care of?

A. The deficits are carried through borrowed money.

Q. Are the moneys borrowed in the name of the Electric Utility Company or in the name of the Philadelphia Electric Company?

A. In the name of the Electric Realty Company.

Q. Does the Philadelphia Electric Company endorse any of those notes?

A. No; that is covered by notes of the Electric Realty Company in favor of the Philadelphia Electric Company.

Q. Does the Electric Realty Company lease any buildings to the Philadelphia Electric Company?

A. Yes, sir.

Q. And the amount charged on those leases is determined by the Electric Realty Company?

A. That is correct.

Q. Was your company organized as a convenience for the purchase and disposal of real estate?

A. Originally, yes sir; that was its purpose.

Q. What is its purpose today?

A. Why, it is still that.



BY MR. TURNER:

Q. On what basis are those rentals worked out?

A. They take the company's investment in the given building, and they add six per cent to that, plus the cost of taxes, depending on how the rental may be made. They aim to come out with six per cent and taxes.

Q. Who does the repairs and maintenance?

A. That would be paid by the Philadelphia Electric Company.

Q. By the tenant?

A. Yes.

BY MR. COOKE:

Q. Couldn't the Philadelphia Electric own those properties just as well?

A. Well, they could, but with the policy of the company now in changing, that is, if we take a location for an office, it may develop that the selection is not a proper one, the population or business may change. If the Philadelphia Electric Company has that, it is usually under mortgage and it requires a lot of trouble to get it released, and they found it easier to dispose of a building that is free that way in case they want to take some other location.

Q. The properties owned by the Realty Company are all taxed for local purposes, are they not?

A. Yes.

BY THE CHAIRMAN:

Q. How are their losses absorbed?

A. They remain with the Electric Realty Company.

BY MR. TURNER:

Q. How can they carry them on a \$50,000 capitalization?

A. The Philadelphia Electric Company is continuing to put up the money.

BY MR. COOKE:

Q. You have properties that are used and useful and some that are not used and not useful?

A. That is right.

BY MR. RHODES:

Q. These properties held by your Realty Company, that are not utilized in the actual operation of the company, they would be tax free if the company had the title themselves?

A. No; they pay taxes on them.

Q. I know, but supposing the Electric Company had these properties or some of them in their name, would they then be tax free by virtue of the nature in which they are used?

A. I am not sure about that under the law. I guess I would have to get the lawyers to answer that for you.

Q. You pay taxes now, don't you?

A. Yes.

BY MR. HIRSCH:

Q. The property that is owned by the Electric Realty Company as I gather it, is both that which is used and useful in utility operation and that which is not used and useful in utility operation; is that correct?

A. That is correct.

Q. When the Electric Company values its properties for rate making purposes, do they include all the properties owned by the Philadelphia Electric Company?

A. No; none of that is included.

Q. Does the Electric Realty Company own the building at 1000 Chestnut Street?

A. No sir; title to that is vested in the Philadelphia Electric Company.

Q. What about the building at Ninth and Sansom Streets?

A. That likewise is with the Philadelphia Electric Company.

Q. Can you mention the names of any of which are owned by the Electric Realty Company, and which are leased by the Philadelphia Electric Company?

A. Yes; the offices on South Broad Street, and one in Frankford.

Q. Do you pay taxes on those offices?

A. Yes sir.

Q. Isn't it a fact that you are exempt from taxation in a number of these offices, because they are presumably used in utility operation?

A. I can't answer that. I will have to refer you to the legal fraternity to answer that.

Q. And do you know whether the bills are paid to the city for taxes, on any of those buildings?

A. Yes; we pay the taxes on those.

Q. Do you pay the regular taxes that all similarly situated properties have to pay?

A. Yes sir.

MR. COOKE: Are you speaking about the properties owned by the utility company?

MR. HIRSCH: Yes.

MR. COOKE: Or by the Realty Company?

MR. HIRSCH: Yes; by the realty company.

MR. COOKE: Properties owned by the realty company would necessarily have to be taxable, because that is not a utility company; is that not right?

BY MR. HIRSCH:

Q. And many of these buildings are used as district offices for the collection of bills, are they not?

A. That is right.

Q. And on those offices, you do pay taxes to the City of Philadelphia?

A. Yes; we pay taxes.

Q. Does the office at 1000 Chestnut Street pay taxes to the city of Philadelphia?

A. I can't say that positively.

BY MR. HAGMAIER:

Q. Pardon me just a minute. Didn't you say a minute ago that the building at 1000 Chestnut was in the utility or in the realty company?

MR. HIRSCH: Philadelphia Electric.

MR. HAGMAIER: Then, they would not pay taxes there?

MR. HIRSCH: They would not pay taxes.

My next question is, don't you sell a great deal of appliances at 1000 Chestnut Street?

A. Yes; that is pretty active.

Q. In other words, you carry on a general merchandising business there, in addition to general offices?

A. Yes.

Q. Don't you think that that subjects the other appliance dealers in your territory to a rather great disadvantage, because you don't have to pay taxes on that property, and they have to pay taxes on similarly situated property?

A. I don't know how to answer that.

MR. RICHARDS: Mr. Hirsch, may I interpose a question?

BY MR. RICHARDS:

Q. You do pay taxes on that portion of the building which is used for the sale of appliances? Isn't that the custom in a great many parts of the state; that they pay taxes in whatever portion of the building is used for a sales room; or is that the custom in Philadelphia? I am asking for information. I know it is the custom in some parts of the state.

MR. HIRSCH: Perhaps the witness can answer that.

A. I don't think that that is true. I would have to look that up about the taxes on the building at Tenth and Chestnut Streets.

Q. Do you know whether anybody here today can answer that question as to whether or not you do pay taxes on the property at Tenth and Chestnut Streets.

MR. MARTIN: We do. That building is not exempt, because exemption is only extended to buildings used for manufacture, for transportation lines and rights of way. That building itself is operated as an office and is a building in a different class.

BY MR. HIRSCH:

Q. Is there any relation between the Electric Realty Company and the Utilities Realty Company?

A. There is not.

Q. Have you taken an active part in politics?

A. No.

Q. How much did you contribute in the last campaign?

A. \$500.

Q. Did anybody approach you to make that contribution?

A. No sir.

Q. You just did it on your own volition?

A. Yes sir.

Q. Was that charged to any expense account in the electric company?

A. No sir.

Q. To whom did you pay that?

A. To a man by the name of Harvey, Treasurer of the Democratic party.

Q. Did you make payment by check or by cash?

A. By check, my personal check.

Q. You took it over there yourself?

A. I mailed it to him.

Q. And no one made a suggestion to you as to the amount of money you should contribute?

A. No sir.

BY MR. RHODES:

Q. Are you familiar with the property owned by the Company?

A. In a general way.

Q. Does the Philadelphia Electric Company like all other utility companies purchase a lot of real estate that it does not use at the present time but holds for future use?

A. Yes, sir.

Q. And sometimes these real estate holdings are held for five or ten years before they are utilized?

A. Yes, sir.

Q. In that case they are exempt from taxation, are they not?

A. No, sir.

Q. If you went out and acquired a lot of property contemplating the use of it at some future time, is not that property exempt?

A. No sir, it is in the name of the realty company.

Q. If it is purchased by the utility company?

MR. MARTIN: The amount that is used and useful for right of way is allocated to the non-taxable property, and that which is excess land, the local authorities insist on taxing.

BY MR. RHODES:

Q. If the Board of Directors by resolution declare that they will use the land for power purposes later, is it not exempt?

MR. MARTIN: If it is taken by eminent domain as part of a prominent right of way, it is. We are speaking of transmission lines. That of course is dedicated to the public use so far as the local taxes are concerned, but where a large area such as a whole farm is acquired by purchase and only a part of that, say 100 or to 200 feet is dedicated to the right of way, the excess is usually taxed by the local authorities and very seldom is the question made a matter of dispute.

BY MR. RHODES:

Q. Mr. Porter, has not your company in its history from your knowledge acquired large areas of land that were to be devoted to the construction of a dam for the generation of power?

A. Yes, sir; it has done that.

Q. And the acquisition of these properties run over a period of years?

A. Yes, sir.

Q. And when your properties are acquired with that end in view, have they not been exempted during that time?

A. No, we pay taxes up until the time they go into use.

Q. Up to the time the property is ready for the generation of power?

A. Yes, sir, until it goes into actual operation.

BY MR. HIRSCH:

Q. Mr. Porter, in Chester where your company manufactures its gas and has coke as a by-product, don't you arrange to dispose of that coke from the plant where the gas is manufactured?

A. Yes.

Q. There you conduct a merchandising business on a property that is used for manufacturing purposes?

A. In a way, yes. You would have to store that coke anyhow.

Q. You really conduct a merchandising business in coke on a manufacturing property which is exempt from taxation?

A. It would be if we owned the property.

Q. Do you now deny you own that property?

A. There is one large section where we do store coke that is rented.

Q. In other words, if you do conduct a large merchandising business on coke on your property used for the manufacturing operation, that business would be exempt from local taxation?

A. I presume it would be.

Q. Is that not rather discriminatory against the other dealers?

A. I could not answer that.

MR. MASON: I would suggest that this line of inquiry, are we investigating the question of whether or not the appliance companies are interested in the rate situation. Is it not going pretty far afield?

MR. TURNER: Under this resolution we are to investigate the acts and conduct of all utilities. The scope is wide and we can go almost anywhere.

BY MR. RICHARDS:

Q. Here is a question. The matter of the sale of appliances by power companies: I am wondering what the custom of the companies in the east is. For example, when an electric range is sold by a private merchant, in the western part of the State, the power companies turn over to the merchant the cost of the installation which runs in the neighborhood of \$40.00.

A. I could in a general way answer that. At the present time the company does refund that installation cost to the contractor.

Q. To the electrical contractor who sells the range or whatever the appliance may be?

A. Yes, sir.

Q. There is no unfair advantage taken?

A. No, we are very anxious to have the dealer make the sale and we will pay him for making the sale.

Q. That is not under an order?

A. No, that is the company policy.

W. H. JOHNSON sworn.

BY MR. HIRSCH:

Q. What is your full name?

A. Walter Howard Johnson.

Q. Where do you live?

A. City Avenue and Greene Hill Road, Overbrook, Philadelphia, Pennsylvania.

Q. What is your occupation?

A. My occupation, I am on the service annuity of Philadelphia Electric Company and also retained by them in a consulting capacity.

Q. Before you went on the service annuity, with whom were you associated?

A. I was with the Philadelphia Electric Company as President.

Q. How long were you with them?

A. Forty-two and a half years in active life.

Q. When did you become President?

A. I should judge—I resigned in February, 1928. I judge I was President six or seven years prior to that. When Mr. McCall was taken sick I succeeded him.

BY MR. TURNER:

Q. It has been testified here you receive \$40,000 a year. How much of that is from service annuity?

A. \$30,000, that is received by all of the employees of the company, and the custom was established many years ago.

Q. The balance of \$10,000 is a retainer?

A. Yes, sir, based on my forty-two and a half years of experience, they thought it was worth \$10,000 to retain me. The others is made up of two per cent of the average of the highest ten years in the company employ, multiplied by the number of years. That is where I get the thirty thousand dollars and that is where all the other men on service annuity get their money.

Q. When did you resign as president of the Philadelphia Electric Company?

A. February 15, 1928.

Q. Was that the day the U. G. I. Company acquired control?

A. Well, yes, but they had some stock—I should say yes. That is the answer to that.

Q. Mr. Johnson, when did the U. G. I. Company first open negotiations with the Philadelphia Electric Company to acquire control?

A. That is a long time ago. The last thing occurred sometime in the summer I think of 1927.

Q. Would you say around July, 1927?

A. Yes, approximately.



Q. That was while you were president of the Philadelphia Electric Company?

A. Yes, sir.

Q. Were there any discussions concerning an exchange of stock prior to that date?

A. Not in this last deal.

Q. Did the U. G. I. Company ever make any attempt to acquire control before July 1927?

A. No, at least I don't recall. I recall, there might have been unofficial conversations.

Q. And these unofficial conversations you think extended over a period of a number of years?

A. A good many years ago, none of them occurred while I was president. In other words, these conversations occurred while Mr. Joseph B. McCall was president, no doubt.

Q. What was your capacity at that time?

A. I have come up from Secretary to Manager and Assistant to the President, and then Second Vice-President, and then Senior Vice-President, and then President, I have gone the whole gamut.

Q. Do you know in July, 1927, who made the approach concerning the exchange of stock, whether it was the U. G. I. Company or the Philadelphia Electric Company?

A. At that time, they—you are a little swift. These are matters of negotiation, and finally there was a Committee appointed of our Board of Directors to meet and consult with a similar committee of the United Gas Improvement Company, and the result of that was a proposition which both sides agreed to submit. We agreed to submit it to our stockholders and recommend it, the Board believed in it and the stockholders believed in it, and turned in their stock.

Q. As far as you can remember, where did the suggestion originate, that is, with the United Gas Improvement Company or the Philadelphia Electric Company?

A. I think the first suggestion came from the United Gas Improvement Company.

Q. You don't remember the individuals at that time?

A. No, the suggestion would come from Mr. Thompson, who was then president.

Q. Do you know how Mr. Joseph B. McCall who was then president of the Philadelphia Electric Company, felt about any merger with the United Gas Improvement Company?

A. Why he was quite favorable on proper terms, and we got those proper terms.

Q. Those proper terms were gotten after his decease?

A. Yes, I think so. Yes.

Q. It is not a fact that Mr. McCall was absolutely opposed to any merger with the United Gas Improvement Company?

A. That is not correct. He was opposed to a lease of many years.

Q. What kind of lease do you refer to?

A. Well, a suggested lease of the Philadelphia Electric Company.

Q. What benefits did you think would accrue to the Philadelphia Electric Company by United Gas Improvement Company control?

A. Well, we thought it would be advantageous, and that is why we recommended it to our stockholders.

Q. In what way do you think it would be advantageous?

A. Oh, in every way.

Q. Can you mention any such way?

A. Well, first of all, it is a metropolitan business, a Philadelphia proposition. The Philadelphia Electric Company could in joining hands with the United Gas Improvement Company help bring about a big forward going concern, which was in every way an advantage to Philadelphia and the stockholders of both companies.

Q. When you say it was an advantage to Philadelphia, do you mean to the rate payers?

A. Yes, I do, in every way. It was a big thing for Philadelphia too.

Q. Well, you mean a big advertisement in effect for Philadelphia?

A. Yes, a great big corporation—

Q. Well, is that the only consideration in the United Gas Improvement Company's acquisition of control?

A. Yes, it was advantageous that they get that control. I cannot go back now three or four years and rehearse and think out the lines of conversation, Mr. Hirsch. I would be very glad if I could, but memory does not serve that way.

Q. The Philadelphia Electric Company was a very powerful company financially, was it not?

A. It was.

Q. That was before the United Gas Improvement Company acquired control, isn't that true?

A. Correct?

Q. What would you say with respect to the financial positions of both companies before the United Improvement Company secured control?

A. Why, the Philadelphia Electric Company was an able going concern, and the United Gas Improvement Company was an able going concern. One more or less was a holding company, and the Philadelphia Electric Company was an operating company.

Q. Isn't it a fact that the bankers felt that the Philadelphia Electric Company was a bigger money maker than the United Gas Improvement Company?

A. I could not answer for that. I don't know what the bankers thought of it.

Q. And isn't it a fact that the Philadelphia Electric Company could borrow money on better terms than the United Gas Improvement Company could at that time?

A. I don't think so.

Q. Do you know whether the United Gas Improvement Company had any experience before in the management of a property so large as the Philadelphia Electric Company?

A. I could not answer that, but I think so.

Q. Can you mention any properties that they owned nearly so big as the Philadelphia Electric Company?

A. Well, they have always—I always understood that they had a very substantial interest in the Public Service Company.

Q. Now, was that prior to this acquisition of stock.

A. Oh, yes. They always had a big heavy interest, the way I understood, and in—

Q. But they really never managed that company.

A. I could not answer that. Then they had Connecticut properties,—oh—they had a number of large properties.

Q. That is true, they had a number of large properties, but did they have any one property that was so large as the Philadelphia Electric Company.

A. I cannot answer that.

Q. Did you personally participate in the negotiations which led to the exchange of stock.

A. Why, of course, I did, I was President of the Company, and I had recommended to my board, I had to recommend it to the stockholders.

Q. Isn't it a fact that Mr. McCall opposed a merger because he did not believe it would benefit the consumers?

A. No.

Q. Would you know that of your own personal knowledge.

A. Why, yes. As senior vice-president he naturally would discuss those matters with me.

Q. Isn't it a fact that he fought bitterly against the merger, and that the United Gas Improvement Company insisted until he passed away.

A. No, he didn't—there was no proposition made. He did oppose the terms upon which the conversations were carried on, but that was just because he didn't think we were getting enough for it.

Q. Well, when he thought you were not getting enough for it, do you mean from the standpoint of the consumers or the stockholder.

A. The stockholder.

Q. After negotiations were commenced immediately after McCall passed away, isn't that true.

A. No.

Q. Well you said a few minutes ago that negotiations were commenced in July of 1927, isn't that correct?

A. That is correct.

Q. When did Mr. McCall die?

A. Oh, I should guess a year and a half before that.

Q. On January 29, 1927, would you say?

A. Yes, about that time.

Q. After he died you succeeded to the head of the electric company, is that correct?

A. Before he died. He took the chairmanship of the board, I was acting president for sometime, then he took chairmanship of the board and I was made president.

Q. And shortly after that action negotiations were commenced which finally led to the exchange of stock.

A. No, I was made president for a year or longer, before I had any idea that this thing was to take place.

Q. What happened to bring this matter to a head?

A. Why, the desire of the U. G. I. to get control of the Philadelphia Electric Company.

Q. Were you really convinced that a merger was a good thing for your stockholders?

A. Yes, and it has been proven.

Q. Did you think it was a good thing for the rate payers?

A. Yes.

Q. Has that been proven?

A. I think so.

BY MR. MEMOLO:

Q. In what way has it been a benefit to the consumers?

A. Why, they have kept on making reductions as economies have increased, and profits, they have turned round, and they have been sharing it with the company, the same as we did really when we ran things.

Q. There has been a reduction in the rates since the merger?

A. Yes, since the merger.

BY MR. HIRSCH:

Q. Isn't it a fact that the Philadelphia Electric Company was considered one of the first five large utilities in the United States?

A. Correct.

Q. Before the merger?

A. Correct, yes.

Q. Isn't it a fact that the Philadelphia Electric Company had among its employees some of the foremost engineers and executives in the utility business?

A. Correct.

MR. TURNER: I assume Mr. Johnson will admit that.

BY MR. HIRSCH:

Q. Then when you say you anticipated great economies and benefits to both stockholders and consumers, you were interested in a general way by what good would be derived therefrom, is that correct?

A. I think that is fairly well stated, yes.

Q. Were any specific figures presented to you to show where a saving might be affected to the benefit of the rate payers?

A. No.

Q. No figures like that were ever prepared?

A. No, of course not. You had to wait until the change was made, and you saw what economies resulted from it; you could not anticipate that kind of thing.

Q. Do you know which men were on that Committee that arranged for these negotiations which led to the merger and acquisition of stock control?

A. Mr. McAllister, Mr. Lloyd—

Q. Mr. Lloyd was with J. P. Morgan and Company—Drexel and Company?

A. Yes, Mr. Ingersoll.

Q. A banker, is he not?

A. An attorney and railroad man, and a Democrat.

MR. TURNER: I think it would only be fair to tell the witness there is only one Democrat on this Committee, so he is gaining no advantage.

THE WITNESS: I rather gathered that. Then Jeremiah J. Sullivan, Jr., acted as secretary of that committee.

Q. He was also a banker, wasn't he?

A. Oh, no; he was looking after his father's interest. You see, the old gentleman was getting pretty well along in life, and Jed got out of the stock brokerage business and devoted all of his time to looking after his father's affairs.

Q. Isn't it a fact that Drexel and Company had a great deal to do with the terms of the merger?

A. There was no merger.

Q. Well, exchange of stock?

A. The approved—I would like to say right here—I don't know whether I get your drift or not,—Mr. Lloyd and Mr. Newhall were very very careful to differentiate between bankers and board of directors. They were very careful.

Q. They were on this board, were they, on this committee?

A. They were on this board. Newhall wasn't. Mr. Lloyd was on this committee, and they were very careful to differentiate between the two positions they occupied, and in this matter Lloyd acted as a director and recommended that we go before the stockholders, which we did.

BY MR. TURNER:

Q. Were they then on the U. G. I. board?

A. No; they were not.

Q. Was there any interlocking of the two boards?

A. Not at that time. I don't know whether there is today or not. There wasn't at that time.

Q. I am speaking of that time.

A. No, there was not any, sir.

BY MR. HIRSCH:

Q. What did Mr. Newhall have to do with the negotiations?

A. Nothing, except as one of the directors he voted for it and approved it.

Q. Was he on the board of either company?

A. He was on the board of the Philadelphia Electric Company at that time.

Q. Mr. Thomas Newhall was on the board of directors of the Philadelphia Electric Company?

A. Correct.

Q. Was Mr. Lloyd also on the board of directors of the Philadelphia Electric Company?

A. Yes.

Q. And isn't it a fact that Mr. Newhall is a member of Morgan and Company?

A. He is of Drexel—Yes, I think he is of Morgan too.

Q. And isn't it a fact that Mr. Lloyd is a member of Drexel and Company?

A. Yes, and Morgan too, I think.

Q. Who were the representatives of the United Gas Improvement Company in these negotiations?

A. I don't know. Mr. Arthur Thompson naturally would be one, and I think Mr. Samuel T. Bodine. I don't know who else was on that committee.

Q. Do you think you can locate any records showing this committee that was appointed to represent the Philadelphia Electric Company and to represent the United Gas Improvement Company, who arranged for the terms of exchange of stock?

A. Why, it is a matter of record.

Q. Who has those records?

A. Why, the U. G. I. would have those records. They would have their own records. And probably the Philadelphia Electric Company,—it may have been copied into the report that was submitted. And I am not quite certain but what there was a circular letter that went out stating those things. I am not sure.

MR. RHODES: Mr. Hirsch, I am just inquisitive to know what that would show anyway, regardless of who the members of these respective committees were; what difference would that be?

MR. HIRSCH: It would show how many bankers represented Drexel and Morgan and who was really behind the exchange of stock.

MR. RHODES: Do you think the personnel of the committee would disclose that?

MR. HIRSCH: It very likely would.

BY MR. HIRSCH:

Q. Is it not a fact, Mr. Johnson, that about the time these negotiations were taking place Mr. Arthur Thompson was president of the United Gas Improvement Company?

A. He was.

Q. Mr. Arthur Thompson was considered a Mellon man?

A. Well, I don't know how to answer that. Mr. Thompson was—it was reported that he was close to the Mellons.

Q. Is it not a fact that the Mellons put Mr. Thompson in as president of the United Gas Improvement Company?

A. No, I don't think so.

Q. Wasn't there, and isn't there now, a Mellon on the board of directors of the United Gas Improvement Company?

A. I couldn't answer that. There was at one time. I don't know now.

Q. Do you happen to know whether there is a Mellon on the board of directors of the Pennsylvania Railroad?

A. No.

Q. Isn't it a fact that during the time of these negotiations the United Gas Improvement Company and the Pennsylvania Railroad joined hands and threatened to discontinue certain large power contracts with the Philadelphia Electric Company if they did not agree to the terms of the exchange of stock?

A. Absolutely no. Ridiculous.



Q. Were you promised anything of value if you approved this agreement arrived at by the committee?

A. I was asked if I would stay with them until I was 70 years of age, and having passed the years of 65 years of age, 65 and a half, I said no, I am through, I want to go on my annuity.

MR. RHODES: Mr. Hirsch, when you ask if anything of value was offered to Mr. Johnson, by whom?

THE WITNESS: Well, I would answer it for anyone.

MR. RHODES: Well, I wouldn't see any relevancy to the question unless it was some specific offer.

THE WITNESS: They wanted me to stay with them and I said no.

MR. RHODES: Who wanted you?

THE WITNESS: Mr. Thompson and the board, and I said no, I take by annuity; and that is when they said well, we want to retain you, and I said first rate, I will be glad to be retained, and I named that modest sum of \$10,000.

MR. RHODES: You would not consider that an inducement to you to approve this proposed sale, would you?

THE WITNESS: No, I would not.

BY MR. HIRSCH:

Q. Well, Mr. Johnson, you now receive \$400

A. Yes.

Q. Who pays that money to you?

A. The company pays it.

Q. Which company?

A. The Philadelphia Electric Company.

Q. Do you have any agreement covering your services as consultant to the electric company?

A. Yes, sir.

Q. How long is that for?

A. For life.

Q. And that agreement specifies an extra compensation to you of \$10,000 each year as consultant?

A. Yes; and that is less than I would have earned if I had stayed with them.

Q. Wasn't your salary as president of the electric company \$30,000 a year?

A. Oh, no. No; the salary of the president was \$60,000 and I gave up \$20,000 to be free and go on the annuity plan.

Q. Have you been rendering any services to the electric company since you have gone on the annuity?

A. Oh, yes.

Q. What kind of services?

A. Oh, any time they want me I am right there. I have my office. Mr. Taylor is quite human, and he asked me to retain my present office and stay close at hand. I am right in the executive suite with him.

Q. How often do you appear at the executive suite of the electric company?

A. Oh, I get down there when I am in town every day for a little while, sometimes all day.

Q. And you perform actual service for the electric company?

A. Surely, when I am called upon. I am a consultant.

Q. Were there any threats made to you while you were president of the electric company to approve the deal between the U. G. I. and the Philadelphia Electric Company?

A. Absolutely no, not in any shape or form.

MR. RHODES: Any purport? I don't just get the purport of that question.

BY MR. HIRSCH:

Q. Were any suggestions made to you, Mr. Johnson, that if you would not agree to the terms of this deal between the United Gas Improvement Company and the Philadelphia Electric Company, you would be forced on the annuity?

A. No. I went on the annuity of my own accord. Asked for it, having arrived at the age.

Q. And you personally wrote the letter to the stockholders asking them to exchange their stock for that of the United Gas Improvement Company?

A. Why, I personally signed it, and personally wrote it, I guess; but it was criticized by everybody, as we always do. We never send out those things without having them visaed and criticized by other people.

Q. Who prepared the original draft of that letter?

A. I don't know.

Q. It was given to you and you signed it?

A. I may have done it myself.

Q. Did you honestly believe that the United Gas Improvement Company would introduce economies in the Philadelphia Electric system?

A. Why, surely; two big properties getting together, there is bound to be a resultant economy, especially with corporations both of them splendidly managed, like the U. G. I. and the Philadelphia Electric.

Q. But no figures whatever were ever presented to you to show what the possible economies might be?

A. No.

BY MR. EVANS:

Q. You were at one time president of the National Electric Light Association, were you not?

A. Yes.

Q. And did you ever hold any office in the Pennsylvania Electric Association?

A. No, not an office.

Q. What is the Pennsylvania Electric Association?

A. An association of all the electric companies in the State of Pennsylvania.

Q. What committee were you a member of?

A. I was on the sub-committee of the Public Policy Committee.

Q. And were you ever chairman of that Public Policy Committee?

A. I was chairman of the sub-committee.

Q. Of the sub-committee, and what is the purpose of the Public Policy Committee?

A. Oh, generally of that nature, looking after the various properties and being where you could be helpful to the various companies?

Q. And what were the duties of the sub-committee of which you were chairman?

A. We did all that.

Q. What else did you do?

A. What have you in mind? We had other duties whenever they were necessary.

Q. And did you have anything to do with legislative matters?

A. I certainly did.

Q. What years were you chairman of this sub-committee of the Public Policy Committee?

A. Let me see, the last legislature was 1927 and that was the last year that I was chairman.

Q. How long prior to that had you been chairman of that committee?

A. I couldn't answer—but a few years.

Q. Did this sub-committee, of which you were chairman, expend funds?

A. Surely.

Q. For what purpose?

A. Oh, all purposes, in keeping track of bills, for people appearing before committees—attorneys.

Q. In other words, it was spent in connection with legislative matters?

A. Yes, entirely—no; not entirely, because there would be, conferences and accounting and conferences on engineering, and that would all come out of that expense.

Q. And did you attend any of the sessions, sessions of the Legislature?

A. Never.

Q. Can you tell the Committee, approximately how often you were in Harrisburg while the Legislature was in session, say 1925, 1926, 1927?

A. In 1925, I don't think I was in Harrisburg more than twice, in 1925 or 1927. There was no occasion for me to come.

Q. How about 1926?

A. Well, there wasn't any Legislature then, was there?

Q. Wasn't there a special session in 1926?

A. Was it 1926? Then, I don't remember being here.

Q. To whom did you pay the money in connection with this legislative service, to which you refer?

A. To various people.

Q. Can you name any of them?

A. No; not now. It is all—to the best of my recollection that would be paid to attorneys and other people—

Q. What were the services that they were to render to your association?

A. —and then we would pay for this matter of record, that anybody could subscribe to. We had that.

Q. What services did the attorneys, you referred to, render to your association?

A. To help us every possible way on bad bills.

Q. And when you asked their assistance, I suppose, it was expected that they would use their influence against the passage of what you considered bad bills?

A. Yes; just the same way if I engaged you as an attorney, you are supposed to use your very best efforts to accomplish the result, and that is the way they would do it.

Q. And you paid them also for appearing before legislative committees, to oppose what you considered bad bills?

A. Yes.

Q. And, also, I suppose to use their influence with their friends in the Legislature?

A. I should judge so.

Q. Did you also expect to use their influence with the voters at home to urge members of the Legislature to work against these bad bills?

A. We did that ourselves, sent out circular letters to all the companies, calling their attention to these bad bills, and urging them to see their representatives and senators, and urging them to vote against them, as they were bad bills, inimical to our interests, and some of them I have facetiously called "pinch bills."

MR. TURNER: Mr. Chairman, perhaps the Committee should take judicial notice of what he means by "pinch bills."

BY MR. EVANS:

Q. I think it would be interesting on the record to have what you mean by a "pinch bill"?

A. Well, just to devil the life out of you.

BY MR. RICHARDS:

Q. Did they tell you?

A. No; they didn't tell me anything, but I suspected something like that.

BY MR. EVANS:

Q. Have you any particular bills in mind?

A. Not now.

BY MR. COOKE:

Q. How did you classify the Giant Power bill in 1925?

A. Inimical to our interests. It wasn't practical; absurd.

Q. You were opposed to that?

A. Yes; and worked against it.

BY MR. TURNER:

Q. That might be a "pinch bill" of another kind. And did you maintain a lobby here during those sessions?

A. Not in the sense of a lobby. We had to have somebody here, who was probably looking after us, but not in the usual sense of a lobby.

BY MR. RHODES:

Q. Can you give us the names of any of these attorneys who were in the Legislature during 1923 and 1925?

A. Oh, surely we could. Baker and Berne Evans were our attorneys.

Q. Just what were they supposed to do?

A. Look after our interests.

Q. Interview representatives and senators?

A. Well, I don't know. To look after our interests, that is the best I could say, Mr. Rhodes.

Q. Can you name any besides those two.

A. Yes; Mr. Connelly was one of our attorneys.

BY MR. COOKE:

Q. Mr. who?

A. Mr. Connelly.

Q. What is his name?

A. John P. In his day Harry Walton was one. It is a little difficult. You see, it is four years I have been out of that work, and it is a little difficult, but those are the outstanding names that come to me.

BY MR. EVANS:

Q. It is not your custom usually to pay your attorneys in cash?

A. No.

Q. Did you make any of those payments in cash?

A. No.

Q. Then your association presumably can produce cancelled checks for them?

A. Why, if they saved them. I don't know, they probably could if they saved them.

Q. But you never disbursed any of the money in cash?

A. Me?

Q. Yes.

A. Of course, I did.

Q. That money was not disbursed to attorneys?

A. It might have been. There might be some occasion when I had money to spend, and we would want somebody to appear before the committee and we didn't want their names in the check book.

Q. Oh, you didn't want their names in the check book? Why didn't you want their names in the check book?

A. I don't know.

BY MR. EVANS:

Q. Did you want yours in the check book?

A. I didn't care.

Q. It was done out of consideration for the attorneys?

A. There might be others, I don't know. I could not tell you. But every penny—there was not a dollar paid out by myself or anybody else that was not done legitimately and honorably.

Q. I am trying to get at the reasons for paying it out in cash. In what amount would you make these cash payments?

A. I don't know.

Q. Do you have any knowledge of how much you would disburse during a session of the Legislature?

A. I think that the whole amount that I had for the two years in handling that end, there were others, there was a president and a treasurer, I think that would run something like ten or twelve thousand dollars. That is my recollection.

Q. In addition to bad bills I suppose you were also interested who were appointed to the Public Service Commission, were you not?

A. No.

Q. You had no interest in that?

A. We had an interest, but that was about all we could do.

Q. These appointments in 1925 were before the Senate for confirmation. Were you interested in those?

A. I really don't know what I did in 1925, but if I was in active business I would be interested naturally.

Q. Wasn't some of this money you did spend to influence the question of the confirmation of Public Service Commissioners as well as opposing bad bills?

A. Not a penny.

BY MR. TURNER:

Q. You mean spent for attorney and others to lobby?

MR. EVANS: Yes. In other words, you spent money on attorneys to lobby against bills which you considered bad bills?

A. Yes, sir.

Q. You never used your influence in any way against the confirmation of what you considered a bad appointment to the Public Service Commission?

A. No.

Q. Now, Mr. Johnson, Mr. Long testified before the Federal Trade Commission that at your request he from time to time made certain payments in cash to you—January, 1925, \$2500. Do you have any remembrance at all of what you used that for?

A. Not the slightest.

Q. It was paid, out, however, to people whose names you don't think it wise to disclose?

A. Correct.

Q. Is that your usual custom, Mr. Johnson, in paying out money for what you consider perfectly honorable transactions, in cash so the names will not appear?

A. There might be reasons for it. I don't know now. When I did it I thought it was the right thing to do or I would not have done it.

Q. What reason have you to suggest?

A. The only reason I could suggest would be that they didn't want their names mentioned. There might have been other reasons at the time which I don't recall now.

Q. Mr. Long testified that on April 24, 1925, he turned over \$2500 in addition to you in cash. Have you any remembrance what that was used for?

A. No sir.



Q. On April 25, 1925, \$2500 in cash. Have you any recollection as to what that was used for?

A. No, I have not.

Q. So altogether during the 1925 session you got \$3250 in cash which you disbursed?

Q. Now Mr. Long also testified that at your request on March 3, 1926, he turned over to you \$2500 in cash. Did you disburse that also?

A. Oh yes.

Q. And again you disbursed it to people whose names are not to be disclosed?

A. Correct.

Q. And for purposes which were not to be disclosed?

A. I don't know about that. I would not go that far.

Q. There is no record, is there, of the purpose?

A. Yes, they were appearing in our behalf.

Q. There is no record of the purpose for which you disbursed this money?

A. No, I didn't catch the question.

Q. Mr. Long also testified on March 18th, 1927, at your request he gave you \$7,500 in cash?

A. That must have been cleaning up a lot of things, I don't know.

Q. What did you clean up, Mr. Johnson?

A. Whatever was hanging over.

Q. Cleaning up has a suggestion of dirt?

A. It doesn't apply here, Mr. Evans.

Q. But you have no recollection of any sort of any individual to whom you paid any of this cash during any of that period, 1925, 1926 and 1927?

A. No, I have not.

MR. RICHARDS: I would like to have him tell us if any of these unnamed persons were members of the Legislature or officers of the State who were retained to represent them during the session.

A. O Lord no.

Q. The reason I asked that was to clear up any question in regard to these bad bills. I can only speak for myself—

MR. COOKE: Mr. Evans, I would like to know whether the Philadelphia Electric Company was the only company that provided Mr. Johnson with these sinews of war?

BY MR. EVANS:

Q. I understand this money was furnished to you, Mr. Johnson, by Mr. Long not as an officer of the Philadelphia Electric Company but as an officer of the Pennsylvania Electric Association?

A. Yes sir.

Q. How did they raise their money?

A. By assessments.

Q. Where was this money to be charged on the accounts of the utilities, as an operating expense?

A. Assuredly.

Q. Mr. Johnson, with your experience in utility matters, do you think it is in the public interest for utilities to spend money such as this without any record of the purpose for which it is paid or to whom it is paid during the session of the Legislature?

A. It is so small an amount, it is insignificant. If it was a big amount of course it would not be right.

Q. Are you prepared to say, Mr. Johnson, that this is all the money you handed out in cash?

A. Absolutely.

Q. How do you happen to remember that?

A. Because that is all that he says I got.

Q. Mr. Long didn't testify as far as I know, this is all the money he turned over to you?

A. Yes he did.

Q. What position did Mr. Long hold at that time?

A. He was Vice President and Controller.

Q. Of what?

A. Of the Philadelphia Electric Company.

Q. What position did he hold in the Pennsylvania Electrical Association?

A. He was appraiser.

Q. Who were the other members of the sub-committee of the public policy committee to which you refer?

A. I think Tripp of Harrisburg and Cope of Pittsburgh.

Q. What is Mr. Tripp's name?

A. George B.

Q. He was formerly connected with the Harrisburg Light & Power Company?

A. Yes sir.

Q. What is he connected with now?

A. Some utility holding company with headquarters in Chicago.

Q. What is Mr. Cooke's full name?

A. Charles, but he is dead.

Q. Do you know whether or not they also disbursed sums of money?

A. I don't know, but if they did, they got it from me or Mr. Long.

Q. From you or Long?

A. Yes.

Q. Do you know whether the Pennsylvania Electric Association still has a Public Policy Committee?

A. I could not answer that, but I should think so.

Q. Do they still have a sub-committee of the Public Policy Committee that attends to Legislative matters?

A. I could not answer that.

Q. Do you presume so?

A. Either in name or fact, I don't know which. I presume so.

Q. You mean in fact whether or not in name?

A. Whatever it is, whatever I should have said, that is what I mean.

MR. EVANS: I think that is all.

BY MR. RHODES:

Q. I think I understood you to say that you did not think it would be ethical or proper to spend large sums of money for these purposes which you described, is that right?

A. Yes.

Q. Well, if it is not ethical to spend large sums of money for such purposes, is it any more ethical to spend smaller sums of money for them?

A. Oh, a small sum—

Q. If it is not ethical to spend large sums, is it any more ethical to spend smaller ones?

A. Well, that is quite true.

Q. Well, it seems to me if the purpose for which it is spent is not proper for large sums of money, certainly it would not be proper to spend any sum of money for it.

MR. TURNER: Mr. Rhodes, Mr. Johnson's answer was in reply to Mr. Evans' question as to the placing of these records upon their books, he meant as to the names, not as to the spending of the amount of money.

BY MR. EVANS:

Q. Do you consider that the spending of \$7,500 is an inconsiderable item in such an affair as this?

A. Why, of course it is, if you are cleaning up, I don't know what for. I cannot remember now.

THE CHAIRMAN: We will take a recess now until 2 o'clock this afternoon.

March 26, 1931, 2.05 P M.

NEVIN E. FUNK sworn.

BY MR. HIRSCH:

Q. What is your full name, Mr. Funk?

A. Nevin Ellwell Funk.

Q. What is your position with the Philadelphia Electric Company?

A. Vice-president in charge of Engineering.

Q. How long have you occupied that position?

A. Since about August, 1929.

Q. What was your position with the electric company prior to that time?

A. Assistant general manager.

Q. In charge of any particular phase of the electric company's business?

A. Engineering and operation, under the general manager, and any other duties that he chose to assign me.

Q. Were you in charge of the operation of all your plants?

A. Yes.

Q. You were evidently familiar with the elements that go into the cost of operation?

A. Yes, I should be.

Q. At the hearing yesterday, did you hear Mr. William H. Taylor, president of the electric company, state that since the

United Gas Improvement Company acquired control of the Philadelphia Electric Company it was operated more efficiently?

A. Yes, sir.

Q. Did you also hear Mr. John E. Zimmerman, chairman of the board of the Philadelphia Electric Company, make the statement, toward the end of the hearing yesterday, that as evidence of the increased efficiency of the electric company since U. G. I. acquired control, the operating ratio of the electric company has decreased? Is that correct?

A. Yes, sir.

Q. The operating ratio therefore would be an index of the efficiency of the electric company?

A. Yes, sir.

Q. And the lower the operating ratio the greater the efficiency?

A. Yes, I would say so, in general.

Q. In other words, Mr. Zimmerman made the statement yesterday that the operating ratio has been going down ever since the United Gas Improvement Company acquired control of the Philadelphia Electric Company; you heard him make that statement?

A. Well, a statement similar to that. I don't know whether that is exactly it or not.

Q. For the purpose of the records, will you define what operating ratio means?

A. It is the ratio of your expenses to your total income.

Q. That is, you would say it is the ratio of the operating expenses to operating income?

A. Yes.

Q. That would not include non-operating income?

A. No.

Q. Do you agree with the statement made by Mr. Zimmerman and Mr. Taylor?

A. Well, what statement do you mean? They made a great many of them.

Q. That the electric company is now operating more efficiently than it was when the United Gas Improvement first acquired control?

A. I think that is true.

Q. I have here copies of the annual reports filed by the Philadelphia Electric Company with the Public Service Commission showing the operating ratios for the year 1925, 1926, 1927, 1928, until October 31, 1929, when there was a merger with some subsidiary companies. Will you look over this report, on page 311, for the year 1925, and read what the operating ratio is there indicated?

A. 61.809.

MR. RHODES: What are these exhibits?

MR. HIRSCH: These are the annual reports filed by the electric company with the Public Service Commission.

BY MR. HIRSCH:

Q. I have here the annual report for the year 1925. Will you read the operating ratio there?

A. 61.218.

Q. I have here the annual report for the year 1927. Will you read this operating ratio?

A. 59.947.

Q. I have here the annual report for the year 1928. Will you read this operating ratio?

A. 63.805.

Q. I have here the report for the year ending October 31, 1929. Will you please read that operating ratio?

A. 64.586.

Q. On October 31, 1929, the electric company merged with several subsidiary companies; is that correct?

A. Yes.

Q. Therefore any reports filed by the electric company with the Public Service Commission subsequent to that date would not show the true condition of the company itself at the time the United Gas Improvement Company acquired control; is that correct?

A. I don't know just what you have said.

Q. In other words, any report filed with the Public Service Commission after October 31, 1929, would show a joint report including these subsidiary companies?

A. That is true.

Q. Now, do you remember,—or, as was testified here yesterday, the United Gas Improvement Company acquired control of the Philadelphia Electric Company on February 14, 1928; do you recall that date?

A. Yes.

Q. Now, I shall read you the operating ratios as you have just read them from these annual reports, for the year 1925 you stated that the operating ratio was 61.809 per cent; for 1926 it was 61.218, showing a decrease, under Philadelphia Electric Control, prior to the acquisition by the United Gas Improvement Company; for 1927 there was still a further reduction to 59.947 per cent; in other words, there was a drop between 1925 and 1927 from 61.809 to 59.947. Do you agree with those figures, Mr. Funk?

A. I think those are the ones I read.

Q. Now, the United Gas Improvement Company, as was stated here, acquired control on February 14, 1928, when, according to the statements made by Mr. Taylor and Mr. Zimmerman, a reduction in operating ratio would be expected on account of their experience and expert supervision, which they expected to render to the Philadelphia Electric Company; isn't that correct?

A. I don't know whether they made that statement in that form or not.

Q. Didn't they make the statement that when they acquired control of the Philadelphia Electric Company the increased efficiency of the organization since they acquired control was reflected in reduced operating ratio?

A. Something like that was said, but I don't know whether those are the exact words. I would like to amplify that if I may. You asked me if the operating ratio reflected the efficiency. I said, "Yes, in general." That means if the conditions are generally the same. You, of course, said that the hydro came in in 1928, and that made a very big difference in the ratio of expense—the operating expense to the total capital, because that hydro came in, and part of it is operating expense and part of it is fixed capital, as I recall it, so, it would not be the same situation in combined hydro and steam plant, as you see, with the steam system alone. Let me say it this way. Suppose the company purchased all its power, it would have no capitalization for the steam plant at all, and its operating expense would be reflected in the capital cost of somebody's else's steam plant, and therefore the operating ratio would be very much higher. So, with the Conowingo system coming in—

BY MR. COOKE:

Q. Supposing you reduced your rates?

A. If you reduced your rates, it would change your operating ratio too.

Q. Your operating ratio would go up, wouldn't it?

A. Your operating ratio would go up if you reduced your rates.

Q. The statement was made here by Mr. Zimmerman, that the operating ratio—there was a definite statement that the operating ratios of the Philadelphia Electric Company had been decreased ever since the United Gas Improvement Company acquired control. Did you hear that statement made here by Mr. Zimmerman yesterday?

A. I don't know. Read the testimony.

MR. TURNER: Pardon me, Mr. Funk. Mr. Hirsch have you the particular page on which Mr. Zimmerman testified? That you could take that, it might be a better help in answering the questions.

MR. HIRSCH: But Mr. Funk agreed with the statement that was made.

MR. TURNER: Have you the particular page on which Mr. Zimmerman testified?

MR. HIRSCH: No; I don't have that.

MR. TURNER: We won't hold you up. We will see if Mr. Walker can find the page.

MR. HIRSCH: Would it be acceptable for the Committee for him to state that Mr. Zimmerman made that statement?

MR. TURNER: If he made the statement.

THE WITNESS: I said, I don't know just what he said.

BY MR. HIRSCH:

Q. Mr. Zimmerman made the statement yesterday that after the United Gas Improvement Company acquired control of the Philadelphia Electric Company they had succeeded in reducing the operating ratios.

MR. RHODES: I think the record speaks for itself. I don't think it makes any difference what Mr. Zimmerman said with relation to this witness. This witness is on the stand. Let him testify what he knows.



BY MR. HIRSCH:

Q. As a matter of fact, when the United Gas Improvement acquired control of the Philadelphia Electric Company in 1928, the operating ratio increased from 59.547 to 63.805, and the year following that, for ten months, the operating ratio increased still higher to 64.580%.

A. Was that the report of the Philadelphia Electric Company or was it a combined system report that you handed me?

Q. This is a report of the Philadelphia Electric Company. That is what it is entitled, the Philadelphia Electric Company.

A. Well, then, that doesn't include the Conowingo as a capital charge. It includes the whole charge for Conowingo as an operating expense, and the operating ratio would have to go up, and if you take the system reports instead, you would find a different story. I think Mr. Zimmerman was talking about the system, and not a part of the system.

Q. There is nothing in the report filed with the Public Service Commission which would show any increased efficiency to the Philadelphia Electric Company since the acquisition by the United Gas Improvement Company.

A. Probably an intelligent analysis would show that it did.

Q. Then, you think the statement made by Mr. Zimmerman yesterday was not exactly correct?

A. I think Mr. Zimmerman was talking about the system, and I believe that his statements were correct. If you talk about a part of it, maybe the statement wasn't correct, but that is not what he said.

Q. In talking about the improved efficiency of the Philadelphia Electric Company as a result of its acquisition by the United Gas Improvement Company, and Mr. Zimmerman, in proof of that, stated that the operating ratios had been decreased ever since the United Gas Improvement Company acquired control, and the reports as filed with the Public Service Commission, show that instead of being decreased, the operating ratios actually increased.

A. Mr. Hirsch, the Philadelphia Electric Company owns the power project, and if you combine the power project with the Philadelphia Electric Company, you would probably find the operating ratios have decreased. I would like to say, right now that you are asking me about something I am not 100% familiar with or following it right along. I am an engineer officer of this company and not a financial officer.

Q. You have testified a few minutes ago that you were familiar, as a result of your long experience in the operating department, with all the elements that go to make up operating expenses.

A. When I speak of that, I speak about what is usually called operating expenses; the general physical operation of the property.

Q. Isn't the operation ratio made up of those elements that you say you are familiar with?

A. Truly. It is also made up of some other things.

Q. What are those other things?

A. Taxes are one of them, and reserve for renewals and replacements and others. I am not an accountant, and I don't have all the information that is in there, but the things that are in the Public Service law to be filed and accounted for are filed in strict accordance by our company so far as I understand, and if those are in the operating ratio, they are in the costs, and if they are not in the operating ratios they are not in the costs.

Q. And now, when these reports are filed with the Public Service Commission—they are a matter of record—I note that in 1925 there was under the heading of "Other General Expenses" an item also entitled "General Expense; \$956,479.56"; is that correct?

A. I do not know.

Q. Isn't that the report of 1925?

A. That is what it says in this, but I don't know what it is for.

Q. You don't know?

A. No.

Q. That is the reason for the question?

A. Well, I shouldn't know.

Q. In other words, under the heading of "Other General Expenses" of the Electric Company is this huge sum of \$956,479.56; and that, as a matter of fact is 4.66% of the total operating expense; is that correct?

A. Yes; that is about 4.6%.

Q. Now, for the year 1926, you had under the same heading "Other General Expense" without being specified for which those expenses were used, \$1,082,152.51; is that correct?

A. Yes.

Q. Can you give us that percentage of the total operating expense?

A. 4.81.

Q. And you don't know what this item includes?

A. No sir.

Q. For the year 1927, under "Other General Expenses," without having specified it, there is lump sum of \$1,350,148.37; is that correct?

A. Yes.

Q. Can you tell us what percentage of the total operating expense that is?

A. 5.7.

Q. 5.7% of the total operating expense?

A. Yes sir.

Q. In other words, during the year 1925 this unknown item represented 4.66% of the total operating expense; in 1926 it represented 4.81%, and in 1927 it represented 5.7%. They were the three years immediately preceding the acquisition of the Philadelphia Electric Company by the U. G. I. Company; is that correct?

A. That is true.

Q. In other words, the average of the years 1925, 1926 and 1927 of the ratio of the other operating expenses to total operating expenses is 5.06?

A. That is right.

MR. HIRSCH: I don't know whether that is the correct measure or not because if the operating expenses are going up, these general expenses may increase with the total income, so the ratio between the total income and this expense would be a better figure. That is in my mind.

Q. For the year 1928, the first year, the U. G. I. acquired control of the Philadelphia Electric Company, we have under their "General Expenses" without being specified, \$1,684,460.80; is that correct?

A. Yes.

Q. Can you give the percentage of this figure to the total operating expense?

A. 6.03.

Q. In other words, the ratio of this item "Other General Expenses" to total operating expenses increases from an average during the three preceding years of U. G. I. control, that is, the years of 1925, 1926 and 1927, increases from an average of 5.06% to 6.03%; is that correct?

A. That is correct.

Q. Can you account for that? If the U. G. I. has introduced the economies they allege here?

A. It all depends on what is put in that general account. I think the general account is subject to a lot of other subdivisions which we keep and which it is easy enough to get if you want them.

Q. Has the Public Service Commission ever asked for a break-down of that huge amount?

A. I cannot tell you. You are asking the wrong man.

Q. From the evidence shown in these reports filed by the Philadelphia Electric Company with the Public Service Commission would you say the U. G. I. Company introduced any economies?

A. You mean without considering the Conowingo Dam proposition?

Q. These are your reports filed with the Commission?

A. For what company?

Q. We are talking about the Philadelphia Electric Company?

A. The Philadelphia Electric Company owns the other company. You just choose to take part of this thing because it suits your purposes instead of taking the whole story.

Q. In other words, to follow that line of reasoning, the operating expenses actually increased since the U. G. I. Company control because of Conowingo?

A. I could not tell you exactly without analyzing, but I note that Conowingo is in the operating expense.

Q. Was not the Conowingo Dam a distinct benefit to the electric company system?

A. Sure, but if you put the operating cost into the capital cost, you automatically increase it.

Q. How can you increase capital charges in the cost of operation?

A. Because the Philadelphia Electric Company is buying the power complete from the Hydro Company. Supposed the system is completely owned by myself and I would rent it to you to operate and you paid me the rental for that property, the whole thing is operating expense and you have no capital expense at all.

Q. Every kilowatt hour you receive from the Conowingo proposition represents a saving in your coal?

A. That is right.

Q. So as you get more power from Conowingo you are effecting greater savings in your operations?

Q. Well, if Conowingo power was cheaper than steam power, that should really tend to decrease your operating expenses?

A. Not necessarily; not when you put the capital cost in.

BY MR. RHODES:

Q. You don't put capital cost in operating expenses?

A. If you buy power from somebody else who owns a generating station, you have to pay his current charges on the investment—

Q. You mean rental?

A. No, suppose it is a power bill. You have a standby cost which is supposed to cover part of the rental, that is part of your power rate; and suppose I was an operating company here, with a distribution system, and I bought all my power from somebody else, I would have to pay for the investment in that plant, and if I did that, which is a proper charge, that would appear in my operating expenses, because that is my operating bill. I would not have any expenses for generation at all, that would be purely operating expenses, and would not be in the capital account at all. You could run your operating ratio up to 80%, depending on how much stuff you put in that, including capital charges with the operating charge, so it is easy enough to get a very high ratio and still in effect be pulling the ratio down, that is, operating more efficiently.

BY MR. EVANS:

Q. Is it not true that the Philadelphia Electric Company pays less for Conowingo power, including all the items which you have referred to, than it would pay for an equal amount of power generated in steam stations?

A. Pays less?

Q. Yes.

A. Yes, that is true.

Q. And it is that power that is sold to its customers?

A. That is true.

Q. Therefore the Conowingo power goes to increase the operating revenue of the company, does it not?

A. The operating revenue, no, because you sell more power—but it don't sell power from the steam stations that the water power replaces.

Q. It sold more power since Conowingo came into operation than it did before, did it not?

A. Yes, that is true.

Q. And it saved operating expenses on its steam stations?

A. That is true.

Q. In other words, the net operating revenue of the company has been improved by the operation of Conowingo?

A. The net operating expenses?

Q. Yes—the net operating revenue.

A. The net operating revenue?

Q. Yes.

A. No, I cannot say it has been improved at Conowingo, because when we put in steam stations, we would have to sell steam power too.

Q. Has not Conowingo been a profitable investment for you?

A. Excuse me. I am thinking about gross revenue, you are talking to an engineer and not an accountant. I made a mistake. You are talking about net revenue, after the expenses are deducted from gross income?

Q. Yes.

A. Yes, that is true.

Q. And therefore the operation of Conowingo did improve your operating ratio, didn't it?

A. In general that sounds reasonable, but I do know this—

Q. Isn't it obvious, Mr. Funk?

A. No, not necessarily, I don't think it is obvious.

BY MR. HIRSCH:

Q. Approximately what does your Conowingo power cost delivered to the Philadelphia Electric Company System?

A. It varies between 4½ and 5 mills, depending upon the amount of water that is flowing, but that does not take into consideration the cost of the steam stations, having to stand by the system to protect against water failure.

Q. In your report of 1927, the year preceeding Conowingo's opening, you have here under grand total of operating expenses, cost per kilowatt hour sold to the Philadelphia Electric Company, can you read that figure?

A. 1.428 cents.

Q. In other words, the year preceding the opening of Conowingo when you were generating all of your current by steam and your cost of power per kilowatt hour sold was 1.428 cents per kilowatt hour, is that correct?

A. Yes, that is right.

Q. And you just testified Conowingo power cost the Philadelphia Electric Company delivered to its system between four and a half and five mills, is that correct?

A. Not into the system, but to the system. That does not include the step-down substations, transmissions lines, or anything to get it into useable position in the system.

Q. Would not that show a remarkable economy by the introduction of Conowingo power in the Philadelphia Electric Company system?

A. Not immediately, no.

Q. Approximately how much power do you get from Conowingo annually.

A. It would average about 1,250,000.

Q. Approximately what percentage is that of the total power sold by the Philadelphia Electric Company or?

A. For the year 1930?

Q. Yes.

Q. Well, now, that is not taking the water supply in 1930, but what the average would be for the year 1930, and as I recall the total output figures, I think that is about 45% of your current from Conowingo and it cost between four and a half and five mills per kilowatt hour, and the other 55% at a cost for operating expenses alone of 1.428 cents, is that correct?

A. No. That is not correct. I think you have got all the distribution, the sub-stations, and everything else in there—your steam stations cost, you have got to take that alone—your steam station cost is 1.476 mills part of the Conowingo cost which the total system cost.

Q. According to your own reports filed with the Public Service Commission by your company for the year 1927, it shows the total operating cost per kilowatt hour sold at 1.428 cents, is that correct?

A. That's right, not for the whole system.

Q. What would you add to that cost in order to determine your total overall cost per kilowatt hour sold? That would include your capital charges.

A. I can't tell you that.

Q. Would you say the figure would approximate two cents per kilowatt hour?

A. In 1927? I should think it was more than 2 cents, the total.

Q. You think it would be more than 2 cents?

A. Yes, in 1927, I think it was actually more.

Q. Approximately how much power do you think you were obtaining from Conowingo the first year it went into operation?

A. I don't remember the figure, but I think it was something like 800 million.

Q. Would you say that is approximately 42 per cent. of the total kilowatt hours sold by the electric company?

A. I don't like to quote exact figures on that. It was somewhere around that figure. I don't remember.

Q. What do you think has been the net effect of Conowingo power on the total cost of power to the Philadelphia Electric Company? In other words, do you think it reduced the total average cost by one-half a cent per kilowatt hour?

A. You mean including investment in generating stations as well?

Q. Everything.

A. No, it could not, to start out with, because when you build a big hydro station, you can not build it one unit at a time; you have to develop the entire plant to start off with. Maybe I am a little strong in saying the entire plant, but a big proportion of the plant; because it costs so much for the water rights and the dam and the transmission lines and the rest of the things that go in to make the water power plant,



that you must be able to use a large amount of power from it to make it an investment that is profitable. As soon as you put a large amount of energy into the system, like that, that is already carrying the load, you have a large amount of excess capacity, and that excess capacity is investment that must earn. Now, it is the only way that any company can get a big hydro plant into operation, or you must be over capacity for a few years, so its immediate tendency would not be to reduce cost.

Q. But isn't that reflected in the figure that you have quoted of between 4½ and 5 mills per kilowatt hour?

A. No; that is only for the hydro itself. The steam plants are standing there, and that will be taken off of that; but the investment is there. The investment is not immediately thrown into the same system, because those plants are going back into the same system, because those plants are going back into service again as soon as their load builds up.

Q. When Conowingo power was brought into the Philadelphia Electric system, did you have any other expenses involved in the original Philadelphia Electric system?

A. To make that power available, you mean?

Q. Yes.

A. Yes, we had to build a 300,000 kilowatt substation at Plymouth Meeting, stepping down from 220,000 volts to 60,000 volts, and we had to build about 14 miles or so of 66,000 volt transmission line from Plymouth Meeting in to Westmoreland substation, to change it to 13,000 volts for general distribution.

Q. What would you say the total extra expense to the Philadelphia Electric Company in order to make Conowingo power available to all the consumers in your territory,—what do you think that total extra expense to your company has amounted to?

A. You mean the investment?

Q. The investment?

A. I can't tell you.

Q. Do you think that investment would have affected the cost of Conowingo power to the extent of one mill per kilowatt hour?

A. I don't believe it no.

Q. Therefore with that total extra investment that the Electric company was forced to assume in order to make available Conowingo power, can we conclude that we would add one mill to the 4½ to 5 mill estimate and say it would cost about 5½ to 6 mills per kilowatt hour total? Is that correct?

A. Mr. Hirsch, we can conclude anything, but I think that the facts can be determined.

Q. Well, what I am trying to get after is the total net effect on the Philadelphia Electric costs of supplying power to the customers in its territory of the introduction of Conowingo power. Would you say it amounted to 5 mills per kilowatt hour?

A. The reduction?

Q. Yes.

A. No, I don't think there is any immediate reduction, because you have the entire investment in your steam stations there for the first year. Your benefit is going to come as the load grows, so that you have only sufficient capacity to safely carry the total load, and not a large amount of excess capacity.

Q. But that investment has already been paid for, it has already been made years ago.

A. Just one minute. Richmond station was built in 1925. That is a brand new station and one of the best stations in the country and that would hardly be years ago. It is a station that is running continuously at a very high load and producing energy cheaply. You can not throw that away you can not throw your other stations away.

Q. But isn't it true that they are the costs which go to make up your 1.428 cents per kilowatt hour operating expense?

A. No; that does not include any investment cost.

Q. All right, then, to include the investment cost of the various generating plants you have, we will use your figure of a little over 2 cents per kilowatt hour, to include those investments.

A. Well now, suppose you figure that you have your steam stations at a certain total amount of investment, and that stays the same, that cost is the same. The only thing you are going to save during the first year of operation of a hydro plant coming in is the amount of fuel that the water that is flowing through those wheels saves. The amount of energy that makes. You won't save a thing on investment cost, except the small amount that your load has grown over what the

steam stations could have furnished if no hydro had come in and you would have put extra steam stations in.

Q. Isn't it a fact that all the rates that you had before Conowingo was introduced into the Philadelphia Electric system,—weren't those rates predicated on your steam station as it existed before the opening of Conowingo?

A. Certainly. It must have been. That is all we had.

Q. Therefore you have those costs and that system in operation, and you introduced 42 per cent. of your power at 4½ to 5 mills; don't you think that should have materially reduced your over-all cost of power?

A. Not for the first few years, no; because you have to pay for the steam stations that are standing there idle. Now I have said that three times. I don't think I ought to have to say it again.

Q. One more question, Mr. Funk, before I take up the next phase of examination. Would you say that the introduction of Conowingo power into the Philadelphia Electric Company system early in 1928 had a tendency to increase the cost, the overall-cost of power?

A. Well, I would say yes and no on that. I don't know. You would have to figure it out. It might have a tendency to increase and it might have a tendency to decrease. It just depends on the ratio of excess capitalization you have in some stations. Mr. Hirsch, those things have to be figured on a long term plan. If you tried to do a major hydro project or just what you begin with in the first year, you will never develop any water power.

Q. I have here a copy of a contract between the Philadelphia Electric Company and the Delaware Power and Light Company, dated April 1, 1930. Can you explain the basis of the charges for current under that contract?

A. I can. Do you want me to go ahead with it?

Q. Yes; just explain the details.

A. The Delaware Power and Light Company, Wilmington. To explain this contract, I will have to make a short statement on steam station operations.

Q. Pardon me, I am just interested in the basis of billing.

A. The billing depends upon steam plant operation. If I can't explain that, I can't explain the contract.

Q. Will you try to do it, briefly?

A. I will try to do it as briefly as I can. In a steam station—the costs are divided into two elements, one—let me say three elements: one is constant, dependent on the size of the plant; one varies, dependent on the demand on the plant, and one varies, dependent on the energy that the plant generates, so that your total average cost of any plant is made up of the three elements. The one that varies with the kilowatt hours we call the increment energy cost, which is lower than the average cost. A steam plant having an average cost of eleven mills can have an increment cost of 1.2 mills. If you have a station with two different generators, one here and one there (indicating), and this one here is more materially efficient than this particular station is more efficient for the greatest number of hours under this one for the least number of hours—

MR. EVANS: May I suggest that gestures do not go on the record.

THE WITNESS: Excuse me, I didn't realize that gestures didn't go on the record. The most efficient station runs the longest hours, and the least efficient station runs the shortest hours. Suppose we draw a company line between those stations, there is no reason why that station should not be operated in exactly the same manner, producing the best efficiency for the customers of both systems.

BY MR. HIRSCH:

Q. May I interrupt. Doesn't the Delaware Heat and Light Company receive all its power from the Philadelphia Electric Company now?

A. It does.

Q. Can you figure out this bill and tell me approximately what rate they are paying the Philadelphia Electric Company?

A. For that particular month it was just a little under 5 mills.

Q. In other words for the month of September 30 to October 31, 1931, the total rate which the Delaware Heat and Light Company paid to the Philadelphia Electric Company was under five mills per kilowatt hour; is that correct?

A. Yes. May I finish my story?

Q. Just a minute. In the report of 1929, you show an operating expense of the Philadelphia Electric Company per kilo-

watt hour, not including any capital charges, of 1.186; is that correct?

A. That is the one you choose to pick out. Yes; but the generating cost up here (indicating) is—Now, wait a minute. The generating cost is 2.44 mills.

Q. But you don't sell power generating costs alone, do you?

A. No.

Q. You must include other items?

A. But we don't include the entire distribution system and sub-stations.

Q. You couldn't figure that basis of charge to every other customer, could you?

A. No; our rates are not the same to all customers.

Q. You don't include all your operating expenses in arriving at your rates for all your customers?

A. All the expenses that are applicable to that particular customer. We certainly would not include the secondary wiring for domestic households in a rate for a 13,000 volt customer.

Q. Isn't it a fact that you are supplying the Delaware Power and Light Company with a large quantity of electricity, exclusively, and they are paying on the average of a half a cent per kilowatt hour?

A. That is true for that bill, but that bill requires analysis to show the truth.

Q. Isn't it a fact that the cost of operations alone as shown in the reports—the last report filed with the Public Service Commission—the operating expenses alone, without including any of the capital charges, are 1.186 cents per kilowatt hour; is that correct?

A. That is the average cost for all energy delivered at two hundred and twenty volts, and one hundred and ten volts, and from there all the way up to 66,000 volts, but the actual costs that should be applied against anyone is entirely different. We deliver to the Delaware at 66,000 volts, and you are trying to speak of 220 volts.

Q. Is there any other customer of the Philadelphia Electric Company who receives such a low rate?

A. No; that is the only contract on this.

Q. Is the Delaware Light and Power Company a subsidiary of the United Gas Improvement Company?

A. Yes.

Q. The Delaware Light and Power Company operates in Wilmington, Delaware, does it not?

A. And the adjacent territory, yes. If the Committee please. I don't want to leave that lay there. I think Mr. Hirsch has shown a wrong interpretation of that contract. I would like to continue with what I have to say.

MR. EVANS: That is only fair.

THE WITNESS: We arranged with the Delaware—well I think you remember where I stopped on that. We try to operate the Delaware Power and Light Generating Station the same as if it were one company. Now, we made a contract so that they pay the amount of capacity of their station cost depending on their own generating equipment, the same as anybody else. They just pay for an amount of energy equal to the amount of capacity which they take from our system; and no demand cost or investment cost, and then pay the increment energy cost. The thing has been divided up so that they could operate their plant and they choose economically and our system could operate economically. Right now that plant is shut down, just as we shut down anyone of our old plants at such time when the load demand don't require it. If need be they must start their plant up on definite notice and take the capacity when they can in replacement for the steam plant. It is operated just exactly as if there were no state line there or no company line. All the contract tries to do is to put the right dollar in the right pockets. That is all.

Q. Do you know how long that plant has been shut down?

A. It has been shut down less than a year.

Q. There are no plans to continue operations in that plant, are there?

A. No; I wouldn't say that. It all depends. We have excess capacity, and we don't operate it.

Q. And therefore, under the present conditions and for approximately a year they have been taking their exclusive power from Philadelphia Electric Company; is that correct?

A. That is true; yes.

Q. Do you mean they are on the same foundation as any other customer who takes his exclusive supply from your company?

A. No, because we have a firm demand to other customers.

Q. What do you mean?

A. We must supply what they are buying.

Q. They are buying all the power from your company?

A. We furnish all their power but we understand and they understand—we gave them permission to shut down their plant because they said it would not pay. Indeed, the fact is that if we should tell them tomorrow that they had to start up, they would start up and pay for the whole amount.

Q. Who negotiated this contract on the part of the Delaware Power Company and on the part of the Philadelphia Electric Company?

A. I negotiated for the Philadelphia Electric Company.

Q. Who represented the other party?

A. That is what I am trying to remember. I think Mr. Hutchings of the U. G. I. Company, who is now dead.

Q. He represented the Delaware Power Company?

A. I think he did.

Q. Are you interested in politics, Mr. Funk?

A. Of course I am. I am no politician but I am interested in politics as everybody should be who is a good citizen.

Q. Did you contribute to the last campaign?

A. I did.

Q. How much?

A. \$500.

Q. To whom?

A. To Robert L. Montgomery, treasurer of the Liberal Party.

Q. Did you take it to him in person?

A. No sir, I sent him a check.

Q. Did anybody in the Philadelphia Electric Company approach you about making this contribution?

A. No sir.

Q. Did you discuss that contribution with anybody?

A. I did not.

Q. It is a coincident that several other members of the Philadelphia Electric Company made a similar contribution?

A. It may be a coincident but I had no conversation with anybody before I made mine.

Q. A few officers of the Philadelphia Electric Company testified that they contributed \$500 apiece and I wondered if the matter had been discussed in conference?

A. I discussed it with no one.

Q. Was the amount of your contribution charged to any account?

A. It was not, no sir.

BY MR. EVANS:

Q. Has it been your practice to make such contributions?

A. I have made some before.

Q. In what amount, Mr. Funk?

A. I don't think I made any contributions for several years. I made a contribution to the Republican Party when President Hoover was running for President, that I sent down to Washington but I don't recall who to.

Q. Have you ever made a contribution before of over \$100?

A. I think I have, yes.

Q. You don't remember that?

A. I don't remember. I know I made many contributions.

Q. You are not a regular five-hundred-dollar contributor?

A. No sir, I thought this time maybe there was some chance of Mr. Hemphill, feeling the way he did about the prohibition situation and the law, which has tended to make a good many rich criminals in our country, possibly it was a good time to get something started.

BY MR. RHODES:

Q. Then you are a wet?

A. Well, I don't drink wet. I am different from some people, I vote wet and drink dry, instead of like a lot of fellows voting dry and drinking wet.

BY MR. RICHARDS:

Q. I would like to ask a question. I would like to know if you have the information, what the difference is in the cost of production per kilowatt between steam and water power; which is cheaper? For instance, I am interested in the situation in my own section?

A. That varies all over the map. A great deal depends on the amount and flow of water in the river and the variations in that flow. A big difference is found in your production cost



by steam where your construction is low as compared with the low production by water where your construction investment is high. Like everything else, there are a great many variables that affect some total average cost when you get into the thing and you cannot take up any set of figures and say that in this hydro plant the production cost is low or that steam plant production cost is high. In other words, you cannot give a general answer to hardly any engineering question. There are so many things that affect the construction cost and the operating cost that it is impossible to give an answer that would apply generally.

MR. RICHARDS: I am asking for this reason, I would like to know for my own benefit. These power rights that are being bought up or have been bought up, I would like to know whether they are to be utilized or utilize the water to produce energy and whether the power so produced is cheaper than produced by coal.

MR. FUNK: The progress in the steam production rate is getting to a point where it is making it rather difficult to build a lot of hydro plants.

MR. RICHARDS: In my own private estate we have a number of very small streams and the power rights have been bought up and in the prosecution of the case against the people who have the right, we were advised that the steam production is cheaper than water production especially when you have a small stream that runs through a part of the country that should be preserved for its scenic beauty.

MR. FUNK: I am sorry I cannot give a definite answer on it. You have to have all the facts before you can arrive at a conclusion in a matter of that kind.

BY MR. RICHARDS:

Q. You think it would take a considerable body of water to make the production cheaper than by coal?

A. Yes. But you might have a small stream with a steady flow or which was away up in the hills maybe high which would let you have a short dam and you could store a great pondage of water back of it so that you could catch the flow at all times of the year and let it fill up and then in the dry season you would be able to draw it off again.

MR. RICHARDS: I think you have answered my question in this particular case I am thinking about.

BY MR. HAGMAIER:

Q. You said the Philadelphia Electric Company sold the Delaware Power Company at very low rate. Do you feel that your company have lost money in that?

A. Absolutely not. The 20 cents a month for each kilowatt they take, the total kilowatts, was made 20,000 to 25,000, plus 3 mills for all kilowatt hours they take. Then pay us I think \$1.38 a month every kilowatt demand which they have a right to have under the contract. Under the contract just before this one they paid us a rental on the transmission lines from Chester to the Delaware State line of about \$56,000. When the deep water plant was put in, the Delaware Power installed transmission cables under the river which are the longest in the world. We pay half the annual charge on these cables and get the power from deep water and relieve them of the carrying charges from Chester to the Delaware State line. We are getting the power back. So we are paying the charges from the deep water station.

Q. It is costing them more when you take everything into consideration?

A. Yes sir. Some of their costs do not appear in here at all. For instance, the cost of getting the power from the generating station to the sub-station.

BY MR. CRAWFORD:

Q. Do I understand that this ready to serve charge, that you stand ready at all times to furnish power.

A. At the present time while we have excess capacity we have permitted to shut this generating station of their own down, because we have excess capacity.

Q. You don't agree in your contract to carry that load at any time.

A. No, we agree to give them credit for I think it is 10,400 kilowatt capacity for that plant, and they have to pay for the amount their load is above 10,400 kilowatts, and then if we need the capacity they start that plant up again and operate it.

Q. That is it will then turn power over to you?

A. They just cut down the power they take from use.

Q. A ready to serve charge is generally different than a stated charge, is it not?

A. Yes, that is true, but that is a little bit different from that, they are supplying part of the readiness to serve charge themselves in the capacity of their own plant.

Q. You have no obligation to serve.

A. We have no obligation to serve beyond that figure.

BY MR. HIRSCH:

Q. Isn't it a fact, Mr. Funk, that today and for the past year you have been actually been supplying them at a loss.

A. No.

Q. Do you mean to say that your total cost of power is 5 mills per kilowatt hour?

A. No, that is more than the operating cost though.

Q. According to your filed reports with the Commission operating this line with over twice that amount?

A. Mr. Hirsch, I told you time and again that you are taking into consideration the maintenance of the meters, the maintenance of the entrance boxes, the two hundred twenty volt secondary transformers, the step down transformers, the lines, the regulators, sub-stations, thirteen thousand volt transmission lines, and everything else in your costs..

Q. How can you segregate the cost for one customer and say that is our cost when the Commission has frequently stated that it is a very difficult thing in a complicated system such as the electric companies to segregate costs, and say it costs us just so much to make current and to supply specific customers.

A. But you can figure in your generating cost provisions have been made in the accounts and you can segregate those costs.

Q. The cost to the Philadelphia Electric Company alone is over 4 mills per kilowatt hour.

A. There are some hydro costs in this too.

Q. I thought you said before that hydro really was not so much cheaper than steam power.

A. The total cost—Let me tell you this: If we sold them the whole amount of energy at \$1.38 for the demand, and about, say, 4 mills for the energy, they would keep that plant running down there, they could not afford to shut it down.

Q. Isn't it a fact, Mr. Funk, if you had an industrial consumer who used the same quantity of electricity that the Delaware Electric Power Company is using that their rate would be almost twice as high?

A. They would not have any generating plant of their own able to work that way.

Q. That does not answer the question. Take the amount of power shown in these bills, if some other industrial consumer used twice as high, is that correct?

A. Correct, but the conditions would be different.

BY MR. RHODES:

Q. Mr. Funk, in this case you sell to consumers who purchase from a 66,000 volt transmission line?

A. Yes, with his own sub-station.

Q. Now, in the other case, where the purchaser takes from the 220,000 volt line, that is entirely different, is that true?

A. That is true.

Q. And the costs are different?

A. Entirely different.

Q. One is a wholesale consumer and the other is a retail consumer?

A. Retail.

Q. If you had an industrial concern that would take it on the same basis as this other company, you could sell at the same rate?

A. On the same basis, yes.

BY MR. HIRSCH:

Q. You have no other consumers that get the rate or this figure, do you?

A. No.

BY MR. EVANS:

Q. Are you able to state whether the rate at which you are selling power to the Delaware Electric Power Company, if that is the correct name, including all expenses and a return on the capital invested in that service, is netting the Philadelphia Electric Company a reasonable return?

A. Yes, the contract is figured out for the \$1.38 as the base—I don't remember the exact figure, \$1.38 or \$1.33, it is fix-

ured out for a 7% return, and that is on the amount of capacity that we are sitting aside for them.

Q. So that the total cost of generating and delivering energy at the point of service, the energy that is delivered does not exceed five mills per kilowatt hour to the Philadelphia Electric Company?

A. Yes, that is true—no, it is less than that. May I just make an example. If you take \$1.38 a month and 20 cents for just one kilowatt, and say that they do make and furnish their own energy, that would make \$1.58 for demand charge. If they used 50% load factor, that would be less, a little less than 50 of the 300 kilowatt hours at 3 mills, that would be 90 cents—that don't sound right—\$1.59 and 90 would make \$2.48, and that divided by 300 would make it 825 mills, so that the best rate on this is 825 mills, and the reason it is down to 5 mills is because they are getting just the energy they would get on their capacity if they started themselves.

Q. Now, Mr. Funk, there is no regulation of rates in Delaware, is there?

A. None, no.

Q. So that the—

A. May I change that answer a little bit. I think I made a mistake. There is some regulation by the town of Wilmington, I don't know what it is. I am not familiar with the legal feature, but I do know that the Commissioners or the Council down there have some control over rates, but there is no State Commission.

BY MR. HIRSCH:

Q. Just one question, Mr. Funk. In your report for 1929 you have here cost of generating one kilowatt hour by steam power .604 cents?

A. Is that steam power? It doesn't say that. It says by combined method.

Q. I have here the report filed by your company with the Public Service Commission for the ten months ending October 31, 1929, showing a cost of generating one kilowatt hour by the combined methods is 3.8 mills; is that correct?

A. Yes, sir.

Q. Would that seem to indicate that the cost of steam power is less than the Conowingo power?

A. No, I don't think so. Conowingo power is in there.

Q. Well, if Conowingo power is included in these figures—

A. I have to assume that it is in. I don't know what is in these accounts, but I assume it is, if it is a Philadelphia Electric Company report.

Q. This report shows that the combined cost of electricity to your company by steam and hydro is 3.8 mills; that would appear to indicate that in view of the fact from your testimony the cost of Conowingo power is about 5 mills, it would make the cost of steam power about one-half the cost of hydro power?

A. Now, because I think you will find that some of the capital costs for the hydro are not included in there. You see, some of the capital costs for hydro are income deductions that don't come in the operating costs and others go in the operating costs. I don't know how it is. Remember this, that the Philadelphia Electric Company owning the project company and the project company selling to the Philadelphia Electric Company, the over-all picture you get is the combination rate of the Philadelphia Electric Company and the Hydro Company. Now, when you start to talk about one company like that, I really don't know what you are talking about. I just have to assume that in that record you are taking something that on its face value indicates that it is true, which may be far from the fact.

Q. Isn't it a fact, Mr. Funk, that the matter of this rate with the Delaware Electric Company is a matter of negotiation between you and the purchaser?

A. Yes.

Q. It is a matter which you negotiated?

A. Yes.

Q. And the terms which you finally agreed upon are terms which you are both satisfied to accept; is that correct?

A. No, I wouldn't say in this particular case that was the way it was arrived at. I figured out what the cost of the generating stations, the transmission lines, tying them together, the 66,000 volt transmission system, would be, and got a capital charge for that demand rate, and figured out what the increment system charge was including the Conowingo development, putting the Conowingo plant on the basis of

a steam plant; that is, I transferred from capital charges about \$3,400,000 into operating charges for report purposes only,—it is not put in that way in our cost, see,—and developed that 3 mills and 20 cents for operating costs; the actual average buss bar cost for the year 1930, I think, was something like a quarter of a mill, but there is no investment cost,—I mean a quarter of a cent,—but there is no investment cost for Conowingo in that straight operating cost.

Q. Isn't it a fact, Mr. Funk, that there is a possibility of selling power to the Delaware Electric Company at below cost and thereby taxing the operating expense to the detriment of the other power users?

A. Not under this contract, no.

Q. Did the Public Service Commission have any thing to do with the negotiations of this contract?

A. No.

Q. Was the contract filed with the Public Service Commission?

A. I believe the contract was filed with the Public Service Commission.

Q. Do you know when it was filed with the Public Service Commission?

A. No, I can not tell you that.

Q. Do you know whether the Public Service Commission has commented on the terms of the contract?

A. I don't think they have.

Q. Wouldn't it be possible to pass on some of the surplus profits of the Philadelphia Electric Company to the Delaware Electric Company in the form of a special low rate, since the Delaware Electric is also controlled by the United Gas Improvement Company?

A. Not with this contract.

Q. Isn't it possible that the Delaware Electric Company is retaining that big steam plant in order to keep up its high valuation for rate making purposes, although it is not operating it?

A. Now, Mr. Hirsch, you are asking me about a company concerning which I have no knowledge whatsoever.

Q. There is no regulation down there anyway?

A. Well, I don't know anything about it.

MR. HIRSCH: Does the Committee have any questions?

BY MR. RHODES:

Q. Mr. Funk, don't you think, from the standpoint of public policy and to eliminate any possible suspicion, it would be advisable to have this type of contract approved by the Public Service Commission?

A. This contract, I am pretty sure, has been filed with the Public Service Commission; but I don't know, I wouldn't want to swear to that of my own knowledge; I don't know.

Q. Wouldn't it be a good contribution to the public service company law that contracts of this nature would have to be approved by the Public Service Commission, especially where they are between companies that are inter-related?

A. I would say I can see no harm in it, if the thing would not be too rigorous. Now might I just take a few minutes?

Q. The Public Service Commission has never been accused of that, have they?

A. No; but what I mean, if the law was not made too rigorous. You see, a thing like this, between ourselves and the Public Service Company, we have some good generating stations and some that are not so good, and they have good ones and some that are not so good, and during the day it varies from hour to hour; we may sell them some power at a little above our buss bar cost, and the way we actually do it is to have their increment cost, what it costs if we put it on our station, and split the difference between us. It is only a small amount of saving, and it costs nothing to get. Now, if you couldn't make those little trades that are done by the load dispatchers. They have a procedure set up on the load dispatchers.

Q. That was not my thought, my thought was that if the Commission could possibly approve of those contracts taking into consideration all the different factors entering the deal involved?

A. I see no harm.

BY MR. HAGMAIER:

Q. The Delaware Company in selling at that rate, is not for the domestic user?

A. No; I don't see how it could be.



Q. But you see it gets out among the people and they have only the one idea—

A. That is perfectly true. We are doing the same thing every day between the more efficient and the less efficient generating stations, but you certainly should not stop that performance.

Q. No; not so long as the general public does not suffer.

A. If you could make the same amount of energy and burn less coal, and then take the dollar that is not burned and split it up so that it goes into the right pockets—

BY MR. TURNER:

Q. Of course the question is to get it into the right pockets?

A. That is perfectly true. If you have a contract with a higher average cost—a station with an increment cost of 3 mills and an average cost of 4 mills, you couldn't provide power at 3½ mills because their average cost is 4 mills, and is above the three and one-half mills their increment cost. If they are making fifty per cent. of the load with their station running, they have to turn out more kilowatt hours. The preparedness operating costs of a station are higher than the increment costs. So, if you were to put up a thing on the average base, you would just stop the older stations from shutting down. We have a contract with the Public Service Company. It is an old contract and will soon run out, and they couldn't operate their old Burlington station on account of the old contract, which is standard type of contract.

Q. How many of these contracts come up with your company in a year?

A. Any like this (indicating)?

Q. Yes.

A. The most of these contracts we have had at one time were two. We had one with the Counties Electric Company.

BY MR. HIRSCH:

Q. Wasn't that Counties company controlled by the U. G. I also?

A. Yes sir; but if you had been present when Jim Hutchings was trying to get a smaller rate than this, you wouldn't have thought so.

BY MR. RICHARDS:

Q. The only suspicious thing I see in this transaction is that you are selling electric power to your own companies. If you were selling that to the public, it would be a different proposition. You have in your investment for rate making purposes the cost of this dam, which added to what you have already to supply other than this Wilmington company would permit you to make a higher rate, because your base would be higher, but you add to this cost permitting you to make a higher rate, but decrease your earning power by selling it to yourself at a low cost, practically less than cost?

A. No; it is not practically less than cost.

Q. Or at cost?

A. No; it is more than cost.

Q. It wouldn't make any difference what it was.

A. Let us look at it this way. Supposing we don't do this thing, then it would pay to run their generating station down there—

Q. It would make no difference if the generating stations were both owned by the same company, because your rate making in Delaware is not affected by your cost, but by the cost of your plant. That is the only difference I can see.

A. No; but the only thing is this, if we did make a contract of this kind and took into consideration the fact that it has generating station capacity there, then they couldn't afford to buy it, and they can run their own station. They have about 13 kilowatts at \$1.38 so that it would mean the same rate base we have now.

Q. But you have both generating stations there, the one which makes a difference! It makes a difference if this other one was shut down. You can shut down one or the other. You can get the current. You get money for it in one and in the other you don't.

(No answer).

BY MR. EVANS:

Q. Isn't it especially true where the purchasing company is beyond the control of the Commission which controls you?

A. No; I don't think so. Theoretically that might be true. I don't know. I don't know; honestly I don't.

LY MR. RHODES:

Q. The commission approval of these contracts certainly wouldn't do any harm.

A. I don't see how it could.

Q. It would take away the suspicion that might exist, just as Mr. Crawford has said, when you are selling the power practically to your own company?

(No answer).

BY MR. TURNER:

Q. If you sell this current at cost to the Delaware corporation, that does not add anything to the cost of the consumers of the Philadelphia Electric Company, does it?

A. No; it reduces their cost somewhat, because you are using equipment that would otherwise be idle.

Q. If you were selling at cost?

A. If you were selling at cost, it would not hurt anybody.

Q. If you were selling at a loss, it would cost the consumers or the consumers of the Philadelphia Electric Company more money wouldn't it?

A. That is right.

BY MR. CRAWFORD:

Q. But if you use the cost of that dam and the acreage which you acquired for your water rights to make up that rate base, then it would cost more?

A. That is worked into the \$1.38, but that is for the part that we are supplying above it. I checked that up to see just what it was. It is about 8.25 mills if they would take all their power from us and throw their plant away. That is the thing that Mr. Hirsch says. It is really 8.25.

BY MR. HIRSCH:

Q. But as a practical matter, they discontinued the plant for the past year?

A. They discontinued their plant because we had excess energy.

Q. And it enables them to keep that low rate? The Philadelphia Electric Company will have a surplus capacity for a number of years?

A. Yes; until about 1932.

Q. In other words, until 1932 they can afford to keep this very low rate; is that not true?

A. That is true.

Q. And is it not possible that in 1932 you may have sufficient excess capacity in your plant to enable you to continue until 1933?

A. That may be possible; yes.

BY MR. TURNER:

Q. If the Delaware Electric Company, had not been an electric company, would you have made the same arrangement or agreement with them as to the rate?

A. Certainly, as far as I am personally concerned, I would. I think the thing is correct.

BY MR. CRAWFORD:

Q. I think it is good business on the part of your company, because it builds up your plant, but it don't look very good.

A. That may be, but some things that are correct, are economically correct always don't look good. It is not necessarily a fact that a thing always looks good to be economically correct.

MR. HAGMAIER: That is what I saw, the general public gets the erroneous impression because it looks so ridiculously small.

BY MR. EVANS:

Q. Mr. Funk, are you familiar with the date when the United Gas Improvement Company acquired control of the Delaware Power Company?

A. I am not.

(A gentleman in the audience offers the information either January 1st or March 1st.)

MR. EVANS: Mr. Chairman, may I offer in evidence a statement of the power bill submitted by the Philadelphia Electric Company as Exhibit No. 98. The company agrees to furnish photostatic copy of the contract of the Delaware Power and Light Company, to be known as Exhibit No. 98, and which will be offered in evidence when furnished.

IRA A. CRAIG sworn.

BY MR. HIRSCH:

Q. What is your full name, Mr. Craig?

A. I L. Craig.

Q. What is your position with the Philadelphia Electric Company?

A. I represent the Philadelphia Electric Company in rate matters.

Q. You are an employee of the Philadelphia Electric Company?

A. I am.

Q. How long have you been with the Philadelphia Electric Company?

A. Since July 1, 1928.

Q. That was shortly after the United Gas Improvement Company acquired control?

A. That is right.

Q. What was your position prior to that time?

A. I was an employee of the United Gas Improvement Company in promotion and sales department.

Q. Are you still performing any work for the United Gas Improvement Company?

A. I am not.

Q. Do you have charge of all rate matters for the Philadelphia Electric Company?

A. I have in consultation with others that are interested.

Q. Do you look after filing any of these rates that are negotiated with certain customers with the Public Service Commission?

A. I do.

Q. Can you say whether the contract between the Philadelphia Electric Company and the Delaware Power and Light Company was filed with the Public Service Commission?

A. It was furnished to the Public Service Commission with a letter of transmittal. I don't know whether you would call that filed or not. It was not filed as a tariff.

Q. When was that letter sent to the Public Service Commission?

A. June of this year, at their request.

Q. In other words, while this contract is dated April 1, 1930, it is not until June of this year that you furnish the Public Service Commission with a copy?

A. That is correct.

Q. I mean June of 1930?

A. Yes sir, that is right.

Q. What were the circumstances which led to your sending this contract to the Public Service Commission?

A. The Public Service Commission asked our company to file with them all contracts which we had with other companies, including any large power consumers, and in response to that we sent this contract along with other contracts, and informed them that our large consumer contracts were covered by the tariffs on file, but offered to supply those if required.

Q. Did the contract which you had with the Counties Gas and Electric Company contain the same rate as the Delaware Power and Light Company?

A. Yes, sir.

Q. Was the contract submitted to the Public Service Commission for their record?

A. To the best of my knowledge it was not.

Q. Are there many contracts which the Philadelphia Electric Company enters into with other companies that are not filed with the Public Service Commission, covering rates which are not published?

A. By other companies I assume you mean other large utility companies?

Q. Any company?

A. Many contracts made pursuant to tariff revisions which are not filed with the Public Service Commission.

Q. Are there many of these cases that are not filed with the Public Service Commission?

A. I do not know of any such case.

Q. The rate in this agreement between the Philadelphia Electric Company and the Delaware Power and Light Company is not contained in any of your published tariffs?

A. It is not.

Q. And of that the Public Service Commission had no record or copy until June of last year, when you say you sent them a copy?

A. They would not.

Q. Prior to the date that Conowingo went into operation, as was testified here, March 1, 1928, the power rates contained a coal clause, did they not?

A. They did.

Q. And that coal clause was based on your total generation of power by means of steam?

A. It was.

Q. When did you make the first change in that coal clause in order to take care of the power which you were receiving from Conowingo.

A. A modified coal clause was filed April 1, 1929, I believe.

Q. In other words, between March 1, 1928, and April 1, 1929, a period of thirteen months during which you were receiving, as was testified here, 42% of your power from Conowingo, no change whatever was made in the coal clause, is that correct?

A. That is correct.

Q. Will you explain what the nature of the coal clause is which existed prior to March 1, 1928?

A. I don't know that I can recall the figures for you, but it was a provision—if you have them I will be glad to refresh my recollection and give you the figures.

Q. Here is a copy of your tariff of rates, as in effect March 1, 1926, which your company used for general distribution to the public. Will you explain the coal clause as contained in this tariff?

A. The clause referred to reads: "The current charges under this contract shall be increased one twentieth of one mill per kilowatt hour for each 5% increase per ton above an actual cost of coal to the company of \$4.00 per ton of 2240 pounds an initial point of delivery. The determination of the actual cost of coal delivered shall be made for a period of three months, and all current charges based upon such determination shall be applicable to all bills rendered covering current consumed during the next succeeding three months. The initial point of delivery above referred to is the yard of the generating station of the company."

Q. In other words, that coal clause means, Mr. Craig, that if your cost coal delivered is \$5.00 a ton for a given period you add 1-10c per kilowatt hour to the kilowatt hours consumed—

A. To the current charge, and the rates take the coal clause as it reads.

Q. Now, why did you make the change on April 1, 1929?

A. It was deemed to be good policy to adjust the coal clause to modern operating efficiency, and to give credit for the fact that certain of the company's sources of energy had become water power energy, and therefore did not require coal in its generation.

Q. During this period between March 1, 1928, when Conowingo went into operation, and April 1, 1929, for thirteen months when you were receiving 42% of your power from Conowingo, doesn't that mean that the consumers who paid the old coal clause actually overpaid 42% on the basis of that clause?

A. It does not mean that at all.

Q. Well, isn't it a fact that the coal clause was based on your generation of power by means of steam.

A. It was.

Q. And since you didn't burn coal, 42% as much coal, and the consumers continued to pay 42%, isn't it a fact that they overpaid during that period?

A. I don't think it is.

Q. Why don't you think it is.

A. In the first place that was an experimental period. The Conowingo capacity was not in full operation, the equipment was untried, there were known to be extraordinary expenses likely to be incurred, and such expenses were incurred due to failure of equipment, due to test and experiments with equipment to determine its best operating condition. Therefore, that Conowingo power was operated at not normal cost, at a starting period cost, which would naturally be expected to be greater than the cost that would prevail when the operation straightened out.

Q. Are all of your customers on the coal clause basis?

A. Not all of our customers, our power rate customers are.

Q. Therefore the power rate customers were made to suffer for the period of initial operation of Conowingo, is that true?

A. I have just said I didn't consider it true.

Q. Well, no other rates were changed during that period?

A. Nor were the power rates changed.



Q. But isn't it a fact that since the power customers were really entitled to a reduction on account of the quantity of power you were receiving from Conowingo, that they therefore actually paid more money than they should have paid?

A. I cannot concede the basis of the question, that the power consumers were entitled to a reduction.

Q. Well, you said that you did make a reduction during that period because it was an experimental period, and that the deduction is—you desired to keep that surplus money to provide for any contingencies, is that correct?

A. I said that not knowing what the results of the Conowingo operation would be, it seemed well to keep the things in their present status, and that is very good practice in any industry.

Q. And these rates were different that they may have been had you made a change on April 1st of 1929 to March 1st, 1928, is that true?

A. I am not certain, the difference was slight, but whether it is up or down, I am not certain.

Q. Obviously Conowingo was no liability to the Philadelphia Electric Company when it went into operation?

A. It was expected to be for some period of starting-up time.

Q. Was it actually?

A. You would have to refer that question to our engineering department.

Q. On April 1, 1929, when the coal clause was added, didn't the Philadelphia Electric Company have a certain surplus which you had accumulated from the power users by this coal clause?

A. I would not say so.

Q. The other consumers continued to pay the same rates, and when I say that, I mean other consumers, those that are not affected by the coal clause, they did continue to pay the same rates between March 1, 1928 and April 1, 1929, is that correct?

A. I would have to check that, I am not certain whether there were any rate reductions during that period or not.

Q. Well, assuming there were no reductions, as I think we shall bring out in the evidence, it seems that the contingency was borne by these power users having this coal clause, isn't that correct?

A. I do not consider it so.

Q. Have you any reasons to support your answer?

A. I gave you the starting-up period statement, which is a condition the company had to meet at the time.

Q. As a matter of fact, it was testified here that the Electric Company received between March 1, 1928 and April 1, 1928 42% of its power from Conowingo, is that correct?

A. I have not checked that relationship; I assume that it is.

Q. And during that period no change whatever was made in the coal clause compensation for this quantity of power being obtained from Conowingo?

A. That is correct, nor was there any due in my judgment.

Q. Can you tell me what rate reductions were made by the Philadelphia Electric Company in the city of Philadelphia between March 1, 1926 and June 15, 1929?

A. I shall have to refer to some papers, when I get them. As of March 1, 1926, there was a reduction in Philadelphia to residence, commercial lighting, and to power customers.

Q. What general reduction in rates was made after March 1, 1926?

A. I assume that you mean in what was then the Philadelphia Electric Company.

Q. Philadelphia Electric Company territory.

A. There was a reduction on December 1, 1928 in power rates—

Q. I am asking for general rate reductions affecting all classes of consumers.

A. Another reduction April 1, 1929, in power rates, which is a class of consumer.

Q. May I ask—

A. Another reduction on June 15, 1929, to residence customers—

Q. In other words, Mr. Craig, between March 1, 1926, and June 15, 1929, no reduction in rates were made to residence consumers; is that correct?

A. That is correct.

Q. May I go back before March 1, 1926, Mr. Craig, and can you tell me or can you state the preceding reductions in rates?

A. There was a reduction on May 1, 1924, residence lighting, commercial lighting, and power service. The next one was the reduction of March 1, 1926.

Q. Was there not a reduction on March 1, 1923?

A. It is my impression that there was one on May 1, 1923, not on March 1. I can find that out for you, if you wish.

Q. Yes, I would like to have that.

A. There was a reduction on May 1, 1923.

Q. Was there a reduction in rates on May 1, 1922?

A. There was.

Q. In other words, there was a reduction in rates affecting all customers on May 1, 1922, May 1, 1923, May 1, 1924, and March 1, 1926. Is that correct?

A. Not to all classes of consumers, but there was reductions to residence service.

Q. And then there was no reduction for residential consumers between March 1, 1926, and June 15, 1929; is that correct?

A. That is correct.

Q. Isn't it a fact that your business continued just as prosperously between 1926 and 1929 as it had in the preceding three years?

A. I have no knowledge of the operating results of the company during that period.

Q. It was testified here by Mrs. Johnson that sometime in July, 1927, negotiations were opened with the United Gas Improvement Company which eventually led to the acquisition of the Electric Company by the United Gas Improvement Company. Do you know whether or not those negotiations had anything to do with the delay or rather stoppage of the reductions in rates to the residential consumers?

A. I don't know whether they had anything to do with it or not.

Q. But it is true that for over three years, March 1, 1926, to June 15, 1929, not one reduction in residential rates was made; is that correct?

A. We have previously stated that it is.

BY MR. EVANS:

Q. Mr. Craig, as a rate expert, do you consider that a coal clause is a proper way to take account of contingent expenses in connection with the operation of Conowingo?

A. There could be many variations of opinion on that subject.

Q. I am asking you for yours.

A. I would say that a very proper point of view is that the Conowingo project was developed by the company, after a careful study of its existing costs, which included generation by coal, and that if the company were thereafter able to benefit by economies so gained in comparison with the generation of energy by coal, it would be not at all improper to retain a coal clause feature.

Q. Now will you answer the question?

A. I think I have.

Q. In your opinion as a rate expert, is it a proper method of taking care of contingent expenses in a hydro electric generating station to use the coal clause?

A. Not a proper method of taking care of contingent expenses, but those are different from the other questions.

Q. In other words, the coal clause is designed to take care of one element in the rates only, and that is a possible increase in the cost of generation due to the increase in the cost of coal; isn't that correct?

A. Not entirely.

Q. What other purpose does the coal clause have in proper rate making?

A. We would have to go back to the conditions under which the coal clause was initiated. That was a time when there were widely fluctuating prices of coal and labor and all other materials. It was not possible to follow them with rate changes. It was originally the opinion of some commissions that rates should be filed for every changed condition. The changed conditions occurred so rapidly that the development of the coal clause appeared to be the logical solution, and coal clauses as of the time were considered to take care of coal fluctuations, and might in part, but not accurately, take care of other fluctuations of cost.

Q. Can you state roughly what, in the Philadelphia Electric system as it existed in 1926, what part of the cost of generation was represented by coal clause?

A. No; I have not made a study of those figures.

BY MR. HIRSCH:

Q. Isn't that a loss of approximately 30%?

A. It appears on record in the reports. I would not like to guess at it.

Q. Is it not a fact that the Public Service Commission in this state, as in other communities where electric companies file tariffs, have disallowed the coal clause, claiming that it was not an emergency, the war is over, and that prices had become more or less stabilized.

A. I am not familiar with such decisions.

BY MR. EVANS:

Q. Aside from the fluctuations in the price of coal, in your opinion, is it fair to put other items of fluctuating cost, which applies equally to all consumers, upon only one class of consumer?

A. The—

Q. Answer my question and then explain. Is it or is it not?

A. What was the question?

(Question read.)

THE WITNESS: It is not fair, but it was expedient.

BY MR. EVANS:

Q. From the company's standpoint.

A. It was not expedient to increase a resident customer's bill by 3.78 mills or some such a factor as that. The coal clause was such a small portion of the cost of the service, to that class that it was more expedient to do it, Mr. Hirsch.

Q. Is it not a fact that on April 1, 1929, when you changed the coal clause you increased the rate base from 4 to 5 dollars?

A. That is correct.

Q. Is it not also a fact that before you made such a change in the coal clause, most of the power consumers effecter also paid a certain increment on power bills, because your price of coal was above \$4?

A. If I may, I want to check your previous question. I am not certain that I understood your question.

MR. EVANS: Read the question, Mr. Stenographer.

(Question read.)

THE WITNESS: I would have to refer to the tariffs. My impression is that is the correct answer. The tariffs would show.

BY MR. HIRSCH:

Q. Do you have a copy of the tariff with you?

A. Not of that date.

Q. Isn't that a fact—

MR. EVANS: If that is not correct, you may make a correction later, Mr. Craig.

BY MR. HIRSCH:

Q. Is it not a fact that prior to April 1st, 1929, your cost of coal was over \$4 and all the power consumers affected thereby paid an increment on power bills?

A. I believe that prior to that time coal was costing us more than \$4, and that power consumers did pay by the addition of the coal clause some additional clause.

Q. And wasn't this increment, which the power users paid under the coal clause a source of irritation to them?

A. I wasn't with the company at that time, but generally, having had experience with the application of the coal clause, we didn't find it so.

Q. Wasn't that the reason you increased your rate \$5, so that instead of adding an increment, you subtracted a certain credit on the power bills, so that they won't appear—be so obnoxious to the power users; is that correct?

A. That was not the reason.

Q. But that was the chief effect just the same, was it not?

A. I shouldn't say that was the effect.

Q. If the coal clause is based on \$5, as it is today, and previously was based on \$4, is it not true when coal is around \$4.50, as it is today, you give the power users a slight credit?

A. As the coal cost is working today, it gives the power users a slight credit.

Q. If the rate is still on that base, the power users would pay an increment, instead of a credit; is that not so?

A. Before answering that question, I would like to check the current tariff and see what is the base price of coal. It is my impression that the present coal clause is \$4, and not \$5.

Q. I show you a section of your tariff in effect April 1, 1929.

A. The statement there speaks for itself. I think it would be well to read it into the record.

Q. Will you read this into the record? (Indicating).

A. The adjustment as changed is based upon the cost of 16.20 cents per million B. T. U., which is equivalent to a fuel cost of \$5 per ton of 2,240 pounds, with a B. T. U. content of 13,772 per pound.

BY MR. TURNER:

Q. Just one question before you get through with Mr. Craig. Mr. Evans, there has been some question raised, not particularly in these hearings, but after the session the other night of the Legislature, in reference to the penalty charges. I was wondering while we had Mr. Craig, if you could not ask him some questions with reference to the penalties, the whys and wherefores, and what is the effect of them.

MR. EVANS: Very well.

BY MR. EVANS:

Q. What is the penalty clause of the Philadelphia Electric Company?

MR. TURNER: That is, to the domestic consumers.

MR. EVANS: Yes, I mean the domestic consumers.

THE WITNESS: The penalty clause as it appears in the tariff, to domestic consumers, is an increase of 5% on the amounts to those consumers who delay their payment from the period fixed for net payment.

Q. It is generally about ten days after the presentation of the bills?

A. Always ten days; perhaps a little more but generally ten days.

Q. What is the penalty clause to domestic consumers of U. G. I. Company?

A. If you have reference to the Philadelphia Gas Works, my recollection is it is 3%.

BY MR. TURNER:

Q. Do you give a discount or is it added as a penalty?

A. It is a penalty added to the net amount of the bill which results from the rates applied to the bill. The bill could be stated gross—different companies use different systems.

Q. These penalty clauses are to enforce prompt payment of the bill?

A. That is one of their purposes.

BY M. EVANS:

Q. What other purposes do they serve?

A. They serve the purpose of collection some additional money as revenue from these customers who defer their payments, and that we deem a fair thing to do because they are the customers that are responsible for our having to maintain a collecting department which entails a rather heavy expense on us by doing so.

Q. Does it not more than cover that cost?

A. I would not know without a check-up on that. I have not seen one.

BY MR. HAGMAIER:

Q. Do you think the same result could be accomplished by allowing a discount instead of adding a penalty?

A. The same results could be accomplished. At one time it was in effect that we had a rate which was 11 cents a kilowatt, less a discount of 1 cent for prompt payment. But whenever anyone who is not friendly to the company went out and wanted to quote rates, they spoke of it as an 11-cent rate and consequently this expedient was adopted to avoid that.

BY MR. EVANS:

Q. Are you familiar with the system used by the Philadelphia Gas Works and the Philadelphia Electric Company, respectively, in collecting these penalties?

A. I am not familiar with the affairs of the Philadelphia Gas Works, that of course is not a utility reporting to the Commission.

Q. Were you familiar with the practice of the U. G. I. Company when it operated the Philadelphia Gas Works?

A. I was not.

BY MR. TURNER:

Q. The claim is made that the telephone companies charge no penalty and therefore why should the gas and electric companies make a charge?



A. The telephone companies for one thing render bills in advance, and if you don't pay it for the month for which the advance demand is asked they will discontinue your service, whereas the electric company must wait until it gets the reading of its meter, therefore, it is billing for services delivered whereas the telephone company is billing for services to be delivered.

Q. Would it be practical for the electric company to operate, except for the determining of the amount of the bill, would it be practical to operate on the same basis as the telephone company? And discontinue the service if you don't pay your bill?

A. That would represent a loss, as it would represent a charge for service delivered, and with the telephone company it does not represent a loss as it is a pre-demand for service to be delivered. They are different systems entirely, one requires a deposit in advance and the other is in effect a discount.

MR. JOHN E. ZIMMERMAN: I think scientifically the discount is better than the penalty. If you didn't have the penalty, the customer who doesn't pay his bill, that feature would have to be spread over the entire business, and the customer who does pay his bill would be discriminated against in favor of the one who does not. Why should the customer who pays his bill pay for the cost of the collection from one who does not pay it.

BY MR. TURNER

Q. Has there been any study made of the returns to your company from this collection and the loss the company has to bear?

A. I think that is all available, Mr. Turner, and if this committee would like to have it, we would be glad to furnish it to them so they can see what the cost is. The intent of the company is to cover just the cost. It may be that it covers a little more than the cost, it might be possible to come down from five to four, but the object is not to secure a profit but to try to cover the cost of these collections.

MR. TURNER: I suppose you are familiar with the fact that the House passed a bill the other night for a six per cent. interest only to be added for the failure to pay bills. That seemed to be the feeling that the rate of penalty charged was so great that it amounted to such a large percentage of the amount of the bill?

MR. ZIMMERMAN: I think that was a confusion in the mind of the framer of the bill. I think he had in mind the object of the penalty was to collect interest on the total amount, whereas the three per cent. charge is on the face of the bill. It is only an attempt to cover the cost of collection eventually and to collect that money from the man who owes it.

MR. TURNER: It is not operated the same as the Department Store, where the cash customers pay for the charge accounts?

MR. MOORE: Any excess over the cost would be negligible, would it not?

MR. ZIMMERMAN: I think it would.

MR. MOORE: And the delinquents would be the one that would pay it?

MR. ZIMMERMAN: Yes sir.

BY MR. EVANS

Q. Mr. ZIMMERMAN, as long as you are connected with both companies, is there any reason why the one rate is 3% and the other 5?

A. I don't know that there is, Mr. Evans. I think the penalty of the Philadelphia Gas Works is a penalty fixed by the City of Philadelphia in an ordinance in early years and it has always been carried that way, and the lease now provides for the penalty in it.

BY MR. HIRSCH:

Q. Would that penalty come in this operating income where you have the consumer's discount, and so forth, \$138,-408? Would these penalties come into that item?

A. I don't know, Mr. Hirsch. You would have to ask the accounting office as to that.

LEON B. EICHENGREEN, sworn.

BY MR. HIRSCH:

Q. What is your full name, Mr. Eichengreen?

A. Leon B.

Q. What is your position with the Philadelphia Electric Company?

A. Manager of the gas department.

Q. How long have you been with the Philadelphia Company?

A. August, 1928.

Q. What was your position prior to that time?

A. Manager of gas operations of the United Gas Improvement Company.

Q. Were you a contributor to the last political campaign.

A. \$500.00.

Q. Did you discuss that with any person before you made that contribution?

A. I didn't.

Q. Was it charged to any expense account of the Philadelphia Electric Company?

A. It was not.

Q. To whom did you contribute this money?

A. Mr. R. L. Montgomery.

Q. Did you pay it by check?

A. By check, yes.

Q. Did anyone advance you \$500.00 before you made the contribution?

A. They did not.

Q. What is your salary, Mr. Eichengreen?

A. \$13,200 a year.

Q. And you had no discussion whatever with any of these other men who testified they gave \$500.

A. I didn't.

Q. It was just a coincident that you all selected the same figure.

A. It appears that.

Q. Did you ever contribute to any other political campaign?

A. I think not.

BY MR. EVANS:

Q. What was your salary last year, Mr. Eichengreen?

A. \$12,000.

BY MR. HIRSCH:

Q. Was this increase in salary given to you to compensate you for the \$500 contribution?

A. It was not.

MR. HIRSCH: That is all, thank you.

JAMES M. BENNETT, sworn.

BY MR. HIRSCH:

Q. What is your full name?

A. James M. Bennett.

Q. What is your position with the Philadelphia Electric Company?

A. Manager of the public relations department

Q. How long have you occupied that position.

A. Approximately three years.

Q. Where were you before this time.

A. United Gas Improvement Company.

Q. Are you doing any work for the United Gas Improvement Company today?

A. Yes.

Q. Who pays your salary?

A. The Philadelphia Electric Company.

Q. And you donate your service to the United Gas Improvement Company?

A. I don't receive any money for the service to the United Gas Improvement Company.

Q. Approximately how much of your time do you put in with the United Gas Improvement Company?

A. I cannot answer that, it varies.

Q. Would you say fifty per cent. of your time?

A. No.

Q. But you do perform services for the United Gas Improvement Company, and you are paid by the Philadelphia Electric Company, is that correct?

A. Yes.

Q. What did you contribute to the last political campaign?

A. \$500.00.

Q. To whom did you make your check payable?

A. R. L. Montgomery, treasurer of the Liberal Party.

Q. Did you have any conversation with anyone before you made your contribution?

A. No.

Q. Were you urged to make the contribution?

A. No.

Q. Were you compensated for making the contribution by anyone in the electric company.

A. No.

Q. Was the contribution charged to the expense account of the Philadelphia Electric Company?

A. No.

MR. HIRSCH: Thank you, that is all, Mr. Bennett.

ALBERT M. BOYD sworn.

BY MR. HIRSCH:

Q. Mr. Boyd, what is your full name?

A. Albert M. Boyd.

Q. What is your position with the Philadelphia Electric Company?

A. Manager of personnel, claims and safety department.

Q. How long have you held that position?

A. Since October, 1928.

Q. What was your position before that time?

A. I was manager of the gas distribution department of the United Engineers and Constructors.

Q. Are you doing any work for the United Gas Improvement Company today?

A. None whatever.

Q. What did you contribute to the last political campaign?

A. \$500.

Q. Did you have any conversation with any of these men who proceeded you here on the witness stand about the amount of your contribution?

A. I did not.

Q. Did anybody in the electric company or in the United Gas Improvement Company urge you to make the contribution?

A. They did not.

Q. Was this contribution charged to any expense account of the electric company?

A. It was not.

Q. Were you given an increase in salary to compensate you for this contribution?

A. I was not.

BY MR. TURNER:

Q. Were these contributions made after or before Mr. Zimmerman made his.

A. I don't know when Mr. Zimmerman made his, or if he did make one.

BY MR. EVANS:

Q. Mr. Boyd, to whom did you make your contribution?

A. The treasurer—Montgomery, I believe the treasurer of the Liberal Party. I had numerous circulars coming to my house, had been a member of the association against the prohibition amendment, and I had been quite completely circularized in that respect.

Q. Has it been your custom to make contributions to political parties?

A. Not regularly, no.

BY MR. HIRSCH:

Q. Have you been contributing to the association against the prohibition amendment?

A. From time to time, yes.

Q. Have you contributed sums over \$100?

A. No, I have not.

Q. In other words, this is the first large contribution you have made for any such purpose?

A. That is right.

ALBERT R. GRANGER sworn

BY MR. HIRSCH:

Q. What is your full name, Mr. Granger?

A. Albert R. Granger.

Q. What is your position with the Philadelphia Electric Company?

A. I am regional vice-president.

Q. How long have you held that position?

A. Three years.

Q. You were with the Philadelphia Electric Company before that time?

A. 38 years.

Q. What did you contribute to the last political campaign?

A. \$500.

Q. Was that charged to any expense account in the electric company?

A. No.

Q. Anybody approach you to make the contribution?

A. No.

Q. Did you discuss the matter with any other person in the Philadelphia Electric Company before you made the contribution?

A. No.

Q. To whom did you pay it?

A. R. L. Montgomery.

Q. Paid it by check?

A. I did.

BY THE CHAIRMAN:

Q. Were you circularized by the association against the prohibition amendment?

A. I attended a dinner at which Mr. Curtis gave \$10,000, and I felt the same way he did, and I felt that I could give my little bit.

BY MR. EVANS:

Q. You have been in the habit of making political contributions?

A. Yes, 25 years.

Q. Not to the Democratic Party?

A. Never.

MR. HIRSCH: I have no more witnesses.

MR. EVANS: Mr. Zimmerman, will you take the stand again, please.

JOHN E. ZIMMERMAN sworn

BY MR. EVANS:

Q. Mr. Zimmerman, you have had broad experience in the operation and management of public utilities, I know. And I want to ask you whether, from the standpoint of effective regulation, you think it desirable that management and purchasing contracts between affiliated utilities should be made subject to regulation?

A. I don't think that the management contracts should be. I think if there were any purchasing inter-company transaction, that they should be.

Q. I think that all of the companies that I know anything about, the charge which you have testified to made by the Electric Company is the lowest that I know anything of. I think you said that in the total amount it did not exceed from one hundred to 150 thousand dollars.

A. It was \$150,000 in 1930 and 100,000 in 1929; that is right.

Q. You are aware, are you not, that in some other utilities these fees run into very large figures charged against the operating company?

A. Very large figures.

Q. Are you familiar with the litigation in Massachusetts over the Worcester electric light rates?

A. In a general way, yes.

Q. It was true, was it not, that the Massachusetts commission in that case fixed a maximum five cent rate for domestic consumers?

A. That was one of the tariffs, yes. They have two tariffs. They have a five cent tariff and they have another tariff.

Q. But for domestic consumers, every domestic consumer can get the five cent rate?

A. I believe so.

Q. And the company fought that out in the courts, and the court found that by taking the property devoted to the domestic service, this rate yielded a fair return on the fair value of that property, did they not?

A. I don't believe that I remember that, Mr. Evans. My recollection of it was that that case was referred to a master, and that the master found a valuation, as I recollect, of about ten or twelve millions,—I think the commission found a valuation of ten or twelve millions and I think the master found a valuation of twenty-two millions. Am I right about that? There was a very startling difference, and yet the master's



report had been taken to the court, and the Worcester company, as I recollect, withdrew the case and accepted the rates that the Commission had fixed.

Q. And the master, however, in his report stated that taking the property devoted to the domestic service, and even taking the basis of reproduction cost, the rate was not confiscatory?

A. That I don't remember. But of course,—I don't know what you are trying to prove, but you can go ahead.

Q. Are you familiar at all with the Washington, D. C., system of regulated reductions in rates?

A. In a general way, yes.

Q. As I understand that system, the company, when its return exceeds seven per cent. on the value of its property, applies fifty per cent. of the excess to a reduction of rates. Is that substantially correct?

A. That is about substantially correct.

Q. And that has resulted, has it not, in a Washington domestic consumer rate of about 4.7 cents per kilowatt hour?

A. I think that is the average.

Q. Do you think that is a desirable system of regulation?

A. I doubt it. You see what has happened now. Although this thing was arrived at on the basis that you say, now as I understand it the District of Columbia Commission wants to take away from the company the participation that they have in the profits. And the other aspect of the case is that that works fine so long as rates are going down, on that basis; but if costs went up and you had to put the rate up to the consumer, you know how difficult it is to increase rates, even if there is justification. That would be the doubt in my mind as to the seriousness of the thing. It is a thing that would have to be thought over very carefully. As you know, it is very difficult to raise rates. It is easy enough to put them down.

Q. Mr. Zimmerman, you were at one time a partner in the firm of Day and Zimmerman, were you not?

A. Yes.

Q. And you managed electric utilities in Pennsylvania and elsewhere?

A. Yes.

Q. In one of those systems that you managed you introduced a very complete system of cost accounting, did you not?

A. Yes.

Q. And that system has been in effect since that time?

A. Well, I am afraid not. As near as I can find out, our successors gave up a good deal of it.

Q. Well, as long as you managed it it was?

A. That is right.

Q. In your experience as a utility manager, did you feel that that system of accounting was a valuable adjunct of utility management?

A. Yes, I did.

Q. And it enabled you also to adjust rates more or less on the basis of the cost of service, did it not?

A. Not fully. What the cost system that we worked up enabled us to do was to allocate to the different classes of customers, the different types, the operating costs that belonged to that class. If it was a domestic consumer, for instance, we could allocate to that domestic consumer, that subdivision, the operating costs that belonged to it. We never quite solved the problem of how to allocate capital costs. We went into that. I suppose Mr. Day and myself spent nearly two years on it. And it became a frightfully complex problem, and we never finished it, on the allocation of capital costs.

Q. It has not been a popular thing with the electric utilities, generally speaking?

A. No, they haven't followed our steps in that respect, except with some modifications, considerable modifications.

MR. EVANS: Regulation might perhaps be easier if they had. That is all.

BY MR. TURNER:

Q. Mr. Zimmerman, yesterday afternoon, after you left the stand, some of us asked you some questions pertaining to the cost to the public in rate cases and whether there could not be some way worked out by which some of that cost might be borne by the State, or otherwise. I wonder if you would mind giving us your reactions on that. We suggested, for instance, if a municipality came in,—there is a bill now in the legislature to create some sort of a revolving fund whereby the expense of rate cases could be born

A. That might be one way of solving it. Some other states, some other commissions, I think, have attempted to solve it by collecting from the utilities themselves a certain amount of money for that purpose.

Q. By tax or—

A. Yes. Not by a tax, but by asking each company to pay so much, as I recollect. They had something similar to that in Maryland. Whether it is in effect now or not, I don't know. A way also, of course, would be for the commission to have what is usually called People's Counsel, who is the defender either of the municipalities or the complainants who come in. Now I don't think that has very great value unless the commission is very fully staffed. I think the commission has to be,—for instance, take our Pennsylvania Commission,—I think that it has to have a very much larger staff and abler staff in certain respects.

Another thing in connection with it is this: that I think that some precaution should be taken that a case is not initiated on the filing of the complaint of a single complainant. We all know that there are certain cranks in the world. In the Philadelphia Electric Company we have 650,000 customers. It is inconceivable that there is not always somebody who feels—even if you give them their electricity for nothing—he still has a complaint. Now, having a complaint of that character filed with the Commission and to go through all that, it seems to me is not justified.

Now, if it were arranged so that the Commission would have to take cognizance of the complaint and the complaint came in signed by so many complainants—we will say, 100 or 150 complainants, or was signed by a borough or its authorities—that would relieve them of all these petty matters.

MR. TURNER: Thank you. I thought we would like to get that on the record.

BY MR. HIRSCH:

Q. Where would you draw the line: at the residential consumer or the power user?

A. No; I think I would draw the line at the residential consumer. A power consumer, I would draw the line there. I don't think. I principally have in mind the residential consumers. The majority of complaints come from residential consumers.

Q. Most residential consumers do not hire lawyers, do they, to represent them? They just file their informal complaint with the Commission?

A. That is true, but I said if they had 100 or 150 complaints, then the Commission would have to go into complete hearing of the case, and if you had the Commission properly staffed and the proper personnel, I don't see that there is anything further needed for those domestic consumers to get justice.

Q. Where you have a rate complaint, where the electric company spends, say, a half million dollars, to defend certain rates and they lose, do you think it is fair to charge that money into operating expense?

A. Yes.

Q. In other words, doesn't that make the consumer pay two ways; that is, the consumer has to pay to hire a lawyer or lawyers, and then if he wins the case, he may really lose, because the electric company may have spent a half million dollars? In other words, it comes out of his pockets both ways?

A. Yes; but it is taken over a spread of years. It is not usually charged in one year.

Q. Do you think, however, that the burden of proof should be shifted to the electric company?

A. I think the burden of proof should be on the electric company.

BY MR. HAGMAIER:

Q. In the little bill I have, it is my idea that the complaint would come through—as a rule, it would cover certain boroughs or townships, and it would be up to those authorities. You couldn't take every individual that came in, and the State should assume that expense. Every municipality is a part of this State and, therefore, I believe it is up to them to defend these cases.

MR. EVANS: Mr. Hagmaier, that would be very hard on some of us that live in some municipalities.

BY MR. HIRSCH:

Q. Don't you think that the chief engineer of the Commission and the rate expert should be put on a parity with the

Commissioners themselves, in view of the fact that most of the Commissioners may be laymen, and they leave almost the entire decision in the hands of certain engineers and rate experts—don't you think that those men should be elevated to the standing of the Commission?

A. No; I don't think so; not at all.

Q. Isn't it a fact that the chief engineer and the rate expert of the Commission have a tremendous amount to say about the final decision of the cases?

A. They are supposed to prepare them for the Commission, and then the Commission is supposed to consider all the relative facts that are in back of them to reach their decision, and I don't think those men, who are technicians in a sense, should be part of the consideration in reaching those conclusions.

BY MR. EVANS:

Q. Yesterday you spoke of the improvement in the operating ratio of the Philadelphia Electric Company since it was taken over by the U. G. I. There have been introduced today, among the annual reports, statements showing that the operating ratio, as shown in the annual reports of the Philadelphia Electric Company to the Commission, at the bottom of page 311, those reports were:

In 1925 .....	61.809 per cent.
In 1926 .....	61.218 per cent.
In 1927 .....	59.947 per cent.
In 1928 .....	63.805 per cent.
For 10 months of 1929 .....	64.586 per cent.
and for the last two months of 1929 ....	61.608 per cent.

I understand from Mr. Mason that you feel that these statements of operating ratios, as contained in the annual reports to the Commission, do not fairly represent the fact. Will you be good enough, if you feel that way, to submit an analysis of these reports to the Commission, so it will make it plain why they do not correctly show the operating ratios?

A. Yes; I have it here. I think probably there is a little confusion in the term of "operating ratios" we are both using. Operating ratios have been taken out of there—the total operating ratios. By that I mean it includes not only operating expense but Federal taxes and State taxes and renewal and replacement charges, and where you have operating ratios that really is an appropriation account.

Now, when I made that statement, I had in mind what we call the purely operating expenses; the things we can control. We can't control the taxes, either Federal or state. So, it was what we call the regular operating expenses, which is everything, excluding those items I have mentioned, and I state that, Mr. Evans, for this reason, in 1928 the relationship of those operating expenses to the gross receipts was 43.7%.

Q. I have examined the statement from which you testified, and I have not been able myself to reconcile it with the annual reports that have gone to the Commission, because these are the only things we have to work with. I thought if you could submit a statement, which would reconcile the annual reports to the Commission, we would have them here, and it would then put the situation perfectly plainly before the Committee.

A. I would be very glad to, but all I wanted to express was the justification for my statement. I, as executive officer of the U. G. I. and executive officer of the Executive Committee of the Philadelphia Electric, have to judge from the results that are submitted to me, and there are the results (indicating) which I think myself are extraordinarily startling, because if you will look at the statement you will see that the gross receipts of the Philadelphia system in 1928 were fifty-six millions; in 1930, sixty-five millions. That is an improvement of very nearly ten millions, and yet the operating expenses only increased \$10,000.00. In other words, the operating expenses in 1928 were \$24,662,000, and in 1930 they were \$24,778,000 a difference of 100; so that the difference between \$56,000,000 of gross in 1928 and the \$65,000,000 of gross in 1930 is \$9,000,000, and practically all of it was carried to net.

Q. It is also fair to state, is it not, that during that period Conowingo—

A. Conowingo had some bearing on it in '28.

Q. But not nearly as full a bearing as in '30.

MR. EVANS: When the reconciliation which Mr. Zimmerman has agreed to furnish is submitted it will be introduced and will be known as Exhibit No. 100.

Reconciliation of ratio of operating expenses to total expenses (to be prepared by Mr. J. E. Zimmerman) to be filed and known as Exhibit No. 100.

EDWARD PORTER recalled

BY MR. EVANS:

Q. Mr. Porter, you are familiar with the accounts of the Philadelphia Electric Company?

A. Yes sir.

Q. Were these reports filed with the Public Service Commission?

A. Yes sir.

Q. Now, the item of General Operating Expense on page 310 of these reports, there appears the item "Other General Expenses," which from an examination of the report seems to have shown a considerable increase from 1925 to 1928. Will you be good enough to submit to the Committee analysis of that item as shown on the report to the Public Service Commission, for the years 1925, 1926, 1927, 1928, 1929 and if possible for 1930? I assume you are about to file your reports. I would like to have you show in each case the total operating expenses and other general expenses at the per cent. that they bear to the former. Also, we should like an analysis of the other general expenses for each year, showing to each payment of \$10,000 or more in that account in any one year was made?

A. That would take in the Philadelphia Electric Company?

Q. Yes?

A. The merger came in in 1929.

Q. I think if we have it for each year, 1930 may show considerable change on account of the merger, but if we have the data for each of these years it will give us the entire picture.

When that is introduced it will be identified as Exhibit No. 101 and made a part of the record.

Members of the Committee may remember that when Mr. Roushenbush was testifying from his charts, he was asked to prepare an exhibit showing the supporting data for the residential electric light rates in Pennsylvania. Mr. Roushenbush has prepared that exhibit, and it is now offered as Exhibit No. 13-A, which is a statement of the residential electric light rates in Pennsylvania, New York, Ohio, Massachusetts, West Virginia and Maryland, for the year 1930, and Ontario for the year 1929.

The hearing adjourned at 5.10 o'clock P. M. to reconvene on Friday morning, March 27, 1931, at 10.00 o'clock in the House Caucus Room.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Friday, March 27, 1931, at 10.00 o'clock A. M.

There were present:

Messrs. D. Glenn Moore, Chairman,  
Martin Memolo,  
Ellwood J. Turner,  
Louis W. Hagmaler,  
Harry J. Crawford,  
Morris L. Cooke,  
Harold Evans, Esq.,  
John M. Walker, Esq.,  
Father James R. Cox.

OTTO M. RAU sworn

BY MR. EVANS:

Q. What is your occupation?

A. Consulting engineer.

Q. How long have you been in the electric industry?

A. About 30 years.

Q. Will you briefly state to the Committee your experience?

A. Originally with the New York Edison Company, and from there with the Milwaukee Railway and Light Company in various capacities up to manager of the Light Department for 20 years, and then with the Emergency Fleet, in charge of the Philadelphia Power District; after that with Day and Zimmerman, as assistant to Mr. Zimmerman in the utility management department; after that with the Philadelphia



Rapid Transit in their Power Department, and after that as consulting engineer.

Q. In the course of your experience have you had occasion to investigate the subject of electric rates?

A. I have.

Q. And on numerous occasions?

A. Yes.

Q. Mr. Moore, Chairman of the Committee, has just handed me a letter addressed to him from Stephen J. Domokos, in regard to the reduction of rates by the Philadelphia Electric Company. Have you had occasion recently to examine other similar complaints in regard to this so-called reduction?

A. I have.

Q. About how many such complaints have you examined?

A. I should say about 200.

Q. And as a result of that have you made a study of the effect of the new rate schedule of the Philadelphia Electric Company, which I think was effective on September 1, 1930?

A. I have, yes.

Q. Now, Mr. Rau, will you explain briefly to the Committee what the rates of the Philadelphia Company for domestic consumers were prior to September 1, 1930?

A. The residence rates at that time, or during that time, were 8 cents per kilowatt hour for the first 36 kilowatt hours used during the three month period. 6 cents per kilowatt hour for the next 180 hours used during the three month period, and 3 cents for all used in excess of the above. The minimum charge was \$2.25 for a three month period.

Q. Now, what were the rates which were made effective September 1, 1930?

A. 75 cents for any part of the first 10 kilowatt hours per month; 6 cents per kilowatt hour for any part of the next 38 kilowatt hours, and 3 cents for the excess, with a minimum charge of 75 cents.

Q. Now, compare these two rates, what were the differences between them?

A. The first difference was that the billing was changed from a three month period to a one month period; the second change was in the first step, which was 8 cents for 12 kilowatt hours, or 36 for the three months, was changed to 7½ cents for the first 10 kilowatt hours. The third change was from the minimum of \$2.25 for a three month period to 75 cents minimum for a one month period.

Q. Now, take up these three differences, will you first explain briefly to the Committee the result of billing monthly instead of billing quarterly?

A. The monthly billing requires, of course, three payments, as against one payment previously. The inconvenience, if you can call it that, is that it took more time to do it; the next point that is brought out is that if you mailed the bills it would cost you four cents more under the one condition than it did under the other.

Q. In other words, you mailed in three checks, or three bills, instead of one in the quarterly billing?

A. That makes a difference of four cents, if the payments are made by mailing, and if the payments are made requiring carfare, it would cost you 30 cents more.

Q. In other words, three round trips instead of one round trip?

A. Three instead of one.

Q. Now, have you any information from your experience in the industry as to the relative proportion of consumers that pay their bills in cash and those who pay by check?

A. More from experience than perhaps any other way, I should say about 75%.

Q. Pay in cash?

A. Pay in cash.

Q. And I assume that most of those who pay in cash actually go to the office and pay, and don't send cash by mail?

A. Yes, cash payment at the office. I don't think there is much cash send by mail.

Q. Now, then what is the second difference between the old rates and the new?

A. That is in the change in the rate from the eight to the seven and a half, and from the twelve to the ten kilowatts.

Q. Now, take that up in detail. If the consumption is less than ten kilowatt hours for one what would the old rate have been on a quarterly basis.

A. On a quarterly basis 75c.

Q. And on the new rates?

A. 75c.

Q. So there is no change there.

A. No change there with the exception that the 75c of course, was accumulated for three months.

Q. Then suppose your consumption is ten kilowatt hours per month, what then would your old rate have been?

A. 80c.

Q. On the monthly basis?

A. On the monthly basis.

Q. What would the new rate have been?

A. 75c.

Q. So there is there on the new rate a savings of 5c.

A. Yes.

Q. For the month?

A. Yes.

Q. Or 15c for the quarter on the monthly basis.

A. Yes.

Q. If your consumption is twelve kilowatt hours for the month what would your old rate have been on the monthly basis?

A. 96c.

Q. And the new rate.

A. 87c.

Q. And there is a saving there of 9c a month.

A. 9c.

Q. Or 27c for the quarter.

A. For three months.

Q. Now, any consumption over that, what is being savings to the consumer?

A. The saving will always be just the 9c; no matter how much they use.

Q. Even if you consume 100 kilowatt hours, a month your saving will only be 9c?

A. 9c.

Q. Now, if you state these in percentage figures, what is the per cent of savings for the use of ten kilowatt hours per month?

A. 6¼c.

Q. And if you use less than that, of course, there is no saving, you have already stated that?

A. Yes, there is no saving.

Q. Now, if you use twenty kilowatt hours per month, what is the percentage of saving?

A. 6¼%.

Q. And fifty.

A. 2½%.

Q. And if you use one hundred kilowatt hours per month?

A. 2%.

Q. Only 2% saving. Now, in connection with that is this saving actually received or does the change in billing from a quarter to a monthly period largely offset it?

A. To a large extent. 2% would practically be offset by the inconvenience you would have between a monthly and three monthly payments.

Q. And how about the relation in consumption from month to month.

A. That affects more particularly the minimum charge. If your consumption during the same months vary materially your bill really would be higher than it is under the new rate; higher under the new rates than it was under the old.

Q. What was the third difference that you spoke of between the old rates and the new?

A. That is in the minimum charge. The application of the minimum on a monthly basis, instead of a three month basis, has the possibility of increasing bills up as high as fifty cents a month.

Q. Now, will you explain that giving an example to the Committee as to how that works?

A. Well, assume that a consumer uses five kilowatt hours in the first month, his bill under the new rate would be seventy-five cents. Under the old rate, he would get no bill because there would be two or more months before he would get it. And, we will say, that he used 25 kilowatt hours, under the new rate he would get a twenty-five cents, under the old rate he would get nothing. In the three months, we will say that he used twenty-five hours, and he would get a bill for \$2.40 under the old rate and his total payments under the new rate would be \$2.85, or a forty-five cent increase.

Q. So, in a case such as that, the new rates show an increase to the domestic consumer, instead of a decrease?

A. In fact, the minimum charges on the difference between the one month and the three months would have that effect on a great many customers.

BY MR. TURNER:

Q. That is what I was going to ask you, whether that is purely a special case because you can put a combination of figures together to do almost anything, or whether that would be something that would run through a number of customers.

A. Take for instance my own case, I was down in Florida a little over a month, just shortly, and in that case, of course, I lost my seventy-five cents. If it had been accumulated, I would not have paid that, my monthly consumption would have offset it. So, it cost me seventy-five cents more.

Q. What is the seventy-five cents?

A. The minimum charge.

Q. That is a sort of ready to serve charge?

A. Yes. If it is paid on a three months basis instead of a one month basis, the consumption in that one month makes it up what we lack, and that affects a great many consumers, particularly if you go away on a vacation. Your consumption might be low for that one month.

BY MR. EVANS:

Q. In going over these complaints, that you have spoken of, what have you found, Mr. Rau, were the chief causes of complaints, or the chief basic reasons for complaint?

A. Principally the change from the one to the three month billing.

Q. From the three to the one month billing?

A. From the three to the one month billing; yes.

Q. And you have explained what the effect of that may be to the resident consumers?

A. Yes.

Q. What is another cause of complaint that you found?

A. Principally, pertaining to the same thing, the inconvenience of paying three times instead of once, and the expense incurred in doing that to a great many people, the little saving that they effected created a loss on the actual out of pocket cost for the service over what it was before.

Q. Turning from the domestic consumer to the commercial service, there also has been a reduction in rates there, has there not?

A. Yes; there has been a reduction in the rate that was in force in 1929 of eight cents on the first forty-eight hours used to seven and one-half cents for the first forty-eight hours used. That is a direct reduction of a half a cent. In the next step it was six cents for the next forty-eight hours. There was no change. That is the same. In the third step it was three cents per kilowatt hour, if they used in excess of thirty-six hours per month, of two and one half cents. That was another straight reduction of a half a cent.

Q. So far as the commercial consumer is concerned there is that much benefit to him?

A. There is a direct benefit to him; yes.

BY MR. COOKE:

Q. Could that reduction from three and one-half to two and one-half apply to a considerable number of consumers?

A. The rate on which those reductions applied, are rates for the smaller merchants and the smaller shop users. As soon as you get into that last set you become what is called a high load consumer, and there is another rate which the Philadelphia Electric Company has of reducing the cost under those conditions considerably below this particular rate.

Q. So that cut from three and one-half to two and one-half does not effect—

A. Does not affect a great many.

BY MR. EVANS:

Q. Take a customer who has a one kilowatt hour demand and uses fifty kilowatt hours per month, what is the actual saving per month to him under the new rates?

A. The saving is about six per cent.

Q. And what in cents?

A. Twenty-four cents.

Q. On the retail power service, there would also be a reduction, would there not?

A. Yes; the retail power service, is a change from seven and one-half cents per kilowatt for the use of the first forty-eight hours to seven cents for the use of the first forty-eight hours, or a reduction of one-half cent in that first step.

Q. And that was the only change in that rate?

A. That was the only change in that rate.

Q. And that was a straight benefit to the consumer?

A. A straight benefit to the consumer.

Q. What, in general, would you say that the percentage of reductions in the new rates to the retail lighting and to the retail power consumer as distinguished from the domestic service, would be?

A. I should say that the consumers in that class who use service under those two rates would probably effect a five per cent saving on the average.

Q. And now, there were some changes, I think, also in the Philadelphia Electric System outside of Philadelphia. The ones you have spoken of so far have been entirely the changes in the city of Philadelphia, have they not?

A. Yes.

Q. And what change—

A. I want to say those only applied when I spoke of the five per cent., that applied to the retail light and power service. On the domestic, I don't believe there has been any actual reduction; the one is off-set by the other.

Q. Turning to the territory outside of Philadelphia, what change was made there?

A. In the tariffs for the territory outside of Philadelphia there is quite a number of them due to the various districts in which the Philadelphia operates, but the principal change that was made was from what was originally called meter capacity. In other words the capacity of the customer was based on the side of the meter that was installed. The new rates regulate the capacity on a basis of demand, and that is arrived at in two ways: one by calculating the demand and the other by measuring the demand.

Q. Was this reduction applicable to the domestic consumers, or to commercial consumers?

A. Mostly commercial.

Q. Mostly commercial consumers?

A. Yes.

BY MR. COOKE:

Q. In what counties would that be?

A. Oh, Norristown and all that district. What used to be the Philadelphia Suburban.

MR. TURNER: Delaware County?

MR. COOKE: No I don't think it is.

BY MR. COOKE:

Q. And that is not Delaware County, is it. Delaware County is different? Delaware was formerly Philadelphia Electric territory?

A. Delaware County is now in that new rate, in that district; yes.

Q. But that does not effect—there were no cuts in that territory on the domestic consumer?

A. I don't think there were any. Principally, this change from the demand basis to the meter basis, formerly based on a metered demand.

Q. That raised a great many people?

A. It sure did.

Q. Tell us about that.

A. I think I have here an example of it. I have here one example. That was in the Norristown station. The capacity rating was a half kilowatt at the time that the meter capacity was the basis.

BY MR. EVANS:

Q. Who was this consumer. I think we might put it on the record.

A. Ralph M. Richards.

Q. And his capacity rating under the old rate was what?

A. One-half a kilowatt.

Q. And what change was made?

A. Shortly before the new rates were put into force, before they were anticipated to be put in force, a check was made by the company to ascertain what these various demands would be. In making that check, a great many customers were changed over by changing the size of the meter from what they were to what they finally concluded should be the demand on the basis of this calculated method. This particular party's meter was changed before—at least his rating was changed before the rate went into effect, and was billed on a two kilowatt basis.

Q. Instead of a one-half?

A. Instead of one-half.



Q. What effect did that have on his bill, so that the Committee can understand it clearly? If you increased his capacity rating from one-half kilowatt to two kilowatts, would that increase his bill?

A. It increased his bill on the basis of hours used at the new kilowatt rating. For instance if he is using forty-eight hours of his capacity, then it would be forty-eight against one-half of forty-eight or the number of kilowatts at the first step in the rate.

Q. He would only have used on the old basis twenty-four kilowatt per month?

A. At the high.

Q. And under the new it would be ninety-six?

A. Ninety-six.

BY MR. TURNER:

Q. And that directly comes on—

A. Very general.

Q. Very general?

A. I discussed this situation frequently, particularly in the Stonehurst district at 69th Street, which is just beyond the Philadelphia rates, and in that section I would say that there were fifty customers affected by it.

BY MR. COOKE:

Q. Was there any way to make the billing retroactive?

A. No; they just started in on this new method, which was applied before this new rate was put in force. Taken from the company's standpoint that was done to check up whether the meter capacity was correct or not, and with a meter capacity installation it is more favorable to the large consumer, because a meter has more lee way and pulled figures. You take it and your capacity is so much, but if you have a meter that is a half kilowatt capacity, it may greatly over load it for a short time, by the demand, and have no effect on it.

BY MR. COOKE:

Q. As a matter of fact, a great deal of this grew out of the lack of care of the previous management of the property?

A. No, it is desirable from a company standpoint to put in the smallest size meter that will carry the load. The meter is more active and is less costly and is more profitable.

BY MR. EVANS:

Q. To take up this particular case of Mr. Richards, did he make any complaint on this increase from his capacity rate from one-half to two kilowatts?

A. Yes, he complained to the company about it and they showed him that his calculated demand was correct. This party then took it up with the Public Service Commission but received no other results from his appeal to them. He must have made a very strong demand on the company and probably would not pay his bills and insisted that it was wrong, and they decided to make a test on his installation, so they put a demand meter in there and the capacity was—— of a kilowatt and he is now billed on that basis, so that this complaint was really ultimately settled.

Q. The demand meter actually shows what the customer's maximum demand is?

A. Yes, and it actually showed that a one-half kilowatt meter was the proper one to install for that particular case.

Q. Have there been other instances where this same situation has been found in your investigation?

A. The ones that came to my personal attention were those at the Sixty-ninth Street section, in connection with the complaint and letters and they cover a vast territory, but practically all of the complaints are on this same trouble that the rate between what it was and what it now is under the new rate is so extensive that the bills were larger than they were formerly.

Q. In other words, this is in the territory outside of Philadelphia?

A. Yes sir.

Q. Any reduction in the energy charge has been offset by this change in method of assessing the demand?

A. Correct.

Q. Is there any question the Committee has to ask, Mr. Evans?

BY MR. HAGMAIER:

Q. Do you really think the monthly billing is a hardship on people? Don't you think it is better and an advantage to

the small consumer to have the bill every month than to have it every three months?

A. No, I really don't think the small domestic consumer would rather have his bill monthly than every three months, and as for the company it shows a convenience.

M. CLYDE SHEAFFER recalled

BY MR. EVANS:

Q. Mr. Sheaffer, you have already been sworn?

A. I have.

Q. Will you tell the Committee briefly the position you hold in the Department of Revenue and the duties of that position?

A. Supervisor of the Corporation Tax Bureau which has charge of the imposition of the corporation taxes for the State of Pennsylvania.

Q. And as Chief of that Bureau, it is your duty to assess the capital stock tax on corporations in Pennsylvania?

A. To see that they are assessed.

Q. You have charge of it?

A. Yes sir.

Q. You have been subpoenaed to produce the capital stock tax reports of the Philadelphia Electric Company for the years 1925, 1926, 1927, 1928, and ten months of 1929. Have you those reports with you?

A. I have photostatic copies of the original reports except that certain copies of information not material to the capital stock tax has not been photostated. For instance, the corporate loan schedules have not been attached to the report. These reports show the ownership of bonds.

Q. You already have produced photostatic copies of other reports of electric companies at a previous hearing?

A. I have.

MR. EVANS: I offer in evidence the 1925 capital stock report of the Philadelphia Electric Company as Exhibit No. 102.

I offer the 1926 report as Exhibit No. 103.

I offer the 1927 report as Exhibit No. 104.

I offer the 1928 report as Exhibit No. 105.

And I offer the report for ten months of 1929 as Exhibit No. 106.

Q. Mr. Sheaffer, taking up one of these capital stock reports on one of these electric companies, will you be good enough to explain briefly to me and to the Committee the method used by the Department of Revenue in assessing capital stock tax? Take for instance, I have here the Pennsylvania Power Company, 1929 report. In the first place, what information does the company have to give on that report in order to furnish the Department with a basis of assessing these taxes?

A. First, the company's officers appraise the stock in pursuance of the Act of Assembly at the valuation which they think it should be given for tax purposes. On the inside of the report the company gives their receipts and their expenditures as well as a copy of the general balance sheet. On page 3 they are asked to give the earnings for a five year period as well as the dividends paid, as well as the average earnings and dividends paid. In this particular case the company has not given the invested capital which represents the difference between the amount the company thinks the assets are worth and the indebtedness. Upon this information, the Tax Department of the State of Pennsylvania fixes the value upon the capital stock for capital stock tax purposes.

BY MR. COX:

Q. Do you accept their word without question, or is there a check on that?

A. We have a right to check with the Public Service Commission records, or send out investigators to check the companies' actual figures; to find out whether or not they have told us the truth.

Q. Have you exercised it very often?

A. Right now the Department of Revenue has a corps of investigators checking the capital stock tax reports filed by various companies, whether they are utilities or not.

Q. Formerly you did not?

A. We had men in the field, but they were limited, and we therefore could not make the investigations which probably should have been made.

Q. Now, you are doing more?

A. We are doing more.

Q. Do you think it is necessary, have you found it is a good idea; has anything been disclosed since you started to make this check-up?

A. In the reports checked so far the Department has found that most of the tax paying corporations have told the truth.

FATHER COX: That is good; remarkable.

THE WITNESS: That is, on the reports that have been checked. We have been checking principally in regards to manufacturing companies right now.

BY MR. EVANS:

Q. Take for example here the Clarion River Power Company report. Will you just explain that briefly. Now, as I understand it, on page 2 of this report—pages 2 and 3, the company gives you the information in regard to their income, their general balance sheets, their capital stock reports. Now, here, for instance, what are the figures in this sheet which you used in assessing capital stock tax?

A. Net earnings of the Clarion River Power Company for the year 1929 were \$32,787. The Company estimated that its fair value of all assets was \$7,873,837.94, which included \$2,850,000 of treasury bonds. The dividends paid during the last five years were small, that is, the average would be small, because only one dividend of \$423,520 was paid during the year 1928. For the years 1925, 1926, 1927, 1929, no dividends were paid. On page 1 of the report the company showed that its indebtedness exceeded its fair value by \$2,838,631. The taxing officers when examining the report decided that the value fixed by the officers of the company was not the proper value and placed a valuation of \$3,000,000 for the stock of the company, which valuation has not been appealed. The Company has capital stock of \$4,518,000, a book deficit of \$903,553.55. These figures were all considered by the taxing officers in fixing the valuation of \$3,000,000; the net book value of the assets being approximately \$3,600,000.

MR. COOKE: What comparison do these figures have, Mr. Evans, with the figures that this company claims?

MR. EVANS: We are going, a little later, Mr. Cooke, to show a comparison of the reports of these companies to the Commission and to the taxing authorities.

BY MR. EVANS:

Q. Now, Mr. Sheaffer, your department then places at the bottom of page 1 the assessment which it places on the capital stock, is that correct?

A. That is the place where the taxing officer makes his notations to the value to be fixed upon the stock, and the last page of the report is the final settlement made by the Department of Revenue, which is approved by the Auditor General's Department and signed in accordance with the Act of Assembly.

Q. Well, now then, you have stated the capital stock was assessed, as I understand it, at \$3,000,000, and a 5 mill tax of \$15,000 paid on that?

A. I have not the records with me to show that the tax has been paid; it has not been appealed or a petition filed for a resettlement of the account.

Q. So the tax is at present due on that, or it has been paid?

A. I cannot say whether it has been paid or not. The records would show that in the office.

Q. Now, just to get the idea of one or two of the larger companies. Here is the 1929 capital stock report of the Duquesne Light Company. Will you in the same way run over the figures like that, so that I can be sure that I can understand it.

A. For the year 1929 Duquesne Light Company reported net assets of \$9,588,335.03. They paid dividends of \$9,575,000. They have preferred stock outstanding amounting to \$27,500,000; common stock with a par value of \$50,700,000. \$3,503,330.79; surplus invested in mixed capital of \$1,083,238.17; intangible surplus of raised from a restatement of book values of properties \$8,462,579. On page one of the report the net worth of the company, being the difference between the assets and liabilities is reported here as \$49,490,068. The average earnings for the five year period ended December 31st, 1929 were \$6,919,780.78; average dividends \$6,656,666.66; the average net worth, \$44,469,569.04. The taxing officers placed their value upon the capital stock of \$77,821,875.

BY FATHER COX:

Q. You never questioned the corrections of these statements, then, do you, with a big company like that.

A. Yes, we do question it, because the net worth of the company reported on page one was \$49,490,068 and the taxing offices place a value of \$77,821,875.

Q. That is good. That is a Pittsburgh company and we want to know something about it, to see if they are keeping in line, isn't that right, Mr. Hagmaier. We feel that figures don't lie, but liars will figure.

THE WITNESS: May I say to you further that that value of \$77,821,875 represented the book value of the common stock and the preferred stock at its sale price of the market.

BY MR. EVANS:

Q. Now, Mr. Shaeffer, I understand that here again the assessment of the tax is endorsed on back of the return as made by your department.

A. That is correct. In this particular case the company had certain taxes which were exempt from taxation, for which the company was given a proportionate deduction.

Q. You here have made an allowance for the assessed tax finally \$76,000,000—

A. The amount of tax was assessed on \$76,320,302, being a tax of \$381,601.51.

FATHER COX: You never found any difference in the value they placed upon it for rate making purposes, and the value they place upon it for tax paying purposes.

MR. EVANS: We are going to take that up later Father Cox.

BY MR. EVANS:

Q. Now, I notice on some of these returns there are names stamped, for instance, on this there is Howard M. Bingham, Attorney at law, Harrisburg, Pennsylvania, what does that mean?

A. Mr. Bingham is the attorney for the company in Harrisburg for tax matters.

Q. Take up another of the larger companies, Mr. Shaeffer, and I show you the 1929 return of The Metropolitan Edison Company. Will you explain to the committee how that return has been made out and the assessment of the capital stock made by your department.

A. The company fixed a value of \$14,952,140, upon the capital stock for the year 1929. The net earnings for the company for 1929 were \$3,191,379.89. The average net worth of the company for the five year period, as fixed by its officers, was \$12,937,816.90. The average earnings for the same period was \$1,859,947. The average dividends paid \$1,953,412.93.

Considering the earnings and the dividends paid, the assets and other features of the report, the taxing officers fixed a value upon the capital stock of \$21,552,000, whereas the officers of the company appraised the stock at \$14,952,140.

BY MR. MEMOLO:

Q. Where there any exceptions taken to that?

A. They have filed a petition for a resettlement, claiming that the value is too high. There has been no action taken upon the petition filed by these attorneys.

BY MR. EVANS:

Q. And in this case I gather that from the figures and the endorsement that there was a small amount of this property which was also exempt from taxation?

A. That is correct. The net amount of the tax for the year 1929 was \$21,318,784. The tax on that at five mills was \$106,593.92.

Q. On this return I notice the stamp of Homer Shoemaker, Harrisburg, Pa. I assume that he is the representative of the company in tax matters?

A. He is the company's attorney in tax matters.

FATHER COX: Another thing that we ought to look into are these exempt exonerations of these public utility companies. In the city of Pittsburgh the exonerations on charitable institutions and utilities are \$225,000,000, and now, out of that there is at least ten million exonerated for public utilities. I think the Committee ought to go into that. It is wrong. They are better able to pay than the ordinary household. People cannot own property any more on account of paying the taxes that public utilities ought to pay.

(Discussion off the record)

BY MR. EVANS:

Q. Another one here. The 1928 return of the Philadelphia Electric Company; will you explain that, briefly to the Committee?



A. For the year 1928 the officers of the company fixed a valuation of \$92,953,025, upon the stock, the net income for that year was \$11,329,550.18. The company paid dividends from income of \$7,436,242. The report does not show the average earnings, or the average dividend for the five year period.

The par value of the capital stock outstanding was \$92,953,025. The profit and loss account carries liabilities of \$18,623,161.14.

In the original settlement the valuation of \$250,954,050, was fixed upon the account. This account was subsequently resettled and a valuation of \$113,495,000 was fixed upon the stock of the company.

Q. In fixing the value originally, did you use the same basis that you have used for other electric companies, that we have been talking about?

A. No; the first value was based solely upon the average selling price of the common stock as it sold in the market. Apparently in the resettlement consideration was given not only to the average selling price of the stock but to other earnings and dividends paid, which apparently accounted for the reduction in the value of the stock.

BY MR. TURNER:

Q. Don't you think that in figuring the value of the stock, or the average market price, that that is not always a fair value?

A. That is the reason apparently why the account was resettled and reduced from the average selling price to what it was for tax paying purposes, upon earnings, and dividends paid.

Q. We all know, perhaps in the last year and in the year before that there were many stocks that were selling on the market for four or five times of what the book value might have been or the actual value?

A. Apparently that is the reason why the value was resettled, and the lower amount placed on it, instead of maintaining it at the average sale price.

BY MR. EVANS:

Q. In order that I may not misunderstand this answer, you have fixed the value, in the regular course of \$250,954,005, who has authority to resettle those taxes. What is the process under which that is done?

A. The officers of the company being dissatisfied with the valuation that is placed upon the stock of the company, files with the Department of Revenue a petition for resettlement of the account, citing in detail why the settlement in their opinion is incorrect, and any other facts that they desire to present. Of course, they undoubtedly alleged that the sales price was not the correct one to be used in fixing the value of the capital stock.

After a petition is filed, it is considered by the taxing officers of the Department of Revenue, also the taxing officers of the Auditor General's Department. Under the law the Department of Revenue is supposed to review the petition first and fix its opinion as to the value of the stock. That settlement is then sent to the Auditor General's Department for audit, and the Auditor General's Department either concurs or refuses to concur. Under the fiscal code if it fails to concur, it is supposed to be sent to the Board of Finance and Revenue for final determination, but in most cases, if they are dissatisfied with the valuation fixed upon the stock, it is returned to the Auditor General's Department—I mean to the Department of Revenue, and we have a joint conference and agree upon a valuation. Apparently in this case there was such a hearing, because it is marked that there was a hearing had on the facts presented in the petition, and undoubtedly the Auditor General's Department was present at the same time this matter was considered.

Q. When did this resettlement take place?

A. August 25, 1929.

Q. That is indicated by a memorandum in the margin of the return?

A. That is correct. That is the usual method of making the order for the resettlement, on the margin of the original settlement.

Q. There are certain initials, which I am not sure of, attached to the memorandum.

A. "EMS"—Edward M. Sayres, one of the taxing officers of that department marked the settlement for resettlement.

Q. And that memorandum is in his handwriting, is it not?

A. That is in his handwriting.

Q. At the time of this resettlement, Mr. Johnson—was he not the Secretary of Revenue?

A. He was the Secretary of Revenue.

Q. And there was a deputy secretary of Revenue?

A. J. Lord Rigby, Senior Deputy Secretary of Revenue. There are other deputies, but not in tax matters.

Q. Were there any penalties of any sort attached to this?

A. There were no penalties imposed, none being due.

Q. When, ordinarily, would penalties, commence to run?

A. The penalty would start to run for failure to file the report within the time provided by law. Under the act of assembly if a corporation does not file its tax report on or before March 15, it is subject to a penalty of ten per cent. of the taxes due for that year.

Q. How about after the tax is settled and is not paid, is there any penalty or interest then due?

A. If the tax is not paid and the account is subsequently resettled, interest starts to run from the date of the resettlement, rather than from the original settlement date; that is, a corporation. Ninety days from the date of the original settlement or resettlement within which to pay the tax without any interest being charged.

Q. I notice on this report the firm name of Snyder, Miller and Hull. I assume again they were the attorneys representing the Philadelphia Electric Company in tax matters?

A. That is correct. They are the Harrisburg representatives of the company.

BY MR. TURNER:

Q. Who was the Auditor General on that?

A. Charles A. Waters was the Auditor General at that time, the present Auditor General; that is when the resettlement was made. The original settlement was made during the term of Edward Martin as Auditor General.

Q. The original settlement?

A. The original settlement.

BY MR. EVANS:

Q. And Edward Martin was the State Treasurer and the time of the resettlement?

A. I beg your pardon. Mr. Waters was Auditor General at the time of the original settlement, and General Martin State Treasurer. That was before the Department of Revenue was instituted, the Department of Revenue having begun to function on July 1st, 1929, and the original settlement was made on May 8th, 1929.

Q. When was the resettlement?

A. August 21st, 1929, after the Fiscal Code was in operation. When the settlement originated in the Department of Revenue, it is approved by the Auditor General, I repeat the principals for the benefit of counsel and the Committee. The original settlement of this case was made by the then Auditor General, Charles A. Waters, on May 27th, 1929, by Edwin M. Soyer, Deputy, and was transmitted to the State Treasurer who was Edward Martin, the present State Treasurer, on May 28th, 1929, the settlement being approved by Phil. B. Dunn, who was one of the tax clerks in the department at that time.

Q. This was the original settlement on the basis of \$250,000,000 valuation?

A. That is correct. The resettlement was made after the beginning of the function of the fiscal code.

Q. Who was Auditor General at that time?

A. Charles A. Waters, the duties of the Auditor General having been transferred into the Department of Revenue.

Q. Who was the State Treasurer at that time?

A. General Martin was, but he had nothing to do with the resettlement.

Q. Mr. Sheaffer, take up the 1927 report of the Philadelphia Electric Company, was there also a resettlement of that?

A. Yes, the original valuation was \$187,500,000. The valuation fixed in the resettlement at a hearing was \$92,116,365, also made on August 21st, 1929.

Q. At the same time as the 1928?

A. That is correct, the answer being that the company was about to be merged with several other companies and the record shows here there were appeals filed from the original settlement, and these taxes were all adjusted prior to the consolidation.

Q. I show you the 1926 report of the Philadelphia Electric Company and ask you whether there was also a resettlement of that?

A. There was. It was made on August 21st, 1929, the original valuation was \$171,036,301; the revised valuation was \$70,817,438, made at the same time as the other.

Q. And made in the same way that you have already testified to?

A. Yes sir.

Q. The original settlement in this case was made in September, 1927?

A. Yes sir.

Q. And the resettlement in August, 1929?

A. Yes sir.

Q. Was there a resettlement of the 1925 capital stock tax of the Philadelphia Electric Company?

A. That account was also resettled. The original valuation was \$118,738,889, the adjusted valuation was \$75,377,906, and was made on August 21st, 1929.

Q. Now in these resettlements for the earlier years, were there any penalties or interest added to the amount finally fixed?

A. No, there would be no interest due because the accounts were resettled. The resettlement voided any interest charges from the date of the original settlement.

Q. Under the law they have a right within ninety days to file an application for a resettlement?

A. That is correct.

Q. And after the resettlement they have sixty days to make settlement of their taxes?

A. It is ninety days. In this particular case for a while the Department of Revenue and the Auditor General's Department were maintaining they could sustain the market sales price for the use or basis of fixing the capital stock tax valuation. They later discovered that the market was entirely out of line with any real valuations and they then considered not only the sales price but the earnings, the dividends paid and the assets which manifestly accounted for this adjustment here.

BY MR. COOKE:

Q. Some of these reports were for the years before we made the discovery that the market price was above the real value?

A. No, there were a number of companies that had been contending that for quite a few years, that the sales price was not the real basis, and these companies that were fortunate enough to file appeals were in a position to have their cases opened up and those cases were successful.

BY MR. EVANS:

Q. Mr. Sheaffer, do you use a different method in assessing the capital stock taxes on the Philadelphia Electric Company originally during the years 1925, 1926, 1927 and 1928, than you used for other companies whose stock was listed on the Exchange and currently traded in?

A. For quite a few years, as before stated, the taxing officers contended that under the law they had to use average selling price for the fixing of valuation of capital stock. That was done with many of the large companies. They immediately protested with the result that after much deliberation it was agreed that we could not hold to the average selling price, and therefore that accounts for the difference apparently in the figures which were given in the resettlement.

Q. If my figures are correct, and I ask you to supplement them by checking over them, the original settlement for 1925, 1926, 1927 and 1928 of the Philadelphia Electric Company totalled \$728,229,195, adding them together, and they were resettled for \$351,617,210. In other words they were resettled on a basis of less than fifty per cent. of the original settlement?

A. I have not made any tabulations on that, you have.

Q. Will you do it please?

A. Yes.

Q. Mr. Sheaffer, will you give the correct figures of the total original statements of the Philadelphia Electric Company capital stock for 1925, 1926, 1927 and 1928?

A. I have it here at \$728,229,195.

Q. What was the total for the re-settlements for the same year?

A. \$351,607,210.

Q. So the reduction in the assessments was something over \$350,000,000 for the four years?

A. According to these computations, yes.

Q. You happen to know how the tax attorneys representing these corporations are paid for their services.

A. I cannot tell you.

Q. You don't have knowledge of that?

A. I have no knowledge.

BY FATHER COX:

Q. Is it true that there are a large number of attorneys here specializing on how these taxes can be reduced?

A. There are a lot of attorneys who specialize in corporation tax, corporation law.

Q. Don't they sort of solicit, let organizations know they can do something for them in this line?

A. Mr. Evans can answer you on the ethics in regard to that question.

Q. It is not a question of ethics. What we are trying to get at if the thing is legal, then we ought to have reductions, the small companies ought to have them, it should not be necessary for it to be brought to their attention; there ought to be some way in the state itself to do the just and right thing. I am not questioning the attorneys.

A. The price of a two-cent stamp addressed to the Department of Revenue will be all that is required of any taxpayer paying a corporation tax, if they desire to do it. In other words, the Department of Revenue will not take advantage of any tax paying organization. If the corporation is dissatisfied with the tax settlement and they write to the department and ask how they made the settlement, we are at all times very glad to see that the taxes are equitably assessed. We don't desire to collect one cent more than we are entitled to.

Q. Would it not be well if that could be done without the purchase of a two-cent stamp?

A. How can we tell what they are to pay?

BY MR. COOKE:

Q. Would you say that your instructions for the making out of these returns are in detail comparable to those put out by the Federal Income Tax authorities?

A. We have no printed regulations with regard to the filing of tax reports.

Q. Would it not be desirable for us to have such regulations?

A. That would be a matter for Dr. King to answer.

BY MR. EVANS:

Q. Mr. Sheaffer, if I understand this correctly these four years, their statements were made within two months after the fiscal code became effective, is that true?

A. What time?

Q. Within two months after the fiscal code became effective?

A. The fiscal code became effective July 3, 1929, and the re-statements were made August 21, 1929.

MR. TURNER: Mr. Evans, I don't know whether it is your purpose to follow this up with further testimony, but it seems to me it would be ultimately unfair to leave the impression go out in the public press and the people of Pennsylvania that that tax of \$750,000,000 was settled for \$350,000,000, without bringing out the facts that entered into the re-statements, and which formed the basis for the \$750,000,000 settlement, because I am familiar enough with tax work myself to know the wide divergence many times between the bills, not only to large corporations, but the bills to small ones, to municipalities, where when you get the picture probably set up under the law, and the corporation takes advantage of the opportunities offered under the law, the amount of the bill is reduced very materially.

MR. EVANS: I will be very glad, Mr. Turner, but I thought that had been made clear in Mr. Sheaffer's testimony.

MR. TURNER: The trouble with that sort of figures in Mr. Sheaffer's testimony becomes technical and involved and the newspapers won't print the rest of what Mr. Sheaffer had to say about it, and there is often left with the people, the wrong impression. It is a good story to say that \$750,000,000 of tax were settled for \$350,000,000, and it will be in all the newspapers in Pennsylvania tomorrow, and I think that would be absolutely unfair to the taxing officers of the State; it would be absolutely contrary to the actual fact, or what might the actual facts might be. I don't say that they are, but I think we ought to be fair about it.



MR. EVANS: I certainly want to be.

MR. TURNER: I have no doubt that you personally do.

BY MR. EVANS:

Q. Mr. Sheaffer, take the year 1925, will you explain to the Committee the base on which the original settlement of tax was made and as far as you know it, the basis of the re-settlement. We will get at it year by year.

A. For the year 1925 the average selling price of the Philadelphia Electric Company was \$46.108 a share. That value was used by the taxing officers in making the original valuation of \$118,738,889.

Q. What does the company show as their basis of value.

A. The net earnings for the year 1925 was \$7,537,790.66. The dividends paid for that year were \$5,203,755.50. In fixing the valuation of \$75,377,906 the earnings for that year were capitalized at ten per cent, that is how the amount was determined in the original settlement we used the average sales price, and in the re-settlement it was based on the earnings of the company capitalized at ten per cent.

BY FATHER COX:

Q. Were the reasons for that valid in your estimation as an accountant; you can answer for the state.

MR. EVANS: I think it is a little difficult for Mr. Sheaffer to answer that, as he has approved the original settlement, and I think it is putting him in a position of criticising his superior officers. I don't know whether you want to press it or not.

FATHER COX: No.

BY MR. TURNER:

Q. Mr. Sheaffer did any question of the valuation of the property enter into that. You said you capitalized the dividends, as I understand it—the net earnings, were capitalized, was there any consideration given to book values of the property.

A. Undoubtedly there was in using the figure at ten per cent., because if the dividends which they paid that year would have been capitalized at from eight to ten per cent. it would not have produced a valuation of \$75,000,000.

BY MR. EVANS:

Q. You would not capitalize dividends.

A. Under the law we consider dividends to in fixing a valuation of the stock.

Q. But you don't do it on a capitalization basis?

A. We do in many cases. We consider the dividends paid as one of the tests of value. For example, if the company is earning \$500,000 and they pay dividends of \$400,000 we would take the earnings at the twelve per cent. basis, for instance, at eight or ten per cent basis, consider the net worth of the company from the actual book value, and then fix in our minds what would be a fair value for the company to be capitalized at for tax in the State of Pennsylvania.

BY MR. HAGMAIER:

Q. In their case what did they have?

A. The company itself asked for a valuation of \$53,099,681.

Q. And the final was what?

A. \$75,377,906, or approximately \$22,000,000 more than the company asked to be taxed on.

MR. HAGMAIER: And still they were satisfied, so it is not so much out of the road anyway.

BY MR. EVANS:

Q. Mr. Shaeffer, in order to get this picture complete, Mr. Turner has suggested it, will you do the same thing for the year 1926, the return?

A. Again the average sale price for the year was \$54.12, using the valuation the total value of the stock would be \$171,036,301. The net earnings for that year were \$6,202,363.76. Dividends were paid of \$7,954,043.50. The valuation asked by the officers of the company was \$70,954,043.50. The valuation fixed by the taxing officer in the re-settlement was \$70,817,438. If the earnings would have been capitalized on a 10% basis, the value would have been much less for 1926. Therefore the taxing officer undoubtedly considered dividends paid as well as earnings for that year, in addition to the net worth of the company.

Q. Now will you do the same for 1927?

A. The average sale price as fixed by the tax officer was \$52.46 a share. Using that as a basis would give a valuation of \$187,302,397. The valuation fixed by the taxing officer was \$187,500,000, which was round figures. The earnings of the company for that year were \$9,715,636.51. The dividends were paid were \$7,140,662. The valuation requested by the company was \$68,341,998.91. The revised valuation fixed by the taxing officers was \$92,116,365, or approximately \$24,000,000 more than the company asked to pay.

Q. And in 1928?

A. In 1928, based on the average sales price of \$67.80 a share, the valuation was \$240,954,005. The earnings as reported for that year, were \$11,329,550.18. The valuation as fixed by the company and requested was \$92,953,025. The valuation used by the taxing officers in settlement was \$103,295,501, or \$21,000,000 approximately more than the company appraised the stock.

Q. In order to bring it down to date, I show you the capital stock report of the Philadelphia Electric Company for 1929, for ten months.

A. The report for the first ten months of 1929 shows that the net income for the first ten months was \$10,859,496. The dividends paid during that period were \$5,554,181.50. From the information, which I have before me in the report, it appears that the company did not place a value upon the capital stock for that ten months period. The taxing officers fixed a valuation of \$130,313,952, for the ten months period, which account was not resettled.

BY MR. HAGMAIER:

Q. What are their figures in that?

A. They did not fix a value on the capital stock.

BY MR. EVANS:

Q. On what basis do you fix that value of \$130,000,000.

A. Those earnings, cover a period of ten months. It was assumed that earnings for the last two months would be approximately one-fifth more. Therefore, the taxing officer when he made the settlement, computed the net earnings at \$13,131,395.20. On the capital stock—and capitalized that amount at ten per cent, in fixing the value. The report filed for the next two months shows that the net earnings were \$3,462,915.22.

Q. There had been a merger, had there not, with the Philadelphia Electric Company and the Suburban Counties Electric Company as of approximately November 1, 1929?

A. The taxes were settled on that basis. The officers of the company placed a valuation on the stock of \$129,494,500, which the taxing officers raised up to \$170,000,000. The valuation apparently has not been contested, because the record shows no petition having been filed for resettlement. In other words, for the last two months the taxing officers increased the value of the stock of the Philadelphia Electric Company for taxing purposes approximately \$41,000,000 more than they appraised the stock.

BY MR. HAGMAIER:

Q. Has the date for filing passed on that?

A. Yes sir.

Q. They were satisfied with the \$41,000,000 raise?

A. Apparently satisfied.

BY MR. EVANS:

Q. This resettlement had a reduction of \$376,000,000, would be a reduction in taxes of 5 mills on that figure, would it not?

A. That is correct.

Q. Or somewhere in the neighborhood of between—some-what under \$1,900,000?

A. That is correct.

MR. EVANS: In order that the record may be perfectly straight, I wish to state, in suggesting that Mr. Hull might throw some light upon the situation, I was under the misapprehension that Mr. Arthur H. Hull was a member of the firm of Snyder, Miller and Hull. The gentleman informs me that that is not the case.

MR. TURNER: Mr. Evans, is it your intention to leave or do you intend to imply that the settlement made by the department originally on the basis of \$750,000,000 or on the basis of the average price of that stock was the proper basis upon which it should have been settled?

MR. EVANS: I don't know that I can express any opinion on that Mr. Turner. I think we ought to get it perfectly clear on the record what was done, and then any inferences, that we can draw from that can be drawn as a matter of inference.

BY MR. EVANS:

Q. As I understand the situation, the original settlements for the years 1925 to 1928 were based solely on the average market value of the stock of the Philadelphia Electric Company, it being a stock that was listed on the Exchange currently traded in?

A. That is correct.

MR. TURNER: But Mr. Evans, if that is not a legal basis upon which to make the settlement, then it seems to me that the figures have no value at all in arriving at anything, and might lead to improper inferences on the part of people who do not know.

MR. EVANS: Mr. Turner, I am sorry, I cannot recall any decision on the subject, as to whether that is the proper basis and I don't think there is any decision.

MR. EVANS: Mr. Turner, I am sorry, I cannot recall any.

Q. As I understood you, it was the practice of the Bureau during this time to tax the capital stock tax of corporations whose stocks were currently traded in on the exchange on the basis of the average price of the stock?

A. That is correct. For a time the taxing officers were of the opinion they could sustain valuation along on the average selling price without considering earnings, dividends, or assets. Many of the large corporations were dissatisfied with this determination and accordingly filed appeals from the original settlements, as the Philadelphia Electric Company did. They contended that that was only one of the tests as outlined by the law. As a matter of correct statement, it is one of the tests; the sales price, but there are other tests in fixing the value of the capital stock; that is, earnings as heretofore testified, dividends paid, assets, the nature of the business in which the company is engaged, and any other relevant fact that must be considered in fixing the value of the capital stock for tax purposes; that is, the value of the capital stock so that the department therefore, in the resettlement apparently has considered all of those features, rather than solely the sale price in the original settlement. Is that the matter on which you desired information?

BY MR. TURNER:

Q. Let me ask you how long have you been in the department?

A. I have been with the State of Pennsylvania since July of 1925, having been with General Martin in the Auditor General's Department until May 6, 1929, when I became Assistant State Treasurer, which office I held until May 1, 1930. Since May 1, 1930, I have been a Supervisor of the tax bureau in the Department of Revenue. Prior to that time I was for eight years a law clerk in the office of an attorney practicing corporation law and corporation taxes.

Q. I was not asking you for your qualifications so much, but I was trying to find out how far your history runs back in the department.

A. My personal knowledge of what the department is doing has been since July, 1925, and my outside knowledge of what the department has been doing, since 1917.

Q. How long have those bases for capital stock purposes been used; that is, the average price of the stock?

A. It was started somewhere around 1925, using solely the sales price for a while, but the large companies—

Q. Who was Auditor General at that time?

A. General Martin was, was he not?

Q. Yes; General Martin was Auditor General at that time.

Q. Therefore, at that time you were only taxing on the valuation of the stock, the average price of the stock, which was one of the elements stated in the law?

A. That is it. We took the valuation as measured by the sales price, for a number of large companies where their stock was actually traded in on the exchanges.

BY MR. EVANS:

Q. How many of these companies approximately would there have been?

A. There are a hundred of those whose stocks are traded in on the New York Stock Exchange and the Philadelphia Exchange, the Chicago Exchange, the Pittsburgh Exchange.

Q. Taking the companies actively traded in on the New York City Exchange. How many companies would there be, approximately, that would file stock returns in Pennsylvania?

A. There are forty thousand corporations approximately operating in Pennsylvania.

Q. I am trying to get at approximately the number of corporations you assess on this basis during this period?

A. I cannot answer that because settlements were made mostly against the large companies on this basis.

Q. What do you refer to as these large companies.

A. The Pennsylvania Railroad, the Reading Railroad Company.

Q. Did they appeal?

A. They have. The New York Central. They have all appealed, every one of them.

Q. Have their taxes been resettled on approximately the same basis as this?

A. They all have been held pending the outcome of the case of the Pennsylvania Railroad Company which is now in the courts. It has not been decided.

Q. It has not been decided as to what the method is?

A. It has not been decided as to what the deductions are.

Q. Is there any case where you did apply the sales price only which was taken into the courts and that method declared to be improper?

A. No sir.

BY MR. TURNER:

Q. The anthracite coal companies appealed too, didn't they, Mr. Sheaffer?

A. Yes sir, some of them did.

Q. There were a number of them over a number of years?

A. Yes, but that was mostly on the anthracite tax.

BY FATHER COX:

Q. Would it be too expensive to these smaller companies to make an appeal?

A. No sir.

BY MR. MOORE:

Q. Is it true that a number of companies have been assessed taxes that were paid on this basis?

A. There may be some, but the most of them contested it where it was done, that is the large companies contested where it was involving large sums.

Q. And they all accepted the raise from ten to fifteen millions above what they put in in the first place?

A. We have raised them considerably. We have not used what they think, but what we thought was a fair value for capital stock tax purposes, considering all of the measures I have referred to.

BY MR. WALKER:

Q. You yourself approved the original settlement in this case?

A. I did not. They were made by Mr. E. M. Sayers, one of the tax officers.

BY MR. MEMOLO:

Q. What average did you use in fixing the price on stocks?

A. We used the yearly average as one of the tests. We capitalized the earnings at from ten to twenty per cent.

BY MR. EVANS:

Q. Where you did use the market value of the stock, how did you determine the market price during the year?

A. By the figures usually given by the company where they are required to give the average price, the mean between high and low.

Q. What period did you use?

A. The year for which the report was made.

FATHER COX: It is a kind of a gamble?

BY MR. MEMOLO:

Q. For 1928 and 1929, you had a very high average for those two years?

A. Yes sir. The sales price for stock during the year 1929 had a material influence upon the revenue collected by the State in 1930 for the last biennium.



BY MR. EVANS:

Q. In 1929, the stock of the Philadelphia Electric Company was not listed, so you could not use the market value there, could you?

A. The report here shows for the last two months it was not listed. That I could not be able to tell you without checking it. I know of my own knowledge that the United Gas Improvement Company acquired the stock of the Philadelphia Electric Company, but I would have to check the records to find the exact facts.

W. M. DIETRICH recalled.

BY MR. EVANS:

Q. You already have been sworn in this proceeding?

A. I have.

Q. Mr. Dietrich, have you made a study of the fifty-three capital stock reports which were introduced this morning?

A. I did.

Q. You have not examined, of course, the Philadelphia Electric Company reports which were introduced this morning? As these have been produced today for the first time. Now for what purpose particularly did you examine these capital stock reports?

A. The purpose for which I examined the capital stock reports was to pick out the electric companies that showed a difference in valuation in fixed property in the Public Service Commission reports for the year 1929 as compared with the capital stock reports of these companies for the year 1929.

Q. And have you prepared an exhibit setting forth the result of your investigation?

A. I have.

Q. I show you paper headed "Electric Utilities A and B. Comparison of Reports to Public Service Commission and Reports for Capital Stock Tax Purposes 1929." Is this the paper to which you refer?

A. It is.

MR. EVANS: I offer this as Exhibit No. 107.

Q. This exhibits covers eighteen companies, I believe?

A. Yes sir.

Q. The rest of the fifty-three companies did not show any material reduction in their actual value of fixed assets in their capital stock report from those set forth as fixed capital in their reports to the Public Service Commission?

A. Either they did not show any material reduction or they did not extend any fixed value into the actual value column.

Q. You have taken all the companies where the figures were extended and which showed a reduction in their capital stock report from that shown in their reports to the Public Service Commission?

A. That is right.

Q. Take for instance, the Bangor Electric Company. Explain to the Committee, if you will, the figure in the second column of \$133,767.03. How do you derive that?

A. That was the fixed capital as shown in the Public Service Commission report for 1929 less reserve for replacements and renewals as shown in this same report.

Q. And without any deduction for work in progress?

A. That is right. I included work in progress.

Q. Now the next column headed "Actual Value Fixed Assets Capital Stock Tax Report Figures \$70,125.36." How did you arrive at that figure?

A. That figure is shown as the actual value of fixed property placed by the officers of the company on its property as shown in their capital stock tax report for the year 1929.

Q. On page 2 of the report?

A. That is right.

Q. So the figure which they show in their capital stock tax report is the actual value of their equipment and fixtures you have taken and inserted in column 3 of Exhibit 107?

A. That is right.

Q. Then the next column, Mr. Dietrich, represents, as I understand it, the ratio of column 2 to column 3?

A. That is right.

Q. The fifth column entry says what?

A. Gross income as shown in the Public Service Commission report, plus the loan tax which was charged back, less rents.

Q. Now, take that figure on the basis that you understood Mr. Morgel's testimony as being the proper way of arriving at the income of the company, you did that.

A. I did.

Q. And the next column shows the percentage of the gross income to the fixed capital as shown in the reports of the Public Service Commission.

A. That is right.

Q. And in this case is 7.04%.

A. Yes.

Q. What percentage is the gross revenue in column five of the actual value of assets, as shown in the company's capital stock report.

A. 13.02%.

Q. In other words, the sum of \$9,410.98 in 13.42% of \$70,-125.36.

A. That is right.

Q. And for each of the companies you have prepared the data in the same way.

A. Yes.

Q. Now, I notice column three, after some of the figures you have inserted letters A. B. C., those refer to notes at the bottom of the exhibit, do they not?

A. Yes.

Q. Taking up note A for the Clarion River Power Company, will you explain that to the Committee.

A. The Clarion River Power Company on their capital stock report set a value of \$5,000,000 as the actual value of the fixed properties. In comparing the figures on the liability side of the capital stock report those on the liability side of the Public Service Commission report, I found that the reserve repairs and renewals of \$226,677.35 as shown by the Public Service Commission report, was shown as a liability on the capital stock report, so in computing the actual value in that case I deducted the reserve from the actual value as shown by the capital stock tax report.

Q. In other words, you deducted from the \$5,000,000, \$226,-667.35 reserved for repairs and renewals.

A. Yes.

MR. TURNER: Now in taking the Clarion River Power case as an example, might the capital not be the fixed capital less reserves, \$11,226,390.66, and the actual value \$4,473,322.67, might those figures not be actually true, and might the company not have \$11,000,000 capital and only have assets of \$4,000,000.

BY MR. EVANS:

Q. Will you explain that, Mr. Dietrich, to Mr. Turner.

A. That figure of \$11,000,000 is not their capital, it is fixed property.

MR. TURNER: You say here capital.

MR. EVANS: That is the heading, Mr. Turner, in the report to the Commission.

THE WITNESS: That is the heading, it is under there, it is the value of the fixed property, their capital may be entirely different from that.

MR. TURNER: That is what I wanted to know.

MR. COOKE: These are the same figures that they put in before the Federal Power Commission.

BY MR. EVANS:

Q. Now going down to note B, for the Erie Light Company, a similar situation exists, though the figures are somewhat different.

A. Yes.

Q. That is the case, is it not?

A. Yes.

Q. And with the Solar Electric Company it shows Note C, that the same general condition appears.

A. Yes.

Q. Now, Dietrich, have you any special comments to make in regard to certain of these companies.

A. I have if the Committee is interested in them.

BY MR. COOKE:

Q. May I ask, Mr. Dietrich, why the Penn Central is not here, under what rules are they not shown.

A. They showed no actual value.

MR. EVANS: You see, some of the reports, Mr. Cooke, do not show, the capital stock reports, do not show their actual value, the company just left it blank, and Mr. Dietrich has

been unable in those cases to make the comparison. It is only when the reports have shown the actual value on page 2 of the capital stock report that he has been able to make the comparison.

MR. COOKE: The same thing applies then to the Philadelphia Electric Company?

THE WITNESS: Yes.

FATHER COX: I have listened to this, the methods used in all these valuations and figures, and they are so fantastic, really fantastic and misleading, that it seems we ought to have some system of sound computation. It is just anything that these accountants say, and no reflection on them, they are all wonderful men, but what is it? There is nothing there. It is just a fantasy; whatever you imagine, whatever you dream, whatever you put down.

MR. EVANS: I think the significance of this exhibit is primarily in the fact that it shows the difference between the claims of the company when they are making reports to the Public Service Commission, and when they are making reports for tax purposes. It may perfectly well be that there is a difference between the value for taxation and the value for rate making purposes, but this merely brings that into the picture, and that is the purpose of it.

FATHER COX: We have no rule, no law, nothing to determine these things. I think with our modern efficiency in business—I don't see why we cannot have a little efficiency in the regulation of this thing, and in the State's way of looking at it. We just take anything.

BY MR. EVANS:

Q. Well, Mr. Dietrich, have you got any other facts that you wish to call attention to. I think you were in the midst of calling attention to the first one, were you not?

A. There are several of these companies show a difference in their surplus. In the Public Service Commission report as compared with the capital stock report, for instance, the Bangor Electric Company in the Public Service Commission report shows a surplus of \$14,554.17, while the surplus in the capital stock report is \$8,367.71, or a difference of \$6,186.46.

Now, these reports are made of the same date?

A. Yes.

Q. Now, what have you to say in regard to the Clarion River Power Company?

A. The Clarion River Power Company in their capital stock report shows no value at all on their capital stock, that is, the officer's own opinion as to its capital stock.

Q. As a matter of fact it shows a minus value, does it not?

A. It shows a minus value of \$2,838.621.

BY MR. HAGMAIER:

Q. Should not the department send a statement of that kind back?

A. This company has outstanding, according to the Public Service Commission report \$650,000 in common stock and \$4,453,000 in preferred stock, or a total of \$4,518,000 of capital stock on which they place no value in their capital stock report.

BY MR. EVANS:

Q. Now, this is the company I think Mr. Sheaffer testified the Bureau fixed a value of \$3,000,000 on the capital stock?

A. It did.

Q. Now, how about the Erie Light Company?

A. The Duquesne comes next.

Q. The Duquesne Light Company, have you something to say there?

A. The Duquesne Light Company reduced their surplus in the capital stock tax report \$7,388,418.54. The Duquesne Light has reduced the value of their fixed capital from the Public Service Commission report and the capital stock report of approximately \$42,000,000, and the reduction is due principally to the throwing out of intangible values which they claim have no value for capital stock tax purposes.

Q. For capital stock tax purposes?

A. Capital stock tax purposes.

Q. What do these amount to that they have arrived at, approximately?

A. Approximately \$40,000,000 worth of intangibles they throw out.

FATHER COX: But, oh, how they dwell on them for rate purposes.

THE WITNESS: I can read you the list of these intangibles if you want them.

BY MR. EVANS:

Q. What is this, Mr. Dietrich. Have you got anything to say about the Metropolitan Edison?

A. The Metropolitan Edison Company reduced their surplus \$241,751.88, the capital stock report as compared with the Public Service Commission report.

Q. Have you anything else in particular that you wish to call attention to? The others seem mostly smaller companies?

A. Not unless the Committee has something else that they want to ask me about.

BY MR. COOKE:

Q. Have you any accounting theory for why the surplus should be different?

A. No, sir. In the most of these cases they have taken a reduction in surplus and added it to the reserves, as shown in the capital stock report. They have taken a reduction in the Public Service Commission report and added it to the reserves in the capital stock tax report. That would go to reduce the value of the capital stock for tax purposes.

Q. That is, the surplus is higher in the Public Service Commission than it is in the—

A. Yes, sir. It is over \$7,000,000 in the case of the Duquesne Light.

BY MR. EVANS:

Q. On the other hand by including it in surplus and not in the reserves in their reports to the Public Service Commission, they get a higher book value, do they not, of their property?

A. You mean to the Public Service Commission?

Q. Yes?

A. Yes, sir.

Q. At the bottom of this exhibit you have deducted the total of the actual used in their capital stock reports in column three from the fixed capital as shown in their reports to the Public Service Commission, as shown in column two, and show a difference of \$63,901,584.42?

A. Yes, sir.

Q. I think it is self evident what you mean by that. You have applied the five mill tax return to that difference to show the difference in the amount of tax which would have been payable.

A. I wish to explain that this is a theoretical loss, contingent on the fact of whether or not the taxing department would use that basis in computing the tax. Now, Mr. Sheaffer has explained that there are several methods used, and if this method was used there would be that theoretical loss to the State in the reduction of these values. Meaning there would be that theoretical loss to the State in the reduction of these values.

Q. In other words, if any capital stock was based on the fixed capital of the company less reserves, as reported to the Public Service Commission there would have been this additional amount of tax payable.

A. Yes, sir.

MR. TURNER: It seems to me the way I would have done it would be to find out on those returns well what the taxing officers actually does fix particular value, and then have taken the difference, or to make another computation.

MR. EVANS: This is off the record.

MR. TURNER: It seems to me we are getting a great many things off the record.

MR. EVANS: I shall be glad to put anything on the record that you want.

My understanding of this is that under such an addition it would not indicate anything at all. Yet I might be mistaken entirely, but I think the basis of the tax fixed by the revenue bureau will be considerably less than the actual value of fixed assets shown on the report.

MR. TURNER: I think it ought to be set forth, but I don't think you ought to compute, as the bottom here the value of 5 mill tax based on these figures,—it was perfectly proper for you to do so—the difference between these two figures and these two reports; but then you take a computation and put a



five mills tax to show what the return would be on these two figures, when the tax not based on the actual figures as shown in the report.

MR. EVANS: I think Mr. Dietrich has made a theoretical calculation.

MR. TURNER: You don't mean to say you ought not to make a theoretical calculation.

MR. COOKE: It may be greater or less than that. He is presumably taking a method—

THE WITNESS: Mr. Turner, there would be no basis of comparison; if the taxing bureau used the basis of the selling value of the stock or the average price of the stock in the market for the year—then there would be a comparison; yes.

MR. TURNER: Sure, there would be a basis of comparison.

THE WITNESS: That is the reason I said that.

MR. TURNER: But that is a false premise, and I don't think you ought to place in the record a false promise.

MR. EVANS: In order to make the record perfectly clear, I will put into the record the values fixed by the Department of Revenues:

The Bangor Electric Company tax, according to the report has not been assessed; it is blank;

Bradford Electric Company, taxable value of capital stock in Pennsylvania \$1,290,000;

Clarion River Power Company, taxable value \$3,000,000;

Delta Electric Power Company, taxable value of capital stock in Pennsylvania \$21,764,000;

Delta Water Power Company, \$43,661,000;

Duquesne Light Company, \$76,320,300;

Erie Lighting Company, \$2,991,651,000;

Fleetwood & Kutztown Electric Light, Heat and Power Company, \$300;

Metropolitan Edison Company, \$21,318,784;

Northern Pennsylvania Power Company were recently taxed at \$972,878; re-settled (as near as I can make it, this will have to be subject to a correction) \$600,000;

Portage Light & Power Company, \$87,500. It is marked "Re-settled and taxed \$87,500, eighteen months to seven—1-29 paid as per letter attached" There was a merger here, and this was a return for seventeen or eighteen months.

Rockingham Light & Power Company, \$30,000;

Solar Electric Company, \$75,000;

The South Penn Power Company, \$834,000;

The Southern Pennsylvania Power Company; originally settled at \$98,015, resettled \$68,611;

Sullivan County Electric Company, \$50,000.

This is marked a petition for resettlement filed. That does not appear to have been acted on.

MR. COOKE: Mr. Evans, did you get that Sullivan County correctly?

MR. EVANS: A taxable value of stock in Pennsylvania, \$50,000 tax rate of 5 mills \$250.

Wellsboro Electric Company, \$150,000.

Winber Electric Company, \$88,423.

BY MR. EVANS:

Q. Will you, at the next hearing total the figures, which have just been read into the record as of the value fixed by the Department of Revenue for the capital stock tax, in order that we may have a basis of comparisons of the totals given on your exhibit 107.

A. Mr. Evans, there is no comparison.

Q. Mr. Turner wants the figures and we will put it in, and then you can make an explanation as to why it will be significant, because I want it to be perfectly clear. Will you make the explanation now.

A. Yes, sir.

Q. You may go right ahead, as to why that figure would not be a significant figure for us to have.

A. The figure I have set out here as the actual value of the fixed assets is the value the corporations' officers placed on the fixed assets of the company for tax purposes. Now, they may have other assets, such as cash and other current assets, deferred charges and investments that are not included here. Then when we come over to the value put on the capital stock by the taxing authorities, the liabilities come in, and we have no consideration of the liabilities here. This is the actual value of the fixed property as shown by the capital stock taxes and that alone.

MR. EVANS: The purpose of totalling these figures, Mr. Dietrich, was merely to show the difference in the value placed

on the actual value of their fixed assets in their capital stock report and the corresponding items in the reports to the Public Service Commission.

MR. DIETRICH: I think I am safe in saying that three-fourths of these companies, the tax is actually based on the value of the capital stock rather than on any price basis, and this would influence the value placed upon them by the taxing officers.

MR. TURNER: I think I understand perfectly well what you are proving by these two columns of figures. My objection was to a computation of a five mill tax on the difference between the two columns. I don't think there is any use to pursue this any further unless you desire it.

MR. EVANS: Now Mr. Dietrich, suppose you put it around the other way. Have you made any calculation as to what would be the reduction in the revenue to which these companies would be entitled if the value of their property for rate making purposes would be reduced by the figure of \$63,901,584?

A. That at seven per cent would be \$4,473,110.91 excess that the consumers paid.

Q. Now, assuming that these are the right bases—

MR. TURNER: Mr. Evans, have we had in evidence the actual values fixed by the Public Service Commission in any of these cases? Have they fixed the valuation for any of these companies in rate cases and has that been in evidence?

MR. EVANS: I cannot answer that offhand.

MR. TURNER: It seems to me it might be interesting to have another comparison as against this first column.

MR. EVANS: Will you, Mr. Dietrich, also check up and see if any of these eighteen companies have been valued for rate making purposes?

MR. DIETRICH: If you want me to make a better comparison I will take the valuation as shown by the Public Service Commission report on these eighteen companies, and calculate the capital stock tax on that basis.

BY MR. EVANS:

Q. Now is there anything further, Mr. Dietrich, that you wish to add in discussing this exhibit?

A. No sir, not unless the Committee wants something more.

Q. Is there anything the Committee wants to ask? I think that is all we have for today unless the Committee wishes to sit this afternoon.

THE CHAIRMAN: This committee will now stand adjourned until next Wednesday, April 1st, 1931, at 2.00 o'clock P. M. in this room.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Wednesday, April 1st, 1931, at 2.00 o'clock P. M.

There were present:

Messrs. D. Glenn Moore, Chairman  
Bart Richards  
Martin Memolo  
Louis W. Hagmaier  
Ellwood J. Turner  
Frank L. Bowers  
Chester A. Rhodes  
Harry A. Crawford  
Morris L. Cooke  
Harold Evans, Esq.  
John M. Waler, Esq.

#### WATER SUPPLY—GREENWOOD, BLAIR COUNTY

JAMES EDWARD AMMERMAN sworn.

BY MR. EVANS:

Q. What is your full name?

A. James Edward Ammerman.

Q. And where do you live?

A. I live in the district of Greenwood, Logan township, Blair County, Pennsylvania.

Q. You have some difficulties with your water situation there, and will you explain those difficulties, briefly, to the Committee?

A. We have an inadequate supply of water.

Q. Would you, please, state who supplies the community with water?

A. Part of the community is supplied by Mr. J. M. Hutchinson.

Q. And does he operate as an individual or a company?

A. An individual; yes sir.

Q. And who supplies the rest of the community?

A. The Home Water Company.

Q. Does Mr. Hutchinson have a certificate of public convenience from the Commission; do you know?

A. Not that I know of.

Q. Now, will you explain briefly the difficulties that you have had.

A. Well, we don't have enough water at any time for to supply the community or the one hundred and five taps which he has got. That is the line that Mr. Hutchinson has, and since school started, during school hours, one-half of the community is shut off during school hours and the other half have water.

Q. Is this situation this year due to the drought or is this a situation that has existed before?

A. It has existed before.

Q. Have you taken it up at all with the Public Service Commission?

A. The Public Service Commission made a ruling with Mr. Hutchinson.

Q. And as a result of that ruling, was the situation remedied?

A. No sir.

Q. What did the Commission order Mr. Hutchinson to do?

A. Mr. Hutchinson was going to shut the water off for all the people; the people refused to pay the water rent unless he could give them a sufficient supply of water, to supply their needs, and he said he would shut the water off on them. Then, we made a complaint to the Public Service Commission for not having a sufficient amount of water, and then Mr. Hutchinson—about Mr. Hutchinson shutting the water off, and then they made a ruling on that. That was the hearing on the 23rd day of April last year.

Q. And the Commission ordered him not to shut the water off?

A. Yes sir.

Q. But you still have that difficulty with the inadequate supply, do you?

A. About the same thing we have always had; yes sir.

Q. What is the situation with regard to the Home Water Company?

A. It is another location, but it is a part of Greenwood. It lays to the east, it has only got one line running from their base of supply over to East Altoona, across Little Ridge. Now, they won't supply water to anybody, unless they lay their own water lines. They have their main line. Some people laid 500 feet, 800 feet and 1,000 feet, and they must pay for that themselves before they get water. He has no fire protection or anything of that kind.

Q. Has there anything ever been said to the Public Service Commission?

A. To the best of my knowledge, I couldn't tell you. We then made a petition—we then got up a petition, and we handed it to our attorney, Mr. Woodcock, in Hollidaysburg. That was last September—in regard to the Home Water Company, and to the best of my knowledge, I don't know whether he has filed that with the Public Service Commission or not.

Q. Is the supply of the Home Water Company fairly adequate for—

A. No sir.

Q. You have an adequate water supply even when you do connect with their main, do you?

A. Yes. We don't have any supply. Some people have been out of water for five months, and some for six months.

Q. How many people in the community are served by these two utilities?

A. About 150 taps, outside of the city, and the railroad company.

Q. That is, 150 taps in the Community of Greenwood?

A. Yes sir.

Q. What is the population of Greenwood?

A. Between 2000 and 2500.

Q. And so, there are a good many houses there without water at all?

A. Oh, yes. There is a space in between those two water lines. Quite a number of houses which had made application to this water company, and they wouldn't put it in. They said they wouldn't make any additional extensions.

Q. Is there anything else you wish to say to the Committee?

A. No sir.

BY MR. WALKER:

Q. Is there anyone else who tried to furnish water to Greenwood?

A. We had Mr. Huett, who represents the Home Water Company, and we asked him whether we would be allowed to put our water in ourselves, and he said, "Well, if you do, you will find me there with a rebuttal." Well, then, I said, "There is no use of our going ahead trying to get water," and he said "No, we have the charter for Logan Township." Logan Township surrounds Altoona.

BY MR. EVANS:

Q. Greenwood is situated in Logan Township?

A. Yes; east of Altoona.

BY MR. WALKER:

Q. Have you ever tried to get water from Altoona?

A. Yes sir. That is the thing. They couldn't furnish us with water. They didn't have enough for themselves.

Q. Did anybody ever attempt to furnish water in this territory that is supplied by Hutchinson?

A. Mr. Shaeffer, G. W. Shaeffer.

Q. What happened to him?

A. He had a hearing with the Public Service Commission—I think it was in 1923—and the Public Service Commission, from what I could learn, told him and Mr. Hutchinson to get together on this.

Q. They refused to let Shaeffer serve the district, didn't they?

A. Yes; after Shaeffer had the water shed and all like that, and had the hydraulic engineer go all over the system to see whether it would have a sufficient amount of water for to furnish So, he had spent quite a bit of money. He was developing some ground down below there, and had this water line for his ground and for the benefit of the general public in Greenwood.

Q. Has that service been increased since November 25th, 1930?

A. No, sir.

BY MR. EVANS:

Q. And so, your situation, briefly, is that you cannot get service, from either Mr. Hutchinson or the Home Water Company, and the Home Water Company won't let you or anybody else start a new service in that community?

A. That is the idea.

Q. Is there any connection between Mr. Hutchinson and the Home Water Company?

A. No, sir.

Q. Is the Home Water Company a local company or—

A. The Home Water Company was first organized by the Baker Estate. It was taken over by the Callahan Estate. They went into bankruptcy, and Mr. Hewett bought the Water Company in the bankruptcy sale.

Q. But it is controlled locally in Blair County?

A. By one man. He bought it.

Q. What is the source of the supply that Hutchinson uses?

A. He has got a spring about four hundred fifty six feet, that holds one hundred gallons.

Q. And what is the source of supply of the Home Water Company?

A. If they would develop it, they would have a sufficient amount of water to furnish Greenwood.

Q. They have reservoirs, do they?

A. They have one small one.

Q. I suppose you have no fire protection?

A. None whatever; only a chemical engine. We have a fire department there with a chemical engine. I have a letter here, if you want to look at it from one of the men who had a fire there (producing paper).

Q. Will you just tell the Committee of any instances that you know of of fire losses in that community?

A. This is a letter here that pertained to Mr. Martin's fire. If we would have had water; we had seven or eight companies



there with one engine, a pumping engine and when they came there when the engine came there I was trying to direct the traffic there, and the fire companies—I told them—they wanted to tap on, and I said, "Don't tap on, because if you do we won't have enough for other chemical engines." We seen there was nothing to do with the chemical engine no more; only to let it burn down; they tapped on, and he says with four or five exhausts of the engine the line was completely dry; never had any water.

Q. How much loss was there in that fire; what burned?

A. His garage and gasoline station, about \$2,000 completely destroyed. Then, Mr. Dillon, our neighbor there, had a store. His store and residence, and the next residence to him was burned. We have another committeeman here that can relate that case to you very readily.

Q. Is that all you have to tell the Committee?

A. That is about all.

MR. COOKE: What is the next step after the Public Service Commission issues an order and it is not obeyed?

MR. EVANS: The only order that I have any knowledge of in this case is an order of the Commission, issued November 27th last, restraining J. M. Hutchinson from cutting off consumers who did not pay their bills. There seems to be no other order of the Commission with regard to that.

MR. COOKE: Did he obey that?

BY MR. EVANS:

Q. Did Hutchinson cut off the consumers after this order of the Commission?

A. He threatened everybody to do it.

Q. But he has not cut anybody off?

A. No; he hasn't cut off anybody yet.

HARRY MAYS sworn

BY MR. EVANS:

Q. You are a resident of Greenwood, in Logan Township, Blair County?

A. Yes, sir.

Q. You have heard Mr. Ammerman's testimony with regard to your water situation. Have you anything to add to what Mr. Ammerman has said?

A. Well, I couldn't catch all that he said, but our water conditions have been horrible, and not only last year during the drought, but it has been in previous years, where our children would have to go home to tend to nature. They had to carry water to school in bottles to drink, and we have no water there. We had no water in my house upstairs for five months; and an up-to-date house. We have to go to the city, if we want to get a bath, and we have to carry water from creeks for washing.

Q. Your own house is served by J. M. Hutchinson, is it not?

A. Yes, sir.

Q. And you, I think, filed a complaint against Mr. Hutchinson, that has been referred to, did you not?

A. Yes, sir.

Q. As far as you know, does Mr. Hutchinson have a certificate of public convenience?

A. I wrote to the Public Service Commission in 1928. I don't remember the file number. I mislaid the letter I got from them, and they said Mr. Hutchinson had no water rights, no charter, and he had never made any application to the Public Service Commission. It was a pretty good letter, I cannot remember all of it. I tried to hunt it up to have it as evidence, but I mislaid it; I couldn't get it.

MR. TURNER: Do I understand the witness to say that he never had a certificate.

MR. EVANS: This man, who testified before you came in, said that J. M. Hutchinson served 100 consumers.

THE WITNESS: He has about 150 taps.

MR. EVANS: And he apparently has no certificate to operate as a water service company.

THE WITNESS: He had the water line for his own use when he run the dairy, and J. K. Hamilton, his brother-in-law, he owned all that ground through there, and he left Mr. Hutchinson go through there with his water, with the understanding that the people should have; whoever wanted water could be tapped on this water line, and it was \$3 a tap and 50 cents a year, and then it jumped from 50 cents to a dollar, and then a new collector came on. He jumped the price of water and he jumped the price from \$3 to \$10 a tap, and it

seems as though whenever anybody wants a few dollars, they come around and collect it from you. One man came up to me and said, "Mr. Mays, you have built there. I am going to levy on you for \$10." I kicked, and he said that it is Mr. Kurtz's orders, and I said it was too much, and he came back in a few days and said that Mr. Kurtz had dropped it down to \$6, and the balance that I owed on the water line as soon as I can—I don't believe I had moved in the house, but it was \$7.50. I paid it, and put the rest in my pocket.

Q. In other words, Hutchinson is serving the public and making charges for it, whether or not he has a certificate?

A. Yes. Mr. Hutchinson, told me that he didn't know anything about that levy, for \$6; he didn't order a levy on me for construction work.

BY MR. TURNER:

Q. Is this pipe line on private ground?

A. It is supposed to be a private pipe line, and it runs through my ground too. There is nothing on my deed for them to reserve any rights on it.

BY MR. COOKE:

Q. It is not wholly private ground?

A. Sir?

Q. It does not cover the public highway at all?

A. It comes through my ground and some of the rest of the people below me; through their lots and through my lot and then it goes down an alley, and then it crosses a lot and then it goes down through an alley. There is pretty much private ground the pipe line runs through as it does in alleys.

BY MR. EVANS:

Q. Have you ever tried to get service from the Home Water Company?

A. They are southeast of me.

Q. You are not in their territory, near their main?

A. No; they are about a mile east of me, but we filed a petition supposed to,—and I got about three hundred and two signers, and we canvassed the neighborhood, and got about three hundred and two signers, and I think about the twenty-first of September, I think that is the date, I took it down to Mr. Woodcock to send in to the Public Service Commission, and he says he will send it today. Now, he received money for that. We paid him for his services.

Q. I do not think we are interested in any dispute you may have with your lawyer. That does not enter into this picture at all. If he filed it with the Commission, that is all right.

A. I don't know what he done. I took it to his office in good faith, that he would file it with the Public Service Commission.

Q. I don't think we had better get into that matter. Now, is there anything else that you wish to add to what Mr. Ammerman and you have already testified to.

A. Now, the Home Water Supply Company; you can read over the notes (indicating), they are charging all kinds of rates. Some of them have on one spigot \$8; one spigot \$8, in our town. I have got one here for \$24, one spigot.

Q. Have you looked at the filed schedule of rates of the company.

A. Of what company?

Q. Of the Home Water Company?

A. I think I have got it here. Well, it seems as if this company pretty nearly have their own rates.

MR. RICHARDS: Has this company a Certificate of Public Convenience?

MR. WALKER: They have a filed schedule, Mr. Richards.

THE WITNESS: The difference is in the spigots.

BY MR. WALKER:

Q. Different spigots make the different rates?

A. They must have pretty good sized spigots on some of them.

MR. EVANS: It appears from this bill that their rates, for what they call domestic services, are \$8; pave wash \$6; water closets \$3.50; wash stand \$3; bath tub \$4; and hot water \$2.

THE WITNESS: And stationary tubs, below there (indicating) is \$3; stationary tubs.

MR. EVANS: Stationary tubs, \$3, on a six months bases.

BY MR. WALKER:

Q. As I understand it you would be perfectly willing to pay the charges if you got the service: is that right?

A. No body would refuse to pay them.

Q. And your main interest is in seeing that this Committee helps you get the service; is that right?

A. Yes sir. On this private line that runs from the Home Water Supply Company; these people have to pay, some of them, \$200, two thousand seven hundred and ninety-nine; eight of them that cost \$164.86 a piece. Anybody that taps on that line it costs them \$110, besides paying anywhere from eight to thirty-six dollars a year.

BY MR. EVANS:

Q. This is Hutchinson?

A. This is the Home Water Supply Company, and there is 8 lines that run off that. Anybody that wants water off that, they have to put in their own line and do the work themselves, and the city of Altoona takes—

MR. EVANS: I think, if the Committee please, the best suggestion to make with regard to this situation, if the Committee is willing, would be to address a letter to the Public Service Commission, asking them to investigate this particular local situation, where the water supply seems to be inadequate.

PANTHER VALLEY ELECTRIC HEAT, POWER & LIGHT  
CO. Now PENNSYLVANIA POWER CO.

LEIGHTON E. SCOTT sworn.

BY MR. EVANS:

Q. Where do you live?

A. Lansford, Carbon County, Pa.

Q. You are a member of the Bar and were formerly borough solicitor for Lansford?

A. Yes; I have been a practicing attorney for 33 years; borough solicitor about 20 of the 33 years.

Q. What electric company formerly served the borough of Lansford?

A. The Panther Valley Electric Heat, Power and Light Company was incorporated in 1893 at a capitalization of \$10,000, par value of the stock \$50. It subsequently changed the name from the Panther Valley Heat, Power and Light Company to the Panther Valley Electric Company.

Q. Approximately, what is the chartered territory of this company?

A. The chartered territory served was the borough of Lansford, with about 5,000 population when the company was organized in 1893. Since then they have added to the territory the borough of Summit Hill, which now has a population of 6,000, the village of Nesquehoning and Mauch Chunk, with a population of about 6,000, and the borough of Coaldale, in Schuylkill County, that has a population now of about 6,000.

The company has been serving the borough of Lansford since 1893, and the other boroughs and townships for over 25 years. In 1893 the capital stock of that company was \$10,000 of 200 shares, with a par value of \$50 a share. In 1923 the capital stock of the Panther Valley Electric Company was 7,250 shares of the par value of \$50.

Q. Had new money been put into the company?

A. Not one cent was put into the company. Those dividends were declared out of earnings of the company.

Q. As though that were an original investment of \$10,000; the capital structure was?

A. 7200 shares with a par value of \$50 each, according to my record here, \$50 a share.

BY MR. TURNER:

Q. Pardon me, what dividend is that?

A. I will tell you about that. In 1916, 1917 and 1918 they were paying almost 20%. Previous to that I believe the dividends were very much larger; the cash dividends. In 1916 they opened a set of books, I think the first books that they ever kept; they were opened by Hines and Company, certified public accountants, and they made an appraisal of their own plant; I think they placed it at about \$95,000. 1916 their capital stock was \$90,000. Three years later their capital stock was increased approximately, I think, to \$362,500. They had a valuation made by Gannett, Seelye and Fleming, Inc., Engineers, of Harrisburg, Pa., I think they went the limit when they put a valuation of \$362,000.

BY MR. EVANS:

Q. In what year was that?

A. 1919, I am sure that was, as near as I can make out. In 1919 a certain person in our borough died, owning 126 shares of the Panther Valley Electric Light Company stock, which was inventoried at \$60 a share. For transfer inheritance tax purposes to the state of Pennsylvania it was priced at \$60 a share.

Q. How many shares were then outstanding?

A. I think about thirty-six hundred shares, about, outstanding then.

Q. This was before they declared the one hundred per cent stock dividend?

A. Yes; I will come to that, Mr. Evans, in a few seconds. In 1922 another person died, owning 355 shares of stock, inventoried at \$60 a share, appraised by the state of Pennsylvania for transfer inheritance tax purposes at \$60 a share. I happened to be the auditor in this case to distribute it, and while the audit was before me in 1923, the 100% stock dividend was declared increasing it up—I have here 7250 shares; I am not certain whether it was 7250 outstanding; I think it is, that my figures are correct; although I am informed that 7250 is the correct amount. The shares were inventoried and a tax paid on a basis of \$60 a share. That stock dividend was declared in 1923, and in 1926 this stock, that was worth \$60 a share for transfer inheritance tax purposes before the 100% dividend was declared—then by declaring the 100% dividend, that would bring it down to \$30 a share for taxable purposes if the valuation was correct. This stock—

BY MR. TURNER:

Q. That might have been true, unless they transferred from reserve to something else.

A. All right, maybe they did. I don't think they did. I think after Gannett, Seelye and Fleming made their valuation they put out the stock dividend. This stock, two companies were after it; one Pennsylvania Power and Light Company, that control everything in our country almost; and another company, a New York concern, they bought out the Mauch Chunk Power and Light Company. I don't know just the name of that company, but they own the Mauch Chunk Power and Light Company—a New York concern. The stock that was worth \$360,000, according to Gannett, Seelye and Fleming, the plant was sold directly to the Pennsylvania Power and Light Company for \$1,450,000.

BY MR. EVANS:

Q. Slightly over \$200 a share?

A. \$200, a share it was sold. People that originally invested \$400 in the company in 1893, got out something like \$300,000; one man got out \$200,000. Another man up there, who died, left three sons, and each one of the sons, got eighty thousand a piece out of it. His twenty shares grew to \$240,000. The stock was purchased by a man by the name of John Wise, I think Superintendent of the Pennsylvania Power and Light Company in Allentown, Peter McCarron, the division superintendent at Pottsville, Pennsylvania, and some others, who held the stock for a while, and they did business under the name of the original company, Panther Valley Electric Company, for a year or so, but all of the old directors resigned except two. And new directors, composed of Pennsylvania Power and Light officials, were put upon the board and they did business as the Panther Valley Electric Company for a year or so, until Governor Pinchot, in his first term, went out of office, and as he did, they immediately merged it with the Pennsylvania Power and Light Company, and the stock was transferred to them, and they are controlling it ever since.

The thirty thousand people have furnished a rich territory to produce revenue on the basis of even the \$360,000 valuation placed by Gannett, Seelye and Fleming, but they sold it for a \$1,450,000; above the valuation put upon it by Gannett, Seelye and Fleming, and a short time afterwards they issued preferred stock at seven per cent and they had their employees sell that stock, and they gave them bonuses of selling it, and I am informed, although I have no evidence, that is, legal evidence, that they paid these same employees for the time they spent going around selling this stock, and charged it up to operating expense. Since they got hold of it they have changed the rates three times. For instance, about four years ago I put in a Frigidaire in my home, and I was given a rate of \$4, a minimum, which entitled me to 60 kilowatts.

Q. Kilowatt hours?



A. Kilowatt hours. A number of months I never reached the 60 kilowatt hours, but I paid \$4. Anything over the 60 kilowatt hours, I was charged at the rate of 3½ cents a kilowatt. My bill never reached \$5 a month under that rate, but they advertised a new rate and filed one, and in big headlines, "Reduction in rates," and instead of paying \$4, I have been away up, \$5.75. That is the way they reduced the rates.

BY MR. TURNER:

Q. Was that on the same basis, the amount of current used?

A. Yes; I am talking about it on the same basis. They went on a new rate and they charged me for seven rooms in my house, and then by some method of figuring they charged me \$2.40, and then, in addition to that, I had to pay so much a kilowatt hour, which brought me to \$5. My bills are all that way, and I can't generally explain it. I have an office, and I don't work on the night shift, and I use very little—in fact, my rate for ten years was 10 cents a month, but on the first of this year they put on a dollar minimum, and I have to pay it. That is a 90 cent increase, and hundreds of others up there are in the same boat. There are six that occupy the offices with me, and we all have to pay \$1 minimum. We are entitled to 10 kilowatt hours for that dollar, and I don't use one.

My complaint is that with our rich territory, they paid large dividends before it was merged with the Pennsylvania Power and Light Company, and they now must get some money from somewhere to make it up on that \$1,100,000, the price they paid above the price set by Gannett, Seelye and Fleming, Inc., for the plant.

BY MR. TURNER:

Q. Were these rates all filed with the Public Service Commission?

A. I don't know.

Q. Were complaints filed?

A. No; no complaints were filed. We were lulled to sleep; we were going to get reductions. They had advertised, and the last one they have, is a reduction. I have some of the advertisements here. They are about to issue another series of preferred stock. That is one of the lurid ones, (indicating) and it says they pay dividends every three months, and so on; never miss; and so on. They used to pay 7%, but now they are down to 5.

Q. You mean 7% on the common?

A. No, sir; preferred.

BY MR. COOKE:

Q. That is 7%? (indicating)

A. No; this is 5. This is one of them, (indicating) but they did come down to 6. This is 5, but I understand they have bought some more plants and they need some money for their preferred stock. My complaint is that too much was paid for the Panther Creek Company, \$1,100,000 above its real worth, and we have to pay the difference.

BY MR. TURNER:

Q. That is your supposition; real worth based on this proposal. I presume?

A. Yes, sir.

Q. You don't know whether anything was added to that?

A. I do know that they added very little. I know they didn't add any improvements. They don't own their power plant. They purchase from the Pennsylvania Power and Light Company at less than three cents per kilowatt, and made the people, I am informed,—sold it to us around ten. They own a sub-station, but they issued bonds for \$40,000, and those bonds were still outstanding when the Pennsylvania Power and Light Company took over the plant. They added nothing. I am pretty observing around there. They added nothing in the way of improvements that I know of. Their lines were up in Sumnerdale, Nesquehoning and Lansford. Their substation had no additions to it in the last fifteen years; the same old substation.

BY MR. COOKE:

Q. And do you know anything about the transaction when Messrs. Wise et al sold to the Pennsylvania Company; whether they turned it over for what they paid for it.

A. The way I understand it, they did. They were acting for the Pennsylvania Power Company, and after they got it within a year or so, they put in Pennsylvania employees; Dickey,

Swoyer of Allentown. No doubt it was the Pennsylvania Power, and as soon as they went out of business, they transferred and merged it into a whole lot of other companies with the Pennsylvania Power and Light.

BY MR. TURNER:

Q. Did you wish to infer from that that it was the fact that Governor Pinchot restrained them from making this transfer?

A. I do. Governor Pinchot was opposed to it. I think they did make application, and they withheld it because Pinchot was opposed to these mergers.

MR. EVANS: As you doubtless know under the Public Service law, when a utility acquires an interest in another utility it requires a certificate, but when an individual does, he does not have to have approval.

THE WITNESS: Yes; they sold it to a number of individuals, and then the individuals sold it to the company.

As to the value of the stock, persons at Lansford can testify what they received for the stock. It is reported, some of them told me, who sold it, that they got \$200 a share. Some of them took preferred stock of the Pennsylvania Power and Light Company for the Panther Valley stock, and some of them took the cash.

I think I made it clear; in 1923 the par value I have been informed was \$100. My notes here show that it was \$50 a share. In 1923 this estate, that I spoke of received a check dividend on 355 shares, and the distribution was as follows: NYD 150 shares; PE Co. appraisal at \$50.325. That leads me to believe that the stock was \$50 a share. On the appraisal of it in 1922, a year before, for transfer inheritance tax purposes it was \$50 a share.

BY MR. EVANS:

Q. I think you have made that quite clear.

A. Is there anything else you gentlemen wish to ask me? (No response)

WILLIAM COLLEDGE recalled.

BY MR. EVANS:

Q. You have testified before the Committee before?

A. Yes, sir.

Q. Have you made any examination of the recent reports of the Panther Valley Electric Company filed with the Public Service Commission?

A. Yes; for the years, 1923, 1924, 1925, 1926, 1927, and for the first three months of 1928, this company having been taken over by the Pennsylvania Power and Light Company as of April 1, 1928.

A. I could not obtain any surplus prior to 1923. That was the first report filed on the long form of the Public Service Commission.

Q. Do these reports show anything as to the write-up of fixed capital of the Panther Valley Electric Company?

A. Yes, sometime in 1923 the Panther Valley Electric Company wrote up its fixed capital \$285,847.96.

Q. What was the book value before the write-up?

A. The book value before the write-up was \$439,371.31, which means that the write-up was equivalent to 65% of the original book value. The Company then wrote down its reserves for renewal and surplus from \$52,415.42 at the end of the year 1923, to \$15,764.68, or in the amount of \$36,650.74. This again eliminated the reserve at the beginning of the year 1923 entirely.

BY MR. TURNER:

Q. That was when the stock issue took place?

A. I am coming to that.

BY MR. EVANS:

Q. What then was done with the books of the surplus?

A. The amount of this write-up was credited to surplus and a stock dividend of 100% or \$360,000 was declared and stock of the company was issued in that amount. That was an increase in the stock of the company of \$360,000, increasing it to \$720,000.

Q. Did the company pay any cash dividends during those years?

A. Yes, cash dividends were paid as follows:

For the year 1923, \$30,600, or 4¼% on the \$720,000.

In 1924, \$43,200, or 6%.

In 1925, \$43,200, or a 6%.

In 1926, \$7,200, or 1%.

In 1927, \$90,000, or 12½%.

No dividends were paid for the first three months of 1928.

Q. These percentages you have given were all calculated on a capital of \$720,000?

A. Yes sir.

BY MR. TURNER:

Q. On what was this stock issued? Is there anything in the statement to show on what it was issued?

A. They wiped out the reserve for depreciation and increased the fixed capital and then wrote down the reserve. The reserve for depreciation, which left the fixed capital flat.

Q. Could they do that write-up from fixed capital?

A. That I don't know. The fact of the matter is that I had to dig to find this. The only way I found it was that the fixed capital figure for the year 1923 was that much higher than it was at the end of 1922 and I commenced to dig and found that it just buried itself in fixed capital account and made no separations on the book.

BY MR. COOKE:

Q. What justification was there for writing down depreciation?

A. I don't know.

BY MR. TURNER:

Q. They would have to have something to write it up on?

A. They wrote these fixed accounts and credited surplus, which increased surplus by that much.

Q. Was that not only a bookkeeping matter if that was the time they issued the capital stock?

MR. EVANS: It was either a valuation or an arbitrary valuation put on their fixed property.

MR. TURNER: Is it not against the law to issue stock against the law except on something of value?

MR. EVANS: I believe it is.

BY MR. TURNER:

Q. Did that appear in the reports to the Public Service Commission?

A. As I said before, the only way you could do it was by comparing the fixed capital as of December 31st, 1922, with the amount of the fixed capital on December 31st, 1923.

Q. As to the write-up how was it done or on what basis or with what authority for it?

A. I cannot tell you.

MR. EVANS: It seems to me the minute books of this company are in existence, and if so they should show how it was done.

BY MR. RICHARDS:

Q. Did the reports show who the officers were at the time?

A. That I cannot tell you.

(Mr. Scott, a former witness, volunteers the following information as to who the officers were).

George M. Davies, President; C. K. Walton, Secretary; Dr. E. H. Kistler, Treasurer.

Dr. Kistler is dead; Mr. Davies and Mr. Walton are living.

BY MR. EVANS:

Q. They all live in Lansford?

A. Yes sir.

MR. HAGMAIER: Is there any way we could get their minutes of the company at that time?

MR. EVANS: We can subpoena them if they are in existence.

Q. Now, what do the reports for the years 1923 and 1927 show as to the per cent of over all returns that this company earned on its fixed capital?

A. Based on the depreciated book value of its fixed capital at the end of each year including the write-up and excluding construction work in progress divided into net operating income, the company showed an over all return as follows:

For the year 1923, 6.551%.

For the year 1924, 7.2%.

For the year 1925, 8.66%.

For the year 1926, 11.6%.

For the year 1927, 11.33%.

Q. Now Mr. Colledge, if instead of including the write-up you excluded it, what would this percentage become?

A. For the year 1923, 11.95%.

For the year 1924, 12.91%.

For the year 1925, 15.69%.

For the year 1926, 21.76%.

For the year 1927, 21.2%.

Q. Now will you explain how you calculated the net operating income, taking for instance the year 1923 for an example?

A. I took the gross operating revenue of \$161,044.17 and added to that revenue for merchandise sales of \$801.23, and rent revenue of \$342, making a total of \$167,187.40, and I then took the operating expenses of \$123,898.58, and eliminated therefrom Federal income tax of \$5,082.93, and then I added merchandise sales expenses of \$2,088.20, rent expenses of \$52.72, making a total of \$120,956.57. Taking the total expenses of \$120,956.56 from the total revenues of \$167,187.40, I obtained the net income figure of \$46,230.83.

Q. And that is the figure you have used in calculating the percentages you have given us?

A. Yes sir.

Q. I notice the merchandise sales expense is considerably greater than revenue from merchandise sales, so I take it if you had excluded both of these return would have been slightly increased?

A. Yes sir.

BY MR. COOKE:

Q. Why did you stop with these three months of 1923?

A. That was the year the Pennsylvania Power and Light Company took the company over.

RALPH S. RICHARDS sworn.

Q. Where do you live?

A. Lansford, Pennsylvania.

Q. What business are you in?

A. Electrical contractor and dealer.

Q. I understand you are here representing a number of consumers of Lansford, electric consumers of Lansford?

A. Yes sir.

Q. Since the Pennsylvania Power and Light Company took over the Panther Valley Electric Company there have been several changes in rates, have there not?

A. Yes sir.

Q. When were these changes effective?

A. When it was still in the name of the Panther Valley Electric Company when Mr. McCarren had charge and sat on the Board of Directors was the first increase.

Q. What year was that?

A. That was about 1927 or 1928.

Q. What was the effect of that rate change as far as you have been able to ascertain?

A. It was generally an increase. We were increased all that time all the way through.

Q. Did the increases apply to the domestic consumers?

A. No, not the domestic.

BY MR. TURNER:

Q. Does he mean the individual bills increased or the rates were increased?

A. There were no new schedules filed. It was simply an interpretation of the rates filed by the Panther Valley Electric Company taken by the Pennsylvania Power & Light Company that increased the rates.

BY MR. COOKE:

Q. For instance?

A. Under Schedule D filed by the Panther Valley Electric Company the power could be combined. Immediately after they took charge of it, they took a different interpretation on the rate whereby they increased the rating and converted it all into horsepower and by doing that they raised the consumer's monthly minimum charge, and he had to buy a large amount at 6¼ cents which he had previously got at a rate sometimes as low down as 2 cents.

Q. What kind of power was that?

A. The small power user. I have in mind a church, St. Michaels Church in Lansdowne. The manager of the company told him he could take advantage of Schedule D by



re-establishing his wiring, which he did and which cost him to the amount of about \$400.

BY MR. EVANS:

Q. Approximately when was that?

A. In 1925 that happened, about 1925, immediately after the Pennsylvania Power and Light Company got hold of it they increased his minimum to 28 H.P.

Q. What had it been?

A. Five horsepower previously.

BY MR. COOKE:

Q. What does a church do with 28 horsepower?

A. They don't have 28 H.P. He has approximately 5 H.P., he has a motor generator set and the organ that they use in part of the parochial school and what they use for ventilators.

Q. You mean the current needed for moving the ventilators and pumping the organ, that 5 H.P. is all that is necessary?

A. That was all that was necessary.

Q. Was it later raised?

A. They came in indiscriminately and converted the lighting into horsepower. This cost the priest an increase of \$12.60 to \$17.30 a month through the interpretation of the schedule under the old Panther Valley Electric Company.

Q. Now was the next change of rates of one of interpretation of the rate schedule?

A. All the merchants in town enjoyed all their window lighting under Schedule B, that was called outside or sign lighting, which they sold us on a one dollar minimum charge when they allowed them 10 kilowatt hours and they billed it at six cents, and if they paid it within ten days they allowed them a discount of 16 2/3%. They immediately took that away from him, immediately as soon as they could, except where a customer was big enough or strong enough to yell loud enough, they left it in. There was discrimination all along the main street.

Q. This was at the same time?

A. Yes, sir.

Q. Were there any other matters particularly at that time that you wish to call to the attention of the Committee?

A. About this time they started in requiring the consumers to install new services whenever the house became vacant even though the consumer had installed the service to meet the requirements of the company, and to pass the Board of Fire Underwriters, as soon as a property became vacant, they required the owner to put in new service costing anywhere from twenty to twenty-five to thirty dollars. If a person yelled loud enough again, they did not have to do it. I have in mind a lot of people who could ill afford to pay that increase who have had to do it.

BY MR. COOKE:

Q. Why didn't they yell?

A. They assumed the power company is so strong there is no relief from it.

BY MR. MEMOLO:

Q. Has there ever been any complaint made to the Public Service Commission?

A. Not to my knowledge of the exact conditions like this except at the present time when these merchants complained about it and asked me to bring it over here, and they are just about ready to take some action to secure relief. I went in with a complaint and that was one of my own in which I complained to the Commission, and the letter was referred back to the Pennsylvania Power and Light Company, and they came to see me and settled it.

BY MR. COOKE:

Q. Just what form did that take? You say you came to a settlement?

A. In the schedule we had from the Panther Valley Electric Company they refused to continue that schedule with us. We refused to pay it until the total ran up to \$300. They came into the store and told us that if we did not pay it within ten days they would discontinue the service, and if we failed to pay the balance, and I entered a complaint to the Public Service Commission, and they sent the letter to the Pennsylvania Power and Light Company, and they came over to the store, either from Pottsville or Allentown, and they told us it was totally unnecessary for us to do that, that the matter could be ad-

justed. I refused to pay it, and their representative offered to take \$200 off and reduce it to \$100, and I still refused to pay it, and he asked me to withdraw the complaint and that we could settle. I withdrew the complaint, but they still have that \$100 on their books.

BY MR. COOKE:

Q. Over how many months did this \$300 accumulate?

A. About two years.

Q. That is what you mean by hollering in this case?

A. Yes, sir.

Q. You say nobody else complained?

A. They have complained through their attorneys, and the attorney naturally goes to the light company first and there it is generally settled or held in abeyance. I have several cases in which the balance is wrong.

BY MR. EVANS:

Q. How, have there been any subsequent changes in the rate?

A. Yes, there are the advertised rate reductions as of January 1st. I show you the advertised reduction of electric rates. This advertisement provides that where local rates are modified or lower than the proposed rates they shall be retained as optional rates, but they have removed them and presented all new rates, and as Mr. Scott has testified under schedule A where the rate is ten cents per kilowatt hour less a sliding discount where you only pay ten cents per kilowatt and if your bill is less than a dollar, you paid ten cents a month meter charge. That has been removed and new bills have been rendered at one dollar the minimum and that affects a large class of laboring men in the different sections where their bills in the summer time run around before thirty, forty, fifty, sixty or seventy cents, and now they have to pay the dollar. Under the old schedule a man using a total of 515 kilowatt hours of current in one month, it would cost him thirty-two dollars and ninety-one cents, but under the new schedule it would cost him thirty-four dollars and fifty-five cents or an increase of one dollar and sixty-five cents.

Q. What sort of consumer is that?

A. That is the small store, commercial lighting.

BY MR. COOKE:

Q. What examples are there of rate decrease?

A. That will be over the old schedule where the user gets up possibly to within 100 kilowatt hours, but if he goes into the two hundred class it is an increase and he don't strike the decrease until he reaches the four hundred class.

Q. Is there any decrease in the domestic consumer's rate?

A. A slight decrease of a few cents a month.

Q. What is the difference in the schedule?

A. A man using eleven kilowatt hours at ten cents, he would receive five per cent reduction on the old rate, but under the new rate he would pay ten cents for his kilowatt hours up until—it would depend on the number of sockets—it is complicated schedule, and would take a lot of explaining. It partly depends on the number of sockets. You may have to use up a lot of kilowatt hours before you get to the eight cent rate, and from there to the five cent schedule.

BY MR. COOKE:

Q. The five cent is the minimum?

A. No, you can get down to three cents if you use approximately two thousand kilowatt hours.

BY MR. EVANS:

Q. Mr. Scott has testified in regard to his own charge for electric refrigerator; have you any data on that?

A. Yes. Under the old Panther Valley Electric Company rates, if you used an electric range and an electric refrigerator, the user using approximately 71 kilowatt hours for an example, under the old rate, the charge was \$4.67, but they then put into effect their schedule RL 5 as it was known, and it cost him under that schedule \$10.19 or an increase of fifty-three per cent per month for 71 kilowatt.

Q. This same reduction worked through the same way?

A. Yes, sir.

Q. So this advertisement as a reduction of rates was not really a reduction?

A. No. This was put across and the user was told it would be a reduction inasmuch as his monthly cost would be less, but

under the new schedule RL 5 it just brings them the same 71 kilowatt hour which cost them \$4.66 or still an increase of thirty-three cents over the old rate of the Panther Valley Electric Company. That is under the seventy-one kilowatt hours.

Yesterday in getting bills from the various merchants, one of the merchants came and told me that he could not furnish me with the bills that he had promised me, that he himself was a coward and that he was yellow, that he had been approached by the district manager of the Pennsylvania Power and Light Company and that he could not give me the bills that I could take along to use as evidence.

MR. TURNER: Mr. Evans, do you think that is the kind of evidence we want in there.

MR. EVANS: I think it is, Mr. Turner. If any pressure is brought to bear on a witness, to prevent him from appearing before your Committee.

MR. TURNER: Yes, sir. I agree with you as far as pressure is concerned, but it seems to me that the man who want is the man who knows it.

THE WITNESS: This gentleman told me that the light company had a strangle hold on him, that he could not go along with the bills. I had another—

BY MR. TURNER:

Q. What was the strangle hold?

A. That was all the information he could give me.

BY MR. EVANS:

Q. Who was this gentleman?

A. Nathan Greenberger, of Greenberger Brothers.

BY MR. WALKER:

Q. Had he previously given you the bills?

A. No, sir, he had not, but Mr. Richards Edwards of the J. C. Bright Store did. He called up and asked to have the bills back.

Q. What reason did he give?

A. That he had been approached by the officers of the Pennsylvania Power & Light Company.

Q. Did he say anything further than that he had been approached?

A. That is all.

Q. Did he say what officer approached him?

A. The local officer, Tom Williams.

Q. Were you approached by the local officer?

A. Yes, sir.

Q. Who?

A. Tom Williams.

BY MR. TURNER:

Q. What is his job?

A. District manager.

Q. What did he say to you?

A. He wanted to know about my testimony, and said what a fool I was to go before the committee to testify.

MR. TURNER: I ask that Mr. Williams be subpoenaed to come before this committee.

BY MR. RHODES:

Q. Do I understand he is the District Manager of the Pennsylvania Power & Light?

A. Yes sir, all the towns surrounding around there.

Q. What is his full name?

A. Thomas Williams.

Q. Where does he live?

A. Lansford.

BY MR. WALKER:

Q. Did he say why you were a fool?

A. He didn't get that far. He did state that Mr. Scott and I were running around raising a rumpus against the harmony and good order of the community.

MR. HAGMAIER: Mr. Evans, do we have any bill of what the average house, what its charge is a year? We could get at it better in that way?

MR. EVANS: Mr. Hagmaier, he has been testifying more as to the changes in rates since the Pennsylvania Power and Light took over the local company. That is the purpose of his testimony.

Q. Can you give the committee any information as to what the average monthly bill of the small domestic consumer in Lansford would be?

A. In the neighborhood of \$1.50 to \$1.75.

Q. And that would be, say, a six-room house?

A. A six-room house.

BY MR. RICHARDS:

Q. What rate do they use to electric consumers?

A. On their new schedule, that would depend on the number of sockets, you would get it at probably 9 cents a kilowatt.

BY MR. TURNER:

Q. On what basis, the use of kilowatt hours?

A. Ten cents a kilowatt hour. Being engaged in the sale of electric refrigerators, I find it necessary when I sell a refrigerator to a doctor or a dentist, that it is necessary to separate the wiring in his office from his home where he ran his office in conjunction with his place of residence, but when the light company sold a refrigerator to a doctor or to a dentist in a neighboring town it was not necessary. A complaint was made to them and they agreed to conform to the rate on that meter, but when it had cost the doctor or the dentist from \$100 to \$135 to make these changes, they were not repaid in the future. Dr. W. C. Scott, a dentist, Dr. Druckemuehler, and Dr. John Breslin, they had to separate their wiring so they could enjoy the low rate which they gave. Previous to that Dr. Clewell, Dr. Kistler enjoyed the rate the whole time, even while these other people were compelled to separate, and put in new switchboards.

BY MR. RICHARDS:

Q. Do you mean they have a power rate and a light rate?

A. Yes. He had to take his office at 10 cents a kilowatt, the office could not go on the refrigerator and range rate.

CHARLES WILLIAM LEES sworn

BY MR. EVANS:

Q. Where do you live, captain?

A. Allentown.

Q. What is your occupation?

A. Manufacturer.

Q. You have heard Mr. Richards' testimony to the effect that the Pennsylvania Power and Light Company's customers if they kicked hard enough the company did not enforce certain charges. Have you had any similar experiences in Allentown?

A. Yes sir.

Q. Did the company attempt to charge at one time for changing your meter?

A. Yes.

Q. And how much did they attempt to charge you?

A. A dollar and a half.

Q. Did you refuse to pay it?

A. I did.

Q. Did they ever enforce it?

A. No sir.

Q. How long ago was that?

A. Last November.

Q. Have you ever had any other experiences of a similar nature?

A. Yes sir.

Q. What was that?

A. Refusing to pay interest on overdue account.

Q. That is the penalty charge?

A. Yes sir. Ten per cent if you are a day over.

Q. And you declined to pay that?

A. Absolutely.

Q. What does the company say about it?

A. They have never tried to enforce it. I challenged them to take action to recover it if they can.

Q. When was that?

A. Last July, August, September, October and November.

BY MR. TURNER:

Q. You were delinquent each month?

A. I purposely allowed my bills to go over a day and then sent in the original amount. They kept adding it, but I didn't pay it. I had been in the office and said to them "Take any proceeding you like, but don't take my light out."



BY MR. TURNER:

Q. What was your purpose?

A. I claim they don't have any right to charge interest on accounts. They do not pay interest on overdue accounts which they owe. They have owed me accounts for six months and didn't pay me any interest.

BY MR. COOKE:

Q. What is your business?

A. I manufacture writing inks, the only one in Pennsylvania.

PETER MCCARREN sworn.

BY MR. EVANS:

Q. Where do you live?

A. Pottsville.

Q. What is your business?

A. Division Manager for the Pennsylvania Power and Light Company.

Q. Were you one of the gentleman who purchased the stock of the Panther Valley Electric Company?

A. I was not.

Q. Who were the gentlemen who purchased that stock?

A. Well, I cannot intelligently answer that.

Q. Was Mr. John Wise one of them?

A. I think he would be.

Q. Do you know whether he was?

A. I could not say that.

Q. You don't know anything about the purchase of the stock?

A. I don't know anything about it; after the stock was bought and the company was tied in with us, I was sent there to manage it.

Q. Did you have anything to do with the company while the stock was in the hands of Mr. Wise and his associates, before the merger?

A. I think I was one of the directors; that is my recollection. I was a director in many more companies that we took over.

Q. The company was in fact taken over by the Pennsylvania Power and Light Company, and put into the hands of individuals; was that not the case? I think you said you did not know very much about the rates?

A. I had nothing to do with the buying over the stock of the company.

Q. You are not entirely familiar with the rate situation?

A. No. We have our rate experts, and I would not want to testify as to rates, because I have nothing whatever to do with compiling the rates.

Q. Can you state when it was that you became a director of the Panther Valley Electric Company?

A. The exact date I cannot give you, but I could get it for you; I don't remember the date.

Q. Were you in any way in charge with its management prior to the merger?

A. Yes sir for a short time?

Q. Approximately how long was that?

A. Well from the time we took it over until it was merged.

Q. From the time Mr. Wise and his associates took it over, up until it was merged?

A. Yes sir.

Q. And it is still under your management?

A. I am division manager.

Q. And that position includes the territory of the former Panther Valley Electric Company?

A. Yes sir.

Q. Is Mr. William McConnell who has been referred to, one of your subordinates?

A. Yes sir.

Q. Do you know anything about his attempt to persuade Mr. Richards not to come down to testify?

A. I don't know anything about it. If he did that it is all news to me.

BY MR. WALKER:

Q. Is it a fact that if a consumer hollers loud enough you will take off his one dollar and a half charge we have heard of.

A. That is news to me. That is not our policy. When we took over that company we run into a lot of conditions and one of them was the minimum charge. In fact we don't have a

minimum charge. We had bills going to consumers for ten cents and it cost us more to deliver bills than the handling was worth, and at the last reduction in rates we cut out that section of it and we put in our standard rates which we have all over the property. We had a few isolated cases where the man might have a garage or an office and practically he never uses it; in a number of cases we were getting ten cents a month. The total number of customers affected would not amount to two hundred altogether. I think we have close on to seven thousand customers in this particular territory, and it was just for the correction of these evils that that was put into effect. We tried to get three or four customers in a group to use one service. We done everything in our power to correct that evil without imposing any hardships on anybody.

BY MR. EVANS:

Q. In the advertisement of the rate reduction effective January 1, 1931, it is stated: "Where existing local rates as modified are lower, etc., the local rate shall be retained as optional rate." Has the company done that?

A. We have put in our standard rates with the reduction to get rid of these evils I have just told you of.

Q. You do say it was optional if they want to take it?

A. We don't take hold of anybody by the neck and compel them. I went over there different times myself and talked to customers and many places we made big reductions. The fact of the matter was that we made a reduction to Mr. Richards. He was happy about it and said he would pay it, but up to date he has not paid it. They had another condition over there —where they had a rate that was a joint power and light rate. We had customers that put in a one-eighth horse power meter and demanded the power rate; that was discrimination.

BY MR. TURNER:

Q. Was this a reduction or not?

A. Absolutely, with the exception of possibly these little cases that I told you about that were for the correction of an evil.

BY MR. COOKE:

Q. This dollar rate, is that a matter that is common throughout your territory as settled by the Commission's regulations?

A. I could not answer that. We have a dollar minimum and for that we give them ten kilowatt hours and our step is eight cents.

BY MR. EVANS:

Q. How would you say that one dollar is made up?

BY MR. COOKE:

Q. The ten kilowatt hours presumably cost you something in the neighborhood of a little over one cent a kilowatt; the juice itself would cost you a little over one-half a cent an hour?

A. You are talking about juice at the power house, and we are talking about juice at the customer's residence.

Q. What I am talking about is how you arrive at the one dollar minimum. It seems excessive to me.

A. It may seem excessive, but I think that if you get some statistics as to what it cost to keep the meter in premises and to read the meter and the bookkeeping, I think you will find it is far in excess of one dollar.

BY MR. EVANS:

Q. How often do you test meters?

A. We live up to the Public Service ruling.

Q. The Public Service rulings are that when a complaint is made of a meter and the complaint is correct the charges are paid by the consumer?

A. I don't know of our ever having charged the consumer for testing.

Q. How much does testing a meter amount to a year?

A. I cannot give you the figures. We have a good sized force of men testing meters and it costs a good deal and we maintain laboratories for testing meters with a force of men at that cost.

Q. If your energy at the generating station costs you one-half cent, how much does the distribution cost you per kilowatt hour?

A. That is an engineering proposition, and I would not like to go into that.

Q. You don't know how that is made up?

A. Not enough to give you an intelligent answer.

Q. What is your customer's expenses per month, I mean what you refer to as to testing meters and reading meters?

A. I would have to get my figures on that because the territory I have charge of has possibly seventy thousand customers.

Q. But you don't know the average throughout your territory?

A. Not without looking it up for you.

BY MR. TURNER:

Q. We had some charts here that showed the prices of rates per kilowatt hours on 15 and 40 and 80 kilowatt consumers, and it is my recollection in that figure that the statement was made that fifty-one per cent of the users were in the 15 kilowatt class.

BY MR. EVANS:

Q. What Mr. Roushenbush testified to was that he didn't know the proportion of the customers that were on the 15-kilowatt hour basis, but that a test recently made in New York City to determine that fact had shown in the City of New York, 51% of all customers used 15 kilowatts or less.

MR. TURNER: I was going to ask if he knew in his company what the percentage was.

A. I don't know exactly, but I think it would be very small.

Q. Would it run 50%?

A. I don't think so.

Q. Would it run 15%?

A. I don't think so.

BY MR. EVANS:

Q. Could you get that information?

A. I could. You understand, Mr. Evans, you called me in cold. I didn't come here to give any testimony.

MR. TURNER: I think it might be interesting to get that, for after all, the value of the testimony on these charts should relate to what is the actual experience here if we can get it.

A. You can get that from our company without very much trouble. Personally I would say a very small percentage of our customers were down to 15-kilowatt class; very, very small.

BY MR. EVANS:

Q. Will you produce, Mr. McCarren, for the benefit of the Committee, a statement showing for the years 1929 and 1930 the domestic consumers of the system divided among those who had a consumption of 10 kilowatts per hour, 15 kilowatts per hour, 40 kilowatts per hour, and 80 kilowatts per hour, monthly?

A. Yes, sir, I would be glad to do that. If you let me make a suggestion, I believe if you would subpoena our rate man here, he would be glad to give you all that information. I am not working in the general office, I am in the division. I would be very glad indeed to make a reply to any testimony given here to you today. I think we have a right to come in here and put before this Committee the true situation. I am safe in saying that in 95% of these cases there was no discrimination, the customers had a square deal and the company went the greatest distance possible to please them.

MR. EVANS: I don't know that we want that.

MR. TURNER: You may not particularly want that testimony, Mr. Evans, but I do.

MR. EVANS: We expect to have an opportunity for the companies to present their testimony later.

MR. TURNER: That is one of the things we have to determine. There is a resolution introduced in the House of Representatives that the last day for the introduction of bills during this session will be April 22nd, and I understood the purpose of this investigation was to furnish information to the Legislature upon which legislation could be based. The schedule as I understand from you was to go through the next month and you had your plants ready that way. But what is the use of our going through a lot of testimony when we after all can only form a record that won't be used by the Legislature.

MR. EVANS: Perhaps it will be useful in determining as to the feasibility of bills that have already been introduced.

MR. TURNER: I don't see how it can. If we get through by the first of May the adjournment will be so close. I think the important question we have to determine now is to determine simply where we are going with this testimony.

## METHODS OF VALUATION.

MORRIS L. COOKE called.

THE WITNESS: Mr. Chairman, in making this statement, it seems to me appropriate to ask the indulgence of some of the members of the Committee who have quite as much familiarity as I have with some of the matters that have come up, especially those who are lawyers and who are practicing in these matters every day.

Now, it seems to me the first thing, in taking up the question of valuation, is getting away from the idea that such a valuation has anything to do with that value. Valuation for rate making purposes is more or less of a mechanical device in order to facilitate the fixing of rates, and I think, if we get rid of the idea of abstract value, it will enable us to clarify the situation.

Now, there are two schools, the Prudent Investment School and the Reproduction Cost New School.

In making a Prudent Investment valuation one must depreciate in order to arrive at a rate base.

In making valuations under the Reproduction Cost New, we must also depreciate, so, in my discussion, I will assume that depreciation has been made in both cases under both systems and both schools, and will refer to depreciation as little as possible.

Now, first, with regard to prudent investments: They may be actual or historical, so long as they are prudent, and a prudent investment is not conjectural, imaginative or fictitious or imaginable. It is almost wholly factual.

The term "Prudent Investment" came into being through the dissenting opinions of Justice Brandeis, and in the most celebrated dissenting opinion that has a bearing on this subject is the State of Missouri versus the Public Service Commission, which is known as the Southwestern Bell Telephone Case, and in a footnote to Justice Brandeis, he says, "The term prudent investment is not used in a critical sense. There should not be excluded from the finding of the base, that is, the rate base, investments which under ordinary circumstances would be deemed reasonable. That term is applied for the purpose of excluding what might be found to be dishonest or wasteful or imprudent expenditures. Every investment must be assumed to have been made in the exercise of reasonable judgment, unless the contrary is shown."

Now, Mr. Zimmerman expressed his interest in the possible method by which we might pass the prudent investment basis; I wired a half dozen friends in different parts of the country who have had experience on the public side in rate litigation, asking whether it would be possible for them to send me succinct and reasonably self explanatory definitions of prudent investment, and I have received five, the first four of which might almost be put on top of each other without showing discrepancies, and for the benefit of those who may be interested in looking up this great problem, and with your permission, I will put them on the record.

### No. 1

Prudent investment means the actual legitimate prudent cost of constructing and establishing the project works and facilities of a public utility, including additions and betterments and excluding depreciation.

Prudent used in this definition refers to bona fide and diligent exercise of normal business judgment without liability for the consequences of unintentional error.

### No. 2

Prudent investment may be defined as to what the existing property should reasonably have cost. The presumption is that actual cost, if known, was prudent unless contrary clearly shown.

Accrued depreciation should be deducted from prudent investment to arrive at rate base, but it might be a reasonable compromise to deduct only amount of depreciation reserve.

### No. 3

Prudent investment is the actual outlay in dollars to create the existing property now used and useful in the public service diminished by or depreciated for wear and tear, inadequacy and obsolescence.

The amount of depreciation should be equal to the portion of the original service life already exhausted.



## No. 4

Prudent investment is the investment made by security holders in property usefully devoted to service of public less impairment in service value due to causes which ultimately cause property to be retired.

Exceptions and amplifications are doubtless necessary.

## No. 5

The prudent investment of capital made and remaining in properties devoted to public use may be ascertained by determining actual or recorded cost of existing units at the time of installation, which should be checked by an estimated reasonable cost and supplemented by the estimated reasonable cost of those units whose actual cost is not available, so that the total will represent the reasonable cost of historically reproducing existing property, from which should be deducted actual depreciation representing loss of service right through use or obsolescence.

BY MR. TURNER:

Q. Wouldn't that leave a wide door open again for speculation on the cost of going back historically, if you don't have the actual figures?

A. No; and apparently his idea in setting up that reasonable estimate is simply to guard against the introduction of large quantities of acts that were obviously not prudent. In the early days a great many of these enterprises, as you know, entries would be made, which would be, at least, detected by such a system, and then they can be explained away or not, as it may be possible.

Q. One of our difficulties, it seems to me, is that we have seen these charts and heard the testimony, and there is a wide variance of opinion as to the cost?

A. I think I can—before I get through, we will get rid of that to a very great extent.

Q. I do not want to ask you any questions that will in any way disturb your thought, nor your testimony, and if you have something later, just say it at that time.

A. Yes.

BY MR. EVANS:

Q. May I ask this, does not that last definition also intend to take care of the situation where the books do not include all the utilities' property, and therefore, you have to make some estimate to take care of such properties as are not included?

A. Certainly. That was the second; it provided for two things, checked by an estimated reasonable cost and supplemented by the estimated reasonable cost of those units, though actual cost is not available. And now, so much for prudent investment.

Now, the reproduction cost new method, on the other hand, is almost wholly theoretical. The plant, as is constructed over night, no matter how obsolete any section of it may be, reproduction cost new is not the projection of a plant capable of doing the work; it is the projection of work in being, with all its mistakes and without all its obsolescence and other factors, which would tend to reduce the capital invested, if you were simply planning a plant to do the work which this plant is now doing.

In an article appearing in the Harvard Business Review for April, 1930, under the title, "Shoring up the Regulation of Electrical Utilities," I said:

"The reproduction cost new method presupposes a clean slate. Imagine, if you can, that there is no electrical company in New York City. Before one can be produced, 'or reproduced,' someone must conceive the idea that there should be such a company. So the first item,"—all this goes in over night, understand,—“So the first item that goes into the inventory a la reproduction cost new is the 'conceiver's charge,' or a fee to be paid an individual, or a group, for having conceived the idea that it would be a desirable thing to have an electrical company in New York City. Later, of course, comes the necessity for money to execute the plan for such a company. Advertisements are put in the papers notifying the public that stock will be for sale tomorrow morning. Great crowds of people gather at the fiscal office to enter their applications. What more natural than to have one or more policemen on hand to keep these crowds in order? So down goes the item in the capital account for the hypothetical wages paid these imaginary policemen for rendering what would have been a

useful public service if it had actually occurred. Under this reproduction cost new theory, this electric-service company which we are planning has no employees today, while tomorrow it may have thirty thousand who yesterday had no knowledge of the business. Today, under our theory, each such employee stands fully equipped for his task. Hence, down goes the item on the balance sheet for teaching this newly recruited staff to perform their several functions. These assumptions that we have been making of the impossible, are very real by the time they reach the balance sheet. In the current New York Edison Company case, now running nine years, this item for teaching the staff amounted to seven and a quarter millions of dollars. In the recently decided New York State Telephone case it was called the 'inefficiency factor,' and amounted to some twenty-five millions."

Now, the same amount of income can be allowed these companies under each of the systems. In that same article, I said, "Absolute justice in the matter of return can be done just as well under the prudent investment as under the reproduction cost new method of valuation. Under the unimpaired prudent investment method the valuation at any given time is obtained largely from the books. It will come wholly from the books, if they are properly kept and if there is no question as to the prudence observed in making the investment. By using this somewhat fixed base and varying the rate of return, the property can be made to yield any income which the Commission decides is proper. Under the reproduction cost new method, however, the various items of property must be revalued by current prices every time it is desired to question the income or the rates which provide it. Under the reproduction cost new method the rate of return is fairly stable, while the rate base varies with every change in the price level."

In an article appearing in the November, 1930, issue of the Yale Law Journal, "Taking Stock of Regulation in the State of New York," in a footnote, I stated the same question this way:

"Shall the amount of return to be allowed a given utility be figured on the actual fair investment in the property or on the estimated cost to reproduce the property at price levels existing at the time the return is determined and the rates to produce this return are adopted. In the first case the base on which the return is figured is fairly stable, i. e. obtained from the books, and the rate of return varied to meet conditions. In the second case the base constantly fluctuates with the price level and the rate remains more or less stable—more often at 7 per cent than otherwise."

So that you will see that full justice can be done to the companies under either system, but the one is based on facts and the other on guesses. Under prudent investment you eliminate guessing. You get your base from the books. Under the other, the reproduction cost new, everything is unstable and shifting, and the rewards go to the promoters, engineers, and accountants. —I have excluded the lawyers.—having the most imagination. Now this is not a new issue. It should be stated that some years back William Jennings Bryan pled for the reproduction cost new method in valuing the railroads, while the companies pled for prudent investment. In my opinion he was in error in having so pled. The one system is no more ethical than the other. But from the standpoint of engineering and exactitude, there is no comparison between the ease with which rates can be regulated under the two systems. It will be hard enough under the prudent investment; it is impossible under the reproduction cost new.

Now, answering your question, Mr. Turner, the case that I have the most familiarity with was one brought while I was a public official, against the Philadelphia Electric Company. The valuations in that case fell into five different categories. The first one was 17 millions, the next one was 23 millions the next 30, 52 millions, and 69 millions.

I believe it will be helpful to the Committee to understand the relationship between these two types of valuation if I explain the significance of those five typical valuations. There were other valuations in between those, but those five seem representative classes. In those days the Commission forced complainants to establish a prima facie case before they would entertain the formal complaint. The engineers that I employed on behalf of the city of Philadelphia to make a valuation set up 17 millions as the value of the property that was used and useful.

MR. TURNER: That was under the reproduction cost new or prudent investment?



THE WITNESS: No; that was virtually—as a matter of fact, we were not allowed access to the books and we were not allowed access to the property; so, it was pretty largely an historical method. We consulted the Bureau of Boiler Inspection to find out when the boilers were put in, and we photographed the plant, and we consulted the Bureau of Highways to find when the streets were torn up, and with that he made an historical prudent investment figure. During the course of the case the company put in reproduction cost new methods varying from 52 millions, which was the guess, or the engineering estimate, of Dougal C. Jackson, a very distinguished engineer, and 69 millions was the top put in by William McClellan, a valuation engineer, later Dean of the Wharton School at the University of Pennsylvania.

Before that case was determined we met on the outside and agreed each to appoint an engineer to work out as nearly as possible the actual investment. But that company was the result of a consolidation, as I recall it, of some 30 companies; so that a good many of the records were missing, and we had to supplement that with a good deal of historical information. But it was a satisfaction to everybody connected with that case that, although Doctor Maltbie had been appointed to decide anything that they could not agree on, the engineers appointed by the company and by myself signed a valuation of 23 millions. Now naturally there was some give and take. Probably each man, on certain times, would rather have had some other figure used. But they did not have to use the appointed arbitrator to come to a final figure of approximately 23 millions, and my judgment is that, if the case had not gotten to a point where the thing had to be settled and settled pretty promptly, those engineers would not have varied by five per cent. We put a good deal of pressure on them to come together. Probably the company did; I know I did. But I think that under usual circumstances engineers would not vary by five per cent on the actual investment. The case was settled on a valuation, as near as we could figure at the time, of about 30 millions.

MR. TURNER: If the engineers working in that case could come within five per cent, what I can not get into my mind is why this great discrepancy between 52 million and 69 millions and between that 23 millions and 52 millions. If you can get engineers—

THE WITNESS: Will you ask me that question again?

MR. TURNER: I say, you got your engineers together as a board of arbitration, and you were able to work it out whereby you got a valuation of 23 millions, and you do not feel that if they were left alone there would have been a variation of more than 5 per cent. Why do we get these great larger figures, the difference between 23 millions and 52 millions, and between the company's own engineers, of 52 millions and 69 millions?

THE WITNESS: Well, it is just because, in the reproduction cost new—you and I, if we started to reproduce a property, we would never think of tucking in a conceiver's charge; we would say that went in with something else. But two men get together in a tavern somewhere and decide we ought to have a telephone system somewhere, and bing! there is a hundred thousand dollars down in valuation for conceiver's charge. There is no limit to the use of imagination, and I may say that it has a very bad effect on some of our professions this bringing the imagination into play rather than depending upon actual facts.

Now, the reproduction cost new is the law of the land.

MR. TURNER: Well, Mr. Cooke, you mean to say that that is the basis upon which the valuations are made? Aren't there other elements that are supposed to be taken in?

THE WITNESS: What I mean is during recent years the Supreme Court apparently was able to resist passing 90 per cent reproduction cost new up to the time of war, but with the tremendous increase in the price level as the result of the war and after the war the discrepancy between values established by prudent investment and those established by reproduction cost new became so great that the Supreme Court in various decisions apparently gave more and more weight to the reproduction cost new method, and I think reached its peak in the Baltimore street railway case.

Reading from the same Harvard Business Review article, I say: "In the Baltimore street railway case—one of the most recent utility decisions rendered by the United States Supreme Court—the majority opinion held that depreciation of property used by a utility should be deducted, not from its actual cost but its present value. . . . This allowance can not be limited by the original cost, because, if values have advanced, the al-

lowance is not sufficient to maintain the level of efficiency.' Depreciation at best is highly speculative. But if it is to be figured on hypothetical reproduction cost new estimates of value, it becomes pretty nearly as nebulous as an early morning fog on a Maine lake.

"It must be remembered that determinations such as this late ruling of our highest Court call for, are made by ordinary human beings whose mentality is frequently taxed by routine accounting. Any such piling of Ossa on Pelion as this will mean valuations that can neither be attacked nor defended by the logic of the market place."

Now two or three decisions of the United States Supreme Court in recent months since then, since this article was written, suggest that that was the peak, and that the swing is going to be away from reproduction cost new, and then the fact that price levels are falling and falling fairly rapidly may possibly influence the Court, and it is certain the falling of the price level has already influenced the industry, so that men who a year ago in the electric industry were throwing up their hats for the reproduction cost new have at least begun to question whether, if this falling of prices continues, they may not be out of luck, because, if it is all right to boost the valuation on an advancing price level, it will be obviously logical to reduce it.

Now I am accepting the fact that the majority of six out of nine in the New York Commission that investigated regulation last spring were constantly referred to this as the law of the land, and in the sense that they used it I am using it, that it is the law of the land. Now the problem is how are we going to get away from it? How is it being met in different parts of the Union, and how are we going to meet it here in Pennsylvania? Because to wait for the price level to change or to wait for the United States Supreme Court decisions to change may be a long process.

Massachusetts is continuing to fight for the prudent investment, but then it is in a very strong position to make that fight because it has regulated the issue of securities for a great many years, so far as I know, for a hundred years, and they have no instances in Massachusetts utilities of inflation such as those that we have to contend with. But it was the decision of the Massachusetts commission refusing to allow the Boston Edison to issue securities that has been given as one of the reasons for the break in the stock market in the fall of 1929. In other words, they served notice on the utilities of Massachusetts that they would not go along on reproduction cost new. However, it is only fair to state that another most important case, that is the most important case bearing on domestic rates, the Worcester case, the commission claimed a valuation of 9 millions, the company claimed a valuation of 16 millions, and the master appointed by the United States Court allowed 15 millions on the ground that,—in other words, he allowed them 90 per cent, the company 90 per cent of its valuation; but then, by means of an allocation of costs as between the different classes of service, sustained the five cent maximum rate which had been fixed by the commission. The company appealed this, but before the appeal had gone along very far they withdrew it. So, the feeling is that they thought it better to let that decision of the master stand. Now in New York they have been through their hearings in the New York Edison case. They have what amounts to a gentleman's agreement that that question of valuation will not be brought up. Just how they are going to come through on that I don't know. The present rate is 7 cents, and there is an effort on the part of the commission to reduce it, and in order to get away from all this minutiae connected with valuations, both sides have apparently agreed to see whether they can not get somewhere in a rate reduction without it.

In California a new method has been developed in a recent case by the commission, in a recent case against the Los Angeles Gas and Electric Company only decided on November 24, 1930, and if it is sustained, it will in itself, I should say, play hob with the reproduction cost new.

In the first place, when we make a reproduction cost new valuation, they threw away in the record aside, started making an inventory of the personal property,—made a valuation which puts the whole thing on an absolutely hypothetical basis. The California Commission simply took the inventory as it was and moved up the valuation of the stock to take cognizance of the increase in price level. In this particular case, the increase amounted to about \$6,000,000 in a total claimed by the company of \$93,000,000. They reduced the overhead expenses,



all overheads, to 6%, roughly, I should say, is about one third, or less than one third probably of the normal overhead charge in our reposition cost valuations made in this part of the country. They disallowed the holding fee, possibly on the ground that they did not render any service that the companies' officials could not render. They allowed for going cost by use \$400,000 against the claim of over \$9,000,000. They cut out large obsolescent valuation,—some change brought by the introduction of natural gas. That obsoleted a lot of their properties, running into many millions. The Commission said, you have asked for a valuation on the fair value method reproduction. That only should include the property that is used and useable. This which is completely obsoleted we will cut it all out. If you ask for a valuation on the prudent investment basis, we will recognize the fact that this property was obsoleted by an act of God; we have given you a period of ten or fifteen years to wipe it out.

This reduced the rate of return from 9.7 to 7.7 on investment; and from 8.8 to 7 on their value,—again discriminating against fair value. The consequence was that for a claim of \$95,000,000 they allowed \$65,000,000, which depreciated, brought it down to \$57,000,000, which was \$3,000,000 less than the claim of prudent investment.

There are three different methods of getting around reproduction cost new. Those methods are all open to active and alert public service commissions. Every commission, except the Massachusetts commission, however, it is only fair to say, is handicapped by the fact that the record as to issuance of investments issuance of securities is not so good, and, therefore, they make the appeal in some of these methods a little more difficult than it would be in Massachusetts.

In New York and Massachusetts they are trying to open the way so that the municipal plants can be built with a minimum of discouragement. Here, as you know, our Public Service Commission has to issue a certificate of public convenience, whereas in Ohio, cities that want to go ahead and build a property, rather, build a public plant, can go ahead and do it. Experience has shown that this is a very good way of getting around reproduction cost and the high rates that grow out of them.

In New York, and this investigation last spring, they tried to do it by two methods. The majority moved for an appropriation—it was either \$10,000,000 or \$20,000,000 to be given to the Public Service Commission, and they were to be authorized to value every utility in the state, with some exceptions, but all electric utilities, and, I think, all the gas utilities, and determine as to the fair value, which was then to be entered up on the books of the company, and would become for all time the value of that property up to that time, and after that the entries were to be made on the prudent investment basis.

That had, in my opinion, a good many disadvantages. In the first place, the price—those valuations would have been made at a time when the price level was very high, and it was altogether optional with the company whether they would agree to those valuations. Those negotiations probably would have gone on for years. It would have been a rather tiresome process. Then, as I recall, there was some other provision that these valuations were only to run for a term of years. If my memory serves me correctly, ten years—in the case of some of them, and before one value would have been agreed upon, it would have become obsolete.

The minority of the three suggested the fixing of the prudent investment by legislative fiat. It seems to me that that was open to quite as serious objection as was the majority suggestion. The plan provided for the Commission to make valuations on the prudent investment basis, and by some piece of legislation, that became the rate basis for valuation purposes. After that the entries were to be made in the prudent investment bases. My opinion is that that was not only unjust, but would hardly have stood the test of the Supreme Court decision, unless they changed very much more rapidly than they appear to be changing at the present moment.

Now, in 1923, I think it was Phillip T. Wells, then Deputy Attorney General, made a suggestion, that seemed to me to be a fair one, and he recalled that in the Dartmouth College case, the Supreme Court had decided that state charters could not be revoked, and the states met the Supreme Court's decision by that time in inserting in every charter a clause that they were revocable. In other words, the states beat the Supreme Court. Wells' thought was, "What can we do, the Supreme Court decisions being what they are, what can we

do to beat them on this issue," as they were beaten before on the question of whether the charter was revocable or not. He suggested the contract method, of entering into a contract with these companies, by which they would go on a prudent investment basis, and allowing them to get what they could under the law of the land, or whatever has been expended up to date.

That was the suggestion that we made the other day to Mr. Zimmerman, and he stated, "If you are not going to charge us for errors of judgment in fixing prudent investment, then I think we might be willing to go along with you." I am not quoting him exactly.

The definitions that we have produced here, five of them, including that of Mr. Justice Brandeis, meets Mr. Zimmerman's objection 100%. So, I think if we had to do business with him in the mood he was in the other day, there would be no trouble. When he comes to consult with his associates, and they raise various objections, as they properly should, he may not feel so strongly about it. I feel quite sure that every company in Pennsylvania will not, at first blush, take the same advanced position that he did.

Then it becomes a question, what pressure are you going to bring to bear on them to make them accept that method of valuation. Personally, I would be very sorry to see that made legislative pressure, that is legislative pressure in the sense that they sought to exert in New York.

I notice in Bill No. 1275, now before your House, page 72, that it says under Article V, Section II:

"Every public service company which after the date of the passage of this act obtains a charter, shall as a consideration for the granting of said charter specifically agree in its application for charter to have its fair return computed upon the basis of its actual legitimate capital prudently invested in the business and facilities involved."

BY MR. TURNER:

Q. Does it go on to give any more definitions than those you have given?

A. The index which has just been sent me, in that this is the only reference to prudent investment. I think, Mr. Turner, that Judge Woodruff was one of the authors in this Act. I think you will find he would much prefer not to use the term "prudent investment," simply because it give rise to the same criticism that Mr. Zimmerman expressed. We do not want to be judged by hindsight; we want to be given credit. They go on to further amplification of the thing. I know of no place where you can go and get a carefully threshed out investment that will compare in the character of its draftsmanship, with the definition of net investment, but, when you come down to definitions, I am not sure that the net investment is a term much more easily defined. That is so much for companies coming in and asking for new charters.

The section goes on to state: "Also any public service company which has obtained its charter prior to the passage of this act may voluntarily file with such Board an agreement to have its fair return computed upon said basis." I would think that Mr. Zimmerman, in the mood he was in the other day, he would be in that class, and come in voluntarily.

The section continues on as follows: "And also if any Public Service Company shall have its charter rights established prior to the passage of this Act, and shall apply to the Board for a certificate of public convenience for any material increase in its charter rights or its issue of securities, or for a merger or other material changes in its rights and duties as a public service corporation, the Board shall not grant any certificate of public convenience unless and until the public service company making such application shall file with the Board an agreement to thereafter have its fair return computed on said basis."

As a layman reads that section, there are three groups: Those that ask for charters—they shall include prudent investments—rate basis, integral to its charter; the class that voluntarily comes on that basis; the third class, where pressure is brought to bear on them because they want further rights and privileges that the State can grant, and presumably withhold. In this instance, those further rights and privileges are not granted until they agree to it.

Within the last few days there has reached my desk a publication called "Current Comments," apparently issued by the Investment Registry of America, Inc., date line, Philadelphia, Pa., March 27, 1931, by H. E. Taylor, president. I am sure



that any one who tries to cast off the reasons or differences, as reflected in that Philadelphia Electric case, in all these cases brought in here—the reason for it is left very much mystified; no illustration that I have seen has been so succinct as this one included in this bulletin. This is a sheet that comes to me periodically—I don't know just why. I quote this particular paragraph:

"As illustration of the growth in valuation of utilities, let the following bit of history serve as a guide to final judgment: In 1919-1921, the Lehigh Power Securities Company common stock had little value. It was not listed, but sold 'over the counter' at a low of three, and high of nine. In 1922-1925 it was listed, and sold, low, sixteen and high one ninety seven. In the January of 1926, it was listed 10 to 1. In 1926-1927 the split stock was listed and sold at, low 12, high 65, and in January, 1928 it was exchanged share for share, for National Power and Light. In 1928-1931, National Power and Light sold, low, at 22, and high, 71. In the period of 1919-1926, the Lehigh Coal and Navigation Company owned 60,000 shares of the Lehigh Power Securities, carried on its books at one dollar for the lot, the lot having cost them practically. In the Lehigh Coal and Navigation balance sheet of December 31, 1930," which is the December just last past, "it showed ownership of 700,000 shares of National Power and Light common, with a market value of \$43, or about \$30,000,000. Similar instances of increased valuations can be cited of scores of companies whose accomplishments were comparable, such then were the results of the development of power,—all in the space of eleven short years. I think you will find that practically all of that enhancement has grown from two causes: one, an engineering cause; the other a financing cause. The engineering cause is that throwing these companies together, so as to build up their load factors and cut out other operating expenses has been a real economy of very great value, which the companies in the enjoyment of those economies, should have participated in. But that is a bagatelle compared with this enhancement of the rate basis that has come about through these holding companies, each one in turn made possible by the enhancement of the rate basis through reproduction cost, new methods.

Now, in this particular instance of the growth of the value of those securities from \$1, to something like \$30,000,000, in eleven years,—every step of that either has been or will be put on the record in the Federal Trade Investigation, and the companies that expected them is the one which in a dozen states of the union has been shown to have worked out the technique of this imaginary, almost to the top."

There is just one thing more that I want to say, Mr. Chairman. I want to read —

BY MR. EVANS:

Q. The Lehigh Power Securities is the holding company of the Pennsylvania Power and Light Company, is it not?

A. I cannot say definitely. This started back about 1917, during the war, by the merging of Hauto, the Marwood and some Allentown properties. They have been shifted and reshuffled, and you had better get some one to answer that question who really knows.

I would not be fair to you if I unduly emphasized the valuation features in regulation. If I was Governor of this State, a member of the legislature or the Public Service Commission, and had the choice between a real live Commission and the best method of valuation that the mind of man can conceive, I would take the first. In other words, I think that our Commissions have taken this valuation issue lying down, and the Commissions themselves are responsible for the length to which they share with the promoters and the others—the length to which the companies have gone.

BY MR. TURNER:

Q. It might be a real live Commission today, without the proper legal requirements, the proper legislative requirements, as to methods of a valuation and so forth, it might be different?

A. Certainly. I am simply saying that that is not the whole story.

I am reading from the Yale Law Review as follows:

"From a more immediate point of view it seems probable that the relative importance of the valuation factor in the whole scheme of utility regulation has been greatly over-emphasized. With the public service commissions in New York and elsewhere sitting virtually as courts, and with most of their time

and thought devoted to questions of valuation, nothing else could have happened. The administrative phase of their task have been correspondingly neglected. It should be noted that in undertaking to operate in this field the commissions have chosen ground where the utilities are strongest. In the last twenty years the utilities have schooled a veritable army of lawyers, accountants, 'economists,' public relations experts, valuation engineers, et al. in the attenuated philosophy of reproduction-cost-new as well as in the minutiae with which it is made effective. Hence the commissions would be well advised from the standpoint of strategy—if for no other reason—to seek other ground on which to set up the controls needed for the protection of the public interest.

"Given a commission with the ambition to make regulation effective and with reasonable appropriations at its disposal, it is the writer's opinion that a very important advance can be made within the provisions of any of the more comprehensive regulatory acts and in spite of the immediate difficulties raised by recent Supreme Court decisions. A vigorous administrative attitude toward accounting—including the classification of accounts, reporting, standardization and simplification of rate structures, cost finding, consolidations, mergers and other inter-company relationships—accompanied by an entirely unknown degree of publicity would effect something akin to a revolution. If the present foggy mass of uncertainties concerning the management and business status of utilities were replaced by definite, understandable facts the basis for many disagreements in judgment would disappear. The commissions must take into their confidence both the legislature for whom they act and the public whose interests they are supposed to protect."

I have copies of this paper, which is a review written at the request of the Yale Law Journal of the New York investigation, which raises practically all the issues that we have before us here.

BY MR. EVANS:

Q. I should like to ask Mr. Cooke this question: If I understood you right, at one point in your statement, you stated that reproduction cost new is now the law of the land, and later amplified that somewhat. Did I understand by that that you meant simply to say that reproduction cost new has been given a greater and greater weight until in recent decisions it seems to have made it almost controlling?

A. Yes sir, I used that with quotation marks myself, which is just a convenient term, but this last decision in the Baltimore rate case, where you forced the companies to depreciate by the reproduction cost new method, there is nothing that the Supreme Court can do that would go further than that. Ordinarily when you enter up the depreciation of property, it has taken close to a year, and you have rules for applying to different classifications,—some 2%, some of it is depreciation of 50%. But this means that before you can depreciate any property you will practically have to have a valuation. If you would ask any accountant whether that is feasible, I think he will tell you it is an utter impossibility. It is not only impossible for the average man to do it, but it is theoretically impossible. It is inconceivable, because the valuation of a property, like the Philadelphia Electric Company, could not be consummated in the period in which these entries would have to be made. I am sure that the decision that was handed down in the street railways case, where the court was obviously considering that the railway business is not very flourishing at the moment. I think perhaps the fact that they gave such an extreme decision has brought the thing to a focus, that they will either have to change the line of thought, or you are coming to public ownership.

MR. TURNER: Mr. Cooke, what I understand from that is that while the decisions have held,—that is, the decisions of the Supreme Court have held that reproduction cost new is one of the elements that enter into valuation, your thought is that it has become a more and more important element until, in the recent decisions, it has been the over-weighing element that has determined the valuation?

THE WITNESS: Overwhelmingly predominant, in the Baltimore street railway case. Now, of course, I need not tell you, Mr. Turner, that there are surprising cases in the middle of this series, where the general drift has been in the direction I have indicated; there are cases where they have turned the writing of the decision over to Mr. Justice Brandeis,



and he gives the prudent investment all the aid and comfort they want.

MR. EVANS: Mr. Cooke, in your reference to House Bill No. 1275, and the proposal on page 72 in article 5, section 2, did you mean to infer that in your opinion this section was an attempt to use legislative pressure such as you did not approve of?

THE WITNESS: No; I would hardly call that legislative pressure; that is administrative pressure.

MR. EVANS: In other words, you would not put this in the class of the legislation that you referred to in New York?

THE WITNESS: No.

THE CHAIRMAN: This hearing will take a recess until 7.30.

Adjourned at 5.20 p. m., until 7.30 p. m., April 1, 1931.

W. W. COLLEDGE, recalled.

BY MR. EVANS:

Q. Will you please take the stand. You have testified several times before the Committee all ready.

A. Yes.

Q. Have you made a study of the reports of water companies to the Public Service Commission?

A. Yes.

Q. Have you found any cases where the capital accounts and the percentage of over all return?

A. Yes.

Q. Have you found any cases where the capital accounts of these companies have been written up in the reports of the Public Service Commission?

A. Yes. The water properties of some of the holding companies have been written up in amounts ranging from 16% to 398%, that is, properties affecting great communities in the State.

Q. Now, when you say the water properties of some of the holding companies, you mean that the reports of the operating companies to the Commission show these write-ups?

A. Yes.

Q. Now, what communities have been affected by these write-ups?

A. The companies listed together with others not listed, but coming under the same group, serving territory in Pennsylvania the population of which numbers between four and five hundred thousand. This territory includes the City of Washington, East Washington, Canonsburg and South Strabane, North Strabane, North Franklin, Canton and Chartiers Townships in Washington County, Greensburg, Youngwood, Jeanette, Penn. Manor, Irwin, North Irwin and Derry in Westmoreland; Williamsport and South Williamsport in Lycoming County. It also includes Vandergrift, Uniontown, Monacahele City, Osceola Mills, Waynesburg, Houtzdale, Madera, Ramer, Frackville, Milton, Watstown, New Columbia, East and West Lewisburg, Montandon, Clarks Summit, Moundsville, Northumberland, St. Marys, Kane, Great Bend, Bangor, West Easton, Glendon, Wilson, Pottsville, St. Clair, Port Carbon, Mechanicsville, Palo Alto and Mt. Carbon.

Q. There are other communities that are similarly affected?

A. Yes, for example, the whole Scranton Spring Brook group.

Q. You have not included them in your study?

A. No sir, they come separate.

Q. Now, have you prepared an exhibit covering these examinations and the write-ups to which you have referred?

A. Yes, you have it there, it covers two sheets.

Q. I show you this, and ask you whether this is the exhibit that you refer to.

A. Yes.

STATEMENT, CAPITAL REAPPRAISALS AND EARNINGS  
WATER COMPANIES, PRODUCED AND MARKED  
EXHIBIT No. 108

MR. EVANS. I offer this in evidence as Exhibit No. 108, consisting of two sheets.

BY MR. EVANS:

Q. Now, Mr. Colledge, as I understand this exhibit you have divided it according to the various holding companies.

A. Yes.

Q. And grouping the operating companies under the head of holding companies.

A. Yes.

MR. COOKE: Mr. Evans, I didn't get that, how the list of communities was made up.

BY MR. EVANS:

Q. How did you select the companies in making up this report?

A. We examined all the reports of the A and B Companies, as well as all the companies that we were able to determine that had made write-ups in their fixed capital, and in the C and D companies we just took certain ones at random, because there was so many of the C and D companies and we did not think it worth while to go into all of them.

Q. In other words, you have not included companies which did show any write-ups of fixed capital.

A. Yes.

BY MR. COOKE:

Q. How did you come not to select Scranton Spring Brook, did you think we knew enough about that?

A. No sir, that is coming under a separate man. He is making a study of that particular group.

MR. EVANS: The Scranton Spring Brook case is being treated by itself.

BY MR. COOKE:

Q. Will that be the only exception, the Scranton Spring Brook Company, these are all the water companies that you have examined?

A. No sir, there are others that will come later, but this is a special group here that I have taken.

BY MR. EVANS:

Q. As I understand it, you have not included any C and D companies, have you?

A. Only a few of them.

Q. Now, turning to this exhibit, the first group of companies, that you have are those held by Community Water Company Service Company?

A. Yes.

Q. Will you explain briefly how this exhibit has been made up?

A. I think it would be well to explain the significance of the columns across.

Q. I think so too.

A. The first column is fixed capital less construction work in progress at the end of the year. The second column shows the amount of the write-up. The third column shows the fixed capital less the write-up. The fourth column shows the per cent. of the write-up; in other words, as compared to the net amount of the fixed capital, less the write-up.

Q. In other words, as I understand it, the percentage represents the relationship of column two to column three?

A. That is right. That comes under the main heading of fixed capital. In the next group of columns comes the main heading of reserve for depreciation. Column 5 is the total reserve for depreciation. Column six is the amount of the write-up in the reserve for depreciation. Column seven is the reserve less the write-up in reserve. Column eight is the per cent. of the write-up—

BY MR. COOKE:

Q. Do you mean that when they came to make the write-up in column two, they took a certain percentage of it and just added to it for depreciation and reserve.

A. I wouldn't say that, Mr. Cooke. Apparently when they wrote up the fixed capital, they also decided that the reserve should be increased, probably due to the appraisal or whichever way they determined the amount of the write-up.

BY MR. EVANS:

Q. If I understand it correctly, where a write-up is based on an appraisal, the total appraisal without any deduction depreciation appears under the head of fixed capital; does it not?

A. Yes sir. It will appear in column two.

Q. Yes; in column two?

A. Yes sir.

Q. Then, if that appraisal has been made on the basis of reproduction cost now, less depreciation, there would also be an increase in depreciation reserve to represent that depreciation, would there not?

A. Yes sir.

BY MR. COOKE:

Q. Does that mean that in order to get the real write-up you might have to add column two and six?

A. No; you deduct column six from column two to get the net write-up.

MR. COOKE: I get you now.

BY MR. EVANS:

Q. Column 8, you were about to take up.

A. Column 8 shows the per cent. of the write-up to the original reserve; in other words, the relation 7 to column 6.

Q. It is the other way around, is it not; column 6 to—

A. Column 6 to column 7; yes sir. Column 9 shows the fixed capital including the write up, less the reserve. In other words, it is the result of deducting column 5 from column 1. Column 10 shows the fixed capital, excluding the write-up less reserve, and is the result of deducting column 7 from column 3.

Q. In other words, column 10 represents the fixed capital if there had been no write-up, less the depreciation reserve?

A. No; it represents fixed capital with the write-up in, less the depreciation reserve.

Q. Column 10, I am dealing with.

A. Oh, I beg your pardon. I was looking at the wrong column. Yes I was looking at column 9. Yes; that is right.

Q. Column 11 represents what?

A. Column 11 is the net operating income, less rents and/or contractual deductions and obligations.

Q. It should be "and/or" instead "and for."

A. Yes; that is a typographical error in there. That should read less rents and/or contractual deductions and obligations.

Q. Will you explain what you mean by contractual deductions and obligations?

A. Those come under the heading in the uniform classification of accounts having gross income deductions, and represent apparently payments that they make to the holding companies; that the subsidiaries make to the holding companies. That is the way I interpret that. Now, whether I am right or not, I don't know.

Q. Where there are such items on the books, you have deducted them from gross operating income?

A. Yes sir; I have allowed them as a deduction from gross operating income. This is set up the same as it was in the electric companies.

Q. And now, column 12 is the percentage of over-all return, and the first group is the percentage including write-up; in other words it is column 11 divided by column 9, and the second group is excluding the write-up and is the result of a division of column 11 by column 10. You have taken the three companies forming a part of the Capital Water Service System, namely the Citizens Water Company, of Washington, the Westmoreland Water Company and the Williamsport Water Company, and have given this date for them for the years 1927, 1928, 1929.

A. Yes, sir.

Q. The next group of companies are those in the Pennsylvania Water Corporation System. By whom is that system controlled?

A. That is controlled by the Community Water Service Company of Delaware.

Q. Therefore, they are affiliated with the first group of companies?

A. Yes sir; in other words, the Community Water Service Company owns or controls directly the Citizens Water Company of Washington, the Westmoreland Water Company and the Williamsport Water Company, and then through the Pennsylvania State Water Corporation it controls the group of companies that are listed in that company.

Q. Do you happen to know the banking group which control the Community Water Service Company?

A. P. W. Chapman Company of New York.

Q. Now, going down this list, I notice in columns 6 and 8 the words, "Decreased" are inserted in a few places, will you explain what those mean?

A. In the case of the Monongahela City Water Company, the company wrote up its fixed capital, but apparently the reappraisal showed that the reserve, as shown by the books, was too high; so, instead of increasing the reserve they decreased the reserve \$33,727.76.

BY MR. COOKE:

Q. Did they do that two years in succession?

A. No, Mr. Cooke. I have listed these companies in the year in which they wrote the writeup and have relisted in the next years to show the progression to get a comparison of net income; to show what they were doing.

BY MR. EVANS:

Q. In other words, taking the Citizens Water Company of Washington, the first company on the list, it shows a write up in 1927 of \$725,455.55, and the next year it shows a write up of \$723,447.52. That does not mean that there was a write up of those amounts in each of those years, does it?

A. No; it means the write up occurred in 1927, but it still appeared in a reduced amount in 1928 and 1929. The reduction no doubt, is due to retirements.

BY MR. COOKE:

Q. A slight reduction?

A. A slight reduction, yes sir.

BY MR. EVANS:

Q. Now, how many companies have you listed altogether in this exhibit?

A. We have listed, according to the holding companies, eleven companies whose reports show write-ups during the year 1927. For the year 1928 we listed sixteen companies, including those listed for the year 1927, and in the year 1929 we have listed twenty-three companies, including those listed for the years 1927 and 1928. In other words, in 1928 there were five more companies showing write-ups than in 1927, and in 1929, there were seven more companies that wrote up their fixed capital than there were in 1928.

Q. In other words, as I understand it, eleven of these companies put their write-ups in their books in 1927, five of these put them in their books in 1928, and seven others put them in in 1929?

A. That is right.

Q. Now, what is the range in these write-ups in fixed capital expressed on a percentage basis?

A. As I stated previously, the write-ups in fixed capital ranged from 16% to 398% on the original value, and as to reserves for depreciation, from 20% to 237% on the original reserve.

Q. And I think you have already explained why you repeat the companies that made their write-ups in 1927 and the subsequent years?

A. Yes.

Q. Now what is the significance of the figures which you collected on this Exhibit, Mr. Colledge?

A. The write-ups have been so large that on the basis of fixed capital, including write-ups, only one company for one year earned a 7% on the write-up, and that is the Citizens Water Company of Washington in the year of 1929, as to depreciated book values less write-up. Four companies showed no income over 7% in 1922, ten companies showed over 10% income in 1928, and seventeen companies showed a net income over 7% in the year 1929, one of the latter, the Trotter Water Company, owned by the United States Steel Corporation, showing a net income of 56.46%, as compared to the original book value depreciated.

Q. That company you have just referred to is the last company listed on the second sheet of your exhibit, is it not?

A. Yes.

Q. And the figure which you have just referred to, 56.46%, is the last figure on the exhibit?

A. Yes, sir.

Q. Now, as I understand it, those write-ups to which you refer are definitely shown on the reports of the companies to the Public Service Commission?

A. Yes.

Q. Is it possible there are other write-ups which are not shown on those reports?



A. Yes. For example, the Scranton Electric and Water Companies that I talked about this afternoon, the Panther Valley Electric Company, I had to dig that one out.

Q. In other words, some of the write-ups appear on the face of the report and others can be found only by comparison of the reports year after year?

A. Yes, sir.

Q. Then the ones that you have listed here are the ones that appear definitely on the face of the reports?

A. Yes.

Q. Now, under the subject of operating expenses, as I understand it, you have taken the actual operating expenses shown by the report?

A. Yes, that is correct.

Q. And if there have been fees to holding companies or other operating expenses which might be questioned, you have included all those?

A. Yes. There is no total on the reports as to certain groups of excesses whereby you can tell whether there was any inflation in them or not.

Q. In general, these expenses would be included in the heading "General Miscellaneous Expenses," would they not?

BY MR. COOKE:

Q. Generally speaking, what total of the operating expenses of a water company are the general and miscellaneous expenses?

A. I don't believe I could state that, even in round figures. It varies considerably according to the class of company. The small company, the general expenses would be probably small as compared with the general operating expenses of the other groups of production and distribution expenses. I would be glad to make a comparison like that if you would like to have it.

Q. Is it as high as it is with the electric companies? Is that your impression?

A. I would not like to say that either.

BY MR. EVANS:

Q. Now Mr. Colledge, does the expense of write-ups such as you have referred to in any way affect the security values of those companies?

A. Yes.

Q. When did most of these write-ups of water companies begin, as far as your examination has shown?

A. In 1927, and of course they carried through 1928 and 1929.

Q. Did you examine the reports prior to 1927 in order to ascertain that?

A. Yes; the Commission has allowed them to make up their reports in a way that make it possible to hide the earlier write-ups. The majority of the present ones in 1927, 1928 and 1929 came with the holding companies entering the field. That is when the community water service and those other holding companies commenced to come into the field here in Pennsylvania.

Q. Besides the Community Water Service Company and its affiliated companies, what other holding companies have you included?

A. The Keystone Water Works and the Electric Corporation, and the North American Water Works Corporation, and I might explain that these groups are reversed here. The North American Water Works Corporation is similar to the Community Water Works Corporation in that it controls directly the companies listed under it and through the Keystone Water Works and Electric Corporation it controls the companies listed under that corporation.

Q. So that with the exception of the independent companies and the United States Steel Corporation companies there are two systems of holding companies that are included in this work; the North American Water Works and the Community Water Works system?

A. Yes, sir.

Q. Now, do these write-ups represent money actually invested?

A. No sir, they represent hope.

Q. In other words, in the case of the Citizens Water Company of Washington?

A. In the case of the Citizens Water Company of Washington in the year 1927 there was not \$727,000 of new money put into the property or any part of it.

Q. Do the reports indicate in any way on what basis these write-ups were made, whether on the basis of appraisals, or in what method?

A. One case particularly that I did notice was the case of the Williamsport Water Company, which company wrote its fixed capital-up in 1927 as \$154,945.87. The report stated that that was the basis of an appraisal made by its consulting engineers.

BY MR. COOKE:

Q. Did it give their names?

A. Morris Knowles, Inc.

Q. Morris Knowles of Pittsburgh?

A. Yes; and one or two of the smaller of the companies particularly I believe Trotter Water Company, stated in its report that its write-up was based on an appraisal made by the Internal Revenue Department. I might explain what that means. In the early days, before the Federal income tax came into effect, the majority of the smaller companies simply had a cash book. That is the only book they had, cash receipts, cash disbursements.—never had any fixed capital account books at all. When they came along to work up the invested capital for excess profits for tax purposes, they caught these fellows with their dish pan upside down. The Internal Revenue Department attempted to build up a fixed capital account to work out this capital. Apparently that was what the Trotter Water Company used.

Q. When you stated that these write-ups represented hope, what did you mean?

A. In the hope that the Commission will allow them the fair return on the rate fixed as well as the actual capital.

Q. To whom does the benefit of the earnings of such write-ups go?

A. The holding companies.

Q. Do these holding companies control all or practically all of the common stock?

A. Yes sir, all except, I believe in a few cases, directors' qualifying shares.

Q. So that the earnings of the operating companies would go to the benefit of the common stockholders, whoever they might be, and in this case it would be the holding companies.

A. Yes sir.

Q. Are the holders of the preferred stock of these operating companies benefited by these write-ups?

A. Where they are represented by actual cash investment, no, but the holders of preferred stock issued by the holding companies are affected where the holding company owns the common stock of the operating company and has issued preferred stock on that equity. In other words, speaking generally, the holders of the capital stock of the operating company are not benefited, but the holders of the preferred stock of the holding company may be benefited.

Q. In referring to the holding companies I assume you mean the Community Water Service Company and the Pennsylvania State Water Corporation, and all of these holding companies you have listed?

A. Yes sir.

Q. I wish you would state again to the Committee why in your opinion the earnings shown in column twelve are comparatively low, as compared for instance, with the electric companies which we have already had.

A. In my opinion it is due to the fact that the boroughs can buy out the water plants and not the electric plants. Under the Act of April 29, 1874, P. L. 75, Section 34, it makes that provision, that after twenty years from the introduction of water or gas, the city or municipality can purchase the plant.

Q. On what basis does the act provide they can purchase it?

A. By paying the net cost of erecting and maintaining, with interest thereon at the rate of 10% per annum, deducting from such interest all dividends theretofore declared.

MR. COOKE: Is that a recognition of a prudent investment?

MR. EVANS: I could hardly state it would be so termed.

MR. COOKE: Certainly it is not a recognition of a reproduction cost new?

MR. EVANS: Certainly not. This was passed long before there was any regulation of any sort.

BY MR. EVANS:

Q. Is there anything else particular in regard to this exhibit, or any of the companies covered by it, that you think would be of interest to the Committee?

A. Yes.

Q. What companies do you refer to?

A. The Williamsport Water Company.

Q. That is a part of the Community Water Service System, and is the third company on the exhibit?

A. Yes sir.

Q. Will you explain that situation briefly to the Committee?

A. The Williamsport Water Company, subsidiary of the Community Water Service Company, paid in cash out of a bond issue of \$2,500,000 and an issue of 8390 shares of \$6.00 cumulative preferred stock, a premium of \$110 per share on 14,624 shares of its common stock, all of which was held by the Community Water Service Company.

Q. State briefly to the Committee the details of that transaction, so that it may be understood.

A. On July 1, 1927, the Williamsport Water Company was taken over by the Community Service Company. During that year after the taking over by the Community Water Service Company, the Williamsport Water Company wrote-up its fixed capital \$2,134,945.87.

Q. That is shown in column two, line 3, of Exhibit No. 108?

A. Yes sir, as stated to agree with an appraisal made by its consulting engineers, Morris Knowles, Incorporated. This write-up was credited to the capital surplus. Against that capital surplus was charged a write-up of its depreciated reserve, \$314,161.42, as shown in Column 6, line 3, of the exhibit.

Q. What was the balance then left in the surplus account?

A. Left a balance of \$1,120,784.45 in the capital surplus account.

Q. Then what did the company do?

A. The company then proceeded to retire 14,624 shares of its stock at par of \$100, plus a premium of \$110 per share, or a total of \$210 per share. This stock was all held by the Community Water Service Company, and on January 1, 1927, the company had an earned surplus of only \$507,720.73. In setting up this transaction, involving an expenditure of \$3,071,040, it charged to earned surplus \$501,256.23, and to its capital surplus account, \$1,107,383.77, or a total of \$1,608,640, representing the premium of \$110 per share. In order to retire this stock and pay the total of \$3,071,040, it was necessary to sell an issue of 5% 25-year mortgage bonds, amounting to \$2,500,000, and an issue of 83,000 shares of \$6 cumulative preferred stock of no par value. These bonds were sold to P. W. Chapman and Company, of New York, at 91%, and the stock was sold to the Lycomine Trust Company of Williamsport, Pa., at 94%. P. W. Chapman at the time was president of P. W. Chapman & Company, Investment Bankers in New York, and was president of the Community Water Service Company and a director in the Williamsport Water Company.

Q. Now, Mr. Colledge, there is nothing, I take it, in the reports to indicate at what price the Community Water Service Company paid for the stock of the Williamsport Water Company, is there?

A. There is nothing in the report, no, but there is testimony—by the way, I might state that there was a complaint filed against this set-up by George E. Graff and others under Complaint Docket No. 7447, in which it would be possible to obtain that information from certain briefs and testimony at the hearings.

Q. The reason I asked, is because I know of another case where the holding company financed the purchase of its stock through very much this sort of a transaction, and this liquidating of the dividend of \$210 a share, if that is the right way to designate it, suggested that that was possibly what was done here. Apparently there would be the very same kind of testimony that was alleged in this case.

Q. In other words, in any event the net result of this was that the Community Water Service Company obtained complete control of the Williamsport Water Company, holding all its stock, and from the Williamsport Water Company secured a premium on the common stock amounting to \$210 a share?

A. No, it only received a premium of \$110 a share.

Q. Excuse me, received a total of \$210?

A. Yes, received a total of \$210 a share on 14,624 shares.

Q. And what was that total amount that was paid to the Community Water Service Company?

A. \$3,071,040.

BY MR. RHODES:

Q. Did that include the bonus?

A. Yes, that was the total amount paid for that stock.

BY MR. EVANS:

Q. Now, Mr. Colledge, in order to issue these securities, it was necessary, was it not, for the Williamsport Water Company to file a certificate of notification with the Public Service Commission?

A. Yes.

Q. And that certificate of notification must under the Public Service Company Law state the purpose for which the securities are to be issued?

A. Yes.

Q. Have you examined the certificate of notification filed in this case by the Williamsport Water Company?

A. Yes.

Q. What does it show as to the purpose for which these bonds and preferred stock were to be issued?

A. Certificate No. 4671, was filed by the Williamsport Water Company with the Public Service Commission.

Q. I show you a copy of this certificate. (Showing witness statement subsequently marked Exhibit No. 109.)

A. Yes, that is a copy.

Certificate of notification, Serial No. 4671, Williamsport Water Company to Public Service Commission, produced and marked Exhibit No. 109.

MR. COOKE: Mr. Evans, do you know what that purports to say as to dividends?

MR. EVANS: Mr. Cooke, I think it is a case where the purpose of the certificate of notification has been entirely frustrated, and while I think a close examination of that certificate of notification would put the accounting bureau, perhaps, on notice that the company intended to retire its common stock out of the proceeds of the bonds, yet I don't think for a minute that that certificate complies with the intent of the Public Service Company Law. It does not seem so to me.

I think this apparently a case, from what Mr. Colledge has stated, where the holding company has acquired the stock of the operating company and has obtained most, if not all, of the price paid for the stock out of the public through issuing securities of the operating company.

MR. COOKE: In other words, it is a case where they get something without putting up any money?

MR. EVANS: Or very little money.

BY MR. EVANS:

Q. Is there anything else, Mr. Colledge, that you can add as to this issue of bonds; any other information you were able to get?

A. Nothing, Mr. Evans, except I obtained from one of the briefs in this complaint filed by George E. Graff et al that while the bonds were sold to P. W. Chapman at 91 they were offered for sale by P. W. Chapman and Company's Chicago Office at 101. And now, I am only stating what from the statement made in the briefs filed in the case—of my knowledge I don't know—because I didn't see what they call those bills of offering securities for sale?

Q. A bond circular?

A. A bond circular stating down at the bottom of it: "Price furnished upon application." So, in this circular it was not stated just what they were offering them for. Now, if they sold them for 101 and paid 91, for them, they got ten per cent. on them.

Q. And what would have been the commission on that basis on the entire issue of bonds?

A. \$250,000.

MR. EVANS: Are there any questions by the members of the Committee?

BY MR. RHODES:

Q. I would like to ask Mr. Colledge what disposition was made of the complaint relative to this set up.

A. The complaint before the Commission, Mr. Rhodes, was dismissed. I think I have a few rough notes as to just what the Commission said about it. The Commission said, in sub-



stance in this order, that the Commission has no power to regulate the issuance of corporate stocks and bonds, and that there was no complaint as to rates or service; these having been settled in 1925 by a withdrawal of the complaint against the new schedule of rates filed by the Williamsport Water Company and for these reasons "The complaint, therefore, will be dismissed."

BY MR. EVANS:

Q. When was that dated?

A. The order was issued on April 23, 1929.

Q. Do you have where it was reported?

A. Volume 9 of the Public Service Commission Reports.

BY MR. RHODES:

Q. So far as the Commission was concerned, the sky was the limit in these financial manipulations?

A. Apparently. That was Complaint Docket 7447.

BY MR. COOKE:

Q. How long was this before the Commission?

A. I don't know how long the thing lasted, Mr. Cooke. I didn't notice just the date when Mr. Graff filed his complaint.

BY MR. COOKE:

Q. Was the valuation of Morris Knowles and Company, Incorporated, a part of the record in any way?

A. No; I believe that the Commission referred to it in stating that the company had written its books up in 1927 to agree with an appraisal made by its engineers, Morris Knowles & Company, Incorporated, which appraisal was used in connection with the rate case in 1925. That is from memory. Now, I wouldn't be exactly sure of that.

Q. Is there anything to show that the Commission recognized that valuation was used as a basis for a 91% write-up?

A. No I don't believe there is, Mr. Cooke. They stated in their opinion, or in their order it is stated, in there, the figures are referred to in there, the amount of the fixed capital at the time this complaint was before them.

Q. They state the amount of the fixed capital before and after the write-up and say it was done on Morris Knowles, Incorporated valuation, then why was that not an admission on the part of the Commission that this engineering valuation is a justification for a 100% write-up?

A. I would say that would be recognition; maybe I did not get the point of your question.

Q. What I want to know is, did the Commission know that Morris Knowles, Incorporated valuation, that that was the justification of a 91% write-up?

A. Yes, sir.

BY MR. RHODES:

Q. From these figures, Mr. Colledge, did it appear to the Commission that there was a brokerage of about nine dollars on each of these bonds and six dollars on each share of stock?

MR. EVANS: According to the figures they were sold to the bankers at 91 and to the public at 101.

Q. Was that brokerage apparent to the Commission?

A. I have a part of the journal entries that were a part of the certificate of notification, that was sent out in the certificate. The certificate of notification contained these facts.

Q. That notification was before the sale was made?

A. Yes, sir.

Q. The Commission did not give any consent?

MR. TURNER: The Commission said in their opinion they had no control over the issuance of the certificates.

BY MR. RHODES:

Q. That was before the notification came in?

A. No sir, the certificate was filed in 1927 and the opinion under this complaint was handed down in 1929.

MR. COOKE: Mr. Evans, am I not right that you were on the Commission when there was an example of where a security had been sold and by an action on the part of the Commission, the people who sold them were obliged to get them back?

MR. EVANS: I expect you refer to the case of the proposed acquisition of the Penn Central Power Company by Albert Emanuel interests in which this same thing was attempted to be done by the bankers and the Commission in 1925 notified

the bankers through their attorneys that they would not approve the transaction and that the money for the stock would have to be put up by the bankers. The Commission was informed that that would be done, but I have been later informed—it is now being checked—that certainly after Commissioner Scattergood and I were not confirmed, the same result was obtained by declaring a liquidating dividend of the Penn Central Power Company amounting to four and one-half million dollars, and it was allowed. I can only say that in answering Mr. Cooke's question. I think it should be checked.

Q. It is a fact that the Commission thought securities approximating \$5,000,000 had been withdrawn from sale after you had reason to believe they were sold?

A. Yes sir, they were in the hands of the bankers.

BY MR. RHODES:

Q. As I understand, the Commission definitely stated that it had no authority or control over the issuing or selling of these securities below par?

A. Yes sir.

Q. And if they could sell them at 10% below par they could have sold them at 25% below par?

A. Yes sir.

MR. COOKE: Mr. Evans, was there any doubt expressed when you were a member of the Commission as to the right of the Commission to do what you thought you were doing?

MR. EVANS: I cannot answer that. I know the Commission informed its attorneys it would not be approved, and rather than have the Commission disapprove it, the whole set-up was changed.

MR. TURNER: Mr. Evans, if the Commission took the stand they had no legal control, why were they asking for approval in this case?

MR. EVANS: In this case, as I understand it, the certificate of notification was filed.

Q. I mean in the case Mr. Cooke referred to?

A. The case to which I referred involved the acquisition by one operating utility which was a small one whose name for the purpose was changed to the Penn Central Light & Power Corporation or some such name to a system vastly larger, namely, the Penn Central System, centering in Altoona, and it was very much the case of the mouse swallowing the lion. Here I take it that the Community Water Service Company—if that is the right name—is not an operating utility and therefore its purchase of the stock of the Williamsport Water Company was not subject to the control of the Public Service Commission. It is a typical case where the holding company can be used to thwart regulation, I think.

MR. MEMOLO: I should like to ask Mr. Colledge about the Scranton Electric Company.

MR. EVANS: That is coming in later.

BY MR. MEMOLO:

Q. You say you didn't go into the write-up in that case?

A. I did not personally. Another man has that.

BY MR. EVANS:

Q. Mr. Colledge, what is the write-up of the Vandergrift Water Company in the year 1929, as shown by your Exhibit No. 108?

A. The write-up of the year 1929, was \$949,451.10, or a percentage over the original book value of 99.15%, and the reserve was—

Q. And the reserve was written up how much?

A. The reserve was written up \$124,220.81, on a percentage of a write-up over original reserve of 68.51%.

Q. What was the per cent, over-all return excluding the write-up?

A. 10.79%.

STEPHEN RAUSHENBUSH recalled.

BY MR. EVANS:

Q. Have you got some corrections you wish to make in your testimony of the last hearing.

A. Yes sir, they are practically minor ones. They are all matters of misspelling, as follows:

On page 822, the name was misspelt throughout. The correct spelling is Raushenbush. On page 837, line 1910 should read 1925. On page 838, third last line, the head of the public utilities should read head of the public utilities department. On page 842, line 11, 9.35% changes to 9.635%. On page 842,

line 13, 33.6% changes to 37.6%. On page 845, line 7 (Bangor Electric) changes from 1 to 3 years. On page 845 line 8, Barnesboro-Spangler changes from 2 years to 4 years. On page 846, Erie Lighting Company changes to Erie County Electric Co. On page 847, last line, Natrona Light, Heat and Power Company changes from 1 year to 4 years. On page 849, first two lines drop out. On page 849, the Pennsylvania Public Service Corporation changes to the Pennsylvania Water and Power Corporation. On page 849, the Philadelphia Electric Company Systems changes to Rockingham Light, Heat and Power. On page 849, line 9, the Scranton Electric, "they lost on" is changed to "is omitted for." On page 851, line 12, changes from 2,500,000 to 2,300,000. On page 855, line 7,

Pittsburgh changes from 4.06 to 4.6.

Erie changes from 7.05 to 7.5.

Reading changes from 7.01 to 7.1.

Scranton changes from 5.09 to 5.9.

On page 857, every City listed drops the zero after the decimal point,—thus, Allentown changes from 9.06 to 9.6. Last line, Allentown from 9.02 to 9.2, and the same changes on all the figures on page 858. On page 860, fourth last line, Bedford changes to Butler. On page 871, Mr. Thomas Edison changes to Metropolitan Edison. On page 879, second last line, New York 8.04 not 8.4. On page 882, the sentence changes from "There are 26 comparisons in which the Pennsylvania rates show higher; in 19 instances they are a little lower and in 6 are about equal." to "There are 26 comparisons. In 19 instances, the Pennsylvania rates show a little higher, and in 6 they are a little lower."

Q. You have already been sworn in this proceeding?

A. Yes sir.

Q. Have you made a study of the reports of the natural gas companies, classes A and B to the Public Service Commission?

A. Yes sir. I have made a report, taking the two years,—the last one was made in 1929, made to see whether that condition existed before the year 1926,—taken arbitrarily.

Q. I show you paper headed "Natural Gas Companies A and T 1926," and ask you whether this is one of the exhibits to which you refer.

A. Yes sir.

MR. EVANS: I offer this in evidence as Exhibit No. 110.

BY MR. EVANS:

Q. I show you a paper marked "Natural Gas Companies A and B, summary, 1926," and ask you whether that also was prepared by you or under your direction?

A. Yes.

MR. EVANS: I offer this in evidence as Exhibit No. 111.

BY MR. EVANS:

Q. Before taking up these exhibits, reference has been made once or twice to the studies previously introduced by you, the electric rates, particularly in regard to the figure of 15 kilowatt hours per month consumption. Will you state to the Committee what the facts are in regard to the reasons for taking the 15 kilowatt hour consumption per month as one of your basis of comparison.

A. The answer to that is simply a rephrasing of the answer I made at the time. The average consumption around the state is somewhere around forty kilowatt hours. It varies with the companies. A good many people use a good deal more than that. A good many people use considerably less. At one time I orally asked a member of the accounting staff of the Commission if they knew in any way what group used the 15 and what group used the forty, and what group used the eighty the three classifications that we had. They said they had no data available on that at all. I pointed out the experience to which you referred this afternoon, the experience in New York, where the remarkable results was obtained that 50% of the users apparently were in that class of 15 or under. That might be a slight indication of what it would be in a large industrial city with a large working population.

BY MR. TURNER:

Q. Have you since been able to get any figures in Pennsylvania?

A. There is no way of getting it except through the companies directly. The Commission hasn't got it. A lot of people use 15; a lot of people use 40; and a lot of people use 80. The low in the 80 offsets the high in the 15. The average

throughout the State for domestic consumers was somewhere in the neighborhood of 40 kilowatt hours per month.

BY MR. COOKE:

Q. Where did you get that?

A. From Commission reports. I said it differed by companies.

Q. The only figure that I recall that was definite was the one that we got from the companies in the 1926 of 336. I was wondering whether it was a jump to 480 in the meantime.

BY MR. EVANS:

Q. Turning to your exhibit No. 110, being the analysis of the 1926 reports of the Natural Gas Companies A and B, will you explain this briefly?

A. This exhibit is a little different than the electric exhibits we introduced before. It follows a little more closely the Commission procedure, the calculated rate based that was introduced in Exhibit 10. They were not able to follow it completely, because there are arbitrary figures which do not show on the books of the company. We have taken fixed capital account, as reported by the books, depreciation reserve, third columns, fixed capital companies depreciation and reserve. And in the fourth column, adjusted gross income. We have followed exactly the procedure used by the Commission, in finding adjusted gross income. The per cent. of return is worked out between adjusted gross income and fixed capital, and 7% return on that fixed capital less depreciation is given; excess is given, and the second to the last column shows how much capitalized excess, or shows how much money the Commission would have to grant any one of these companies by way of working capital by way of giving value, or reproduction value, in order to produce a 7% return and no more. In the last column, that is put in percentages, and the second to the last column was put in percentages, and you can see there the exact effect of it in order to give a 7% return. On this fixed capital less depreciation reserves, the Commission would have had to allow for working capital, going value, and other items like that, practically double the value of the present depreciated fixed capital, that is, 97%, on top of what it is now. The percent of return there is almost 14—13.87.

Q. In other words, the fixed capital less depreciation reserve is \$1,452,000 in round figures, and the capitalized excess would be \$1,426,000?

A. Yes.

BY MR. TURNER:

Q. That might not have any relation to valuation?

A. Well, it is an attempt to do exactly what they did here—

BY MR. EVANS:

Q. Refer to it as the exhibit?

A. In this exhibit where they tried to figure out tentatively a rate basis, and whether the companies were earning more or less, to the extent that they show how much they would have to chuck in there to make the present return a reasonable 7% return.

Q. And by this exhibit which you have referred to, you mean Exhibit No. 10 which was set up by the Commission's Bureau of Accounts in electric companies?

A. Yes, introduced by Mr. Morgal.

Q. I am not sure whether it is perfectly clear on the record or not, Mr. Raushenbush, but the column headed 7% return, means the amount that 7% on the fixed capital less depreciation would be?

A. In dollars, yes.

MR. TURNER: Mr. Evans, this fourth column, it says, "Gross income," do you mean that to be after the expenses have been deducted?

THE WITNESS: The word "adjusted" should be added.

BY MR. TURNER:

Q. And it is not gross income?

A. No; no. It is gross income, and from that has been deducted all the operating expenses, some non-operating income and non-operating expenses have been included, exactly following the procedure as that followed by Mr. Morgal in presenting his evidence here on electric.



BY MR. EVANS:

Q. Now, how did you select the companies which you have covered by this Exhibit No. 110?

A. They all are class A and B companies on which we had records. There is one, the Equitable Gas Company, that had a divided period; it had a reorganization at the end of the first three months, and the first three months showed a very large profit, and then some transactions went on, which we could not quite understand in making a report, and in which a rental was tied on that absolutely killed the profit, showing a deficit for the remaining nine months, and it was very hard to adjust these two periods. That is the only reason we left it out, and that is the only one we left out.

Q. Now, there are certain notes to this exhibit. Are they self-explanatory, or do you want to say anything in regard to them?

A. Well, the first three really don't make very much of a change, because they have not written up their capital stock; they have written up their surplus, and it does not affect any of these columns. The "E" note, is the Peoples National Gas Company, and might mean that the reserves here should be much larger than they are, which in turn would raise the revenue. They have something called depletion reserve for gas that is being used up, but they didn't put it in as depreciation reserve, and we gave them the benefit of the doubt. If the depletion reserve were deducted here, the rate of reserve would jump very emphatically. The "E" note is not important. The "F" note, as it applies to the Alum Rock Gas Company, there apparently they have very large investments and report no income on it. We just took the figures from the books of the company, and perhaps they have only that \$10.50 income on that investment. We don't know how it might affect that figure if they had made full and complete reports, and it seemed worth while to call attention that there was that question in that one company. Those are the only serious ones.

Q. Then I see their per cent. of return is 25.87?

A. Yes, if by the same method they had included in their report some of the income from investments, then we would not have deducted it. If they had reported them, we would have deducted them from that \$101,000, and that would have lowered it, and so we are going by their books as they stand. It might also be said, Mr. Crawford called it to my attention, that in natural gas companies there might be, that 8% perhaps instead of 7 might be considered—but we have taken into consideration the cost of the risk involved in this industry.

Q. In other words, it is a more hazardous interest than the electric interest?

A. That is a matter of common knowledge, and because they have a large part of the risk paid by the public in the form of large depreciation charges and depletion charges.

Q. Now, apparently from this exhibit the Phillips Gas and Oil Company had the largest per cent. of return, being 51.33%.

A. Yes.

Q. Have you any explanation that accounts for that in any way?

A. No, some of that is the oil business, and if you go ahead and add—I mean make a figure on the side for the oil revenue and figure out the oil expenses, which he does not do, does not separate these, it would bring the per cent. there down to 50 perhaps. I have no explanation of that. I have some figures on the price that he purchases his gas for, and the price he sells it for on the average.

BY MR. COOKE:

Q. Have we had any rate cases on natural gas?

A. We have had the Equitable.

Q. Is that one given?

A. That is not in this particular report. It is given in the 29, and as I explained, it was not given here.

Q. Have you examined that case?

A. Well, I examined it sometime ago.

Q. What was the relation between the actual investment and the reproduction cost new?

A. Just about the same as it is. It was a complicated case from the fact that the Commission did not find a final value. They said, we guess their value is somewhere between two figures, and it didn't mention them exactly, so a final value was not found.

BY MR. EVANS:

Q. How did the average of these two figures compare with the value claimed by the company?

A. I would have to have the case before me to remember that relationship.

Q. Now, Mr. Raushenbush, is there anything more you wish to say about Exhibit No. 110?

A. The significant thing here about this exhibit is several things indicated in the rate base—at this time in 1926. I want to make the same comments I made here about the electric, that this form of making the return gives the company the benefit of several doubts, which a Commission might dissolve. If allowed early inflations that are not specifically ear-marked or labeled, if there are any such. It takes the fixed capital at the close of the year. It also adds in construction work in progress at the end of the year. It also allows any operating expense for rentals that may be due by holding companies, which might not be allowed by a Commission that did not feel they were justified. It shows a rather startling thing with the Columbia Gas and Electric group, as earning of an average practically double of what they are supposed to earn; a seven per cent. return; and some other groups have been apparently favored or neglected, as whatever the word is to a somewhat similar extent; the Natural Fuel and Gas Company. When it comes down to some of the others there is a difference—the Allegheny Gas Company not particularly; the Standard Oil Company, one of them, the Peoples Natural is doubled and then, of course the Phillips Company. The Columbia Gas, a big group stands out as very consistent, almost averaging double every one of them. There are some companies there; the Manufacturers Gas Company, although I believe that is largely industrial; and the Natural Gas Company of West Virginia, a Commission would have to add on one hundred and forty-six and one hundred and thirteen per cent. of the present fixed capital, in order to get a return of seven per cent.

BY MR. EVANS:

Q. What does the summary at the bottom of that exhibit indicate?

A. This first column is simply an addition. The total fixed capital there is \$191,394,090, and the depreciation reserves are as given, \$67,407,000, and the fixed capital, less depreciation reserves, is \$120,986,871, and the gross income adjusted is \$16,305,739. All these companies averaged in together; that is, in the way we get in the calculations; averaged in all together, including some that are below seven per cent.: three that are below seven per cent.; the average 13.1%. The seven per cent. return, what it would be is a calculation of seven per cent. on \$123,000,000, and the excess of those companies earning over a seven per cent. return is \$7,802,379, but there are some that didn't earn over seven per cent.; they earned under; \$185,700; but they are shown by the subtraction by which you would get the total excess of all the companies, and then reduced to figures, excluding those that are—the latter one is the really important one, where the exclusion is made. A Commission would have to add one hundred and eight million nine hundred and fifty-two thousand, three hundred and fifty-seven practically by way of going value, good will, reproduction, new, working capital, and so on to make that seven per cent.; the present return of seven per cent. That would be about 87%.

Q. These percentages, that you have given in this summary, are straight percentages of the figures given in the summary, are they not?

A. Yes.

Q. For instance, in the per cent. return they are not averages of the averages?

A. Well, it is a weighted average. The excess would check out the same.

Q. I mean between 13.1% in the per cent. return with that obtained by totalling the per cent. return in that column and dividing by the number of companies?

A. Oh, no; that would not be any average.

Q. Turning to a exhibit 111, this exhibit consisting of five sheets, in this case you have put the summary at the beginning of the exhibit?

A. Yes, sir.

Q. I understand that this is prepared on the same general basis as the preceding exhibit?

A. It is. The thing is a little more complicated as a job, because in the meantime the companies started writing up a

great deal, or some of them did, and we have taken the total fixed capital, depreciation reserves, and so on, all the way across without the write-ups, and they give different results, of course.

Q. Well, will you explain that to the Committee; taking, first a company, with a write-up.

A. At the bottom of page 1—the page right after the summary page—there is the Greensboro Gas Company—

Q. In parenthesis you have indicated where the company operates?

A. Washington, Westmoreland, Green and Fayette Counties are the main ones, I believe. That first figure all along that line is the fixed capital with write-ups, exactly as we gave in the electrics not taking them off at all, and that shows that the write-up included—the valuation included, they were earning 8.86%. And now, that write-up is taken off and it is taken off both in the fixed capital—the depreciation reserve in that case does not change. The difference shows up both in the fixed capital and in the fixed capital less depreciation, as a little over six million; six million six hundred thousand roughly, and once that write-up is taken off for the percentage that the percentage return jumps from 8 to 25%, which is about three and one half times more than they are supposed to be getting. Is that sufficient?

Q. Yes; I think so. Have you any information as to how these write-ups were arrived at? Were they mostly on the basis of valuation?

A. On the basis of appraisals made for that purpose; yes sir.

Q. Do these figures of write-ups definitely appear in the reports to the Public Service Commission?

A. Yes sir; that is the only source of information we used here.

Q. Mr. Colledge referred to some cases where the write-ups were not disclosed on the face of the reports and it required some work to dig them out?

A. He was working on the write-ups. I was working on an earning story, and that was definitely marked. You could read it in black and white that it was a write-up.

Q. What comments have you to make in regard to this exhibit 111?

A. Here, again, is a story of some high earnings that would need a great deal of justification before a Commission that was interested in getting a justification. Perhaps, the Natural Gas Company of West Virginia, on page 1 might after the summary is as startling a one as any. The write-up there, as you see, was somewhere around \$4,600,000, and the differences show up in a small company of that size very much. The present return instead of being twice as large as before, 14.8, jumped to 90%, which I think is higher than Mr. Phillips' percentages on this exhibit.

Q. And that per cent. in the last column—

A. We would have to add \$9,781,000 or more on this valuation in order to make a fair return. That is one of the most striking things on it. That company is a West Virginia corporation it operates in several states, Pennsylvania, Ohio and West Virginia.

Q. Do you know whether it is owned in West Virginia?

A. That is the name of it. Here again, as I remarked before, on this chart if it were based on an 8% return, that is if it were decided that 8% return is fair to an industry where there is a hazard, the excess percentages would naturally be reduced and still with an 8% return, some of these returns allowed would stand out very noticeably. The significance of 1926 compared with this was that the Commission had the information before it all these years and there was no write-up, the first being in 1929, as I believe five write-ups of some importance.

Q. When you say there are no write-ups in 1926, of course you mean there are no write-ups that are apparent on the face of the report?

A. Yes, I state that with the same qualification. It is possible to have a write-up without showing it, as in the case of the Scranton Electric Company.

BY MR. COOKE:

Q. Mr. Evans, are you going to show to us what part of Pennsylvania is controlled by holding companies over which the Public Service Commission has no control?

A. We expect to do that with the electric companies.

MR. COOKE: I would be interested to see a map showing what part of the State—if I understood your reply to the other question, it was that they could not do anything about the inflation of securities because it was a holding company over which we had no control.

MR. EVANS: I said it was a different situation that that presented by the Penn Central, but I would not say it was a matter over which the Commission had no control.

MR. COOKE: No, but its control is less tenacious that if it had been a Pennsylvania company. If it had been an operating company subject to Commission control; it was not a question of whether it was owned inside or outside of the State, it was a question of whether it was an operating or a holding company.

It would not be very difficult to show us maps in black showing this part that is controlled, as the lands of the Pennsylvania companies, and the rest of the territory in another.

MR. EVANS: I think that can be done. Of course you understand Mr. Cooke, only Class A and B companies are covered by these exhibits, and to make another exhibit complete you would have to include them.

Q. You would cover 90 to 95% by taking classes A and B.

A. I think 95%.

THE WITNESS: I have the total percentages by holding companies, percentages of total sales by various holding companies which I can give you.

The column here, gas and electric companies of Delaware, 24.36% of the total production of these Class A and B companies.

The National Fuel Gas Company of New York is 16.55% of the total sales.

The American Electric Power Corporation of Delaware is 2.86% of the total sales.

The United States Steel Company with its various subsidiaries, it is 11.01% of the total sales.

The Standard Oil Company of New Jersey, controlling these two, Peoples National Gas and the Columbia National Gas, is 19.2% of the total sales, and the Philadelphia Company and the Pittsburgh, controlling the Equitable Gas—

BY MR. COOKE:

Q. What state is that incorporated in?

A. Delaware that is 16.23% of the total sale. D. W. Phillips is 8.62% of the total sales, and the Pennsylvania Electric—

Q. Is Phillips incorporated outside of the State?

A. No, I think he is local.

Q. Leave him out of the calculation, for what we want to know is the percentage of those outside the State.

A. I think the Philadelphia Electric Company and the Johnstown Fuel Supply is local. The latter is 5.6% of the total.

Q. Will you add up those that you are sure are outside of the State?

A. Those that are surely outside of the State, taking off 9.18% of the total, that is they are about 90.82. Take those two that are uncertain and you would get 9.18% and the rest is 90.82.

BY MR. EVANS:

Q. I think it is only fair to point out that the mere fact that the holding company is incorporated in Delaware does not necessarily mean that the control of that concern is outside of Philadelphia.

MR. COOKE: I am talking about the Commission control. We have been told that rates are based on the operating company prices and the exhibits that have been shown here make them seem far from a correct statement and it would seem that the real rates are based on the necessities of the holding companies. Apparently 90% of the holding companies do not come within the control of the Commission except as they may be controlled through their local incorporated operating companies.

MR. EVANS: All I meant to point out is true, that would be equally true if the holding companies were Pennsylvania corporations, so the distinction I think is not significant.

MR. COOKE: But in any event it is in excess of 90% whether we take those incorporated inside the State or outside of the State of Pennsylvania. Is it not true that we have in our legal power now the control of the Pennsylvania incorporated holding companies?

MR. EVANS: Yes.



MR. COKKE: And there is a serious doubt except that possibly through Federal legislation that they can give us legally such commission control of holding companies except those incorporated in the states where the commission happens to be; is that not true?

MR. EVANS: Yes.

BY MR. EVANS:

Q. Have you any information at all as to which of these companies produced their own supply of gas, and which purchased from other companies.

A. Yes sir, I have some information about that. The Fayette—

MR. CRAWFORD: The Fayette buys from the Hope Natural Gas Company. They are purchasers too.

THE WITNESS: I haven't got it into very good shape

BY MR. EVANS:

Q. If you haven't got it readily accessible, what other comments have you to make in regard to your exhibit No. 111?

A. Nothing except to point out that almost uniformly, where these write-ups have taken place, the earnings on the written-up capital show lower. They really are fairly high, where that is taken out of consideration.—The Natural Gas Company of West Virginia, Greensboro, on the first page. There are some other high earnings there, even without write-ups.—Alum Rock Gas,—largely industrial,—Dempseytown Gas Company has an earning there of 22% over all. Another one of them, the Apollo which is largely industrial, practically industrial has 11.6. The People's Natural Gas Company has 13.76, and the Phillips Company is high. The Johnstown Fuel and Supply Company, however, even taking out the write-ups, shows a deficit for this year on that basis.

Q. Have you any information as to what portion of the output of the companies controlled by the United States Steel Corporation is used by United States Steel?

A. Most of it, I am told. They say in their reports that there is very little outside sale. They say there are no boroughs, towns. How much they sell otherwise industrially I don't know.

Q. This has been prepared in the same way as the summary of Exhibit No. 110, has it not?

A. Yes sir; a little more complicated, because of this combination of deficits and write-ups.

Q. And the percentage of returns of all the companies, eliminating write-ups, amounts 11.6%.

A. Yes.

Q. If you include the write-ups, it amounts 10.4%?

A. Yes sir. It wouldn't help in most cases, it wouldn't help the companies having deficits to have some other company raised in rates of return. The first line in both cases isn't what the Commission would do. Lumping them all together, it is a true average. They would, if they were interested in taking up the companies showing high return, include those showing deficits as beyond their help. It would show 11.3%, and 12.1% without a write-up. Those are the ones they address themselves to.

BY MR. BOWERS:

Q. Do you know whether there are any rate cases pending against any of those companies?

A. Not that I know of. It was not put down by the Commission on this exhibit as cases undertaken under their own motion. I don't remember any gas cases on that list.

THE CHAIRMAN: The hearing will stand adjourned until tomorrow morning at 10.00 o'clock.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Thursday, April 2, 1931, at 10.00 o'clock A. M.

There were present:

Messrs. D. Glenn Moore, Chairman  
Bart Richards  
Martin Memolo  
Louis W. Hagmaier  
Chester H. Rhodes  
Ellwood J. Turner  
Frank L. Bowers

H. J. Crawford  
Rev. James R. Cox  
Morris L. Cooke  
Harold Evans, Esq.  
John M. Walker, Esq.

STACY MAY sworn.

BY MR. EVANS:

Q. Mr. May, you are professor at Dartmouth College, I believe?

A. I am.

Q. You are a native of Philadelphia?

A. I was born in Philadelphia and raised there.

Q. And will you briefly state to the Committee your training and experience in regard to public control of business?

A. Well, I am what Mr. Cooke calls an economist, in quotation marks, at least that has been my experience. I took my doctorate in economics writing a thesis on the general field of public control of business. I have been teaching courses in that field, which includes the jurisdiction of anti trust laws, and public utility laws, including public utilities and government participation in business at Cornell, at Dartmouth and at Columbia.

MR. COOKE: I guess we can leave the quotation marks off, Mr. May.

THE WITNESS: I am not sure of that.

BY MR. TURNER:

Q. I would like to know if you ever worked for a public utility?

A. I have never worked for a public utility, no sir.

BY MR. EVANS:

Q. Mr. May, what in your opinion is the aim of public utility control, and what should the laws controlling accomplish?

A. Well, it seems to me that public utilities have definitely been set aside and put in a class that differentiates them, as you all know, from other industries, but I should like for a moment to attempt to examine that particular distinction that has been given to them, and the basis for it. It seems to me that in most industries you are dependent upon competition to protect the consumers, and you depend upon Commissions to protect his interests and to guarantee him reasonably low rates, reasonably low charges for the cost of service, and reasonably efficient service, that in certain industries it has been decided by Legislatures, and those decisions have been validated by the Courts. That for one reason or another, there are a variety of reasons, competition breaks down and does not sufficiently protect the consumer in these fields in these ways; it does not sufficiently provide that they shall have reasonable rates, they have simply to depend upon open competition; it does not provide, it does not guarantee that the service will be adequate, and it does not guarantee that there shall be general and efficient management of the industries, with incentives for making necessary improvements and things of that sort. Therefore, these industries have been set aside and called public utilities, or industries affected with the public interests, and these controls have been instituted, and generally Commissions have been set up, which as I see it have the specific duty of seeing, or providing broader than that, but for the consumer usually, providing protection and guaranteeing them that their rates shall be no higher than necessary, which is what competition is supposed to do in other fields, that the service should be efficient and adequate, and the necessary improvements be made. That, as I see it, is the affirmative duty of every Commission which intends to perform that service, which competition is supposed to perform in the ordinary industry.

Q. Perhaps you mentioned it, but is there not also the question of waste of competition through duplication of facilities?

A. Of course, that is one of the feature reasons why it has been decided that this particular group should not be allowed to work under ordinary competition. I think I should like to add one thing to that, sir. I think it is necessary for the Commission to see that the investors in public utility stock receive an adequate return, and by adequate I mean something very definite, a return that is large enough to interest people in the purchase of public utility securities, and to guarantee that there shall always be sufficient capital, when such capital is needed for expenses and improvements. I

should state that as one of their affirmative duties. I think it is not necessary to have an inordinarily large return, but I think it should be adequate, and I am inclined to think it should be generous.

Q. Well, from your survey and knowledge of the situation has commission control of public utilities, as distinguished from the railways, been successful in accomplishing the things that you have mentioned?

A. I think I could best answer that, or possibly indicate my answer by giving you some specific facts about the field. About a week ago I looked up, when I heard I was going to be asked to testify before this Committee, and I looked up the records of the Standard Statistics, on the returns that securities in various fields are yielding at the present time at present market prices, that is, common stock. Their index showed that at that time, about a week ago, and the condition has not changed markedly since, public utility common stocks, other than railroads, were sold at prices measured by the twenty leading market leaders in the field, were selling at prices that yielded only about  $5\frac{1}{4}\%$  return. Industrials, measured by the twenty leading industries, show a return of about  $5\frac{1}{2}\%$  to 6%.

THE WITNESS: Railroads show a return at the present prices of seven per cent. measured in the same way. Now, I think that is significant, sir. On possible interpretation, but surely an interpretation that any public utility man would be willing to accept is that people are willing to invest their money in the common stocks of public utilities, for a return of three and one-half percent. I think that is an unfair interpretation. I think that the fact of the matter is that this field is looked upon as the most speculative of all fields. They are willing to pay such high prices for the stock, not because they are willing to accept the moderate return yielded at those prices, but because they fully expect, from the past history of those securities, that they will yield a higher speculative return and the common stocks of these industries; administered by the Interstate Commerce Commission in a manner that is more effective. Of course, there is a story on railroads, that is very clear.

BY MR. TURNER:

Q. Don't you think you ought to speak in the past tense?

A. No; I think they still expect to.

Q. Don't you think that the most of them were in the market when they thought they were going to get big returns?

A. Why are the prices still holding up, sir? All the securities that are being sold are also being bought and the present return averaging three and one half per cent. I think that is the gold field.

Q. Doesn't the factor of safety enter the return?

A. I tried to include that in the first answer. If you will accept the hypothesis that they are willing to invest in these industries for a return of three and one-half, I could bear that, but I don't think the utility people do, do you?

Q. I am not an expert. I don't know.

A. I think that is an untenable hypothesis, although they are willing to invest on that basis.

Q. My question was a factor?

A. I am willing to consider it as a fact. I believe that people are willing to believe that there is gold in those hills.

BY MR. TURNER:

Q. Don't you think that ought to be, there was gold in those hills, rather than that there is gold in the hills?

A. As business was operated in the past, future expectancy is based on that experience. People fully expect that securities which yielded them three and one-half per cent. in the past would yield a higher return in the future.

Q. The average return on bank stocks was around two and one-half per cent.

A. I think exactly the same thing applies to banks; that they expect large speculative returns.

Q. You still think the public expect large speculative returns out of the banks.

A. I do; yes.

BY MR. RICHARDS:

Q. It is the enhancement of the prices rather than the yield?

A. That is right; and if they hold on to their stock they will get the increased yield.

Q. You say this three and one-half per cent. is based on the market price of today?

A. Of the twenty leading utilities, other than railroads. That includes some holding companies as well.

BY MR. EVANS:

Q. They are present prices, not past prices?

A. This is the present price. When I say "present" that is not today. The last index I saw was last week.

BY MR. RICHARDS:

Q. The prices of two years ago do not show so great a percentage?

A. That is right. The most attractive field I believe, is the field of utilities, other than railroads. Now, that is an opinion, sir.

BY MR. EVANS:

Q. To what extent does the regulation of public utilities exist in the United States? How many states are without some form of regulation of public utilities?

A. I think I am correct in saying that all states have some form of regulation except Delaware.

Q. And you think Iowa has but comparatively little?

A. Oh, they vary tremendously in scope.

Q. What I wanted to get at, was whether you felt that this speculative feature in public utilities stocks was influenced to any great extent in certain fields where the utilities were not subject to regulation.

A. Yes; very definitely, well I would rather say, for practical purposes, that in some places the control is very much weaker and the jurisdiction is very much more limited than in others. Of course, the prices, in general, are affected by that situation, but I would go on to say that I think in the places today where the control is most through going, there is still room for believing that there are large speculative profits. That may reasonably be expected from the common stocks.

MR. TURNER: Mr. Evans, what was your question?

(Question read)

THE WITNESS: I think they could improve it.

BY MR. TURNER:

Q. Do you think that the average individual takes into consideration the regulatory laws in the state where he makes his investment?

A. No; I think that is imputing to him a close judgment; if you are talking about the average one, I think that is imputing to him more care than he exercises.

Q. From the ignorance shown of the Pennsylvania laws at these hearings, I doubt whether the larger investors do.

A. No; they seem to know more about what has happened in the past.

BY MR. EVANS:

Q. Have you any suggestions as a reason why public control of public utilities has not been more effective than it has been?

A. There are a great many factors that would have to be considered in the answer, sir. I should like to concentrate on what I think are, perhaps—I won't say the most thorough-going, but the very vital lines under which public utilities broken in the United States—the effectiveness of which had broken down. I think there has been a great difficulty in getting an effective control on the rates of return that are allowed to utility companies. I shall name these, if I may, and then go back and state specifically what I mean by each one.

I think there has been very real difficulty in arriving at an adequate working base, a workable rate base. I think there has been great difficulty in control, the adequate control of utilities, and I think there has been great difficulty in escaping the cloud that is cast by the fact that there is no effective control at the time over inter-state distribution of the electric current; the rate of return that is allowed utilities, other than railroads, in most states in the United States where there is control, is usually named at 7 to 8%, one or the other, or somewhere in between. But that doesn't mean that the commissions who are administering the laws have really held the return of the companies that they are exercising jurisdiction over to that figure. As I understand, 7% is the figure generally



accepted in Pennsylvania and Mr. Raushenbush presented figures to show you that in 1925 the major electric utilities received a return that amounted to something like 11.8% on their fixed capital and that in 1928 their return averaged 9.6%, roughly, on the same figure.

BY MR. EVANS:

Q. These are returns on book values, you are speaking of?

A. Yes. This, of course, if you commence to ask seriously the question I raise, how much it is necessary to allow this company in the way of a rate of return in order to make its securities really attractive to the investor so that necessary money is forthcoming, and I believe you will see that any rate of return is based on the book value or on any realistic value of the entire capital of the company goes further than the incidents of the case. Let me explain what I mean to you. Take as a hypothetical case the company that is organized with a capital of some kind or other where money is invested in the property of this company to an extent of say, \$1,000,000. The utility commission says that the \$1,000,000 is the actual investment in this company and they will allow them 7% on it. That means they will have to give them rates that will give them a return \$70,000 a year. Suppose that company had raised \$500,000 by selling 5% bonds, and suppose it had raised \$300,000 by selling stock, and suppose it had raised \$200,000 by selling common stock. There is no speculation about what return is necessary in attracting bondholders in that field. Let us say that this \$500,000 has been raised by selling bonds. It is necessary to raise \$25,000 to pay off these bondholders, and it is necessary to have this to pay the interest to the bondholders. The preferred stock sold of \$300,000, and let us say this was sold at 6% on the preferred stock, it is necessary then to allow the concern to have \$18,000 to pay off that. These two together absorb \$43,000. And in this case I have suggested the Commission allows them to earn 7% on the entire \$1,000,000; they get a return of \$70,000 for the year, before the bonds are paid. They pay \$43,000 as interest and dividends and they have left \$27,000 for the common stockholders available for distribution, either as dividends or accumulations or surplus and that is a return of 13½% on the common stock.

BY MR. TURNER:

Q. You are presupposing that everything is profit. We know there are other factors that enter into that?

A. It depends on how you arrive at those figures.

Q. You cannot sell bonds at par, and you have to amortize them. You cannot sell preferred stock at par. You have to pay someone else to go out and sell it.

MR. MAY: If I gave you figures with these hypothetical figures in it, it would be a long, long story. You could make it large enough to pay on all of those things. I think the Commission should have a figure before them. Now, sir, if you will apply this kind of reckoning to the Pennsylvania companies, as I did when I went to the Commission to look over their figures, you find that the returns that have been allowed to them have merited very large returns indeed. If you measure that return according to what appears to be actual common stock investment in the companies, you get the figures I have derived here on three companies which I selected practically at random. I think the figures I have arrived at show that amounts to a very generous allowance to the common stock investment.

The Metropolitan Edison Company have a total fixed capital investment of \$2,678,000. I have thrown away the last three figures. They have had a write-up listed in the Commission's report of \$4,485,000 so that the total fixed capital without the write-up amounts to \$57,633,000. Depreciation reserve amounts to \$5,297,000, approximately, so there is left as a figure upon which earnings, bonds paid, of a figure of \$52,366,000. They have outstanding bonds of \$31,442,000, approximately, preferred stock \$13,580,000, approximately, and the preferred stock carries interest at 6%, the great majority. There is a little at 7% and a little at 5%, but the bonds, the majority of them, are 4½%. There are a few at 5%. Investment of these two items totalled is something over \$45,022,000. That leaves you an equity on the common stock, in examining it closely to see whether it represents the money actually invested, that leaves \$7,374,000. The net operating income for this company for the year 1929 is \$5,045,000. The month interest they have paid was \$1,478,000, absorbing the total of

these two of \$2,339,000 approximately the net operating income. That left \$2,506,000 as the amount that was left available for distribution to common stock. The accumulation of surplus, for common stock, on a common stock adjustment, that I am certain from their account was no higher, and perhaps considerably lower than \$10,374,000, a return of 34% on the actual common stock investment in this company at its highest, I should say. The Pennsylvania Power and Light Company.

BY MR. COOKE:

Q. May I ask you whether you happen to know who owns the equity of interest of the Metropolitan, the Associated Gas and Electric.

A. The control of the company is Associated Gas and Electric.

Q. That is, I mean that they own majority of equity interests?

A. I am not able to answer that question. I did not put that down in my notes. They have a controlling interest, but whether it is just a majority, or much more than a majority, I don't know. I have not got the figures at any rate and that had better be checked.

FATHER COX: I have here a few cases I was going to ask about, but don't you think that with the facts that have been received here during the investigation we have a right to bring criminal action both against these companies and the Public Service Commission. In my opinion there is a collusion there. Things of this kind cannot go on, they simply must be held up, and I think it is the duty of this Committee if we are going to prove to the people that we mean business, there ought to be criminal action taken against these companies and make them restore, I am talking from the clergyman's standpoint, their ill-gotten goods.

MR. TURNER: I think if you will remember that the testimony produced here, so far, shows that there has been legal action, and I think if you were to go into the legal situation, I think you would see that these figures are based upon the law and the evidence as produced and whether that has been misconstrued, that is something also.

FATHER COX: Here is my point. We cannot decide it here, and if the situation is such as it appears to be, it ought to be decided in court; somebody ought to institute criminal proceedings. What is the use of our talking here. Why, we have got enough evidence in a very amateurish way of thinking, to institute criminal cases, and to regulate these things, and to regulate them for years and years to come. If we had this same situation concerning some poor criminal, some boy, we would have prosecuted him long ago, but here they are stealing millions and all we do is to pat them on the back, and I don't think that is right, and I think we ought to do something.

MR. TURNER: If you had been here yesterday you would have heard that we have decided to go on taking testimony until the 1st of May.

FATHER COX: I believe it is good to hear the testimony, and I think the more testimony we get the better, because it is going to serve as an example for years to come. I think we ought to get all of the testimony that we possibly can, and then we ought to proceed by some action of this Committee. I came down here to say just that thing. Here is an editorial from our Sun-Telegraph in Pittsburgh, showing what the Duquesne Light Company has been doing: \$149,000,000 for rate purposes, and a very great amount more for taxing purposes. Cartoons in the paper show the injustice to the people, how they are being robbed, and here we sit and listen to it and do nothing with respect to it. We pat them on the back and treat them—

MR. RHODES: I don't see where this Committee has handed anybody anything.

MR. TURNER: You don't think I have handled them in that way?

FATHER COX: We have been very very kind to them.

MR. TURNER: We ought to be courteous to them.

FATHER COX: I think it is all right to be courteous, but I do think we ought to take legal action.

MR. EVANS: The taking legal action is not within the scope of the resolution under which this Committee is acting. It is a fact finding body, and I think if we confine ourselves to that basis, we will perform the services for which the Committee was appointed.

THE CHAIRMAN: The Chair was just going to quote the resolution.

BY MR. EVANS:

Q. Now, Mr. May, would you continue?

A. I have worked out some estimates on the approximate return on the common stock investment in the Pennsylvania Power and Light Company, which is controlled by the Lehigh Power Securities Company, and the Duquesne Light Company, which is controlled by the Philadelphia Company. I don't know if you want me to recapitulate the figures on each of these, or if you simply prefer to have me tell you the return on the amounts of the common stock investment.

Q. I think perhaps if you will just briefly do the latter, without going into detail, it will be giving us what the Committee wants.

A. I would be very glad to furnish them with the basis on which these estimates are made. I believe the Pennsylvania Power and Light Company, which Mr. Raushenbush found to be yielding a return for 1929, I think of approximately 8½% on the fixed capital, as he has estimated, actually yields a return of 84% upon the maximum common stock equity in the company, the actual investment represented by common stock ownership.

Q. Suppose you just do give us the figures on that?

A. The total fixed capital of the company, according to their report to the Commission for 1929, was \$170,988,000.

BY MR. RHODES:

Q. I didn't get the company that was for?

A. The Pennsylvania Power and Light Company, sir. There approximate depreciation reserve is \$12,834,000, and subtraction then of those two, of the one from the other leaves \$158,134,000. The funded debt of the company was \$100,359,000. The preferred stock, which by the way, and I think it is important, in their report they make no separation whatsoever of their preferred and their common stock, they simply lump the two together in their report to the Commission, and the preferred and common stock such and such an amount, 62 odd million dollars, I believe. I had to derive that figure for preferred stock investment then by first finding the amount that they were paying in dividends on preferred stock, and estimating the amount the stock earned on which dividends were paid. In that way I derived their preferred stock of \$52,103,000, total represented by these two, bonds and mostly preferred stock, \$152,462,000. The total fixed capital depreciated was \$158,154, and that leaves \$5,692,000 as my estimated maximum value of common stock investment in this company. The net operating income for the year was \$13,353,000; the total of the funded debt was \$5,105,000, the total dividend on preferred stock was \$3,141,000, the total of these two, \$8,536,000, and subtracting the two from net operating income, \$4,870,000, is left, which is available for distribution as dividends on common stock, or accumulation of surplus, or a maximum return on the common investment of 85%.

Q. Who is the Pennsylvania Heat and Power?

A. That is the Pennsylvania Power and Light.

BY MR. COOKE:

Q. Owned by the Lehigh Securities Company?

A. Yes.

Q. Who owns the Pennsylvania Power and Light?

A. That is connected, I think, with the Electric Bond and Share Company.

BY FATHER COX:

Q. And the National Power and Light Company?

A. That is correct, I think.

Q. The National Power and Light Company is owned by the Electric Bond and Securities?

A. I think so.

Q. Is that taken from the Public Service Office?

A. That is taken from the Public Service Office.

Q. And yet they knew nothing about it?

A. I have no idea. I have not seen the Commissioners, sir. One of the men employed in the Commission Office, Mr. Dietrich, was most co-operative.

Q. There was no objection at the time these reports were sent in.

MR. EVANS: I don't think Mr. May has any knowledge of that.

THE WITNESS: The Duquesne Light Company, which is controlled by the Philadelphia Company. The story of that

is fixed capital, the total, \$159,872,000. There is a write up listed in the books, not representing capital investment of \$22,438,000. That subtracted gives you \$137,444,000. A depreciation reserve, and I have taken here since I have deducted the write up the old depreciation figures rather than the corrected ones, which are much smaller, of course, than the corrected ones; subtracted the old depreciation figure, and that leaves you \$134,835,000 upon earnings before bonds are paid. The funded debt was \$65,000,000 of the four and one-half per cent. bonds. Preferred stock \$27,500,000. The two together total \$72,500,000. Subtracting that from the \$134,000,000 approximately, we find that \$62,335,000 is the maximum estimate, my estimated maximum, investment value of the common stock. Net operating income, \$14,993,000, total interest on the funded debt, \$2,000,000. Dividend on the preferred stock \$1,335,000 subtracting that from the \$14,998,000, we have left \$10,629,000 available as a common stock return upon a maximum investment of \$42,335,000 of common stock or almost exactly a twenty-five per cent. return. Those are the three that I picked on; they are the only three that I examined.

BY MR. TURNER:

Q. Now, Mr. May, if a private individual were to buy a property for \$5,000, and places a \$4,000 mortgage on the property, on which he pays six per cent. interest, and he can rent that property at \$100 a month, that is returning to him a very high percentage of return on his \$1,000 which he has invested in the property, is it not?

A. Yes.

Q. There is nothing to say that that individual should surrender any part of the increased income or annual charge so much as to give him a fair return on his \$1,000.

A. No; in that case there is nothing to say that he should not, because there is no control over these transactions.

Q. It is not considered illegal or improper?

A. That is right, sir. I am not imputing any story of unethical procedure here.

Q. I was only trying to explain about the other cases; if we can go through the question and get it clear, and get it before the minds of the laymen who perhaps are not as familiar with all the surrounding circumstances, as you know them.

FATHER COX: Public service is different from private property.

MR. TURNER: I appreciate that, but the Supreme Court of the United States has said they must get a fair return on the property used in their business. The Supreme Court has said that there is not much difference, so far as that is concerned, between the individual and the public utility, except that it gives, in effect, a monopoly of the business and because of the police power of the state, they are able to regulate them to a certain extent.

FATHER COX: No Supreme Court or Superior Court or law should say that any company could plunder the people, and when they make the returns, such as they have been making in the state of Pennsylvania, they are plundering the people. And now, they certainly have the right to have a fair return.

MR. TURNER: I would be willing to go along with you, but the great difficulty in this, as Mr. Cooke has pointed out, is the question of value.

Q. What was the highest rate; eighty-four per cent?

A. Eighty-four per cent. return on the actual maximum investment.

FATHER COX: Only God knows how much money they have put in those things. They are probably making 584%.

MR. TURNER: Of course, we can't ask Him to appear here as a witness.

FATHER COX: The people do not want to be plundered. THE CHAIRMAN: The Chair suggests that we permit the witness to go through. It is very difficult to follow his testimony.

MR. HAGMAIER: I move that we take these things up at the Executive Session.

MR. TURNER: The Executive Session does not take these things up.

MR. HAGMAIER: You will admit that there have been some over charges, and let us cut this out, and get down to brass tacks.

MR. TURNER: We will find the facts out when we hear the testimony.



**THE WITNESS:** I would prefer to be interpreted, that returns, as measured by the requirements, for the purpose of making these securities attractive, and nothing else.

**MR. TURNER:** I think we can clearly understand what Mr. Evans' purpose is in the introduction of this testimony.

**THE WITNESS:** The great gap, I think, in effective control has been the determination of the rate base, and I had the pleasure of hearing Mr. Cooke's discussion of that particular question yesterday. I would say that so far as my opinion goes, I am in thorough agreement with his conclusions, namely, that it is impossible to have any effective control whatsoever; it is perfectly clear to say that a rate of return means nothing to us; so the question of whether or not you can have any effective control remains a widely fluctuating factor. I believe that certain utilities might be willing to accept the prudent investment basis. It might be unprofitable for them to adhere to the reproduction cost new base, which fluctuates at a time when prices are going down and may continue to go down. Regardless of that and regardless of the fact that there might be some crude adjustments in applying the principle that they have been asking for, when it was profitable to them—when it was no longer profitable, I think would be a petty revenge and most ineffectual. I think you would be perpetuating an unusual system, and I think you will agree that we ought to get off that as quickly as possible. I think that as long as you have reproduction cost new as an important item in the Commission's fixing of the rate base, such abstract estimates of going value or things of that sort, I think that the control is ineffectual.

**BY MR. EVANS:**

**Q.** Now Mr. May, what is meant by the term "Going Value" as used in rate cases?

**A.** Well I wish that I knew certainly, sir, because it is one of those vague terms that is used loosely and used generally without specific definition simply to justify an increase of rates. Let me suggest here it means nothing in this particular field. The nearest I can approach to a definition is that you decide as to a concern, as a going concern, that it has been earning large returns, and therefore would bring a price higher than some other form of valuation maybe will do. The reason that valuation is undependable is that the yield of your securities depends upon the rate the concern has been allowed to charge. To put such items into the terms of rate is to get you into a great deal of trouble. Here is a million dollar company with a million dollars invested. The Public Service Commission decides it shall have 7% or \$70,000 a year, and I have told you that utilities are selling now on the basis of 3½%, so presumably—let us say the common stock of this particular concern, that the people are willing to but that at 2½, this would give you \$2,000,000. Then if you give your valuation at \$2,000,000 you begin your process all over again, and if securities sold for four million dollars, you would again repeat that you would get \$140,000 in the one case on your rates, and so on.

**Q.** Is it not also claimed that in rate cases that where the company has had a lag in earnings for one year, that is to be considered, and that sometimes is distinguished as a going cost?

**MR. TURNER:** What do you mean?

**MR. EVANS:** That the earnings in an earlier period have not been adequate and that they should be compensated for this loss of return.

**THE WITNESS:** Another point on which I think the commission control has been weak is in their inability on the whole to control properly on account of court decisions, their inability to correctly control operating expenses. It must be obvious to everybody that no matter what the rate base may be and what return is allowed, if operating expenses can be charged off recklessly before you estimate your earnings, no correct basis can be arrived at. This I think is important because a holding company has become such an important factor in the utility field. There is some justification, at least in the absence of specific evidence to the contrary, there is a presumption that operating expenses have some reasonableness, if the presumption that brings these operating expenses into existence as between the utility companies and individuals that are entirely supported by their business, if part of the operating expenses include payments that are paid by the operating company to the holding company. Your operating company owns all or a majority of the

interests of the operating company and it must be obvious that the whole transaction is different from the ordinary competitive transaction. For instance, the item of these payments is an item that is acted on by the directors of the operating company. The directors of the operating company are elected by at least one form of common stock, and that is held by the holding company, and they are therefore elected by the holding company and of course they are passing on the price to be paid to the holding company and are not in a position to exercise ordinary business discretion but they do have a dual responsibility.

Now let me tell you about one Pennsylvania case that I have found and which I have taken from the 1929 report of the Equitable Gas Company.

**BY MR. COOKE:**

**Q.** Where is that located?

**A.** Pittsburgh, I believe. It is owned by the Philadelphia Company, and its ownership is exercised—it is a direct ownership of sixty-nine per cent, of the stock of the Equitable Gas Company. This company produced in the year 1929, they handled produced gas, gas produced by themselves to the amount of 3,404,793 cubic feet. They purchased gas for resale to the amount of 22,644,600. They paid to the utility company for lease of the Natural Gas System properties \$2,327,911. This is a lease allowing them, since they don't own the gas themselves, to lease the right of producing the gas from the Philadelphia Company fields. The production expenses, we find were \$1,361,346, the total cost and we find of the cost that they leased as produced gas by far the major item, there being the amount they pay on the lease of \$2,689,257, the cost of producing gas then to this company per thousand cubic feet is about seventy cents. They paid for gas that they purchased for resale from outsiders seven hundred and seventy-eight thousand three hundred and eighteen dollars, and their total expense was \$7,746,600, and the cost of producing gas per thousand cubic feet was thirty-four cents approximately as compared with the cost of seventy cents for the gas they produced under the lease with the Philadelphia Company. The gross income before paying rent and interests on funded debt was \$1,209,497, the interest on the funded debt is nominal; it is \$240,751, after paying this with the rental plus this \$240,000 item their net loss for the year was \$1,359,165. Let me make myself entirely clear. I know nothing about these transactions. There may very possibly be some very valid explanation for why they were able to buy the natural gas from outsiders at a rate of 34 cents for themselves, and why upon the gas that they got from the deal with the company that owned a controlling interest that that gas cost them about twice as much. All I know is that this is a technical situation and I have found it exists and that are entirely comparable in every set-up where the object simply is to pad the reports with undue operating expenses as being shown on the books in order to obtain the profit for the holding company. This transaction may be a legitimate transaction. All I suggest is, it is such a transaction that the Public Service Commission should seize upon immediately.

**Q.** Are these not questions of business or management judgment which the Commission almost never looks into?

**A.** That may be so. I think there is no real business judgment when you make a bargain with yourself. The directors of the operating company are making a decision for the operating company in a transaction with the holding company that they are supposed to represent.

**Q.** You testified you are familiar with the regulations that various states now have?

**A.** Yes sir.

**Q.** Will you refer me to any case where the Public Service Commission has taken action in a case of that kind?

**A.** Yes, if I may seek to qualify it by saying that their particular action was not allowed by the court, the Public Service Commission of Missouri took such action.

**Q.** I mean they took it and it was declared illegal it leaves us in the situation that I believe obtains everywhere, that such transactions I think fall outside of what has been considered legitimate action.

**BY MR. EVANS:**

**Q.** Mr. May, are you prepared to state that in your opinion under court decisions, payment of management fees, and other similar charges made by operating companies are removed from Commission control?

A. No, I am not prepared to say, that, sir, nor am I prepared to say that there is even a stronger likelihood that the Supreme Court of the United States would always allow such action to prevent over-charging.

BY MR. COOKE:

Q. I have just asked to be given one case where the Commission had affectively acted in a situation of that kind.

A. No, I cannot give you a case on hand.

BY FATHER COX:

Q. Could we not, however, have the company explain this particular action.

A. I think so, yes.

Q. Why would there be any trouble to have some one from the gas companies, from the Pittsburgh company come here and give us that explanation?

MR. EVANS: It all depends how long this Committee is going to sit.

FATHER COX: It ought to sit for a long time to find out things of this kind.

THE WITNESS: It certainly is feasible for the Commission to demand such information, and the court recognized its right to demand such information in the Southwestern Bell case, they decided that the particular charge was probably not unreasonable, but that it raised the point that you suggested.

BY MR. COOKE:

Q. It is far from customary for the Commission to go into this, it is a question of business judgment.

A. I would have to insist that it is not really a question of business judgment, which I think you will agree to.

MR. COOKE: On this particular thing.

FATHER COX: Let us have one explanation, of what is happening at least.

THE WITNESS: In my opinion this point is an important one. The Federal Trade Commission, in their Document No. 92, Parts 23 and 24, Page 126, Federal Trade Commission Reports, in 1927 the Electric Bond and Share Company charged the subsidiaries, and those subsidiaries principally include this Lehigh Power Securities group, now Pennsylvania Power and Light, and they do not constitute all of the subsidiaries, but they paid about 15% of the charges of the subsidiary, they charged them for service a certain sum and the Federal Trade Commission figures that that sum yielding to the Electric bond and Share Company, that is the sum that they charged to their subsidiary for services of various kinds, a profit of certainly not less than 106% and probably not more than possibly 241%, depending upon the particular form of bookkeeping that the Federal Trade Commission applied to the transaction, as to how much overhead and so forth should be allowed as part of the legitimate expense.

BY MR. TURNER:

Q. I think Mr. Zimmerman admitted that there should be a provision by which the Public Service Commission should have jurisdiction over the management agreements.

MR. RHODES: I don't think Mr. Zimmerman admitted that, I think it was Mr. Porter.

MR. HAGMAIER: I think both of them did.

BY MR. COOKE:

Q. Is it not a fact that the operating expenses are loaded, and I am using that term in a broad sense, not only by management fees, but in many other ways, and will you suggest some of the other ways?

A. Why, yes. Very often they are loaded by charges for rentals, perhaps, or leases, and I suggested this might be the case in this particular case. Very often they are loaded by charges, and I think perhaps the most usual one is, charges for financing service. That is one that I think should always be scrutinized. Of course, I do not want you to understand that it is my statement that the Public Service Commission should not scrutinize any operating expenses except expenses accruing in transactions with the parent company. I think that they ought to scrutinize all of them, and if they could do nothing else, they could demand the information and give thorough publicity to what is happening, and if they could do nothing else; I am not convinced myself that they could do nothing else.

MR. COOKE: I think they should do something else. I think the law has been, and the practice has been, that they have gotten into it.

MR. MEMOLO: May I ask you one question, Mr. May. Now, for instance, there are so many ramifications in this electric bond and share proposition, the Pennsylvania Power and Light is controlled by the National Power and Light, and that in turn is controlled by the Electric Bond and Share, and so forth. In taking all these steps, that is where the financing cost is really incurred. Take for instance, the Equitable Gas Company, the Duquesne Light Company, is controlled by the Philadelphia Electric Company, and that in turn is controlled by the Standard Gas and Electric, Billingsby Corporation, with headquarters in Chicago. Now, in all of these steps that occur, there is a lot of financing cost, and all of that affects the rate.

THE WITNESS: A great deal of it, sir, and I think it should be carefully scrutinized by the Commission,—some of the great difficulties that might be placed on the investment bankers.

The fourth thing that I would suggest—

BY MR. EVANS:

Q. Just before you go into that, and perhaps, you have mentioned it; is there not another way on which these fees are charged, as on purchasing contracts by the holding companies.

A. Oh, yes.

Q. And also on construction contracts?

A. Very often; yes. The fourth big gap in effective control is the fact that there is no adequate control over interstate shipments so far on holding companies across state lines. It is perfectly possible for one company in one state to enter into an unprofitable transaction with another company in another state, in order to show the less profit to it and more profit to the other company. Here unfortunately again we have a law saying that a Commission is not allowed to forbid such shipments and as to whether they might be able to exercise any effective control, I am not sure. What I am sure of is that the Commission should cooperate, should start their propaganda toward repairing this gap, or insisting on central jurisdiction or joint state control over this particular gap.

BY MR. COOKE:

Q. Are you familiar with the arrangements that the U. G. I. has with the Delaware Light Company?

A. I am not familiar with that.

Q. We have had testimony here to the effect that that company sells to the Delaware Light for four or five cents per kilowatt, and one of the witnesses was trying to explain that that was not a low cost, although it seems out of line with their other costs.

A. There seems to be one thing, and that is agitating for greater control. The Federal Power Commission, you see, has such a limited jurisdiction over water power production, only, that there seems there ought to be a new set up there, unless you have some form of interstate jurisdiction.

Q. And there seems to be an example of that in Governor Pinchot's home town in Milford, where the power company operating across the line, owns the little company in Milford. They sell to them 600,000 kilowatts per year, and charge that subsidiary in Milford more per kilowatt hour, then I say for my modest use of electricity in my own home.

A. Yes. I think the state Commissions on the whole have been opposed to it rather than promoting it. I am very conscious of the fact that I have taken a great deal of your time.

MR. HAGMAIER: That is all right, we enjoyed it.

BY MR. EVANS:

Q. You have pointed out some of the points where regulation is ineffective in your opinion. Going now to the constructive side, have you any suggestions as to how these defects may be remedied?

A. Yes; I should like to take up the four gaps, item by item and suggest a few things that I think, at least should be done to repair the gap in each case.

The first thing is on the rate of return. I think that it is perfectly possible to get accepted at least to have the Commission fix realistically upon the amount of money, a generous amount, to attract capital into the utility field, and I think, whether that is obtainable or not, that is the goal for the future. So that I think in figuring the return, after you get a system of control worked out, and perhaps you will not be able to impose this retroactively over all past pro-



cedure, but I think it can be definitely done for the future, that the rates allowed a company should be figured as being sufficiently high under efficient management, to yield a return upon the common stock investment, after they have been attracted and paid for, of more than the market rates—the capital that has to go in in the form of loans secured by bonds and by preferred stock, to the common stockholders' equity in the company. I think that definitely the goal should be aimed to apply to the future, if not to the past. I think when you have said that you have raised an important question. The prices fluctuate, but it is not at all true that what is attractive for a given type of security to one party is not necessarily attractive to a given type of security to another party.

I have already suggested that I think the rate base should be kept on a permanent basis, and that the flexibility, as I see it should be the rate itself. When I say flexibility, I do not mean it has to change monthly or it has to change necessarily yearly. That was pointed out very conclusively, I think, by Mr. Cooke, that neither a legislature or a Commission can possibly work out changes in valuation quickly enough for practical application, but it would not be so hard to change simply your statute, if that was necessary that applied to the rate of return. A legislature could do that, and I think it would be necessary too, to cover the possibility of major price fluctuations in a long period. In a country like France, which happened to have gone off the gold standard, and it is conceivable that for practical purposes the United States, having gone off the gold standard many times, during its history, may go again—in France you understand the franc has been stabilized one-fourth of what it was before; it is obvious that a flexible return, figured upon seven per cent., upon a settled basis might prove very inadequate for the purpose over a long period, and it seems to me that none of the objections—the particular suggestion that Mr. Cooke raised here of unwieldiness would not apply to the rate. It could be changed legislatively to meet important fluctuations without too much difficulty.

I think it is always hard to estimate what rate of return would be yielded by specific rates that you allow to the company, and, therefore, I heartily approve of the system, which I understand has been incorporated in the bill that is before the House at the present time, that would make it possible in periods, or when the rates are guessed at, yield too low a return—make it possible to recapture the excess earnings. On the other hand, I think also that it might be very wise to put some districts on the other side, and also to provide instead of simply having a recapture that works automatically and immediately, that excess earnings cover an amount in any particular year should be put aside into a reserve, and that reserve accumulated to a given size before you commence your recapture procedure, in order that a lienure may be recovered out of reserves that have been earned in a given year.

BY MR. TURNER:

Q. We have had some recapture experience have we not, with the railroads?

A. We have; yes.

Q. And how has it worked out.

A. It is a difficult question to answer. However, my answer would be, not very well.

Q. You believe you should not take all the profits away from them in the good times and not leave them something to take care of the bad times?

A. I think you could well afford to allow them to accumulate a reserve in the profitable years to be used to carry over their deficits in the bad years.

Q. Has not this era of prosperity in these utilities come about from the prosperous conditions or the inflated conditions through which the country went in the last few years? If we hit a long period like we did prior to 1917 and these same rules were applied, might it not be a very great burden?

A. I think that would be undesirable. I think you should have control that always gives a reasonable return. You cannot afford to run your utilities into the ground. They must get investments; they must be attractive; and they must be kept up, and I think probably everybody would agree with that.

BY MR. EVANS:

Q. When you speak of a control of the returns you don't mean a legislative control, that an act is necessary; you mean that is something that the commission should control?

A. It would have to be set up officially by the Legislature.

Q. Under the present law, there is nothing that fixes any rate of return; that is left to the Commission?

A. It would be feasible to leave that to the Commission.

BY MR. COOKE:

Q. It should be administrative instead of legislative?

A. Yes sir, and I think that would be desirable. You have been talking about a rate of return, and I think the Legislature could detail what the Commission shall aim at as a satisfactory return. I think it is much better to leave it as an administrative matter.

BY MR. CRAWFORD:

Q. Do you think a liberal rate of return should be prescribed for all public service utilities?

A. No, I think I would stick to my original story there, sir. I think you have very definite economic measures of a desirable rate. I think the rate for any particular utility should aim at making those utilities attractive to people whose money you need for development in these utility fields. They must be attractive.

Q. I have in mind a water company which had a river from which it could draw its supply. It is easy to reckon your earnings on a property of that kind where with a natural gas concern where you have to drill each well and your supply depends upon the drilling of each well, it seems to me the hazard in that business is more than it is in some others?

A. I quite agree with that. I think there should be enough to cover an attractive investment, but I think under present conditions we have gone much further than. If we are going to have control we should make it a control that adequately operates. I don't impute villainy to the present operating company. As long as we have free private enterprises you can definitely assume the honest attempt on the part of the Board of Directors to earn as big earnings as possible to take care of their stockholders, and I don't there is any question but what under our present system all boards of directors of public utilities have attempted to do as well as possible under the control. Of course, if there happens to be collusion or unfairness, that is another matter.

On the rate basis I have already stated that the program of your present bill as outlined by Mr. Cooke appeals to me as an excellent program insofar as setting a rate basis is concerned. I think that that runs along with every other plan that cuts across the present valuation as defined by the courts. It runs a possible hazard in the courts. I think it is worth while trying and had a chance of acceptance by the utility companies, but I think it is very difficult to say in advance that it absolutely would be accepted without question. I think it can be worked out by the Commission and will be applied upon the utilities in this state insofar as it will be accepted by these utilities voluntarily. The pressure in your present bill is sound in the direction given the Public Service Commission directing that they shall refuse to give certificates to build extensions and improvements and new lines to companies who do not see fit to come in under the provisions of accepting the prudent investment basis.

BY MR. TURNER:

Q. You are speaking now of House Bill No. 275?

A. Yes.

BY MR. COOKE:

Q. That was not the suggestion I made to Mr. Zimmerman.

A. I think there is a hazard in it that ought to be looked at in advance, and that is this: If the company decides or does not wish to enter into this voluntary agreement, they should consider it better to fight the question through the courts, there comes a time when this company should build improvements and extensions, it is possible you will get some sabotage on the part of the company. When you get into this situation they say that they won't build the extensions. If that is true the first person who suffers will be the consumer who really needs this improvement. Against that you have the powers that undoubtedly belong to the Commission in addition to their ordinary powers, they should see that the



necessary extensions and improvements are made, and you also have the powers of the Commission to abrogate the charters of the company in case the companies are not given adequate service.

BY MR. TURNER:

Q. Do you think in a situation like that the courts would sustain such action?

A. That is a question, sir. You would have to get a decision as to whether it is voluntary or coercive. I have said that is something to keep in mind and I don't wish to be interpreted for a moment that you should not put through the provisions in that bill. I think it has some chance of going through, I mean going through the Supreme Court. I am not convinced that it may not even go unchallenged. I think it is very worth while trying.

BY MR. COOKE:

Q. You have a considerable percentage, 80 or 90% of the state has the same system of procedure as that, and taking the matter of the Courts by 10% would not be a matter of very great moment?

A. I would think the Court would be tremendously influenced by the acceptance of that percentage, and I think their decisions would reflect such an influence definitely. Whatever we do here at least, and I think the minimum that one could demand, is absolutely fixing the prudent investment basis for all future investments on the part of public utility companies. I think that is the minimum that one can ask. I think also that the fixing of some initial valuation base is of primary importance, and I quite agree with the manner of making up that prudent investment, and I should be willing to hazard the chance of the Court overthrowing it, but I think some initial basis should be fixed, and if you cannot get prudent investment there, some basis upon whatever items of valuation the Court insists must enter into it, and then for the future prudent investment basis be thoroughly accepted without question. The control over the operating expenses I think depends upon accurate accounting, and vigorous Commission action, and that depends upon the personnel of the Commission obviously. I already stated that I think the Commission can take no direct action on the question of interstate shipments of electricity, and that all they can do is agitate for some Federal action that will be all controlling, or will allow them jointly to be controlled. This would meet the general situation. I have one other suggestion that I think might be of importance. I think you will have some questions sooner or later to face if your controls ever get really effective, as to what incentives are left for extraordinary efficiency on the part of public utilities. These incentives for extraordinary efficiency being new developments for creating savings, and things of that sort. If every person in the utility was promised future rewards, I think, as I already stated, that the form those rewards should take—and I might say that the particular difficulty at the present time, is the incentive for wasteful managed and badly managed companies, is through the holding company setup, but there are some of them there, and they must be recognized, and I think it might be perfectly possible—and I think it might be desirable to set up in a bill sooner or later, certainly if effective control became a reality, some form of bonus, perhaps some authorization on the part of the Public Service Commission administratively to appraise their operating expenses, on a particular type of company, and then to give them permission to distribute at least a percentage of the savings under those operating expenses that were effected by efficiency to the people who had promoted the efficiency. I think it is not a pressing present issue, but I think if your controls become effective, that it might become important, and it might be an item of considering in original legislation.

BY MR. TURNER:

Q. Do you think it could be worked out that you could write down a definite plan of operating cost?

A. It would depend upon the engineering feasibility of such a thing. I am not enough of an engineer, I cannot say that it could be done, I think it might be done. I think if you get a very aggressive commission, if you do anything—and I was very much interested in Father Cox's statement that he really believes, if I am interpreting him correctly, that the most important single item in this control question is an effective commission. I would reiterate my position on that,

I think that an aggressive commission I think that the real capacity of commission action has been greatly exaggerated, and I think that the Commission is a judge to arbitrate disputes between the public on one hand and the operating company or the holding company on the other. I think the Commission is fair as a representative of the public, of the consumers, if you like, chiefly. I think that they are there, as I suggested, because it has been decided that competition won't protect the consumers in this particular industry, and that they must set up a control the competitive system itself won't provide in this particular industry a control suggestedly protected the public interest. When I say an aggressive commission I don't mean to be understood that they should be prosecuting the company, but I am going to take my former position there on that, that they must remember that the last thing in the world that they can afford to do, and the worse service that they could give to the people they are supposed to represent is to run the companies that they are controlling to ground, and so realistically I think that they ought to represent the best interests of the public and to do that aggressively they ought to be scrutinizing every report sent to the Commission and attempt to find out just how well the public interest is being presented in so far as the reports are concerned. I think they ought to dedicate a form of report in a way that will allow them to learn the things that they want to know for the public's protection.

BY MR. EVANS:

Q. In other words you would lay considerable stress on the reports made by the companies annually to the Commission.

A. Very consistently. I think the Commission is a technical staff, in the examinations I have made of the proportions of the staff in public service commissions in various parts of the country, I think they are very grossly inadequate; inadequate in the hiring of the commission's staff, and inadequate in the service of efficient men. I don't mean to intimate that there are not efficient men on the staffs, but if anybody has to be interested I can present a long line of evidence showing a continuance of efficient men from Commissions and Commission staffs over to private employment, private utilities, because they can get more money there.

BY MR. TURNER:

Q. That, of course, is one of the big problems in all of these governmental functions that the Government won't pay them enough money. We have the same thing in the Bank Department, where they pay them picayune salaries in comparison, and when they have a good man they lose them?

A. I thoroughly agree with you that they ought to be competitive in that particular line, or at least more nearly adequate returns are important under present day conditions, in order to get the grade of service that they need.

BY MR. EVANS:

Q. Now, are there any other points, Mr. May, that you think the House Committee should consider in this investigation?

A. I have taken a great deal of time, sir, but I should like to suggest just one more item before closing.

I think that it is worth while for any legislature in any state of the United States, to take into consideration the feasibility of making it easy, making it possible and reasonably easy for municipalities or other government units within the state to go into the utility business themselves. I think that if you have plants run by municipal agencies or other governmental agencies in the country, in operation within certain districts, under given conditions, you could run a great many of those upon that operating basis, and we have some information to act as a guide in the control of private companies. I think it has proven itself, competition on the part of municipal plants and plants owned by governmental agencies in certain parts of the country to be remarkably effective as a supplementary control to Commission control. Several studies have been made and definitely show in certain states that the rates charged by private companies, that are contiguous or in the same district with the municipal plants, let us say in operation actually do charge lower rates to the domestic consumer, particularly those companies which are under Commission control in those states, which are not subject to that particular form of competition. I think making it possible for governmental units, such as I have suggested, to go into business for themselves, making it easy for them, by removing



the restrictions that are placed upon such action, may, in the last analysis prove to be your most effective weapon; if that is held out as an alternative the actual starting of them, the acceptance of some such plan, may prove feasible.

I think Mr. Cooke has told you about the Worcester case, that was instituted in Massachusetts, which was dropped and it is my understanding that it was dropped on account of the definite threat on the part of the Public Service Commission of Massachusetts to recommend municipal competition and to recommend the repeal of certain state bills, that tended to protect the private companies from such definite direct competition on the part of municipalities in case the applied system of fixing rate bases broke down. So I think it would be useful for that purpose. I think that in that event you really run into a situation where the courts of the United States are so short sighted as to systematically upset every attempt to effectively regulate this very important situation, that that is the only alternative you have. Unfortunately, on this particular point, the courts have so committed themselves that there is no question whatsoever toward allowing almost any form of governmental competition with private companies in the public utility field or in any other field. I have handled several cases in this field, the last important one of which I have note is the case that involves the setting up of municipal gasoline distribution stations in Lincoln, Nebraska, to operate at cost in competition with private companies, and the courts have not only validated—you understand that could be very destructive to private business. The courts have said that it was all right, and we have the dicta, such as Chief Justice Taft's dicta that the government may enter into engagements that will help the general public, will pay the cost of the plant, and will help to pay the costs of operation. The Supreme Court, in the Lincoln case, they allowed the Standard Oil lawyers to present their case, and when the district attorney for the city of Lincoln arose, the Justices of the Supreme Court had whispering conference together and then said, "there is no use for you to speak after we have heard the Standard Oil side." I feel very apologetic for having absorbed so much of your time.

THE CHAIRMAN: No apology is necessary.

BY MR. COOKE:

Q. Will you just very briefly, tell us the drift in the price level as between, say, 1920 and the present year?

A. Of course, it depends on what theories of prices you are talking about, but the wholesale prices in 1920 drifted up to an index of 220 upon a 100 base in 1913, and since then they have fallen considerably below 150.

Q. And that is, they have dropped in those ten years from 220 to 150?

A. Yes.

Q. We have had some testimony here right along as to write ups. How soon would you expect, in equity, that there should be write downs? Are not some of them a little over due?

A. They are over due, sir. I think I would stick to my story; I don't believe in write ups. I am not sure that I believe in write downs. There is a lot of justice in it, but I think possibly you would do very much better to attempt a prudent investment.

Q. You and I know that there have been write ups?

A. Yes.

Q. And in view of the fact that we have had a continuous stream of write ups in the past five years, would you agree that write downs were due?

A. Yes, and if I could impose those write downs in a rate going application by going back to prudent investments, I would certainly use the other alternative, and I think you will find in such specific fields, particularly the building trade, more favorable returns to the public.

Q. I have one question more. The annual reports to the Public Service Commission for the year 1930 are due or over due. Would you suggest, in view of the changes in the price level, or would you expect some write downs in those reports?

A. I wouldn't be that optimistic, sir.

Q. But I mean, as an economist, and if you had justified former write ups, you would expect write downs to appear in the reports?

A. Yes, I think I would.

MR. TURNER: That is all right in theory, but it is not human nature.

LOWELL W. MONROE sworn

BY MR. EVANS:

Q. What is your residence, Mr. Monroe?

A. Ellwood City.

Q. You are the borough manager of Ellwood City?

A. Yes sir.

Q. What is the population of the borough?

A. The 1930 gave us 12,322.

Q. What is the approximate area of this borough?

A. Approximately 2 square miles.

Q. What is the assessed value of the real estate for taxation purposes?

A. \$7,730,667.

Q. What is the total bonded indebtedness as of January 1, 1931?

A. \$320,000.

Q. What is the limit of its legal indebtedness counting both its councilmanic and other borrowing authority?

A. That is \$541,146.

Q. What is the tax rate?

A. The tax rate is 15 mills.

Q. How is this divided?

A. For the general fund, 10 mills; for the sinking fund 3.5 mills; and for the hospital 1% approximately.

Q. Does Ellwood City have a municipal electric plant?

A. We have not a generating plant but we have a distributing plant.

Q. When was this municipal plant built?

A. In 1900 there was a generating plant built and put in operation in 1901 which operated until sometime in 1904, when the contract was entered into for the purchase of current from an outside corporation.

Q. The borough at the present time purchases this current from what company?

A. From the Pennsylvania Power Company.

Q. How many kilowatt hours did you pay for in 1930?

A. 3,603,600, at 2300 volts.

Q. At what price did it purchase this current?

A. For the first eleven months, 1½ cents, a flat rate per kilowatt hour.

Q. Was a new contract entered into effective as of the first of December, 1930?

A. Yes sir.

Q. What is the rate under the new contract?

A. It is a bulk rate. The first 5000 is at 3 cents, the next 5000 is at 2½ cents, the next 40,000 is at 2 cents, the next 50,000 is at 1½ cents, and the next 100,000 is at 1½ cents, and all over 200,000 is at 1 cent, bills to be rendered monthly.

Q. What was the amount you actually paid for electric energy in 1930?

A. \$53,041.

Q. What would have been the amount at the new rate?

A. \$49,036.

Q. And what would the average cost per kilowatt hour have been on that basis?

A. 1.3607, approximately 1½ cents.

Q. How many kilowatt hours did the borough sell as metered sales in 1930?

A. 2,749,719.

Q. How much was used for street lighting purposes?

A. 330,165 kilowatts.

Q. How much was used for lighting public buildings?

A. 66,835 kilowatts.

Q. Making a total of how much?

A. 3,146,749, and the balance was taken up by line loss or transformer and traffic light and a few uncollected sales.

Q. And that amounts to what percentage?

A. 12.3%.

Q. What were the 1930 receipts to the borough from the sale of electric energy?

A. \$140,294.93.

Q. What is the rate charged by the borough or what was the rate charged by the borough in 1930?

A. 6 cents per kilowatt, with a discount of 1 cent per kilowatt if paid on or before the discount period ended.

Q. Has the borough council approved the new schedule of rates?

A. They have passed an ordinance on one reading.

Q. What will the new rates be which are proposed to be put into effect?

A. This rate carries, for the first 30 kilowatt consumption 6 cents, the next 70 kilowatts at 5½ cents, the next 300 kilowatts at 5 cents, and all over 500 kilowatts at 4.6 cents; these rates are subject to a discount of 1 cent per kilowatt if paid on or before the end of the discount period.

Q. Are bills rendered on the monthly basis?

A. Yes sir.

Q. Can you give us any analysis of the 1930 meter sales of the borough and the basis of the above schedule of rates?

A. We have had approximately 3000 consumers. Of these 25.7%, there bills will come in that first lot, or their average consumption is never over 30 kilowatt hours per month; the next 61½% bills will come in the second lot between the 30 kilowatts and the 200 kilowatts a month; and 8.4% approximately will come in the third lot, or between 200 and 500 kilowatts, and the balance in the fourth lot or 4.2% represents those people whose consumption is over 500 kilowatts.

Q. What do you estimate would have been the total revenue in 1930 on these rates?

A. \$121,919.67.

Q. That is a reduction of what amount?

A. It is estimated as a reduction of \$18,375.30.

Q. What does the borough have in the way of street lighting?

A. We have a white way, an ornamental lighting system, in our business district, consisting of 200 lamps of 600 candle-power each. The residential district is lighted with street lamps, 250 of them at 250 c. p. each.

Q. What was the amount of current consumed for street lighting?

A. 330,165 kilowatt hours.

Q. How much did the general fund of the borough pay to the electric fund?

A. \$4,952.48.

Q. What rate is that per kilowatt?

A. One and one-half cents per kilowatt hour.

Q. Now, if the Ellwood City plant were privately owned, and basing your estimate on the cost of street lighting in other communities in the neighborhood, what would have been the cost of street lighting in your borough for 1930?

A. It would have been approximately \$20,000 or about \$15,000 more than is now being charged for that service.

Q. Now, what payment, if any, is made to the electric fund by the general fund for current in public buildings?

A. No payment whatever, and that also includes the local city hospital. It does not include the schools.

Q. What would this amount to if the general fund did make a payment to the electric fund?

A. We estimate it at about \$3,000 a year.

Q. What is the fixed capital of the municipal electric light department of the borough?

A. \$202,610.75 is what we carry it at.

BY MR. COOKE:

Q. What was that for?

A. Fixed capital.

BY MR. EVANS:

Q. What was the principal item in that?

A. It includes transmission system, what we call our primary system, distribution, secondary system, the utilization which is the street lighting system, and general fixed capital.

Q. What is the total of the fixed capital in the transmission system and the distribution system, utilization system and the general that you have referred to?

A. \$32,917.21. That is just a little bit out of proportion, that is installed since 1919.

A. \$51,893.23.

Q. You are required to keep your accounts on the same basis as other electric utilities under the Public Service Company Law, are you not?

A. Yes.

Q. And your division of fixed capital prior to 1919 and subsequent—

MR. RHODES: I didn't get what that item represented; is that the transmission system?

MR. EVANS: Yes, transmission system; they don't have any generating.

BY MR. EVANS:

Q. Now, what amount of cash was in the hands of the borough treasurer belonging to the municipal electric department?

A. As of December 31, 1930, \$158,443.01.

BY MR. RHODES:

Q. That is cash on hand?

A. Yes.

Q. What are you going to do with it?

A. Part of that represents deposits for meters, and part of it is what we call electric light cash reserve fund for emergencies. Probably \$100,000 of that is in those funds.

BY MR. TURNER:

Q. What was your net income to the borough during the last year?

MR. EVANS: We are just coming to that, Mr. Turner.

MR. TURNER: Pardon me.

BY MR. EVANS:

Q. I think you said that the gross income from sale of current in 1930 was \$53,041?

A. That is the amount paid for current.

Q. What were the actual receipts from metered sales, that was the figure I meant?

A. \$140,294.93.

Q. Now, turn to your operating account. What were the receipts for meter sales for a private line?

A. \$137,485.85.

Q. What was the amount charged the general fund for ordinary residence street lighting?

A. \$3,440.84.

Q. For the business district lighting?

A. \$2,545.05.

Q. Then what were the receipts for unmetered sales for private lighting?

A. \$120.83.

Q. And were there any discounts?

A. Amounting to \$2,709.09.

Q. And by that you mean where people did not pay their bills during the discount period, and therefore paid the 1 cent kilowatt hour additional?

A. Yes.

Q. There also was a small non operating revenue from the sale to merchandise, and so forth?

A. Yes.

Q. What did that total?

A. Approximately—

Q. Maybe you would rather give us the items

A. Oh, I don't know, I can get it here in just a minute. \$879.39.

Q. That made your total earnings of the municipal department how much?

A. \$147,181.04.

Q. Now, what were your total expenses?

A. \$75,617.83.

Q. How much of that was for electricity purchased?

A. \$54,099.42.

Q. And how much for the operation of the transmission system?

A. \$1,218.82.

Q. And how much for the distribution system?

A. \$3,542.06.

Q. And how much for the utilization system, street lighting?

A. That is \$4,604.42.

Q. What were the commercial expenses?

A. \$3,950.68.

Q. The general administrative expenses?

A. \$7,846.62.

Q. And that includes salaries and so forth does it not?

A. Salaries, trucking, labor.

BY MR. TURNER:

Q. Does that include your salary?

A. Not all of mine is charged against that. They charge one-third of my salary against the electric light plant.

MR. EVANS: Mr. Monroe is the Borough Manager.

BY MR. EVANS:

Q. There also was a small item of non-operating expense.

A. A total of \$355.81.



Q. And that makes up the total expenses of \$75,617.83 that you have already stated.

A. Yes.

BY MR. TURNER:

Q. Where do your employees, linemen, and you inspectors come in.

A. Their salaries are charged against these several items by the day, which ever department they happen to be working in that particular day.

Q. They work both for the borough and the—

A. The electric light employees do not do anything except electric light work.

BY MR. EVANS:

Q. But their salaries are charged against transmission or distribution.

A. Yes.

Q. Depending upon what branch they are working in.

A. Yes.

BY MR. RHODES:

Q. I didn't quite get there the net profit there that you gave.

MR. EVANS: I don't think he has actually stated.

BY MR. EVANS:

Q. You stated that the total earnings for the year 1930 were \$147,181.04.

A. Yes.

Q. And the total expenses for the same year were \$75,617.83.

A. Yes.

Q. That made a profit of how much from the operation?

A. \$71,563.21.

BY MR. TURNER:

Q. On a \$200,000 investment.

A. Yes.

MR. TURNER: I think they ought to be investigated.

MR. EVANS: Their tax is only fifteen mills.

MR. RHODES: That is in addition to the fact that they receive a large amount of current free.

MR. COOKE: And also in view of the fact that the sale price is very low.

THE WITNESS: Yes.

BY MR. RHODES:

Q. I notice that your penalty there is much more than 10% for non-payment of your bills in thirty days.

MR. EVANS: It is a discount in this case.

MR. RHODES: It means the same thing.

THE WITNESS: The same thing.

MR. RHODES: If you don't pay it you are penalized actually more than 10%?

BY MR. EVANS:

Q. What is this period within which payments must be made after bills are presented.

A. Up to and including the tenth of the month; they are given ten days.

BY MR. RICHARDS:

Q. Bills are rendered on the first of the month.

A. Yes.

BY MR. RHODES:

Q. What is the population of your borough?

A. 12,323 as of 1930.

BY MR. COOKE:

Q. Could you easily give me the cost of distribution per kilowatt hour.

A. That is dividing the capital and operating expenses by the number of kilowatt hours sold to domestic and commercial consumers. It cost approximately .9 of one cent per kilowatt hour to distribute.

Q. I have been bawled out for making the statement that a cent and a half was the average in the United States. .9 of a cent per kilowatt hour is your distribution?

(No Answer)

MR. RHODES: I think that one thing that might account for that is they don't have any \$40,000 pension men.

THE CHAIRMAN:

Q. What is the average cost per street light?

A. Per street light?

Q. Yes, for each light?

A. It is approximately—pretty nearly \$11 a year.

Q. A year?

A. A year. That is all that they are paying for it. Now, understand there is no labor charge or maintenance charges in that. It is just the actual cost of the current.

BY MR. EVANS:

Q. What did the borough do with the profit of 71,500 odd dollars from the electric light plant?

A. That is used to finance borough projects.

BY MR. TURNER:

Q. You had to pay for your \$200,000 investment; how did you pay for that?

A. I cannot tell you that. Most of it was paid before 1900.

Q. How much income have you on this plant?

A. Not one cent.

Q. Were they issued by the borough generally?

A. Well, I can't say.

Q. And so, out of this \$75,000 you have to deduct some charge for interest on your sinking fund?

A. There are no bond on this plant.

Q. I understand that, but that would be applicable?

A. Sure.

BY MR. EVANS:

Q. And can you give us an idea of what the actual value of the property or the assessed value is, roughly?

A. Between 25 and 30%, I would say.

BY MR. RHODES:

Q. Is that data in such shape that it could be put in the record?

MR. TURNER: It is all in.

MR. EVANS: Do you mean in the form of an exhibit?

MR. RHODES: I mean in the form in which he has it.

MR. EVANS: Yes, I think we could incorporate it in the form of an exhibit.

BY MR. RHODES:

Q. You said that this money was applied to the borough projects. Do you mean that that reduces the taxes to the people in Ellwood?

A. That is what it means; in other words, any public improvements, this money is applied for that purpose, otherwise, bonds would have to be issued and the interest for those bonds go in the general taxation.

Q. What would that be per mill; do you know?

A. I don't know. It would mean, possibly, about 3 mills per year.

Q. In other words, if you bought your power and light from a private corporation, your taxes in Ellwood City would be three times higher than they are now?

A. That is for street lighting alone. On top of that, you would have to take care of your improvements.

MR. EVANS: It would be quite easy, I think, Mr. Richards, to ascertain what millage it would take to produce 71,000.

MR. RICHARDS: I know something about this case. I merely want to get it in the record, because in my way of thinking this Ellwood City case is the most unusual condition.

BY MR. TURNER:

Q. Of course, you would have to take out your \$75,000 out of your \$75,000 offered as depreciation to take care of your replacements.

A. I would take out 5% a year.

Q. Without counting that in the other figures you gave?

A. No.

BY MR. EVANS:

Q. What is the depreciation?

A. \$11,047.79.

Q. And so that in there would reduce—

A. From 71 to 60.

BY MR. TURNER:

Q. Of course, 15 mills is the limit you could levy, except, of course, you could levy for street lighting, and if you had to issue bonds for public improvements, you could levy a tax to

take care of the sinking fund and the interest and the State tax?

A. I understand we have to go before the courts for special permission over 15, don't we?

Q. No?

A. Don't we?

Q. No?

A. That is something I am glad to know.

(Discussion off the record.)

MR. EVANS: Their actual tax rate for general purposes is 10 mills.

MR. TURNER: Yes; I understand that.

MR. EVANS: That included the sinking fund and the library fund millage also. The Borough of Aspinwall also has a municipal plant; has it not?

MR. HAGMAIER: Yes.

BY MR. EVANS:

Q. Answering Mr. Richards' question as to what millage for tax rate purposes in net profits from the electric plant would be, can you now state that approximately?

A. Approximately 7.7. mills.

Q. And that is after deductions for depreciation, is it not?

A. Yes, sir.

BY MR. TURNER:

Q. But not figuring anything for sinking fund on any bonds that might have been issued in the past?

A. No, sir.

Q. Do you have any power sale in that?

A. No, sir, our contract limits us to 15 kilowatt demands. It would be unprofitable for any large concern to purchase power from us.

BY MR. EVANS:

Q. Your contract provides that you give service to customers of the demand under 15 kilowatts?

A. Yes, sir.

BY MR. COOKE:

Q. Did you say approximately 8 or 9% use more than 200 kilowatts a month?

A. Yes, sir.

Q. What do they do with it?

A. The largest part of that is in stores, what we call our small commercial.

Q. Are your rates supposed to be regulated by the Public Service Commission?

A. I understand not.

Q. Do you have to file a rate schedule?

A. No, sir.

BY MR. TURNER:

Q. Do they use electricity for cooking?

A. Not to a large extent.

BY MR. HAGMAIER:

Q. You have natural gas, have you not?

A. Yes, sir.

FATHER COX: The newspaper people will quote what I say here this morning, and in order that they may quote it correctly, I want to read the statement as I have written it out:

Some facts have been revealed during this investigation that demand in my estimation criminal action against those alleged to be guilty. The Spring Brook Water Company, to be examined further, is a case in point. Official records prove that the Duquesne Light Company of Pittsburgh placed a value on their property for tax purposes of only 49 millions of dollars. For rate purposes the value is placed at \$149,000,000. This case appears to be one of culpable negligence on the part of the Commission. We need more than a ripper bill to oust the Public Service Commissioners and establish a Fair Rate Board. We need action to properly punish these Commissioners and the companies who have plundered the people. In the name of the people I ask for action as well as facts from this Committee. Figure the hundreds of millions stolen from the people through the connivance of the Public Service Commission officials. This should not be permitted to go by unpunished and restoration should be made to the people.

MR. TURNER: I don't think this statement should be put on the record. This Committee has no power to institute any proceedings in the first place.

It don't seem to me that this Committee should sit silent with that statement going to the public. I don't want to be misunderstood in any way and I don't want the impression to get out that because the Committee was silent that that is any indication and should be considered as an assent to the statement by the Committee, because I differ radically with Father Cox in that statement in view of the fact that the testimony is not all in and in view of the fact that the Scranton-Spring Brook case is now in the appellate courts, and it seems to me to determine that fact before we know what the evidence is, would be highly improper in this Committee.

MR. RHODES: This is a fact-finding body, and we are limited naturally by the scope of the resolution establishing this Committee. This is not a Grand Jury.

MR. MOORE: The Chairman understood this as being merely an expression of Father Cox's.

MR. TURNER: I understood Father Cox all right, but I don't want to have any misunderstanding on the attitude of the Committee and especially myself on this subject.

At 12:45 P. M., the hearing took a recess until 2:00 P. M.

Harrisburg, Pa.,

Thursday, April 2, 1931, 2 o'clock P. M.

#### AFTER RECESS

All parties were present as before noted.

E. W. MOREHOUSE sworn

BY MR. EVANS:

Q. Mr. Morehouse, you are a professor at Northwestern University?

A. Yes.

Q. On what subject?

A. Public utility regulation.

Q. And you are also connected with the Journal of Land and Public Utility Economics?

A. Managing editor.

Q. Will you briefly state to the Committee your training and experience in the field of public utility regulation?

A. I began the study of public utility regulation about eight years ago, and I have been teaching it off and on for the past eight years. My graduate work was taken at the University of Wisconsin, and I taught public utility regulation at Wisconsin and at Northwestern University. In addition my research work has been in the field of public utility regulation.

Q. How long have you been managing editor of the Journal of Land and Public Utility Economics?

A. Since it was started in 1925.

Q. You have made a study, Mr. Morehouse, I understand, of the regulation of public utilities in Massachusetts and in many other states?

A. Yes.

Q. Will you state briefly to the Committee the general method of regulation of public utilities in Massachusetts, and what you feel are the merits and defects of the Massachusetts system?

A. I shall be glad to do so. The system of regulation in Massachusetts is made up of three ideas mainly. First, the control of security issues, second, the application of the prudent investment rate basis, and third, the application of a flexible rate of return from stockholders' investments, calculated to attract additional stockholders' capital. If I may take these three matters, distinctive features, in order: The regulation of security issues, goes back a great many years. The development up till 1894 was by way of general statutes covering the following matters: Stock should only be issued for cash or property paid into the company; stock dividends were prohibited; the ratio of bonds to stock was stringently regulated, and for some years between 1871 and 1878, the security issues of stock—the issues of railroad companies were required to be sold at public auction, and from 1873 down to 1894 the stock issues of gas companies were required to be sold at public auction. In 1894 statutes were passed which accomplished two important changes. In the first place the statutes gave to the existing Commissions the power to approve capital expenditures, and the power to approve the issued price of stock. Taking first the power on the part of the Commission to approve the price of stock, the Commissions were required to find the market value of the stock, and the company had to issue at that market value deter-



mined by the Commission, that gave the companies treasuries certain funds. The Commission on the other hand had the power to scrutinize and pass upon the expenditure of those funds for capital purposes. In other words, if the company proposed to issue security issues, issue stock to capitalize operating expenditures, capital expenditures for maintaining the property, the Commission had the power to throw those issues out and not allow the company to issue that stock. That law of 1894 endured until 1909. Criticisms were arising that the law prohibited stockholders from getting any benefit on the value of stockholders rates, because, you see, the requirement that the issues had to be at the market value, meant that the stockholders could not sell any right, or get anything for that, and consequently it was said that stockholders were discouraged in those companies. Also it was said that when the commission fixed the market value of the stock in a securities case, and subsequently in a rate case, the companies were having a strong argument for saying that rates should not be fixed at a level which would deny the stockholders a return on the last issued price fixed by the Commission. Consequently it was felt that the requirements that the commission determine the market value of stock, operated to freeze the existing rates and the existing earnings of the companies at the time the stock price was fixed. As a result of these criticisms, the law slightly changed in 1909, so that the directors of the companies had the power to determine the issue price of stock, in the first instance subject to the commission's power to review that price and to fix a new price. The Commission felt that the directors' price was too. In other words, that gave the companies the power to issue valuable stockholders rights, but gave the Commission power to review and change the value of those rates. That law has been maintained down to the present time. As a result the control of security issues by administrative commissions since 1904 has been in effect. If you take the gas and electric companies at the present time all except about 19% of the funds, coupon notes and stock issues of the gas companies have been issued with the Commission's approval, and all except 5% of the similar securities of electric companies have been issued with the Commission's approval.

As a result, when a rate case is thrown or brought before the Massachusetts Commission, the Commission does not have to make any inventory and appraisal of the assets, because they can take, with reasonable assurance, the amount of stock, with the premium paid in thereon, and the bonds which they have approved as representing the original prudent investment and estimate of the company. For that reason the rate base in Massachusetts is determined by looking at the liability side of the balance sheet, rather than at the assets side of the balance sheet, because the Commission has heretofore determined that those liabilities represented at the time they were incurred the original prudent cost of the assets.

The Commission has been accused of fixing rates on capitalization. It has also been said that the Commission in Massachusetts used the prudent investment. Both statements are in part true, but I would call your attention to the fact that although securities at the time they are issued may represent the original prudent cost of the assets, that does not mean necessarily that at some future time, some subsequent period, the original cost has been maintained unimpaired. In other words, the companies may have slighted depreciation, they may have slighted the maintenance of these assets, with the result that the result that the assets may be impaired, so that in ten years, let us say, after the security issues were approved in a rate case, the Commission may find that these securities do not represent the real worth of the assets at that time, because under maintenance or depreciation.

BY MR. TURNER:

Q. Then, you only get back to the same policy, don't you, on which you are working?

A. How is that?

Q. If you started out with prudent investment the Commission may find that the assets do not represent the value, and then you go back to the reproduction cost proposition?

A. Let me explain what the Commission does to plug the hole, so to speak. In security petitions the Commission is disinclined to authorize stock issues or bond issues in advance of a construction, except under unusual circumstances. Their

reproduction cost of property for construction is not so reliable, and certainly indefinite as the actual cost, after the expenditures have been made. It is a question proving up the costs.

Another safe-guard that the Commission imposes, if in a security case finds that the deficiency appropriations are inadequate to maintain the property, the Commission has taken the position that it will attach a condition to the approval of the stock, that condition specifying that before any dividends may be made, a certain amount shall be set aside for depreciation to make good the impairment of the assets. They may also say that certain abandoned property, that is still on the assets account shall be written off. They may also say that certain security issues, that are then outstanding, shall be retired before the new issues are put out. In that way the Commission has the power to see to it that the original prudent investment is kept unimpaired.

Q. Does that answer your question?

A. Yes; but that is not exactly the problem in my mind. If you find that it does not equal what they consider a fair value, you are going to switch over to a consideration of what is the value, and, therefore, it comes to the reproduction cost new.

MR. EVANS: I think, perhaps, that will be brought out. If we differentiate between what the Commission itself does and how it has stood the test of court decisions. I am not sure whether it will or not.

MR. TURNER: Let us see how it develops.

THE WITNESS: There is a third phase that I would like to mention, and in this respect, the Commission of Massachusetts has departed from other Commissions.

The Commission of Massachusetts has encouraged the reinvestment of earnings in the plant. It does not allow the capitalization of these earnings in the form of stock or bonds. Consequently the amount of reinvested earnings, the reinvested surplus in the plant represented an additional cushion in addition to your depreciation reserve to maintain the original prudent investment in the assets.

And now, it is important to realize how the Commission, had a series of security petitions before it over a period of years, handles the matter of rates in a rate case. Feeling that the prudent capital liabilities represent the prudent investment, this is the way, approximately the Commission proceeds in a rate case: They investigate operating expenses to see whether all the expenses are reasonable. They find out what are the taxes imposed. They find out whether the depreciation appropriations have been excessive or inadequate. They find out what has been the interest on borrowed capital. That leaves the margin, roughly, for dividends and appropriations to surplus. In passing upon the dividend rates, the Commission scrutinizes the past dividend history of the company; what it has done in disposing of its net earnings. If the Commission feels that the dividend rates have been too high, they are inclined to cut down on the earnings permitted the company.

An illustration of that is in the Worcester case, which was mentioned this morning where in the year before the rate case came before the Commission Worcester company paid out forty-six per cent dividends on par which amounted to a yield of about 27% on what the stockholders had paid in in the form of par, plus premiums, having required the issuance of stock at the market value; it may have been above par; the premiums paid in were treated as permanent capital investments and kept in the liabilities as a permanent capital investment rather than allowing it to go in surplus. In other words, the rate case, the Commission fixed the schedule of liabilities outstanding, which it has approved, examines the operating expenses, taxes, depreciation, interest and dividends, and relates those items to the rates which they feel are legitimate. They will allow rates for reasonable operating expenses reasonable appropriations to depreciation, and reasonable interest charges, and reasonable dividends.

Now, here is one place where the Commission has been somewhat embarrassed, owing to the fact that for five years, the Commission was required to fix the market value of stock, and after 1909 frequently had to approve directors' prices, which were above par, and those market prices tend to become bench mark of reasonable dividends, because the companies will say that you should not pare down rates below a point which will enable us to pay reasonable dividends to maintain the last issue of prices which you approved. Is that point



perfectly clear? That is embarrassing to the Commission to a certain extent, because in the security cases they do not have the right of review. An additional embarrassment in controlling rates is in the fact that until 1927 the Massachusetts Commission did not have the power to initiate a rate case on its own motion. That could only be brought by a customer, by the municipality or by the company itself, and the Commission or judicial body to receive reviews upon these complaints. Since 1927 the Massachusetts Commission has had the power to initiate the rate complaint.

BY MR. EVANS:

Q. Does it exercise that power?

A. Yes. In the case of the Boston Edison Company they have. There has been some criticism that the Commission was free to act in that case, and that pressure had been exercised by the municipal officials.

BY MR. TURNER:

Q. Even with that pressure it was left up to the Commission after all?

A. Yes, sir.

Q. Then it all depends on the mental attitude of members of the Commission, just the same proposition you are up against in Pennsylvania today.

BY MR. COOKE:

Q. You don't mean to say the variations would be comparable to what we have?

MR. TURNER: After all, it is up to the opinion of the Commission. They may have rules and regulations with greater latitude.

THE WITNESS: The Commission in Massachusetts has endeavored to keep the capital and liabilities down.

MR. TURNER: That is not so much legislative as administrative.

THE WITNESS: The Commission has taken the view that the problem is economic rather than a legal problem, and it has on several occasions criticized very critically, particularly since the war, the necessity of some of the rates. They look at the liabilities rather than the assets.

BY MR. TURNER:

Q. You say that they look at the liability side more than they do at the asset side of the statement?

A. In rate cases.

Q. Would that not be an incentive, or rather there would be no incentive to buy cheaply?

A. Buy what?

Q. Suppose you buy the plant. You might pick up a plant worth \$100,000 for \$50,000. Your liability side would only show \$50,000. That would be the incentive to buy cheaply?

A. The companies which are consolidated, or I should perhaps say that the laws of Massachusetts ruling the consolidation of gas and electric companies are rather stringent in that only those companies in certain contiguous territory can consolidate. As a result they have taken the position that the stockholders of the operating companies identity has been retained. When the holding companies buy the stock of the operating companies, there comes the rub, because when they buy the stock the Commission does not have control over the purchase price, and consequently you find these holding associations picking up stock of operating companies at fancy figures. The stock of the Worcester Electric Company was acquired at \$226 a share, and that was after competitive bidding. You may ask what is the effect of that. The Commission has taken the view that their job is to control operating rates of the operating companies. They have no jurisdiction over the holding corporation. In other words, there is power to determine how much the holding association shall pay into the operating company's treasury for new stock that is used to refinance capital conditions. However, under the law in the case of gas and electric companies the security issues are under the control of the Commission such as stocks, bonds and notes maturing after three years instead of after twelve months as in most security laws. It has been the policy of the Commission not to permit the raising of funds for capitalization in advance of construction and companies have been forced to borrow from time to time on short time notes. When the holding associations came into the picture borrowing was done from the holding association either on notes or on bond accounts.

That raised the question how much interest was paid on those notes and how much interest was paid on those bond accounts which are subject to the scrutiny of the Commission but not subject to the control of the Commission, and the notes are—you will find that some of them paid 7% and in one case 8% to the holding association and some of them have paid 7½% and there have been borrowings at less interest rates than that. But you see what happens. From the time that the capital expenditures are incurred the holding association having loaned the operating company at 7½% or 8% is getting a return on its capital addition quite outside of the control of the Commission unless the Commission in a rate case determines the amount paid in interest on these short time borrowings is excessive, and under these circumstances they may disallow some of the interest paid on short term borrowings of the holding association. The holding association may have borrowed either from the banks or other parties at a less rate than they charged the operating companies. They may have borrowed from surplus fund or from the funds of the subsidiary and pay that subsidiary only 5% and reload to this subsidiary needing capital funds at 7%, and a margin of 2% goes to the holding association. Some of that is proper for compensation to the holding company for management and direction and for financing they are entitled to receive a profit provided it is not excessive.

Q. Now, Mr. Morehouse, in connection with Mr. Turner's question, suppose an operating company proposed to acquire—

MR. TURNER: Would you pardon me just a minute before this stenographer leaves, I am somewhat concerned about the statement that was made this morning and was issued to the newspapers, to the early afternoon papers, the statement that was later made by me with reference to the statement of Father Cox. I feel that in the first place we ought to ask the stenographer if he won't copy Father Cox's statement and the statement that I made, as well as that of Mr. Rhodes, who also made some statement, and whether we cannot ask the newspapers—I hesitate to say this in one sense, they can exclude my name from it—whether they won't include our statements, so that we will not have a wrong impression any more than is going to be created by the afternoon papers. I think we ought to say to the press, Mr. Chairman, that it is rather unfair for the newspapers to come into a meeting of this kind—

MR. EVANS: Do you want this on the record?

MR. TURNER: I am sorry to clutter up the record, but I think we had better. It is rather unfair to come into a meeting of this kind and take part of a proceeding and utilize that for news, without getting the picture—I see the Chairman smiling, as a newspaperman he possibly entirely agrees with me—but I would appreciate if the Chairman will agree with me in this instance, I would like to ask him to, and ask the stenographers if they won't run that off and ask the gentlemen of the press if they won't handle that statement in a way that will clarify, at least to the public, the situation here.

THE CHAIRMAN: As far as the Chair is concerned the situation seemed perfectly clear this morning. It was an individual statement of Father Cox. Mr. Evans and the Chairman also called attention to the fact that the Committee was a fact finding body, it could not authorize any prosecution. It is possible there is a misunderstanding, and so far as the Chair is concerned, he is perfectly willing that this explanation be made and go on the record.

MR. TURNER: I am not so much afraid of the fact that the public won't realize that we cannot issue prosecutions, but the fact that conclusions are reached from the testimony without all the testimony having been in.

MR. HAGMAIER: That don't change the situation with the press at all; you can give out all the statement you want.

MR. TURNER: I am sorry to have interrupted.

BY MR. EVANS:

Q. Where a utility in Massachusetts is about to issue securities for the acquisition of another plant, does the Commission consider the fairness of the price which the company proposes to pay for the plant, in determining whether or not the securities should be issued?

A. Yes.

Q. In other words then, if the company attempted to acquire a \$50,000 plant for \$100,000, and issue \$100,000 of securities for that purpose, the Massachusetts Commission would—

A. Scrutinize it and correct it.



Q. Yes.

A. If I may restate the advantage of the Massachusetts system, it provides an easy inexpensive method of controlling rates without an elaborate or expensive and time consuming appraisal of assessment. It enables the Commission to relate rates to the earnings necessary to protect additional stockholders' investments, and it gives the Commission the power from time to time to scrutinize the use that the company makes of the funds raised by security issues. Consequently we may say that insofar as the Commission has approved capital liabilities, and insofar as it had insisted that the company maintain a proper depreciation reserve, or a cushion of re-invested earnings, in order to keep unimpaired the original costs of the assets, that the commission is applying the prudent investment rate basis. I might, although I hesitate to take the time, say a few words about what items the Commission has regarded as not capitalizable. Working capital is one, which the Commission has at times refused to allow be raised by utility issues. Funds expended to maintain property may not be represented by capital issues, where the cost of real estate has been inflated, the Commission will cut down that cost in approving the security issue.

BY MR. TURNER:

Q. Why is that? Are they not all part of the operation of the business?

A. Yes, but the Commission takes the view that the company is to be allowed to incur permanently capital obligations only for these reasonable proper expenditures for real earnings having real earning assets. Now if the company comes in and has paid, let us say, \$50,000 for a piece of real estate, and it has declared that real estate, let us say, three or four years ago, and since that time the market value has gone up, the Commission has said we will allow you to issue stock only to the amount of what you paid for the real estate, not on the market value.

Q. I think that is all right. I didn't refer so much to the real estate as to the other statement of working capital.

A. Well, of course, that attitude of the Commission is at variance with the procedure in most states. Of course, a distinction might properly be capital useful for operating purposes and capital useful for constructing purposes. I don't want to give you the impression that in all cases the Commission has refused to allow working capital to be raised by stock issues, but in some cases it has. It exercises a judgment in each particular case as to whether that is the proper method whereby the company shall acquire working capital. In general I think it may be said that the Commission prefers to have working capital set aside by the directors before dividends out of earnings.

BY MR. EVANS:

Q. Mr. Morehouse, in the Worcester case the Commission had, as I remember it, fixed a minimum rate for domestic consumers of 5c a kilowatt hour, has it not?

A. Yes.

Q. And the company then took the case into court.

A. Yes, into the Federal Court.

Q. And was the Commission ever reversed, as a result of the company's action, in taking the case to the Federal Courts?

A. The Commission's rate order fixing the 5c rate was sustained in the Master's Report to the Court. The Commission scrutinized the cost of production in what the Commission calls the Supreme Court ruling, was not the same in the report. The Master said that the Supreme Court ruling was valid in Massachusetts, but you will note that the Master suspended the Commission's rates. Now, that rate applied only to the lighting of customers, and the way the Master got around that difficulty was to apportion the total investment of the company as between light customers and other customers, and in that mysterious process of apportioning the investment he reached the conclusion that the rates fixed by the Commission allowed a fair return even upon the investment determined by the Supreme Court's ruling of cost of production.

Q. And the company did not take an appeal from the Massachusetts Report.

A. The company did not take an appeal. One reason for that was that the company shortly after the case was taken into the Federal Court, was acquired by the New England Power Association, in which New England capital, I under-

stand dominated, and the New England Power Association was reluctant to carry the case further.

Q. Can you outline, briefly, what you feel are the essential provisions for adequate control of securities in a Public Service Company Law?

A. I think, in the first place that the Commission should have the power to determine what amount of securities—by that I mean bonds, coupon, notes, stock issues and all obligations running for more than twelve months—that the Commission should have the power to determine what amount of these securities should be issued. In reaching such determination the Commission, I feel should have the power to scrutinize the proposed or the actual use of those bonds, for acquiring assets, so that the Commission shall have the power to say that this stock issue may not be put out because the proceeds are to be used for purposes which are not properly capitalizable.

I think, to a certain extent, the Commission should have the power to review the prices at which securities should be issued. I realize that in Massachusetts that provision has been under attack, and it has caused some embarrassment to the Commission. On the other hand, when practically all of the stock of most of operating companies is controlled by holding associations it seems to me that that power is a very effective one which possibly can be sustained, in order to see that the operating company does not make undue gains from stock holders' rights. In other words, in order for the Commission to see that the holding company pays into the operating company's treasury the proper amounts for the stock issued by the operating company to the holding company as the chief stockholder.

I think also, that the Commission should have the power to determine the minimum discount at which bonds should be issued, and of course, should have the power to determine the proper rate of amortization of such discount on bonds.

Q. You mean, the maximum discount, do you not?

A. Yes, I said the minimum price of bonds or in other words, the maximum discount at which the bonds may be issued.

Also, I think that the Commission should have the power to proportion the securities of the different classes in order to maintain a safe guard on the credit of the company. In other words, if a company proposed to issue bonds up to 80% of the value of the assets or the cost of the assets, it seems to me that the Commission should have the power to say, you should not issue bonds to that amount, but should, instead, issue stock. In other words, the Commission should have the power to control the distribution of your security issues of different classes in their capital structure?

Q. Is it feasible, in your opinion, to attempt to control securities which have already been issued?

A. I doubt whether that could be done on any general scale, because of the attitude of the courts towards retroactive legislation. In some particular cases the Commission, if it is given adequate powers may be able to attach conditions to the approval of the issues, which would tend to correct in some measure, a condition of over-capitalization or a condition of the impairment of the assets, but I am inclined to doubt whether the Commissions can go very far in correcting the past over-issues of securities.

Q. And now, you spoke of the controlling designed by the Massachusetts Commission over the subject of depreciation. Do you feel that that is a subject over which a Commission should be given control, in order to make regulation effective?

A. Absolutely. In Massachusetts, I have the impression, that the Commission has not been as scrupulous as it should be in scrutinizing appropriations for depreciation. In many cases that is not very serious, because of its attitude towards the capitalization of surplus earnings reinvested in the plant. Nevertheless I think it is important that the Commission should have the power to require the companies to determine the rate of depreciation on their properties, and that rate of depreciation should be certified and approved by the Commission.

I think, also, the Commission should have the power to require the companies to maintain that rate of depreciation, at least before dividends are declared. There may be some cases of weak companies in which the Commission should be given discretion to relax depreciation provisions, and I am told that a bill is to be introduced in the Wisconsin Legislature dealing with this subject of depreciation. That bill will probably re-



quire the companies to determine the rate of depreciation by the different classes of property or for the property as the whole, and the Commission shall have power to certify the reasonableness of that depreciation rate. A duty is imposed upon the companies to set aside each year out of earnings depreciation appropriations in accordance with that certified rate before any dividends may be paid; and, furthermore, charges to that depreciation reserve are only made for property actually retired; the actual consumption of property. In other words, dividends may be paid out of depreciation reserves. That provision is an attempt to maintain the integrity of the reservation of surplus in depreciation reserves.

I think it is important for the Commission also to take the point of view that depreciation is an operating expense which must be met if the customers are to be protected, as well as the investors from an impairment of the assets of the company. Also it is only fair to customers, different classes of customers, in different periods of time, to make sure that the customers in one year pay the full cost of the service including the using up of the property as represented by depreciation appropriations.

Q. Does the Wisconsin proposal contemplate using the original cost of the property or its reproduction cost for the calculation of depreciation?

A. The original cost.

Q. Do you know how that proposes to meet the decision of the United States Supreme Court in Baltimore Street Railway case?

A. So far as I recall the provisions of the bill, that matter is not covered in the bill. I do not know specifically what measures are in the minds of the Commissions or those in charge of the legislation to meet that particular case.

Q. In rate cases the claim is often made by the companies that depreciation reserve should be disregarded, and that what is called observed depreciation considered. What have you to say in regard to that?

A. That situation has become rather important in the New York telephone case. You may recall that in 1926 the Supreme Court of the United States held that depreciation reserves larger than necessary were nevertheless the property of the stockholders and could not be used in a rate case to justify a rate that was confiscatory. The telephone companies in general have used a straight line method of accruing those depreciation charges, meaning by that that a particular unit of property is estimated to have a service life of ten years and at the end of that time they will have to replace it, and the company has therefore set aside one-tenth of that property each year, and this is not taking account of the stock value, but they prepare a fund that will take care of that unit. By using the straight line method, the balance in depreciation reserves it sometimes happens that in some cases the service life of the unit of property is longer than anticipated in the accrued depreciation scheme. As a result at any given time the depreciation reserve which the company has collected from the customers and set aside from the earnings of the company, more than what the engineers think is the condition of the property at the present time. The condition of the property at the present time taken as a whole and operated as a unit, on account of adequate maintenance may well have say 90% of its efficiency when new. That 90% is in fact the measure of the over all efficiency of the plant, and it is sometimes referred to as observed depreciation. The courts have said in the use of cost of reproduction method of getting at the rate prices they should be reduced by the amount as observed depreciation. The consequence being that in some of these telephone company cases the company has set aside for depreciation reserve an amount which under the plans of the reserve is much larger than the amount that they say should be deducted from the cost of reproduction in a rate case. In other words, the depreciation reserve which measured from the accrued depreciation will be higher than the amount of the observed depreciation which the company insists upon as the only proper cost of reproduction; so you have in fact the company collecting from the customers more than they were to deduct from the cost of reproduction on a rate basis. In the New York case, I believe one lower court has held that the Commission should deduct the balance of the depreciation reserve in determining the cost of reproduction rather than merely the observed depreciation.

Q. What have you to say, Mr. Morehouse, in regard to the necessity of control of operating expenses for adequate regulation?

A. I think it is very important. In the system of operation of a great many of these companies where the management and control is involved, the fees paid to the managing company are included in the operating expenses. It was stated this morning that the Commission has hesitated to scrutinize the reasonableness of these management fees.

BY MR. TURNER:

Q. We have had a statement made that they would not allow the management fee in Pennsylvania?

A. In some cases some commissions have scrutinized and reduced these management fees. The Massachusetts committee has criticized these management fees in the past and in Wisconsin they have said that they would throw out the management fee unless the companies submitted an estimate proving the costs of the services rendered and in January of this year the United States Supreme Court handed down a decision in Smith versus the Illinois Bell Telephone Company. For the purpose of this particular point the important wording of the court was this: The lower court was instructed to find the cost of the service by the A. T. & T. Co., that is the parent company, to the Illinois Bell Company, the operating company, and was required to apportion the proportion of the cost of serving that particular company to the Intra-State business. In other words, there were apportionments that AT&T was required to make, one was to find out the total cost of the management advice and services furnished to a single company and the other was to state that total cost to that individual company as between the inter-state and the intra-state business. As I understand it, the A. T. & T. in the present case has taken the view that it could and would have produced the total cost of the management rendered by it to subsidiaries, but it did not know how to apportion the operating costs of the different operating subsidiaries. This decision of the United States Supreme Court in requiring the lower court to make such a finding seems to me rather a departure from the ruling in the Southwestern Bell case.

Q. In the Smith case, did the Commission regulate the matter of these fees, or how did it get into the courts?

A. It got into the courts by argument of counsel for the city.

Q. On an appeal of some sort from the Illinois commission's decision.

A. Yes, sir. As I remember in the case before the Commission, such scrutiny of the management of it was not made by the Commission. Now, in Wisconsin I am informed a bill is likely to be introduced which will utilize that advantage in the point of view of the United States Supreme Court. That bill would provide that the burden of proof is upon the operating company and subject to the regulation of the Commission—subject to the jurisdiction of the Commission—to show not only the amounts paid by the operating company to the management company, but also under the Smith case, what it cost the management company to render this service to that particular operating company. Of course, one is never quite sure how the courts will entertain such a law if a test case is made out of it, but it seems to me that it is an interesting experiment illustrating that the commissions indirectly have a control over that particular item of general expense, greater than they have been supposed to have heretofore.

BY MR. COOKE:

Q. Where is that going to stop. We had here the other day a case of where one of the large operating companies, which for years employed the same architects, had handed out a good deal of work without competition. How far can the Commission go in getting those details of an undertaking without taking away from the operating company the responsibility for management which they have always claimed they required in order to preserve their initiative?

A. Well, this is a very delicate question. As I understand the court's position upon it, the Commission had the authority to scrutinize those expenditures, and if they feel that they are incurred in that phase, through collusion, or fraud, and perhaps in view of the Smith case, if they are considered unreasonable, the Commission may substitute their judgment for that of management. I am not a forecaster, and I could not tell you exactly how far that could be pushed, in view of the legal attitudes, it is, of course, a very delicate question for a commission to substitute its judgment for that of management.



under the circumstances, but as was stated before this morning, where the two parties to the bargain are representing essentially the same interests, the Court has very distinctly said that such transactions may and shall be subject to scrutiny.

Q. It seems to me that that is the ultimate question upon whether regulation can be made to work. The questions such as we have been discussing are very picayune compared with that one. If the Commissions are going to have to go in and run these businesses, you will seemingly take away the management, and the whole thing will fall?

A. Well, that is a very grave danger, and I should think that the Commissions ought to reserve that power for occasions of abuse, for major cases, but nevertheless, I think they should distinctly have the power to make such scrutiny. Now, so far as the management fees for general management services are concerned, the same principle it seems to me should be applied, and there are other kinds of these fees, and mention was made this morning of financing fees, they might also be applied to fees for engineering advice, for construction service, and so on, and purchase of materials.

BY MR. EVANS:

Q. There has been, has there not, in Congress a bill introduced at the suggestion of the Interstate Commerce Commission, providing for Commission control of contracts between carriers and their affiliated companies?

A. I understand there has.

Q. Have you anything to say to the Committee, Mr. Morehouse, on the question of Commission regulation, the costs of regulation, and I mean by that, as to who shall pay the costs in matters of that sort. A rate case I am dealing with primarily.

A. Yes. The suggestion has been made in Wisconsin, which has been implied in part in other states, that the cost of regulating utility companies, should be assessed back upon these companies regulated. In Massachusetts the costs on the gas and electric regulatory work are assessed back upon the gas and electric companies in proportion to their gross revenues. In Wisconsin the proposal has been made that the expenditures of regulation be divided into two classes: one is the general administrative routine expense, which shall be assessed back upon the company regulated, with the exception of railroads, in proportion to their gross operating revenues. However it is supposed that where the Commission on its own motion or on complaints, incurred special expenditures for appraisal for property audits for investigation of a particular company, that the expenditures of that special investigation shall be assessed back upon the particular company which is investigated, and those special expenditures, shall be collected in the same fashion as taxes, except that the Commission is given some distinction—or is to be given some distinction in determining how soon such fees shall be collected. The theory of it is that where a special investigation is made in behalf of the consumers of a particular company that expenditures of that kind are properly chargeable against the consumers for whose benefits the investigation was undertaken. It is pointed out that the expenditures of the companies in rate cases are ordinarily included and allowed in most cases in the operating expenses. I am inclined to think that some attempt may possibly be made with profits by a Commission to require that such expenditures of companies in rates reduction, court costs, and so forth might be so adjusted as to be paid by the stockholders for whose benefit such legislation is undertaken.

BY MR. TURNER:

Q. Whether they win or lose?

A. I was going to say, perhaps it might be desirable to separate out expenses incurred in a losing case and a winning case and assess a differential of expenses in those two classes of cases. In other words, if the company wins, why the stockholders should pay. Do I make my point clear? Now, that is one method which has been proposed and discussed—I would not say proposed in the Wisconsin case, because they have not quite gone that far, but at any rate a separation of special expenditures within the control of the Commission in investigating particular properties has been proposed for assessment back up on the companies regulated.

Q. Has the Indiana Commission taken any steps to assess the cost of rate cases, utility cases, do you know?

A. I am not informed on that point.

BY MR. WALKER:

Q. Do you know anything about the percentage of cases in Pennsylvania where the companies lose?

A. No; I do not.

I meant to say in my previous testimony that where the company loses it's case that the expense of carrying that litigation should be assessed back upon the stockholders.

Q. And where they win, the consumers should pay it; is that right?

A. Understand I am not saying that that particular exposition of that idea has been proposed in Wisconsin. They have merely have gone so far as to say that particular expenditures of a particular company should be assessed back, and that the general routine expenses of the Commission should be assessed back upon the company in proportion to the gross revenue.

BY MR. COOKE:

Q. How frequently has the state of Pennsylvania Commission in that kind of case, put back the costs on these companies; frequently enough to make it a precedent.

(No answer).

BY MR. TURNER:

Q. As I understand it, in Wisconsin do they apportion the costs of the Public Service Commission among the utilities?

A. At the present time the law reads as follows: Whenever the Commission shall find that any rate, toll, charge, schedule or point rate is unjust, unreasonable, insufficient or unjustly discriminatory, or preferential or otherwise unreasonable or unlawful, or a measurement, regulation, practice, act or service complaint, that is unjust, unreasonable, insufficient, preferential, and so forth, or that the service is inadequate, that any service that can reasonably be demanded cannot be obtained, the Commission shall ascertain and by order fix the expense incurred by the Commission upon that investigation and direct such public utility to pay to the state treasury within twenty days after such expenses so incurred. However, only in a few instances, as far as my information goes, has the Commission utilized that existing clause of its statute to assess back such expenditures upon the companies. In general the expenses of the Commission have come out of the general state fund.

BY MR. WALKER:

Q. When the Commission would institute an investigation in a rate case on their own initiative, and the company would establish that its rates were fair, in such a case under your theory, who would pay the costs?

A. Under this theory, as the proposal has been worded, I can't say definitely because I have not seen the final draft of the bill, whether the bill is in this form—under the proposal as worded, whenever the Commission in a proceeding upon its own motion or upon complaint or pursuant to the duty to keep itself informed, shall direct its staff and experts to investigate the case and so forth, the expense of such investigation may reasonably be regarded as a reasonable expenditure in behalf of the service shall be assessed back upon the companies involved. Under that proposal, you see, it makes no distinction between the result of the case. It simply says that when the Commission on its own motion or upon complaint incurs these special expenditures the expenditures may be assessed back upon the companies concerned.

MR. TURNER: I do not think that is fair.

BY MR. EVANS:

Q. There is no provision as I understand that you have read as to whether or not it shall be included as an operating expense?

A. No; not as I have read it.

Q. If it is included as an operating expense of course, then the ultimate cost would be paid by the rate payers, at any rate.

(No answer).

BY MR. COOKE:

Q. Are you familiar with the clause in the New Hampshire act, by which they can go out and employ engineers and other technical assistants in determining action on a certificate of public convenience?

A. I am not familiar with the New Hampshire provision. I know that in Vermont they have retained outside engineers to do that sort of work. I am not certain as to that.

Q. That is, assessed back against the company?

A. Assessed back against the company in New Hampshire.

Q. Is that done anywhere else?

A. Well, the expenditures in Massachusetts for the regulation of gas and electric companies are assumed back on the companies and in some other States also; I think Missouri, Michigan—there may be one or two other cases.

(Discussion off the record)

BY MR. EVANS:

Q. Mr. May this morning spoke of the possible desirability of a recapture provision in a public service company law. Have you anything to say in regard to that?

A. I have some misgivings as to how well a recapture provision may work. For one thing some recapture provisions are set up in such form that they tend to make the rate of return rigid. My feeling is that it is better policy in the long run to attempt to apply the prudent investment rate base, with strict control of depreciation, adequate control of securities issued, and allow a flexible rate of return to take care of changing costs of money or costs of capital, changing price levels and so on. Now, when a recapture provision is so framed that it recaptures all above a certain percentage return upon capital, the tendency is to make that maximum rate of return rigid. I am inclined to think that that is unwise. Where, however, the recapture provision is adjusted to a flexible rate of return, the experience of some of the English provisions of this character is, I think instructive.

In the first place, where you fix the standard, with relation to a standard rate as in the Boston Sliding Scale System, which was tried for a period of years in Massachusetts, which is no longer applicable, the rates you fixed were determined with reference to the cost of service at that time. Now, suppose there is a technical improvement in the industry which would enable a considerable reduction in the cost of service, and there is a tendency to proportion the cost of service downward, but that rate is rigidly fixed, so that unless the rate of dividend is adjusted very carefully the stockholders will get the majority share if not the entire share from any benefits of that technical improvement.

A. It is my feeling that a fair share of the technical improvements should go to the benefit of the stockholders. Another criticism of the English System has been that the stockholders get the benefit of improvement in service resulting in lower costs and lower rates rather than the individuals who are primarily responsible, namely, the management of the company. As a result writers maintain that there should be some provision for compensation of the managers who make possible the limitation in part rather than the stockholders. It is probable that such a scheme could be worked out on a bonus basis.

Q. Is it not true that many of the improvements have been made not by officers of the operating company, but by the research department of the General Electric and other companies which are not a part of the operating company?

A. The operating company in order to take advantage of these improvements have to incur the expenditure of retiring the property before the useful life is used up. It seems to me the companies deserve some credit for taking advantage of the opportunities to make improvements regardless of whether their own research work has made these improvements technically possible. I would agree with the statement made by Mr. May this morning that in fixing your rate the return on the investment rate basis you should be careful to attract additional capital and I think that principle ought to be recognized even to the extent of being generous to these companies. However I would say that that principle should be applied with considerable caution where the Commission in the past has not had adequate control of security issues.

Q. Mr. Morehouse, have you prepared or had prepared a series of four chart illustrative of, and showing the security issues issued by the Massachusetts Commission?

A. I have. I can show the charts to the Committee.

Q. I show you a chart headed number of petitions for issuance of stock of "Massachusetts gas and electric companies for the years 1910-1930" which will be introduced later, if possible, as exhibit number 112.

Would you briefly explain to the Committee?

A. Exhibit number 112 shows the number of petitions for the issuance of stock by Massachusetts gas and electric companies for the years, 1900 to 1930, which appear in each year, shows the total number of petitions for the issuance of stock. These bars are divided in the early years into two parts. The black part shows the number of petitions which were approved by the Commission as submitted to the Commission. The cross hatched part at the top shows the number of petitions in which the amounts were changed by the Commission. Beginning in the year 1915 that section of the bars shows the number of petitions in which both the amount and the price were retained by the Commission and in some of the years since 1920 there is still another section, and some of the bars show the number of petitions in which the price of issue only was changed by the Commission. This chart shows the activity of the company in issuing security bonds, but it does not show the amount approved, but just the number of petitions.

Q. I show you another chart headed: "Stockholders Investments in Massachusetts gas and electric companies presented as approved for the years 1900-1930 as exhibit number 113." Briefly explain that to the Committee.

A. As I understand the procedure, the Massachusetts Commission could control security issues. The Commission has the power to throw out certain parts of the stock petitioned for as representing not properly capitalizable capital expenditures. This chart shows practically for the year 1910 and thereafter the amounts of the stockholders' investments which were approved by the Commission. It is interesting to note that the amounts which were distributed occurred largely in the years 1926, 1927, and 1928.

Q. Here is another chart headed, "Par value of stock of Massachusetts Gas and Electric Companies petitioned and approved by years, 1900 to 1930—and I offer this in evidence as Exhibit No. 114. Will you briefly explain that to the Committee?

Chart, Par value of stock of Massachusetts Gas and Electric Companies petitioned and approved by years 1900 to 1930, produced and marked Exhibit No. 114.

A. In this chart each bar in each year represents the total par value of stock of Massachusetts Gas and Electric Companies which were petitioned and approved. There are five possible divisions for the bars, not all of these divisions occurred in each year. The black portion of each bar shows the par value of issues which were approved if they were petitioned for by the companies. In other words, no change was made by the Commission, either in the amount or in the price of the issue. The shaded portion of each bar shows the par value of issues approved, whose amount was established by Commission order. In other words, that amount of security issues petitioned for which the Commission felt was excessive. The third section found in some bars is the par value of issues whose amount and price both were changed by Commission order, and the dotted section on some bars, particularly the years 1925, 1926, 1927, and 1928, represents the par value of issues, the price of which was revised by Commission order, and the hollow white section of each bar represents the par value of issues which the companies asked for but which the Commission denied.

BY MR. COOKE:

Q. There again, in these same years it shows the Commission was very active in holding down the enthusiasm of the companies for issuing securities?

A. Yes, at a time when the pressure to change from a cost rate basis—an investment cost rate basis to reproduction rate basis was most active.

Chart, par values, premiums of stock issues by Massachusetts Gas and Electric Companies, approved by Commission for years 1900 to 1930, produced and marked Exhibit No. 115.

BY MR. EVANS:

Q. I show you the chart headed par values premiums of stock issues by Massachusetts Gas and Electric Companies approved by Commission for years 1900 to 1930, will you briefly explain that?

A. As I understand the process of administrative control of security issues, the Massachusetts rule was required to be issued at a price of par—excess of the price above par. In other words the premium is treated as a premium on capital investment and is kept as a liability on the balance sheets, instead of being carried to surplus and returned to stockholders. This



charge shows the amount in par value of the stock issued and approved by the Commission and the amount of the premiums approved by the Commission. There were two rather striking years, the years 1912-13 and 15, the amount of the stock issued which represented premiums was larger than any previous years. During the war years the price of the stock sagged and the amount of the premium required by the Commission went down. Beginning 1921, and going to a peak in 1927, and to a certain extent in 1928, the Commission was raising issue prices as stock prices went up. In other words, reducing to a certain extent the values of stockholders rights in order to get the stockholders to contribute to the company's treasury as much as could be obtained without destroying a ready market among the stockholders for additional shares of stock. Perhaps I should add for the record that in the case of all these exhibits the length of the bar for the year 1930 does not represent a full year.

MR. EVANS: Thank you very much, Mr. Morehouse. We appreciate your kindness in coming here and testifying before the Committee.

MR. MOREHOUSE: I hope I did not take too much of the Committee's time.

MR. EVANS: That is all we have this afternoon.

THE CHAIRMAN: This hearing will stand adjourned until Wednesday, April 8, 1931, at 2.00 o'clock P. M.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Wednesday, April 8, 1931, at 2.00 o'clock P. M.

There were present:

Messrs. D. Glenn Moore, Chairman

Bart Richards

Chester H. Rhodes

Martin Memolo

Harry J. Crawford

Ellwood J. Turner

Louis W. Hagmaier

Morris L. Cooke

James R. Cox

Harold Evans, Esq.

John M. Walker, Esq.

MR. EVANS: If the Committee please, I would like to call attention to the fact that certain of the data requested from the Commission on March 4th has not yet been furnished, and we are anxious to get it at an early date. This data consists of Item No. 10 in the letter, which was a list of certificates of public convenience which had been issued upon condition that they would terminate upon the extension of some other certificate holder's service to the territory.

Item 12, a list of cases decided contrary to the recommendations of the sitting Commissioner.

Item 13, the same information with regard to recommendations of Commissioner Benn.

Item 14, all cases where management fees have been included in the operating expenses of companies in rate cases.

The last is perhaps the most important for our immediate purposes, and I hope the Committee may use its good offices in getting this information as soon as possible.

MR. COOKE: Wouldn't it be a good idea, Mr. Chairman, to find out the approximate date on which it will be available.

THE CHAIRMAN: If you will have a letter prepared requesting that date, I will sign it.

MR. COOKE: And asking the date on which they will be sent, Mr. Evans.

M. CLYDE SHEAFFER recalled

BY MR. EVANS:

Q. Mr. Sheaffer, you have been subpoenaed to produce certain capital stock reports of the Mt. Pleasant and Citizens Water Company. Have you those reports with you?

A. For the year 1929 there are two reports for the Mt. Pleasant Water Company, on account of the consolidation with the Citizens Water Company, and a report for the Citizens Water Company for the full year.

MR. EVANS: I offer in evidence the copy of the capital stock report of the Mt. Pleasant Water Company for the year 1929 up to July 19th, as Exhibit No. 116.

The report of the Mt. Pleasant Water Company for the year 1929, to November 30th, I offer as Exhibit No. 117.

The 1929 capital stock report of the Citizens Water Company of Scottdale, as Exhibit No. 118.

BY MR. EVANS:

Q. Mr. Sheaffer, will you explain why the Mt. Pleasant Water Company filed a report as of July 19, 1929?

A. The Revenue Department was notified that the Mt. Pleasant Water Company would sell its property to the Citizens Water Company as of that date. An examination of our records in the Department of Revenue show that apparently they held the election for the sale of the Mt. Pleasant property on July 19th which accounts for the report being filed up to the date they intended to make the proposed transfer. The treasurers return was not filed with the Secretary of the Commonwealth until the beginning of December; therefore it was necessary for the corporation to file an additional tax report covering the period ending November 30, the approximate date that the transfer took place.

J. HASE MOWERY sworn

BY MR. EVANS:

Q. Mr. Mowery, you are manager of utilities of the Borough of Chambersburg, are you not?

A. Yes.

Q. How long have you held that position?

A. About 20 years.

Q. The borough of Chambersburg operates its own electric light plant and water plant, does it not?

A. And sanitary sewage system.

Q. What is the population of the borough?

A. About 14,000 in the 1930 census.

Q. And what is the approximate area?

A. Between three and four square miles.

Q. What is the approximate assessed value for tax purposes?

A. The real estate is \$7,600,000; the occupations are \$350,000. Making a total of \$7,950,000.

Q. What is the tax rate in the borough?

A. For borough purposes it is 6 mills, and for bond tax it is 4 mills. That is a total of 10 mills.

Q. What is the total amount produced by taxation for the revenue of the borough in 1930?

A. \$44,082.

Q. What was the total budget of the borough for 1930?

A. \$306,813.

Q. How was the difference between the \$44,000 and the \$306,000 of the budget produced?

A. The difference was largely made up from the profits from the operation of the utilities mainly water and light.

Q. What were the profits of the electric light plant for the year 1930?

A. Including the credit account for light and power service furnished to the different departments of the borough, for which we get no actual cash, it was \$144,101.

Q. And in arriving at this figure, did you include the operating expenses, interest and depreciation?

A. Yes sir.

Q. How much was invested in the electric light plant as of January 1, 1930?

A. \$635,000.

Q. And how much had been invested during the year?

A. We had put in capital account during the year \$65,357.

Q. Now what was the total receipts of the lighting department from all sources for the year 1930?

A. \$260,393.

Q. And of this, how much represented cash receipts and how much represented the value of free service from power, city light, and so forth?

A. From all sources we received \$223,756, and credited the account for free light and power furnished other departments \$36,637.

Q. What were the total operating expenses for the year 1930?

A. \$74,728.

Q. How much was charged off for depreciation during the year?

A. \$20,260.

Q. And how much did you include in your statement as interest on your investment?

A. \$58,391.

Q. At what rate did you figure that?

A. At 6%.

Q. What were your total charges and expenditures including interest, depreciation and operating expenses?

A. I believe, Mr. Evans, I have made a misstatement. You asked me for interest during 1930. I gave you \$58,391. That is wrong; that should be \$38,130.

Q. To that the total for interest and depreciation is—

A. \$58,391.

Q. Now what is the total then of the operating expenses interest charged and depreciation for the year?

A. \$133,119.

Q. And deducting that from your total revenue of \$260,393, it gives you a net operating revenue of how much?

A. \$127,274.

Q. What did you do with that net operating revenue?

A. We laid aside a certain amount in a sinking fund and the balance was turned into the common treasury for carrying on the borough project.

Q. Can you tell the Committee how much was in the sinking fund?

A. \$24,000.

Q. What is the total bonded indebtedness of the borough?

A. 200,400.

Q. And how much of this is chargeable against the electric light plant?

A. About \$5,000. There was an issue in 1930 of \$15,000 for the Water and Light Departments, \$10,000 of which was spent on the water and the balance went into the light. It is about \$5,000.

Q. So that the borough owns the electric lighting plant almost free of debt?

A. That is right.

Q. Have you prepared a statement showing the cost per kilowatt hour to the borough of Chambersburg for generating electricity?

A. I have; yes sir.

Q. I show you a sheet headed "1930, cost per KWH to generate KW," and ask you whether that is the paper to which you refer?

A. That is it; yes sir.

MR. EVANS: I offer this in evidence as exhibit number 119. (Paper in question so marked).

BY MR. EVANS:

Q. Now, Mr. Mowery, without going into all the details of this exhibit, which I think is self explanatory, as I understand, you have divided your generating expenses into what we called fixed charge and variable charges?

A. That is right.

Q. What do you include as fixed charges?

A. I include all of those charges which do not vary with the use of the commodity, such as half of my salary as applied to the light department, office supplies, printing, postage, siding rental, labor, maintenance and repair of boilers, condensers, generators, turbines, fire and accident liability, interest on investment, and depreciation.

Q. And what do you include as your variable charges?

A. I include in those charges, the costs which vary with the use of the commodity; fuel, and freight on fuel, and water.

Q. For the year 1930 your total fixed charges for generation were \$52,453, omitting the cents.

A. That is right.

Q. And your variable charges were \$31,472.

A. That is right.

Q. How much was your total cost per kilowatt hour delivered at the bus bars, of the generating station?

A. 1.25 cents.

Q. Per kilowatt hour?

A. Yes sir.

Q. Do you generate all of your own energy?

A. Yes sir; we generate everything.

Q. What is the capacity of your generating station?

A. Three thousand kilowatts.

Q. And what improvements, if any, are you contemplating in the generating station during the current year?

A. We are engaged in installing fuel pulverizing and burning equipment.

Q. And what will be the cost of this improvement?

A. Approximately \$80,000.

Q. How do you expect to pay for this improvement?

A. It will be paid for out of this accumulation in the sinking fund, to be set aside annually.

Q. In other words, you use your sinking fund for extensions and improvements?

A. That is right.

BY MR. COOKE:

Q. Before you decided to make this extension to your plant, were you solicited by any private company to buy this added equipment?

A. No; not at this particular time, but we have been frequently.

Q. When was the last time; how long ago?

A. About a year ago.

Q. About a year ago. What was the price they quoted?

A. I don't believe I can tell you that. It was considerably higher than we could make it ourselves.

Q. You made money by making it yourselves?

A. Yes, sir.

Q. Was it higher than two mills?

A. Oh, it was much higher than two mills.

Q. I mean, two cents.

A. With the demand charge, I think it was somewhere in the neighborhood of two or two and a quarter.

Q. You can make it yourselves for two or two and a quarter?

A. Yes; at the bus bars.

Q. What is the added expenses—what added expense would there be over and above that?

A. Well, we still have to transmit it.

Q. About how far?

A. Approximately a mile—that would be a half a mile; a circle of the radius of a half mile.

Q. What do you figure are the expenses that transmit it?

MR. EVANS: We have an exhibit on this matter. I think that will come out in a moment.

BY MR. EVANS:

Q. The next question I was going to ask you was whether you had prepared a statement showing the cost per kilowatt of the Chambersburg plant to distribute this electricity energy?

A. Yes; I have.

Q. I show you an exhibit headed "1930 cost per KWH to distribute" and ask you if that is the paper to which you refer?

A. That is it; yes sir.

MR. EVANS: I offer this as Exhibit Number 120.

(So marked)

BY MR. EVANS:

Q. Just to make the record complete, what do you mean by the bus bars of a generating station?

A. The bus bars are that portion of the electrical equipment to which the current from the generator is delivered and to which the outgoing lines are tapped to distribute.

Q. According to this Exhibit Number 120, what is your total distribution cost?

A. \$45,440.

Q. What does that amount to per kilowatt hour?

A. .79 of a cent.

Q. In figuring these on a kilowatt hour basis, you have used the number of kilowatt hours sold, and not the number of kilowatt hours generated, have you not?

A. Yes; the total number of kilowatt hours sold we have used.

Q. What then, are your total costs for generating and distributing per kilowatt hour sold to customers?

A. 2.04 cents.

BY MR. COOKE:

Q. Should not the word in the middle of the sheet be "distribute," rather than "transmit"?

A. Yes, sir; that is right. We have no transmission.

BY MR. EVANS:

Q. What do the profits of the electric plant for the year 1930 amount to when expressed on a millage basis; in other words what millage would be required in order to produce the same amount of revenue by way of taxation?

A. On an assessment of \$7,000.00 roughly, it would be in the neighborhood of twenty mills.



Q. Can you tell the Committee approximately the number of kilowatt hours used during 1930 for public purposes, for which no cash revenue was received by the plant?

A. 558,050 kilowatt hours.

Q. And what is the total number of kilowatt hours sold to customers?

A. 5,159,465.

Q. What was the cash balance in the treasury of the borough as of January 1, 1930?

A. \$56,924.

Q. What change, if any, is in contemplation in the rates charged for electricity?

A. I have already been authorized to make a flat reduction of ten per cent. throughout all the rate structures in the borough.

Q. What are the present rates?

A. Our maximum lighting rate is 8 cents, less 10%, which would be 7.2 cents net. Our minimum is 3.6 net for lighting.

Q. What is your average rate per kilowatt hour sold, if you have got that?

A. For lighting, including our minimum charges—we have quite a number of small residences that for three months or four months in the year will only burn one or two kilowatts—our minimum happens to be 75 cents a month, but including those minimum charges, the average for lighting charges was 5 cents per kilowatt hour.

Q. What are your power rates?

A. On the same basis, the power was 3 cents, including in every case minimum and demand charges.

Q. I expect you have different power schedules, have you not?

A. We have a secondary power schedule, which starts in at the basis of 5 cents less 10%, 4½ cents net, and it goes down to 1.9 cents gross less 10%. Then we have a primary light and power schedule which provides for light and power, where the consumer furnishes his own transformers, and we meter on the primary side of his bank of transformers, which starts in at 1½ cents per kilowatt; the next block of 100,000, 1¼; the next block at 1¼; and all in excess of that, 1 cent in addition to a demand charge of \$1.50 for the first 200 kilowatts of minimum demand, is measured by the demand meter, and credit of 80% power factor, and all in excess of 200 kilowatts is a dollar.

MR. EVANS: Mr. Mowrey has a chance to catch a train in about three quarters of an hour, and I want to ask him some questions in regard to the water plant. I do not, however, want to turn from the electric light situation until the Committee have asked all the information they desire.

BY MR. COOKE:

Q. These estimates you have given us are quite comparable to those of a private concern, except that you have omitted the profit item, is that right?

A. Yes, that's right.

BY MR. EVANS:

Q. You are required, are you not, by the Public Service Commission, to keep your books on the same—to use the uniform system of accounts?

A. Yes.

BY MR. COX:

Q. The people are well satisfied with your service?

A. You wouldn't think so to hear them talk sometimes.

Q. Do you have as many complaints. You don't have complaints about rates, do you?

A. We don't have any serious complaints, but it is apparently human nature to complain about anything, and we have, of course—they never become violent, we help ourselves.

BY THE CHAIRMAN:

Q. In the exhibit that was presented, there is just one half of your salary charged to light account?

A. No; there is more than that. I get about \$5,000 a year, and there is \$2,712 of my salary charged up to the light department, and on that exhibit you will find that half of that is divided between distribution and production.

BY MR. COOKE:

Q. May I repeat that question now? You have this total of 2 cents and 4 mills per kilowatt hour. Now, if you added

onto that a profit item, if you were operating on a private basis, that would represent a fair price?

A. Yes, that's right.

BY MR. EVANS:

Q. Mr. Mowrey, have you got a statement of the profits of the lighting plant for the last ten years, say?

A. Yes, I have.

Q. What were they, beginning with 1920, and just give them to the Committee from then on, if you will?

A. Profit in 1920 was \$55,316.

1921 was \$59,871.

1922 was \$57,119.

1923 was \$68,734.

1924 was \$97,087.

1925 was \$105,214.

1926 was \$121,910.

1927 was \$119,536.

1928 was \$125,895.

1929 was 139,025.

Q. Have you got what the total profits running back to the year 1911 have been?

A. Yes, that was \$1,155,249.

MR. HAGMAIER: When you say profits, Mr. Evans, have they charged against that the depreciation, interest and sinking fund?

BY MR. EVANS:

Q. Is that after the deduction of depreciation and sinking fund charges?

A. No, that is not. There is no interest or depreciation taken from that.

Q. So that that is not comparable that you gave for 1930?

A. No, not at all.

Q. Now, does that include the amount of revenue for energy sold, or does it also include the credit for revenue furnished to the borough and public agencies free of charge?

A. This last statement does not include any monies that might have been received or credits coming to the department for furnishing of current or service to the departments.

Q. And during the same period, since 1911, what would be the approximate total of those credits, if you have it?

A. That is \$544,989.

Q. Mr. Mowrey, if you capitalize it, the profit for the year 1930 on a 7% basis, what would that make the value of the plant on that basis, if you have that figure?

A. About \$2,000,000.

Q. Turning to the water department, you also are in charge of that?

A. Yes.

Q. Can you tell the Committee how long the borough of Chambersburg has owned its own water department?

A. 1876 they started.

Q. What is the capital investment in its water plant?

A. \$567,774 as of January 1, 1931.

Q. Where does its water supply principally come from?

A. It comes from the Michau State Forestry Reservation, in the South Mountains, about 11 miles east of Chambersburg, from a stream called Birch Run.

Q. Is it a gravity system or is it pump?

A. Entirely gravity.

Q. What were the operating expenses of the water plant during the year 1930?

A. \$12,175.

Q. And what were the revenues for the same period?

A. The revenue was \$58,465.

Q. Giving a net operating revenue of how much?

A. \$46,290.

Q. Is that after the deduction of depreciation and sinking fund charges?

A. No, there is no depreciation in that at all.

Q. Do you set aside any of the revenue for depreciation?

A. We do not.

Q. Did the borough have a reasonably adequate water supply during the recent drought?

A. Yes, we had a very reliable supply. It comes from a very heavily wooded forestry reservation on which there are no habitations at all and a single public road going up through it. There is a very heavy leaf mulch on it which has a great tendency to conserve the water and we suffered very little if at all. We had to restrict the use of water for railroad work

and actual wastage was eliminated during November and December, but we really didn't suffer at all.

Q. Was that true of the neighborhood around Chambersburg in general?

A. No it was not. Shippensburg, eleven miles north of us had quite a time of it. Waynesboro had quite a lot of trouble. Gettysburg had a very serious condition and so did Hanover have a very serious condition.

Q. What improvement, if any, does the borough contemplate in the municipal water plant?

A. They have under contemplation now the construction of a retaining dam across the entire valley through which the roadway runs, which will impound about 100 million gallons of water and will cost between \$250,000 and \$275,000.

Q. Will the funds for this be raised by a bond issue?

A. Bond issue.

Q. At the present time, is there any of the borough's bonded indebtedness chargeable against the water plant?

A. Yes, about \$80,000.

Q. What rate does the borough charge for water; first, to domestic consumers?

A. We have a minimum charge of \$1.50 a quarter and their commodity rate is one dollar a thousand cubic feet, which would be approximately 12 cents or 12½ cents a thousand gallons.

Q. And in the figures you have given us, is any credit taken for the fire service furnished to the borough?

A. Yes, for fire service and water to other departments for flushing and cleaning the streets, amounting to approximately \$13,500.

Q. Can you give us what this credit is for fire service?

A. That is at the rate of \$15 a fire plug per year.

Q. How many fire plugs are here in the borough?

A. 205 fire plugs in the town.

Q. Is the charge of \$1.50 a quarter to domestic consumers a service charge or a minimum charge?

A. It is a minimum charge.

Q. How much consumption does that cover?

A. That will allow them 1250 cubic feet per quarter.

BY FATHER COX:

Q. Is there not a great difference in the charges at Chambersburg, which is only \$15 per fire plug, and some of the other reports we read where it was as high as \$85? How can they do it so reasonable? There must be few fires in Chambersburg?

BY MR. EVANS:

Q. How do you fix the charge, Mr. Mowrey? For fire service to the borough?

A. That is just an arbitrary charge that has been in effect up there ever since they have had the Department. It really does not serve any purpose.

BY MR. COOKE:

Q. Would that charge be a carrying charge—

A. I should not think so. Fire service is the most expensive service that the water companies or municipalities can get into account of the tremendous flow they must have in short periods of time involving large mains.

BY MR. HAGMAIER:

Q. Do you think where the plug and all is furnished that \$50 of a charge is too large?

A. Well, I really would not like to attempt to answer that question. It is a matter of the amount of equipment you have tied up to furnish that plug with water when it has to be furnished and the fixed charges on it and the water that is used. In some cases \$50 might cover it, and in some cases it might not.

Q. They require considerable attention in order to keep them from freezing?

A. No, none at all. If a fire plug is set properly, I cannot conceive of it freezing in this particular latitude. Frosts do not go down with us—it is an exceptional frost that goes down three feet, and most plugs are set 4½ feet. We don't do anything with them except to see that they drain out at the barrel after they are used in the winter time.

BY MR. EVANS:

Q. What are the rates charged for industrial water supply?

A. Manufacturing rates start in at—the consumption runs

from zero to 20,000 cubic feet a month—at 80 cents a thousand cubic feet, and go down to 600,000 cubic feet a month or over, at 30 cents a thousand cubic feet.

Q. We have had all our rates quoted on the basis of gallons; can you tell me approximately what the relation between the cubic feet and the gallon is?

A. It would be—there would be 7½ gallons in a cubic foot, so that would make these start in at about 10 cents for the first thirty thousand and about 3 cents on the 600,000 basis.

MR. EVANS: Were there any questions that the members of the Committee would like to ask Mr. Mowrey in regard to the Chambersburg situation?

FATHER COX: It ought to serve as an example to these other people. I think it ought to be brought out, very definitely just what they are able to do with these water works that are owned by municipalities; a horrible example and a good example.

MR. EVANS: Thanks very much. I think that is about all we can bother you with now. We appreciate very much your coming down.

THE WITNESS: I am very glad to be here.

#### IN RE BOROUGH OF MIDDLETOWN

H. V. McNAIR recalled

BY MR. EVANS:

Q. What position do you hold in the borough of Middletown?

A. Burgess.

Q. Does the borough of Middletown own its own electrical plant?

A. Distribution plant only; not generating.

Q. From whom do you purchase your energy?

A. Under a contract originally with the York Haven Power Company; later transferred to the Metropolitan Edison, and now it is owned by the Associated Gas and Electric, I believe.

Q. What rate do you pay?

A. One cent per kilowatt hour.

Q. What is the population of the borough of Middletown?

A. Sixty-five hundred.

Q. And approximately what area does it cover?

A. A mile square; about three square miles.

Q. Can you give us, approximately the assessed value of its property for tax purposes?

A. About two and one-quarter million.

Q. What is the tax rate?

A. Our borough tax is six mills.

Q. Is there, in addition to that, a sinking fund tax?

A. There is no borough indebtedness whatever. We have no bonds or sinking fund to take care of.

Q. The borough is entirely free of debt?

A. Entirely.

Q. Approximately, what is your investment in your electrical distribution system?

A. The auditor's report for 1930 shows an investment of \$135,000.

Q. And how many consumers do you have?

A. We have slightly over 1600 consumers. If you want the exact figures, I have them here, if you prefer them.

Q. I think if you can give us the exact figures it will help.

A. The exact number is one thousand six hundred and twenty-six.

Q. What are your rates for domestic lighting?

A. For domestic lighting the maximum rate is eight cents, with a reduction of twenty per cent, which makes it 6.4 cents maximum.

Q. To whom is the twenty per cent. discount payable?

A. To the borough of Middletown, electric light department. That is not a penalty. That is a deduction from the eight cents. We don't charge a penalty. We give a discount within a twenty-day period.

Q. Do you also have a resident power rate?

A. We have a resident power rate, which starts at nine cents per kilowatt hour.

Q. And goes down to what?

A. It goes down to 1.2 cents.

Q. What does your residence, lighting rate go down to?

A. It goes down to two cents. That includes residence and commercial lighting. We have only two classes; one for light and one for power.

Q. Does this ordinance give it (indicating)?



A. Yes; that ordinance gives it. That includes everything.  
Q. What were your total operating expenses for the year 1930?

A. \$34,475.52. That was for 1929; for 1930 they were \$31,280.20.

Q. And how many kilowatt hours did you sell during those years?

A. We don't keep a separate record of the entire amount sold. We light the streets, and the three fire houses, and the borough chambers, and we don't check. We can figure up our totals, and we did that several years ago, for a check on what we were selling and what we were giving free, but we don't have those figures for 1930—

Q. I see.

A. Due to the fact that these rates were slightly different when our check was given. I didn't think you wanted these figures, because they wouldn't be exact as compared with these rates.

BY MR. EVANS:

Q. Well, cannot you give us the total kilowatt hours billed to customers who paid for the service?

A. No, we don't have those totals for last year. We don't have any accountant or engineer, it is just run by laymen, and we don't go into details on our accounting.

Q. And these operating expenses that you have given us, do you include depreciation?

A. We include depreciation in this sense, that included in those figures is the maintenance to par of the system, so that our system is maintained at par all the time. We are always repairing and bringing it up to the same standard, and those expenses for maintenance to this standard are included within that expenditure. We make no charge for depreciation, because there is no actual depreciation.

Q. How do you charge extensions and betterments to the system?

A. It is all included in this expenditure.

Q. You cannot though, I take it, give us the cost comparable to those that Mr. Mowrey gave us for distribution?

A. We couldn't give you any figures, any percentages, no. We can just give you the actual figures which it costs us.

Q. But not a kilowatt basis?

A. Not on a kilowatt hour basis.

Q. What was the profit from the operation of the electric light plant during the year 1929 and 1930?

A. In 1929 the net profit was \$26,423.08. In 1930 the net profit was \$25,054.36.

BY MR. RHODES:

Q. Was that before or after depreciation?

A. That was after everything had been deducted, including \$3,000 for sinking fund for any abnormal stress on the lines or replacement of transformers. That is absolutely net profit.

BY MR. EVANS:

Q. What did you say the investment in the system amounted to?

A. Our auditor's report shows \$135,000.

BY MR. COOKE:

Q. You have got in your operating expense there the item for current?

A. Yes, that is included also.

Q. Do you know that total generated for the year?

A. We buy it already generated.

Q. I mean, do you know the total that you buy?

A. It will show from this figure which we show under our expenditures for the year 1930, expenditures for current, \$17,654.

Q. If you subtract 17 from 34, and divide by the kilowatts you bought, it will give you your distribution expense per kilowatt hour, won't it?

MR. EVANS: Per kilowatt hour purchased, rather than per kilowatt hour sold.

MR. COOKE: Yes, that would be an interesting figure to have; if you can give it to us.

THE WITNESS: I will supply the report for the year; we don't have any engineer or accountant there.

BY MR. COOKE:

Q. But if you take your 17,000 off the 32 or 34, and divide it by the kilowatt hours, you get the average cost for distribution?

A. This figure paid for current will show you the number of kilowatt hours bought, because it is merely a matter of dividing your cent per kilowatt hour to that figure. In other words, there would be 1,765,400 kilowatt hours purchased and extended.

Q. Both Elwood City and Chambersburg testified that the cost of distribution per kilowatt hour was less than a cent. This afternoon Chambersburg testified .79. It would be interesting if we could have Middletown's testimony of what it does cost to distribute per kilowatt hour?

A. I would be unable to give you that immediately, because there were all the other factors included in the total expenses.

BY FATHER COX:

Q. How does it come that you are able to get along without an engineer and accountant, when they are so important to these other companies?

A. Every year our treasurer shows a profit after all expenses are deducted, of \$25,000, so we are fairly well satisfied with that.

BY MR. EVANS:

Q. The figure that you gave of \$17,763, was it, that you paid for current?

A. \$17,634.

Q. Is that for the year 1929 or 1930?

A. That is for 1930.

Q. So if you deduct that figure from the \$31,980, which were your total operating expenses, you will get approximately your distribution expenses, will you not, for the year 1930?

A. I believe that you will, yes.

Q. If my arithmetic is correct, that is approximately \$14,326 distribution expenses, and the kilowatt hours purchased amount to 1,765,400?

A. That is correct.

MR. COOKE: Will you make the division?

MR. EVANS: Well, I can only say that it is evident it is considerably under a cent.

MR. COOKE: I think we ought to get that in the testimony. This is a nation-wide question.

THE WITNESS: I will testify up to that point, and take your division for the rest of it. Due to fact that this is operated by laymen, you might say, down there, we keep our bookkeeping very simple, because we don't want to make any mistakes.

BY MR. COOKE:

Q. You have no non-revenue current; that is, you would charge the different departments—you don't use current for city manufacturing?

A. The only free current that we do not charge for is our street lighting, our three fire engine houses; or if we have any carnivals, or anything of that nature, for the community, we don't make any charge for that.

Q. You could charge for it if you had a system of bookkeeping?

A. We very readily could charge off a large amount for that, but we have a very extensive street lighting system, the streets are very well lighted.

BY MR. RICHARDS:

Q. What size lamps do you use in your street lighting?

A. I think we use 400.

Q. That compares with the average street lighting system, does it? I just want to get a picture of yours compared with the other cities?

A. Our lights, I think, are considerably larger than necessary. We don't spare much expense, because we make a large profit, and we try to put it back into the community.

Q. 40 watts is not a large lamp for street lighting?

A. Well, they are very closely spaced. You couldn't figure that, because on some of those streets we have light standards, they are staggered at close intervals, so that the streets are well lighted. I couldn't give you the exact size of the lamps, the overhead lamps and the standards, because I am not exactly familiar with the size they use.

BY MR. EVANS:

Q. Mr. Walker and I independently have made the division and arrived at the conclusion that the approximate cost of

distribution is 8 mills per kilowatt hour purchased. When you have that checked, and if it is not correct, advise us later?

A. You have arrived at that by deducting 17,654 from the 31,000?

Q. From the 31,980, yes.

A. And divided into that the number of kilowatt hours?

Q. Does the Borough of Middletown also own its water system?

A. It does not.

Q. What company serves the borough?

A. Middletown and Royalton Water Company.

BY MR. COOKE:

Q. We know the quantity of current they buy?

BY MR. EVANS:

A. That is on the record.

THE WITNESS: I can leave copies of the auditor's report for you; all the facts are there if the percentages are not.

BY MR. COOKE:

Q. Has there been any special change in the price paid for current in recent years?

A. Our price was fixed 25 years ago by contract with the York Haven Company, and that contract is to be continued indefinitely on the part of the York Haven Company, but Middletown has the right to cancel at any time on six months notice, but we do not expect to give that notice very soon.

BY MR. EVANS:

Q. Mr. McNair, you also are the solicitor for the borough of Royalton?

A. I am.

Q. Does it also have its electric distribution plant?

A. It does.

Q. What is the population of the Borough of Royalton?

A. Approximately 1100.

Q. What is its area?

A. Its area is about a square mile. The houses are more widely separated than in Middletown.

Q. From whom does it purchase its current?

A. From the same company, the Metropolitan Edison, now the Associated Gas and Electric.

Q. What does it pay for energy?

A. It pays 2¼ cents per kilowatt hour.

Q. When was that contract made?

A. That contract was made within the last ten years.

Q. What profit does the Borough of Royalton show from its electric plant?

A. In 1929 the total receipts—this plant has 243 consumers—in 1929 the total receipts were \$5976.63, and its expenditures were \$3,562.77, making its net profit \$2,413.86.

Q. Will you give the same figures for the year 1930?

A. The total receipts for 1930 were \$6,367.96, the total expenditures were \$4,002.22, and the net profit was \$2,365.74.

Q. Do you know what rate the Borough of Royalton charges?

A. They charge 10 cents for the first 40 kilowatts and six cents for all over 40 kilowatts, with a 10% discount on all bills.

Q. Does it also furnish a certain amount of public lighting?

A. Street lights are deducted. The expense of lighting the community area is also deducted prior to this net profit. In other words, the net profit does not include that, that is included in expenditures.

Q. So that we may be clear on that point, is the expenditure which you gave us, does it cover the total expenditure including the public lighting?

A. It does.

Q. The revenue includes only the cash revenue without any public lighting?

A. Only the cash.

BY MR. RICHARDS:

Q. Does Mr. McNair mean gross profit or net profit?

A. The profit is net after the expenses including the cost of current, the maintenance of lines and the street lights and the borough hall are deducted.

Q. You do not take into consideration interest on investment or depreciation?

A. We do not take into consideration the investment because the plants pay for themselves. There is no borrough money invested in them whatsoever. In Middletown they started out with indebtedness of \$28,000 for which bonds were issued in 1893. The debt has since been paid off by receipts from the light plant so we charge off nothing for interest because there are no funds invested. We don't pay anything to anybody for it. It has paid for itself out of these net profits.

Q. How are your expenses paid?

A. Out of current revenue, and charged for in current expenditures.

BY FATHER COX:

Q. Can you explain why you are able to keep your charges down so low while the utility companies are putting them up to 8 and 10 cents?

BY MR. EVANS:

A. The Royalton charge is 10 cents.

BY FATHER COX:

Q. Can you give us any reason at all for these high prices of the utilities where they have such immense facilities and should be able to give a lower rate than you do?

A. We use the receipts from the light plant at Middletown as a sort of a tax because our borough millage is only six mills which is as low as the county millage. We pay as much to Dauphin County in taxes a year as we pay to our own borough to operate our borough and to pave streets and take care of the expenses of the borough generally. We used \$25,000 from the profit from our light plant to maintain our streets. If we deduct it from our maximum rate for current which we could easily do, we could operate on \$5,000 as it is now. You can readily see we could deduct \$20,000 easily and lower our light rates to effect that deduction. We could not very well lower the power rate because we supply power for light house purposes starting at 2 cents in a very nominal demand charge. The house demand charge is 25 cents a horsepower, the equivalent of that does not run very high.

BY MR. COOKE:

Q. Do you have two meters?

A. We have two meters, but we have been contemplating a general revision of rates so that we could have only one meter, but we have not yet had time to work it out.

BY FATHER COX:

Q. You are operating a small plant and are unable to supply such cheap rates. What in your estimation causes this increase in rates?

A. In many cases I think they make double charges. They charge maintenance and depreciation. We charge only maintenance because if you maintain the line properly there is no depreciation. We maintain our depreciation solely in the expenditures and we don't charge off depreciation in a separate item. You find most of these companies making a double charge for what is practically the same thing.

BY MR. RICHARDS:

Q. You have no depreciation?

A. No, not where you maintain a plant at par.

Q. You have to make repairs?

A. There is no depreciation there.

Q. There is depreciation until such time as you have to make repairs?

A. In 1925 our plant was the same as it is now, kept to exact power.

Q. Your transformers are in service and they are not worth as much today as they were five years ago?

A. We have been operating for 25 years and as they go out of service we replace them with new ones.

BY MR. EVANS:

Q. They pay for betterments and extension out of the operating revenues instead of charging them to a capital account; as I understand Mr. McNair's testimony, the amount that they spend for betterments and expenditures equals any possible depreciation in the plant which they maintain to a high degree of efficiency.



BY MR. RICHARDS:

Q. I did not hear your figures. I was talking to somebody else. What is your cost to the consumer; that is, your average consumer using, say, 40 kilowatt during a month? What is the cost per kilowatt hour? I didn't get that, I know you gave it, but I didn't get it.

A. I don't believe I gave the average. I believe I was speaking of the Royalton charges.

Q. Middletown and Royalton are the same?

A. No; entirely different plant. They start at ten cents with ten per cent. They pay two and a quarter cents for the same that we pay one cent for, but we got our contract under more favorable conditions. At that time the company had some surplus electricity to sell, and that is the explanation of our contract. When Royalton purchased, the companies were in a better position, and naturally they would demand more for electricity, and they made the rate higher.

BY FATHER COX:

Q. Then you think the big companies could take an example from you?

A. I wouldn't say. I am not an accountant. I have not figured it.

Q. But from the figures, you think that they double the charges without any reason?

A. I think they do.

FATHER COX: Yes; that is the point.

BY MR. RICHARDS:

Q. Do you think the company makes any money on you?

A. They have made no effort to break the contract.

Q. Perhaps they could not break it, but I was just wondering whether they did make money.

MR. COOKE—

BY MR. RICHARDS:

Q. What was your figure on the cost of the current: .8?

MR. COOKE: It runs us all the way from .3 of a cent.

BY MR. RICHARDS:

Q. You don't know what their cost is down there, do you?

A. I understand if a contract is oppressive, they have the right to go before the Public Service Commission to break it. They have made no effort to do that. They have never complained to the Public Service Commission that they were not getting a fair deal on the contract. We have been operating under it for twenty-five years, and they have not made the slightest suggestion that they would like to break the contract.

BY MR. TURNER:

Q. Maybe they are like a lot of other people that don't think they would get any place with the Public Service Commission?

A. Maybe they have that idea.

BY MR. EVANS:

Q. The current you use is generated at the Metropolitan Edison station at Middletown, and the hydro electric station at York Haven?

A. They have a chain of plants, and I think they shift from one to another. They furnish current from all of them irrespective of the locality.

Q. But those are the nearest stations to Middletown?

A. Yes; the Metropolitan Edison has a plant within the borough limits. However when we made this contract, they didn't.

Q. But the York Haven is a hydro electric company?

A. Yes; when we made the contract with them.

BY MR. RHODES:

Q. You do not carry any capital set up on your books at all, do you?

A. None whatsoever, because there is no indebtedness to pay on, and this plant has paid for itself. Whatever the plant is valued at has been made from light profits. So, we don't charge any thing to capital.

#### IN RE MOUNT PLEASANT WATER SITUATION

MR. EVANS: If the Committee please, there are certain residents of the borough of Mount Pleasant who ask an opportunity to be heard in regard to their water situation. They

were notified to be here this afternoon and we are ready to hear whatever they have to say. I think they ought to be given an opportunity to put on any witness they desire.

MR. TURNER: Where is that located; what county: Westmoreland?

MR. EVANS: Westmoreland; yes.

FRANK L. OVERLY sworn

BY MR. EVANS:

Q. You are secretary of the council of the borough of Mount Pleasant, are you not?

A. I am.

Q. I show you a certificate copy of a resolution, adopted by the council of the borough of Mount Pleasant on January 5, 1931, and ask you whether that is a correct copy?

A. That is.

Q. Will you read that to the Committee, please?

"To the Honorable Gifford Pinchot, Governor-elect, and to the Members of the Senate and House of Representatives of the Commonwealth of Pennsylvania:

WHEREAS, the service charge to consumers, of public service corporation in this Commonwealth, as approved by the Public Service Commission, has become, in many cases, excessive, unjust and burdensome:

NOW THEREFORE, BE IT RESOLVED, by the Borough Council of the Borough of Mount Pleasant in Council assembled, that we petition you to take such proper legislative and executive action as soon as possible to relieve the consumers of all unfair and excessive service charges and especially where there are unnecessary duplications of service charges to a single consumer imposed without justification.

Paper in question marked Exhibit Number 121.

BY MR. EVANS:

Q. You are aware of the fact that there have been complaints against the water situation in the Borough of Mount Pleasant?

A. The citizens have repeatedly met with council meeting in regular session and special sessions, asking council to try and get them relief in the situation which they claim the charges are excessive, and they have appealed to council.

Q. You are a resident of the borough?

A. I am.

Q. Can you tell the Committee, what water company serves the borough?

A. The Citizens Water Company of Scottdale.

Q. How long has that company been serving the borough?

A. I can't give you that definitely. I don't know whether it is—I would say approximately a year. I don't believe it has been a year.

Q. And prior to the time the borough was served by the Mt. Pleasant Water Company?

A. The Mt. Pleasant Water Company.

Q. Do you happen to know who owned or controlled the Mt. Pleasant Water Company?

A. A subsidiary of the United States Steel, H. C. Frick Coke Company.

Q. And it was sold out a year or so ago to the Citizens Water Company?

A. That is correct.

Q. Was any change made in the rates of the Citizens Water Company?

A. Yes, sir.

Q. What changes, so far as you can remember them?

A. Well, unfortunately I didn't know I was going to be asked to give any rates, and I am not prepared, but I—

Q. Well, were they increased?

A. They were increased. I cannot give you anything definitely, I am sorry.

Q. Is there a service charge made by the company?

A. There is.

Q. Do you know what that amounts to?

A. As I said, I have to give those just as I remember them. I think it is \$2.25 a quarter.

BY THE CHAIRMAN:

Q. Can you supply those figures, the old rate and the new rate?

A. Yes; I could.

BY MR. EVANS:

Q. Will you send us a statement of the rates of the Mt. Pleasant Water Company and the present rates of the Citizens Water Company?

A. Yes.

MR. EVANS: And those will be inserted in the record as Exhibit No. 122.

BY MR. EVANS:

Q. Do you happen to know the rates charged for fire protection in the borough?

A. We have 68 plugs in the borough, if my recollection serves me correctly, and we pay \$455.22 per month. I think that would run \$80 per plug, I think. Those figures may not be accurate, but it is the best I can give you.

BY MR. RICHARDS:

Q. What is your source of supply of water for Mt. Pleasant; where do they get it from?

A. The mountains.

Q. How far from Mt. Pleasant is the source?

A. If you will pardon the suggestion, Mr. Buck, the superintendent of the company is here, and I am sure he can give you more reliable information than I can.

Q. In this letter from the council, they are complaining about rates, and Mr. Hagmaier and myself were wondering whether the source of supply was far away. The rates for fire protection seem to be high, and we were trying to get some information as to whether the carrying charges and all that sort of thing would necessarily be high?

A. The dams, the reservoirs of the Mt. Pleasant Water Company are situated, I will say, approximately a mile from Mt. Pleasant, and the water streams—how far they go up in the mountains, I am not able to give you that.

BY MR. RHODES:

Q. You say the superintendent of the water company is here?

A. Yes.

Q. He can give us better information on that?

A. I think so.

BY MR. RICHARDS:

Q. Is it a gravity system or pumped?

A. I am hardly able to give you that. I am sorry.

MR. TURNER: It seems to me we are wasting a lot of time.

THE WITNESS: It is not that I am trying to withhold anything. I would gladly give you anything I have.

MR. TURNER: I am sure you would. We know that.

JAMES S. MACK sworn

BY MR. EVANS:

Q. You were superintendent of the Mt. Pleasant Water Company, were you not?

A. That was my title, yes.

Q. Can you tell the Committee what the rates of that company were to the domestic consumers?

A. No.

Q. You don't know as superintendent?

A. No. You see, I was superintendent of the Frick Coke Company, and I just was superintendent of the water company as a side issue, and I had an assistant who took care of all the details, and you may know that I know very little about it, because I did not even have a desk in the water company's office.

Q. So you don't know anything about their rates. Do you know anything about their property?

A. No, I don't, not to talk about it.

Q. Can you tell the Committee approximately what the investment in the plant of the company was?

A. No. You see, those records were all kept either in Pittsburgh or New York.

Q. What did the plant of the company consist of? Was it a gravity system?

A. No, it was a pumping system.

Q. Where did the company get their water from?

A. From Jacobs Creek.

Q. How far is that from the borough?

A. Well, the dam is about a mile and a half.

Q. How much pumping was required?

A. Well, they had a capacity of 3,000,000 gallons there a day, but it only pumped about a million and a half.

Q. To the borough?

A. Yes.

Q. Was it pumped to a standpipe?

A. Yes.

Q. When did the Citizens Water Company take over the Mt. Pleasant plant?

A. I think it was in November of last year. I am not sure. You see, I haven't been with the company for a number of years, and it was not a matter of much interest to me.

BY FATHER COX:

Q. Do you know the rates you are charging now for water?

A. I haven't anything to do with it now. I haven't had for almost two years.

FORREST W. BUCK sworn

BY MR. EVANS:

Q. Where do you live?

A. Scottdale.

Q. You are superintendent of the Citizens Water Company?

A. Manager.

Q. Are you familiar with the property of the company and its rates, and so forth?

A. Why, fairly so.

Q. What are your duties as manager?

A. Looking after the operation of the plant.

Q. Do you have anything to do with the billing of the customers?

A. It comes under my office.

Q. What are the present rates of the company to domestic consumers?

A. We have no special domestic rates, the same rate applies to all classes of consumers.

Q. Well, what are the rates charged to domestic consumers?

A. The rates are for the 5" meter, there is a fixed service charge of \$2.25 per quarter, and the first step is 40 cents a thousand gallons; the second step is 20 cents, and the third step is 10 cents, which is the lowest step.

Q. Where more than one family occupies a house but there is more than one meter, do you make more than one meter charge?

A. That depends on the way the house is divided. If the house is capable of sub-division, such as a duplex or a double house, or where there is one story above the other, and separated by separate entrances, there is separate charges. Where it is all accessible by one entrance, such as an apartment house, there is only one charge made.

Q. I show you an affidavit of D. P. Lowe, in which he states, "I am the owner of a property consisting of one double frame house, located on Main Street, Mt. Pleasant Borough, which is rented to two families; both families are supplied water by a single meter, and I am charged two meter charges, \$2.25 per meter, or \$4.50 per quarter by the Citizens Water Company of Scottdale, Pa." That would be correct, so far as you know?

A. How did he describe that house? That is correct, so far as I know. I don't know the particular case, but he states it was a double house. It is just the same as if it were two separate buildings, only there are two buildings pushed together. That is the only difference.

Q. Here is an affidavit from the same man, who says he owns one dwelling house and two small single houses in which four families are living. "I am being charged four service charges, or \$9 per quarter, for the single meters." Can that be correct?

A. That would be correct in that particular case.

Q. So, no matter how many meters are in, you charge by the family and not by the meter, do you?

A. No, we charge not by the family, we charge by the consumption of the building. We might cite the apartment house owned by the bank and trust company there. There are six apartments in that building, three floors, and it is all accessible from one entrance, and that has one meter.

Q. What is the meter charge supposed to cover?

A. That is the ready to serve charge, the minimum charge per consumer.

Q. And it has nothing to do then with the cost of the meter?

A. No sir.



Q. Here is a consumer who states, "I own a property on the corner of Diamond and Washington streets, containing a store with no water connections and a barber shop and kitchen with water; three tenants on the second floor, all under one roof, and served from one meter. For this I am assessed by the Citizens Water Company of Scottsdale, Pa., 40 cents per thousand gallons for all water consumed, and in addition I am charged six service charges."

A. I don't know that case. That doesn't sound just right to me. I would say that is not correct.

Q. Will you investigate it and find out in regard to it?

A. I would be glad to. Will you give me a memorandum of it, and I will investigate it. I would like to have a copy of the affidavit.

Q. You do know the case now, do you?

A. I know it in a general way. It was discussed by the President of Council and the Chairman of the Fire and Water Committee, and the Chairman of the Finance Committee, and they explained to me that the property was tenanted by a very poor man; just he and his wife; and it was hardly tenanted at all; that is, a great deal of time the property stood vacant. So, I went up to the Mount Pleasant office and I asked about the case and they said there were six service charges on the property. I then asked how much water they used for three months on the property which was not tenanted; practically not tenanted; and it used 78,000 gallons of water, or about 13,000 gallons of water per consumer. I brought that to the attention of council, and, of course, that was very unreasonable; that all that water should be used. We then advised Mr. Lombardi to have his plumbing repaired, and he didn't think it needed repairing. So, after he got that big bill, he had repairs made, and his last water bill, which went out on April 1, showed that the same property only consumed thirty-six thousand gallons of water, or about six thousand gallons per consumer. That is about two thousand gallons per consumer too high for that class of property. They paid not only the service charge, but they also paid forty cents a thousand gallons for the water consumed and forty cents a thousand gallons for the first seventy-five thousand gallons, and twenty cents for the next two hundred and twenty-five thousand gallons.

Q. I show you a bill of the Citizens Water Company, Scottsdale, addressed to Frank Berdyk, Shupe and Vine streets, Mount Pleasant, Pa. marked "paid," which shows a consumption of 4600 gallons between September 15, 1930 and December 16, 1930, for which the consumer is charged forty cents per thousand or \$1.84, and a ready to service of \$9. Will you explain that to the Committee?

A. I can't explain that particular case, no sir. It shows on the bill here that it is correct on the bill, but I don't know the circumstances of it.

Q. I see. Do you think that that is a reasonable service charge for a consumption of 4600 gallons?

A. I wouldn't like to say whether it is or not.

Q. Will you investigate that case and advise the Committee?

A. Yes sir.

Q. What is the practice of the company in regard to shutting off water for customers, who have regularly paid their bills, but who, on account of unemployment, are now unable to pay their bills promptly?

A. We don't have any cases of that kind in Mount Pleasant, I don't believe. We had heard that there was a case of that kind, and we investigated it, and I think that our figures show that out of seven hundred and forty-two consumers of the domestic class that we shut off four, three of which were out of the borough, one was an industrial; two at the request of the owners and the fourth was a questionable case; whether the person deserved charity or not.

Q. Are you acquainted with Mrs. Rose Schachte?

A. No sir.

Q. I show you an affidavit of Mrs. Rose Schachte in which she states that she is a customer of the water furnished by the Citizens Water Company of Scottsdale; have lived in my present address for eight years; have never missed paying water bills promptly during that time; owing to the scarcity of employment I was not able to meet water bills for quarter ending September 30, 1930; water was promptly shut off, and is still at this date; March 30, 1931.

A. I believe that is the one case since you mentioned the name that we shut off. It was not shut off promptly at the

time. It was delayed considerable, and we endeavored to get the money. Our investigations disclosed that they were not really entitled to charity. It is our policy to donate to associated charities, and let them pay the water bills of people that need it. We are not allowed to give away water free.

Q. Are you familiar with one of your customers Mrs. Ruth Slate?

A. Not by name. I may know the case.

Q. I show you an affidavit, in which she states: that I am a consumer of water furnished by the Citizens Water Company of Scottsdale, Pa.; have lived in this house for twenty years; had never missed any payment of water bills during that time. Owing to the industrial depression last year, my boys having no work, I was unable to meet one quarterly payment; the water was completely shut off for ten weeks. Before water was turned on again, I was charged as follows: To repair of frozen meter, \$1.70; extra charge for restoring meter, \$2; in addition to two service charges, and water bill.

A. I don't know that particular case.

BY FATHER COX:

Q. That is a strange charity, by paying into a charity fund and the charity pays it back to someone who ought to have assistance in times of stress like this. I think that you could hold the bills just as well as the charitable associations could. If you have only one or two places, as you said, you would not be giving them charity if you were giving them an extension of time.

A. Is that a question?

Q. Do you call it an act of charity to extend their time of payment, when they have been paying their bills for years and years without default?

A. I would, and I would say that this bill was sixty days owed before any action was taken on it. And now, our time for payment is the 20th of the month. The discontinuance is forty-five days from the date of the bill as rendered and if we were to stick strictly to the rules, we would have discontinued it in that time, but in these cases we have been taking one dollar and one dollar and a quarter.

Q. Why couldn't you, instead of asking a charitable association to pay you, give them an extension of time; when you know that they have been good for so many years before?

A. I have no way of knowing whether they were good?

Q. You have the records there?

A. I don't have the records.

Q. There is no charity—

A. Well, understand we operate in both towns, Scottsdale and Mount Pleasant. In Scottsdale the charities are associated into one organization, and that charity work is done through that organization. In Mount Pleasant, as I understand it, it is more or less of an individual effort rather than a concerted effort, and we can't tell whether they should have charity or not, and we don't have time to investigate because there are lots of people who ask to have water time extended, and we do it if it is at all possible.

Q. But in an unusual time like this—I don't want to take the time of the Committee—but don't you think you could have a little consideration for these poor creatures?

A. We do.

Q. You don't show it.

A. I think sixty days is sufficient.

Q. Oh, no we are not talking about sixty days. If it was six years, if this period of depression went on and you were collecting from all your other people and making good returns on your money?

A. I believe we would be liable for discrimination.

Q. You are not afraid of other things? You raised your rates after you took the company over, I believe.

A. That is correct.

Q. Yes, you were not afraid of that, and the company that had it before made money during all the years, they operated it. Now, if they made money, and you took it over and immediately raised your rates, what about discrimination there? (No answer).

FATHER COX: I knew of one case in Pittsburgh—while the Committee is waiting—one of our large companies that hired seventeen new men; that is one good thing to shut off gas of the people who couldn't pay. They gave employment to seventeen extra men. That is quite a boom but think of the purpose for which they were used, in the dead of winter,

people having their gas shut off; people who had paid honestly and decently for years.

BY MR. EVANS:

Q. Are you familiar with Mr. Reinacker in connection with the Citizens Water Company?

A. Yes.

Q. Where does he live?

A. Reading.

Q. Do you happen to know his address in Reading?

A. 524 Washington Street.

Q. What are his initials?

A. L. T.

Q. What position does he hold with the Citizens Water Company?

A. Vice-President.

BY MR. MEMOLO:

Q. Is it customary in your neighborhood to charge a service charge for people who haven't got a meter; that is if there are five families and living in a house, do you have five service charges?

A. No sir.

Q. That is not customary?

A. No sir; that is not customary; only in cases where the building is sub-divided; but not for families.

Q. If there were an apartment for four families and there was only one meter, you only charge for one meter?

A. If the apartments were all accessible through one or more common entrances, yes sir; but if—

Q. You have cases where you have only one meter charge and several service charges, have you not?

A. Yes, sir.

BY MR. WALKER:

Q. Does the Frick Coal and Coke Company own any houses that are serviced by your company?

A. They supply some in their plant.

Q. They have houses occupied by their employes that are serviced by your company?

A. We don't contract with them at all. It is sold to their plant. Their own houses, which are a part of their property are supplied by their own lines.

Q. They have one motor don't they?

A. They are supplied from the Frick Coke Company's reservoir.

Q. Who supplies the water to the Frick Company's reservoir?

AA. We sell the water into their reservoir, and they have have their own distribution system.

Q. On the meter?

A. On one meter; yes sir.

Q. And they supply a large number of families, don't they?

A. I presume so. The people get the water in some way.

Q. As a matter of fact, they do; don't they?

A. Yes, sir.

Q. And you do not charge for the extra families on one meter?

A. I would like to.

Q. Why don't you?

A. We can't.

BY FATHER COX:

Q. What about discrimination there?

A. I would like to have your assistance to do it.

MR. WALKER: Thanks for your offer, but I am busy now.

BY MR. EVANS:

Q. What is the service charge to the Frick Company?

A. I don't know what that totals up.

Q. I mean for this service?

A. For this service, I think that is about \$75, a month, I think.

Q. Does that cover water used—

A. That covers one four inch meter; whatever the service charge is or our rate for one four inch meter, that is what is covered.

Q. And that is the same charge that would be paid by any other consumer having a four inch meter.

A. The same thing; no discrimination whatever.

Q. And yet you allow them to serve any number of houses, they want through that one meter?

A. If I had a copy of the rules here; if you read what constitutes a consumer, as approved by the Public Service Commission, you would see how they get away with it.

Q. You mean how your company get away with it?

A. We don't get away with it. We don't like them to get away with it, but we can't help ourselves.

BY FATHER COX:

Q. Why is that? Tell us honestly.

A. In accordance with the rules.

Q. What rules?

A. The rules of the company approved by the Public Service Commission.

FATHER COX: That is all we want; the Public Service Commission again.

BY MR. EVANS:

Q. Will you furnish us with a complete copy of the tariffs of the Water Company; of the Citizens Water Company?

A. How many would you want? We have them in little booklets.

Q. Send down a dozen, if you will, of the Citizens Water Company.

A. That has the rules and rates, and it shows what constitutes a consumer.

BY MR. WALKER:

Q. Who construes the rule that way?

A. That is principally up to me.

Q. Were you ever connected in anyway with the Frick Company?

A. No sir.

Q. With what other companies is the Citizens Water Company affiliated?

A. It is a subsidiary of the National Works Corporation.

Q. Do you happen to know where its headquarters are?

A. 11 Broadway, New York.

Q. 11 Broadway, New York?

A. The operating office, however, is at 524 Washington Street. Mr. Reinacker is the operating manager.

W. M. DIETRICK recalled

BY MR. EVANS:

Q. You have already been sworn in this proceeding?

A. I have.

Q. Have you made any studies of the reports of the Mt. Pleasant Water Company and the Citizens Water Company of Scottdale to the Public Service Commission?

A. Yes sir.

Q. Will you briefly explain to the Committee what these reports show in regard to the write-up of the company's property on its books?

A. I will start with the Citizens of Scottdale first.

Q. All right, sir.

A. On December 31, 1927, the company wrote up their fixed assets, \$241,779.81, or a write-up of 24.4%.

Q. What had the fixed capital been carried at before that time?

A. Before the write-up of December 31, 1927 the fixed capital was \$704,099.87.

Q. How had that value been arrived at?

A. That apparently is the book value of the fixed assets of the company, not of depreciation of December 31, 1927.

Q. When you say fair value, do you mean the amount invested in the property?

A. I said book value.

Q. I thought you said fair value. Excuse me. Had the Commission ever fixed the value of this company?

A. May 4, 1920, the Public Service Commission fixed a value on the property of this company at \$600,000.

A. And in the first report made by the company after that date, what was the book value of this fixed capital?

A. The first write-up on file with the Public Service Commission gives as of December 31, 1921, \$690,975.40.

Q. Were you able to ascertain how the difference of approximately \$91,000 was made up?

A. No sir.



Q. During the next five years there were certain additions to the property. were there not?

A. There were additions amounting to \$40,417.

Q. And that, added to the \$690,975.40, gave a total of \$731,392.40, did it not?

A. That is right.

Q. Then from that was deducted depreciation in what amount?

A. \$27,292.53.

Q. Giving the amount you have already testified of \$704,099.87. By whom was this appraisal made on December 31, 1927?

A. This appraisal was made by Francis L. Weller, Inc., Washington, D. C.

Q. Did the company have any relation with the Citizens Water Company?

A. Mr. M. X. Wilmerding, Washington, D. C., a director and officer of the Citizens was president of Francis R. Weller, Inc., which company has the management contract of the Citizens, and which company made the appraisal.

Q. Then what was the next step?

A. February 1, 1928, the Citizens Water Company was sold by the Pennsylvania Railroad to Boenning and Company, subject to two dividends.

Q. What did those dividends consist of?

A. The first dividend was \$89,700 in bonds of the Pittsburgh and Lake Erie Railroad Company, and the second dividend of \$35,051.31, was set out as the excess of current assets over current liabilities at the time of sale.

Q. How were these dividends charged in the appraisal?

A. Both of these dividends were charged to surplus by appraisal.

Q. Do you know the price paid by Boenning and Company for the Citizens Water Company?

A. No; I was unable to ascertain that.

Q. At this time what did the Citizens Water Company have outstanding in the way of bonds?

A. They had outstanding \$8,000 worth of bonds at the time of the transfer of the property.

Q. And what new issue of bonds was placed on the property?

A. A new issue of bonds replacing the old issue in the amount of \$590,000 was issued by the company.

Q. How were the proceeds of these bonds used?

A. Retirement of old bonds \$390,000. Deposited with trustee for old issue \$10,000. They apparently could not buy them all in so they had to deposit \$10,000 with a trustee. Retirement of 1,205 shares of preferred stock, that was \$120,500. Discount suffered on the new issue, \$59,000. Expense, retirement of old bonds, \$10,500. Or a total of \$590,000.

Q. Who handled this new bond issue?

A. Boenning and Company, Investment Bankers of Philadelphia.

Q. Were any of the members of this firm officers of the water company?

A. Mr. H. D. Boenning was an officer and director of the Citizens Water Company, according to the 1928 report.

Q. At what price did Boenning and Company purchase the bonds?

A. Boenning and Company purchased these bonds from the Citizens at 90.

Q. And at what price were they sold to the public?

A. At 97.

Q. That is a spread of 7 a bond?

A. Yes.

Q. What percentage of the total book value of the fixed capital did this bond issue represent?

A. December 31, 1927 the book value of the fixed property was \$704,099.87. That is not of any write-up. Bonds were issued up to 83.8% of this book value.

Q. Now, after the acquisition of the property of Boenning and Company, what entries were put on the records of the company?

A. Debit to capital stock, old stock, \$391,000. A credit to preferred stock of \$325,000, and a credit to common stock, no par, \$66,000. The second entry, a debit to reacquired preferred stock, \$120,500, and a credit to cash of \$120,500. The third entry, reacquired preferred stock, \$204,500, and a credit to donated surplus of \$204,500.

Q. Now, will you explain what those entries indicate?

A. The effect of the above entries was to pay out in cash \$120,500 to the new owners of the company.

BY MR. COOKE:

Q. Is that all those entries mean? Is that what it all boils down to?

A. Yes, sir.

BY MR. EVANS:

Q. As of December 31, 1929, what does the 1929 report of the Citizens Water Company show in regard to its fixed capital?

A. December 31, 1929, the fixed capital of the Citizens, including all write-ups, and including the property of the Mt. Pleasant Company with its write-ups, is \$1,855,212.70.

Q. And how much of this represents write-ups?

A. The write-ups above additional book value in this figure are \$1,039,824.33.

Q. What would be the book values of the properties without the write-ups?

A. \$815,388.37.

Q. What further financing did the company do in 1929?

A. The Citizens issued additional bonds in the amount of \$320,000.

Q. What book entries were made to cover this?

A. There was a debit to Boenning and Company of \$285,155.55; to unamortized bond discount on this issue of \$11,600; a credit to first mortgage bonds of \$320; a credit to interest accrued on funded debt, \$6,755.55.

Q. What is the net effect of these entries?

A. The cash which the Citizens received for these securities was used, supposedly, to purchase the assets of the Mt. Pleasant Water Company.

Q. Was there some other company also taken over as well as the Mt. Pleasant?

A. There was a part of the Trotter Water Company, known as the Trotter B property, was acquired at this time.

Q. Have you any information as to the extent of the Trotter "B" property?

A. There was very little information as to that.

Q. Who formerly owned or controlled the Trotter "B" Company?

A. The Trotter Water Company.

Q. And who owned or controlled that company do you know?

A. The United States Steel Corporation.

Q. At what price were these bonds sold to Boenning and Company?

A. These bonds were sold to Boenning and Company at 87.

Q. Do you know at what price they were issued to the public?

A. No. I don't.

Q. Then at this time what was the book value of the Citizens and Mt. Pleasant properties, excluding write-ups?

A. \$815,388.39.

Q. How much did they have outstanding in the way of bonds?

A. \$920,000, or over 100% of book value.

Q. If you take the book value of the Citizens Company without a write-up and add to that the actual cost of the Mt. Pleasant and Trotter "B" properties, what do you get as the total of these items?

A. \$1,101,507.89, and a bond issue of \$920,000, which is 83.52% on the value of these properties.

Q. In the records of the Public Service Commission was there any reference to an appraisal of the Mt. Pleasant Company in 1929?

A. Yes, there was.

Q. Will you explain that to the Committee?

A. N. B. Jacobs, vice-president of Morris Knowles, Inc., testified that the reproduction new of April 1st, 1929, for Mt. Pleasant, exclusive of property owned and used exclusively by H. C. Frick Coke Company, was \$929,000, and, less depreciation of \$804,600.

Q. You mean less depreciation was \$804,600?

A. Yes. These assets having a book value not less depreciation of that date of approximately \$201,000, or the appraisal was 400% of the book value of the property.

Q. Were any dividends declared by the Mt. Pleasant Company prior to the transfer of its assets to the Citizens Company?

A. Yes. There was a dividend of \$93,501.36 declared to the United States Steel Corporation prior to the transfer of the assets of the Mt. Pleasant Company to the Citizens Company.

Q. Do you know what this was paid from?

A. It was paid from the cash of the company apparently.

Q. Then were there any further issues of securities by the Citizens?

A. In 1930 the Citizens sold \$150,000 of their 6% preferred stock, receiving \$135,000 in cash, \$15,000 being discount. This issue was also handled through Boenning and Company.

Q. Mr. Dietrick, if you take all of the issues handled through Boenning and Company, what was the discount from par on each of these issues?

A. The total discount on the different issues of securities by the Citizens Water Company was \$115,600.

Q. Now, as I understand it, in the case of the first issue in 1928 of \$590,000 in bonds, those bonds were sold to the public at 97 and to Boenning and Company at 90?

A. That is right.

Q. So that Boenning and Company actually received \$7 a bond on that issue?

A. Yes sir.

Q. Now, in figuring these discounts, you have taken, as I understand, the par of the securities and not the price at which they were sold to the public?

A. No. The discount suffered by the Citizens Water Company under different issues.

Q. In other words, as a result of these issues, the Citizens Water Company received \$115,600 less than the par value of its securities outstanding?

A. That's right.

Q. How much common stock did the Citizen Water Company have outstanding at the end of 1930?

A. \$66,000.

Q. And during that year what dividends were paid on the common stock?

A. \$43,075.23, or a dividend of approximately 65% on the book value of the common stock.

Q. Now, if you take the earnings of the companies as is shown in their reports to the Public Service Commission for the years 1929 and 1930, what percentage of earnings do they show, first, on the book values without write-ups, and second, on the book values with write-ups?

A. For 1929 without write-ups, it was 7.87%. For 1930, without write-ups, it was 10.3%. Now, the assets of the Mt. Pleasant were combined in 1930. It has the same rate as the Scottsdale Company. With write-ups for 1929 it was 3.46%, and for 1930, 4.48%.

Q. When you speak of the Scottsdale Company you mean the Citizens Water Company of Scottsdale?

A. Citizens Water Company of Scottsdale, yes.

Q. Which took over the Mt. Pleasant Company?

A. Yes.

Q. What holding company controlled the Citizens?

A. The National Water Works, Inc.

Q. Where does that holding company operate, or where does its subsidiaries operate?

A. The Standard Corporation Records, issued by Standard Statistics Company on the National Water Works Corporation gives the following data. The corporation now owns, controls and operates, or has in process of acquisition, 31 companies furnishing water at wholesale or retail, for domestic, industrial and municipal purposes, to 61 communities in Pennsylvania, New York, West Virginia and Tennessee, also one company furnishing gas to Pennsylvania communities, and two small companies supplying ice to two districts in West Virginia.

BY MR. COOKE:

Q. Have you identified the Pennsylvania Gas Company?

A. I think that is the Gettysburg Company, I am not certain.

MR. HAGMAIER: I would like to build up a picture of that, Mr. Evans. What was the real actual investment in the first place in this proposition?

BY MR. EVANS:

Q. What was the investment in the total properties, taking all the companies?

A. Mr. Hagmaier, this is according to the books of the company.

MR. HAGMAIER: Yes, all right.

THE WITNESS: It was \$815,388.37.

MR. HAGMAIER: How much in bonds are issued against that same proposition?

THE WITNESS: \$920,000.

MR. HAGMAIER: And beside that there is how much common stock issued in that proposition?

THE WITNESS: \$66,000.

BY MR. HAGMAIER:

Q. Any preferred?

A. In 1930 there was \$150,000 worth of preferred. Of course, you understand those figures I gave you had all the write-ups out of them. There were no write-ups in those figures at all.

MR. COOKE: You cannot say that positively, that there are no write-ups.

THE WITNESS: No, but from the reports that I gathered, there were no write-ups. I had taken all the write-ups out.

BY MR. COOKE:

Q. But there might easily have been write-ups in previous years?

A. Yes.

Q. In other words, you cannot bite into that necessarily?

A. No.

BY MR. EVANS:

Q. You have eliminated all the write ups which were visible on the face of the report to the Public Service Commission?

A. That is right.

Q. But any hidden write-ups, you had no way of checking?

A. No.

BY MR. COOKE:

Q. May I ask what was the last action that you know about before the Public Service Commission in the companies affected here. Have there been any rate cases?

A. The last was the one I cited, in 1920, against the Citizens Water Company.

BY MR. EVANS:

Q. It is true, however, isn't it, that any time any of these securities was issued, a certification had to be filed with the Commission?

A. Yes. But you spoke of rate cases, did you not, Mr. Cooke?

MR. COOKE: Yes, that is what I had in mind. There is nothing that the Commission—the details of this valuation by Morris Knowles and Company of Pittsburgh, you do not find those in the records of the Public Service Commission?

THE WITNESS: That was sent out in testimony which was given in front of the Public Service Commission.

MR. COOKE: In what manner? In one of these certificates of public convenience?

THE WITNESS: At the time of the hearing for the acquisition of the Mt. Pleasant Company.

FATHER COX: What I have been trying to find out all along is this: Whenever these companies are taken over by these combinations, is there any way of ever finding out what is actually paid over, how much money changes hands, or is it just you and the Public Service Commission and everybody takes it for granted what they put down in the book?

THE WITNESS: There is no accurate record.

FATHER COX: No way of finding out?

THE WITNESS: Not in the Public Service Commission.

BY FATHER COX:

Q. You don't know it from any source?

A. Not unless I would see the books of the company.

Q. But can you find out from whoever finances these deals?

A. We are always talking about what is paid for these companies, and the valuations, and to my amateurish mind it don't have any meaning at all, because I never hear of the actual amount of money paid. It just seems like somebody has a dream, and they put down an amount and it goes. I can't buy anything that way. I have to pay so much, and it is on the check there, or it is in actual cash. I am asking this seriously.

THE WITNESS: Sure, I understand.

FATHER COX: Is there any way to find out? Is there any way of checking it, checking up on the bankers and financiers? They say that the financing is done from New York.

THE WITNESS: The only way I could tell would be from the books of the company.



FATHER COX: Can you get into the books of the company? Is there any way of compelling them to open their books?

MR. HAGMAIER: It is outside of the State. They have no jurisdiction over them.

FATHER COX: Well, would it do any good to ask them, confuse them, make them feel funny for a while, trying to explain about the amounts involved? I think it is so foolish, just to be figuring on these supposed values.

WILBUR F. MENKE sworn

BY MR. EVANS:

Q. Mr. Menke, where do you live?

A. Philadelphia, 7328 Claridge Street.

Q. What is your occupation?

A. Bus operator.

Q. What lines of buses have you operated in or around Philadelphia?

A. I operated a bus line from the Frankford Elevated terminus to Fox Chase by the way of Burholme, and I operated one line from Fox Chase by the way of Cheltenham to the Frankford Elevated Terminal, and I operated a bus line from Fox Chase to Fifth and Olney Avenue, by the way of Cheltenham, Montgomery County.

Q. At what times did you operate these lines?

A. During the years of 1922, 1924, up till 1926.

Q. You had certificates for them from the Public Service Commission?

A. Yes.

Q. Were there complaints in regard to your service on these lines?

A. Not that I know of.

Q. When you came to renew your certificates for certain of these lines, what conditions were placed in your certificate?

A. In 1924 I came up for renewal before the Public Service Commission, and the P. R. T. and the Philadelphia and Reading were protesting the case, and Mr. Joyce, after the hearing was come to a close, Mr. Joyce told Commissioner Benn, providing they could put a clause in the Public Service certificate which I held then, they would let me operate and withdraw the protest. The clause was if and when the Philadelphia Rapid Transit Company, the Philadelphia Rural Traction Company, operates trolleys, trackless trolleys or buses, I was to get off; and at that time the P. R. T. didn't have buses to put on these lines, or the bus lines at that time that I was operating, was not taking enough revenue in for the P. R. T. to take. I operated this during the year of 1924 until 1926, and I was notified to go before the Commission for renewal again. I went to the hearing in 1926 for renewal, and the Public Service Commission refused my renewal and granted the P. R. T. a new certificate over the same route that I was operating in.

Q. Did they renew your certificate at that time?

A. No sir.

Q. What approximately was your investment in these lines?

A. I had an indebtedness to the Mack Company of \$148,255.48 in 1924. During the years of 1924 and 1925, up until I came up for renewal in 1926, I paid to the Mack Company \$61,946.45, which I was not reimbursed for at all when the P. R. T. took my line over; yet I could not meet the obligations, the notes to the Mack Company of \$5,600 a month, which I was to meet every month, by paying every two weeks \$2,800 to the Mack Company, and I had no line to run the buses on and therefore I had to send the equipment back with a loss of \$61,946.45 to the Mack Company.

Q. And they were perfectly satisfied to continue with you as far as your past relations had been concerned?

A. Yes, sir.

BY MR. HAGMAIER:

Q. What reason did the Public Service Commission give in refusing you that certificate?

A. Well, Mr. Joyce got up and stated before the Commission, if he could put this clause in this certificate of mine, why they would grant it to me from 1924 to 1926. Then when I came up in 1926 for renewal, the P. R. T. made application for a new certificate for the same routes that I already established, and P. R. T. said that the clause that was put in there, I had to get off, and because that clause was put in there I agreed to it. I started this bus line in 1924, I bought 10 buses

—in the year 1925 I bought 4 more new buses; in 1926 I bought 4 buses. I had a total of 18 buses. I was then carrying anything from 4500 to 5000 people daily. My total receipts there, gross receipts, was on an average of \$16,000 per month, and I had the public all there with me at the Public Service hearing, demanding that they were well satisfied with the service that I was rendering.

BY MR. COOKE:

Q. Why did you acquiesce to the inclusion of that clause in the first instance in 1924?

A. Well, my attorney told me to say yes, that they were never going to put trolleys or buses up there, that the P. R. T. said they were taking the lines over for an extension of some of their other lines, which there was no extension of any line I was operating over—these lines that I was running over were brand new lines, no extension of any bus lines, of their lines at all. I run buses to the Frankford Elevated Terminal when the Frankford Elevated first opened, and my first day's receipts was \$7.60, and I spent \$7.20 for gas and oil, and then I built up a business to \$16,000 per month, and then it was good enough for the P. R. T. to take over, and the roads were in good condition when they took them over. When I operated over them, the roads were in very bad condition; but I battled along and built a business up to that.

Q. When did you first get any intimation that the P. R. T. was going to cover this field?

A. 1926—in 1924 between 1924 and 1926, they didn't want the line, because—in fact they didn't have the busses to put on, and they figured I wasn't taking in enough money at that time for them.

Q. Then, you put on for additional busses in 1926?

A. Yes.

Q. You still had no thought that they were getting into the field?

A. No sir. I was operating a buss line from Fox Chase to Glenside, Montgomery County, and that clause was not put in there, because it was in Montgomery County. I was before the City Council of Philadelphia, when Mr. Hall was President of Council, and I had a lot of witnesses down there to testify that they wanted my bus line there, and I was willing to go along and have a bill passed by council to pay \$50 for to just operate on the streets and Councilman Hall said he wouldn't let the City of Philadelphia or the P. R. T. reimburse me one nickel for my loss.

BY FATHER COX:

Q. Did you ever insist on the insertion of that clause? Did you then foresee the P. R. T. taking over that route?

A. They had no intention of operating over that line. I was there until the Frankford elevated started, until the lines started to pay.

Q. Do you remember what was the reason for the insertion of that clause?

A. Why the P. R. T. made an application for these lines as soon as they were paying.

Q. They were protecting the P. R. T. from it's early days.

A. They are; and always were.

Q. That is it. That is the point we want to bring out. There is always a reason. We wanted it very definitely stated, so that we can pin it on some body.

A. I made an application for a bus line from Fox Chase by way of Jenkintown. Commissioner Benn was suspended at that time and Mr. Evans and Mr. Scattergood were the Commissioners at that time. Mr. Scattergood heard this case, and granted me the right to operate a bus line from Fox Chase to North Glenside, in Montgomery County. Commission Benn made the remark, when he got on the bench again—stated that I would have never received that line running from Fox Chase to Glenside if he had been the sitting Commissioner.

Q. Whom did he say that to?

A. To me.

BY MR. RICHARDS:

Q. They never made any attempt to reimburse you for any of your losses at all?

A. No sir. I lost my home and everything.

BY MR. EVANS:

Q. Mr. Menke, at one time you applied to the Commission to operate a route over Cottman Street, which application was

refused on the ground that there was no necessity for that service?

A. Yes, sir.

Q. When was that?

A. In 1929, if I recall right.

Q. Was that applied for in your name or in your wife's name?

A. No; in my wife's name, and I was going to manage it for her.

BY FATHER COX:

Q. You continued to fight the thing, didn't you?

A. I fought it from 1924 to 1926, trying to get all the influence that I could get to help out; which I had twenty-two hundred signatures from passengers that I was hauling that they were well satisfied with my bus service, and whenever there was bus service needed, special buses, I put them in. During snowy weather I had as high as seven extra busses at the Frankford elevated terminal at one time to carry the people home.

Q. But you received no satisfaction whatever?

A. No sir.

Q. You were just treated as if you were out of the picture? (No answer).

BY THE CHAIRMAN:

Q. There was no complaint regarding your service, was there?

A. None that I know of, and I think my record shows that.

THE CHAIRMAN: You would have heard it, if there was?

BY MR. EVANS:

Q. I show you an order of the Commission dated November 19, 1929, Application Docket No. 21166, and ask you whether that is the order refusing your application for a route over Cottman Street?

A. Yes sir; it is.

Q. And under that order the Commission states, "The Commission being of the opinion that under the evidence adduced, the applicant has failed to establish that the proposed transportation service over the entire route applied for, and as amended at hearing, is necessary for the service, accommodation and convenience of the public; now to wit: November 19, 1929, it is ordered that the prayer of the petitioner in this proceeding for a certificate of public convenience be and the same is hereby refused and the application dismissed."

A. Yes sir.

Q. Did the Commission, on or about that time grant a certificate to the Philadelphia Rural Transit Company for substantially the same route?

A. Right after that.

Q. Immediately following this refusal, they granted a certificate to the Philadelphia Rural Transit?

A. Yes sir.

Q. Perhaps you have already stated it, but how many drivers did you have in your employ in 1926?

A. I had two mechanics, two supervisors and thirty-nine chauffeurs.

Q. And do you know, approximately, what your weekly payroll was at that time?

A. It run about \$1,100.

Q. And that was the time when you were making sufficient to make these payments to the Mack Truck Company?

A. Yes sir.

MR. RHODES: Mr. Evans, who was the Commissioner who refused the application and then granted practically the same thing to somebody else? I couldn't hear it.

THE WITNESS: Examiner Wolfe sat at this hearing

Q. That was a hearing in Philadelphia, was it?

A. Yes.

BY FATHER COX:

Q. How long a time elapsed between the time of this refusal before the new company started to operate?

A. They were granted that right over that route, that we made application for, I will say a month or two months at the latest, and they didn't start to run—

BY MR. EVANS:

Q. It was a month or two months after your refusal?

A. Yes. Then they didn't start to operate until the schools opened on Cottman street sometime in September of that year.

Q. That would have been some nine months after the certificate was granted?

A. Yes sir.

MR. MEMOLO: Mr. Evans, when Mr. Wolfe heard the case he would not have the authority to grant; that would go before the Commission, would it not?

MR. EVANS: He merely takes the evidence, and then it goes to the Commission for their action.

MR. MEMOLO: Was that signed by anybody on the Commission, when he got it?

MR. EVANS: The orders are all signed by the Chairman of Commission, and attested by the Secretary under the seal of the Commission.

MR. RICHARDS: But the examiner, however, makes his recommendation, doesn't he?

MR. EVANS: Mr. Richards, I can't state definitely. My impression is that in the Philadelphia cases the examiner consults with Commissioner Benn and Commissioner Benn makes the recommendation, and whether or not that is always the—well I know it is not always the examiner's recommendation.

MR. RICHARDS: Could we get the records of the Commission in this particular case?

MR. EVANS: I think we could, sir.

MR. RICHARDS: I would like to have that.

BY THE CHAIRMAN:

Q. Just put you flat financially when you got through with it?

A. Yes sir. I wanted to have a taxicab line at Frankford station; at which there is no taxicab service—there is a man running a taxicab, making about one hundred and twenty-five gross receipts with a taxicab, and I haven't just got the finances to start the business. I have just lost everything; my home and all.

H. L. MURPHY sworn

BY MR. EVANS:

Q. Where do you live?

A. I live in New Jersey.

Q. What is your occupation?

A. I am assistant collecting manager for O'Brien and Hoover.

Q. They are dealers in automobile and truck tires, are they not?

A. They are dealers in Goodyear tires?

Q. And did you have any dealings with Mr. Menke, who has just testified?

A. Not personally; in the sale of the tires, and the collection of the accounts.

Q. Did O'Brein and Hoover sell the tires for his buses?

A. On April 16, 1926, we sold him \$11,603.60, and during May, June and the first part of July, there was a little over three hundred additional.

Q. And, now, so far as your company was concerned would you have been entirely willing to continue with Mr. Menke if he had kept his certificates?

A. Absolutely, but because at the time these tires were sold on the big order he had agreed to pay a thousand dollars a month which was acceptable to us and we checked it up with the Mack Company from whom he bought his buses, and they gave him a very good recommendation in the manner in which he paid his bills; and to substantiate that, four days after we got this order of \$11,000 he paid us \$2,000 which was to take care of the April and May accounts. On May 17 he paid us another one thousand, which was for June; on June 17, he paid us \$500, and on the 23th of the same month he paid us another \$500, which was to apply on the July account.

Q. So that your relations were always entirely satisfactory from a financial standpoint.

A. Up to that time. Of course, at that time I believe he lost franchise, and he is indebted to us now \$7,996.10.

BY THE CHAIRMAN:

Q. It is not his fault that he is indebted to you now?

A. No he kept agreement right up until the time when he lost his franchise.

BY MR. MEMOLO:

Q. As a matter of fact, he paid a month ahead?

A. Yes; he was a month ahead.



MR. RICHARDS: I did not hear much of this testimony, but from what I have been told by my colleagues, I think we ought to subpoena Mr. Benn to explain his actions in this transaction.

MR. MEMOLO: I second that; and Wolfe, also, and we would like to have this man here also; the statement that if he had been there he wouldn't have got it.

WILBUR F. MENKE recalled

BY MR. EVANS:

Q. Did you have any conversation with any employes of the Philadelphia Rural Transit Company or the Philadelphia Rapid Transit with regard to reimbursement for your loss in this matter?

A. I did. Me and Mrs. Menke went to the Philadelphia Rapid Transit Company office, before Mr. Queeney and Mr. Joyce, and we were talking in the office—

Q. About when was this?

A. Well, I would say three months afterwards; and I stated to them that they might reimburse me; by giving me a position of some kind; of forty or forty-five dollars a week, which would carry me along; so I could get along and pay some of my indebtedness, and Mr. Joyce stepped out of the office as though he was going to see someone with reference to giving me a position, and when he did Mr. Queeney made the remark that he thought it was one of the coldest blooded deals that was ever pulled off, but he was only one of the employes of the company and he didn't know where he could place me in a position.

Q. What was Mr. Joyce's position in that company at that time?

A. An attorney; and Mr. Queeney was the head of the busses at that time. That is the reason I went to Mr. Queeney, to ask him if he would give me a position of some kind.

Q. You went because you were up against it and wanted a job?

A. I have been up against it ever since that time. I have my stuff in storage, now, and living in rooms. I lost my home and everything else.

BY MR. RICHARDS:

Q. What became of your busses?

A. I had to turn them back to the Mack Company. I couldn't meet the \$5,600. I paid the Mack Company every two weeks, which the Mack Company would testify to that; I paid the Mack Company over \$1900 on repair bills, and I met the obligations of the Mack Company of \$5,600 every month, which was a payment of \$2,800 every two weeks.

Q. You made the payments every two weeks?

A. I made the payments every two weeks, \$2,800 to the total amount of \$60,000 and some odd dollars.

Q. This man Joyce is the man they paid so much income tax for?

A. Somebody paid, and some of my own because I didn't get anything, and I don't thing the Commission gave my bus lines to anybody for nothing. They had no right to do it, the way I was operating.

Q. How many years did you operate all together?

A. I operated on the Frankford elevated from 1921 up until 1926, and into Fifth and Olney Avenue, and I run a bus line which was a truck, with a truck body on it across the Roosevelt Boulevard to Sears and Roebuck. My first application cost me \$25, and after that they cost anywhere from five hundred to a thousand dollars to get them.

Q. How many certificates of public convenience did you have?

A. I had one to operate a line over the Roosevelt Boulevard and one running from Fox Chase to Glenside and I had one running from the Frankford elevated to Burr home, and I had one from Fox Chase to Fifth and Olney Avenue by way of Cheltenham, Montgomery County.

Q. To whom were these moneys paid that you paid for getting those rights?

A. By attorneys.

BY FATHER COX:

Q. Who were your attorneys?

A. Well I had four or five attorneys.

BY MR. RHODES:

Q. You say the attorney's fees went from five hundred to a thousand dollars?

A. Yes.

Q. In other words, the attorneys raised their rates, did they?

A. I guess that was because I was making such a lot, I guess that's the reason for the P. R. T. taking my line. We were getting along nice, and in six months time I would have paid my equipment off, and I could have junked off, at least, a thousand dollars a bus. I couldn't pay for them. I had to send them back.

Q. I understand that you were not operating in a competitive way with the P. R. T.?

A. No sir, I established these lines.

BY MR. EVANS:

Q. In other words, you established the lines and built them up, and as soon as they were a going concern they were taken away from you?

A. Yes, sir.

BY FATHER COX:

Q. You were not in competition with their lines?

A. No sir.

BY MR. COOKE:

Q. You didn't mean to say that it cost you a thousand dollars in expense for getting a certificate of public convenience on one line?

A. Yes sir; for the one reason I can tell you, that the Public Service kept putting me off; we will hold a hearing in Harrisburg, and I would have to have my attorney come to Harrisburg to fight the case in Harrisburg. I was in Harrisburg on two occasions. I came to Harrisburg before the Senate, when the P. R. T. was trying to get the monopoly of operating buses and taxicabs in the City of Philadelphia. I came up here and fought that case. They didn't get the monopoly of the city streets in the City of Philadelphia to operate buses and taxicabs, and then they turned around and took my line away from me, claiming they had the monopoly of operating buses in the City of Philadelphia.

BY FATHER COX:

Q. You say it was Coleman Joyce who insisted on your putting that clause in your certificate?

A. He said to Commissioner Benn that if and when the Philadelphia Rapid Transit and the Philadelphia Rural Transit operated trackless trolleys or buses over such routes, I would get off.

Q. What right did they have to insist on it?

A. That is what I am trying to find out.

THE CHAIRMAN: Well, Mr. Menke, that is just what this Committee is trying to find out.

Q. At this particular time, when this clause was inserted in your certificate, did the P. R. T. or Philadelphia Rural Transit Company have a certificate pending?

A. No sir, I operated two years.

Q. In other words you were in there ex parte, without any proceeding in which they were interested; they merely objected to this application and had this clause inserted?

A. Yes, sir.

BY FATHER COX:

Q. And they told you what you must do, so that the Commission would allow you to operate for a longer term?

A. My attorney told me to say, "Yes."

Q. If it was Coleman Joyce, the attorney for the P. R. T., I think it is the most flagrant case we have heard of during this investigation?

A. If you will go to Philadelphia, they will tell you about my case and how I was treated.

Q. I believe you, but I want these newspaper men to tell about it?

MR. EVANS: If the Committee cares to, we have here a record of Mr. Menke's applications, which we are ready to put in, and the action of the Commission in regard to them, so as to have the complete picture, but I don't know how long the Committee wishes to sit. I expect it will take fifteen or twenty minutes.

MR. RHODES: I think, even if it takes fifteen or twenty minutes, we had better have the record complete, especially if we are going to call Mr. Benn and Mr. Wolfe.

MR. CRAWFORD: It seems to me that this is a case that needs attention, and the quicker we go into it the better.

JAMES E. CROWL sworn

BY MR. EVANS:

Q. You are employed in the research department of this Committee in investigating certain matters, are you not?

A. I am.

Q. And among other matters have you investigated the bus applications of W. F. Menke and the action of the Public Service Commission in regard to them?

A. I have, to a certain extent. Due to a lack of time, I was not able to go into all the applications that I wanted to, but I have considerable information in connection with them.

Q. Will you state, briefly, to the Committee the history of Mr. Menke's applications to the Commission, and the certificates that were granted to him and the later refusal of the certificates?

A. Mr. Menke began operating motor buses in the northern section of Philadelphia county on December 5th, 1922. The certificates granted to him was issued on November 20th, 1922, and he began operating practically two weeks after he received his first certificate. The route that he began operating over was between Rising Sun and Cheltenham Road and the Frankford Elevated and Bustleton Avenue. That was the first route that he obtained from the Commission.

Q. What was the docket number of that case?

A. The docket number of that case was Application Docket 7443-1922.

Now, Mr. Menke did have a certificate prior to this time for a taxicab service on the Roosevelt Boulevard, which he mentioned. That was Certificate No. 4724, issued April 19th, 1921.

Under date of September 11th, 1922, at Application Docket 7042, he was refused call and demand service in Philadelphia; that is, taxicab service.

At Application Docket 10064, approved February 4th, 1924, the route from Fifth and Olney Avenue and Cottman Street and Central Street, Cheltenham.

At Application Docket 10082, approved on April 10th, 1924, for the same route.

By the way, that first order was a temporary order of the Commission, and it was later sustained on April 10th, 1924.

Application Docket 10902, approved June 9th, 1924: Now, this was the first application that contained the stipulation. Now, that statement reads that if and when the Philadelphia Rural Transit Company or its subsidiary companies extend its street railway service or other transportation service by means of motor vehicles or trackless trolley over the route and into the territory covered by this application, the rights, powers and privileges hereby granted shall immediately cease and terminate.

THE CHAIRMAN: May I interrupt you there just a minute?

BY THE CHAIRMAN:

Q. Are there any buses now operating in which that clause is still in effect?

A. There is.

MR. EVANS: We have asked the Commission for a complete list of those, and that is one of the items with which they have not yet furnished us.

MR. MEMOLO: That does not imply exclusive privileges the same as a township electric charter, does it?

MR. EVANS: It does not.

THE WITNESS: In connection with this stipulation, while it is mentioned in the Commission's report and order in the case of Menke: In the case of Albert Niebauer, at Application Docket 16970-16971-16972, the Commission states that the form of this stipulation was originally submitted to the Commission by the law officers of the City of Philadelphia for insertion in certificates as a protection to the legal rights of the City under the contract of 1907 with the Philadelphia Rapid Transit Company and, furthermore, to conserve the rights of the city in the use of its highways by automotive common carriers.

Q. That is put in there in explanation of this—

A. By the Commission. Now, that explanation was not shown in connection with Menke's order, but this is a

similar case in which Niebauer is still operating under that stipulation.

MR. COOKE: What is the term of the certificate?

MR. EVANS: The term at the time these certificates were issued was two years, and in some cases extended to five years.

MR. COOKE: So that has very little bearing in the argument.

MR. EVANS: I think it has no significance at all.

BY MR. EVANS:

Q. This application of Niebauer's from which you have just read an extract, was handed down by the Commission on October 31st, 1927, was it not?

A. Yes.

Q. And when was this condition first placed in Menke's certificates?

A. It was first placed in Menke's certificates on June 9th, 1924.

Q. And, so far as you are aware, there is no similar application or explanation made by the Commission until October, 1927, in any case?

A. No; but the wording of the stipulation is exactly the same in both cases.

Q. Go ahead and give us the rest of them.

A. At Application Docket 11020 was a renewal of the first application for bus service granted to Menke. He had operated this service for a period of two years and applied for a renewal when this stipulation was inserted in his certificate.

In Application Docket 11917 a new route was applied for between Central Avenue and Cottman Street and Huntington Pike and Fillmore Street. That was approved on December 8th, 1924, and likewise contained this stipulation.

At Application Docket No. 13445, approved October 20th, 1925, approved for an additional route between Fillmore Street, Huntington Pike and Jenkintown Road in Montgomery County.

Q. Did they contain the same provision?

A. All his following certificates contained the stipulation. At Application Docket 13961, the route was applied for between Jenkintown Road, in Montgomery County, to York Road and Olney Avenue. That certificate was refused, and I have been unable to get a hold of the record in that case to determine the reason for the refusal.

On May 12th, 1926, at Application Dockets 14892, 14893, 14894, 14895, 14896, Mr. Menke applied for a renewal of his existing certificates. That renewal was refused under date of June 15th, 1926, but a temporary order of the Commission was issued extending the time limit of his existing certificates, which would have expired on June 1st, 1926, to August 1st, 1926.

On July 15th, the Commission determined, through some source, that Mr. Menke had ceased operating.

BY MR. MEMOLO:

Q. Had ceased or was about to cease?

A. Had ceased. The order, refusing his certificate on June 15, 1926, granted him an order to August 1, that he should cease operating as of August 1, and of course as soon as he learned that, naturally he apparently got out of the business, and then the Commission issued their formal cease and desist order as of July 15.

MR. COOKE: Is there anything on the record about that refusal dated in February of the same year?

MR. MEMOLO: The one we were asking about; the one that Wolfe made the report on?

THE WITNESS: The certificate in that particular case was granted, but I think Mr. Menke made the statement that Commissioner Benn stated that if he had been sitting it would not have been granted.

BY MR. EVANS:

Q. You mentioned the one in February that was refused. Now, what is the story about that?

A. That is the one in which I have not been able to get the record. I attempted to get the record on these cases yesterday. (Discussion off the record.)

THE CHAIRMAN: Mr. Evans, in reference to the records that you wish to be furnished,—

MR. EVANS: We have asked the Commission for records of all the cases where certificates were granted under similar conditions, and so far we haven't received them.



THE CHAIRMAN: Mr. Crawford suggested that you subpoena the records in these two cases, which the witness said he could not find yesterday or today.

THE WITNESS: I could get them from the Commission, I suppose.

THE CHAIRMAN: In those cases there is no reason why they should be out of the files.

MR. EVANS: I suppose Mr. Crowl can get them without the necessity of a subpoena.

THE WITNESS: I can get them without the necessity of a subpoena; yes.

BY MR. EVANS:

Q. Have you examined any of the reports made by Mr. Menke to the Commission showing the volume of his business and receipts and so on?

A. I have.

Q. Will you just give them, briefly, to the Committee?

A. There were no annual reports filed by the various bus companies until 1924, due to the fact that there was no regulation, I don't believe, up until that time, compelling them to file.

Mr. Menke's report for the year 1924, shows a net worth of \$10,000 and gross receipts of \$70,000. At the close of this year he was operating ten buses, and carried public liability insurance of \$10,000 to \$20,000 and property damage of \$1000.

His report for 1925 shows a net worth of \$100,000, with gross receipts of \$175,000, and at the close of the year he was operating 18 buses, or an increase of eight over the previous year. His liability insurance remained the same, but he increased his property damage to \$5,000.

Now, in 1926 Mr. Menke filed no report to the Commission, which of course was a year in which he did not operate; only a small portion of his routes.

The report for 1927 is rather incomplete, but it shows a net operating revenue of \$19,208, with a net income of \$111.09, and that he had made payments on equipment in the amount of \$3,102.20.

The 1928 report shows a capital at the close of the year of \$12,477.60, with an operating revenue of \$20,657.70; that he had three buses in operation and carried a total of 206,577 passengers.

No report was filed for 1929, but on or about November 1, 1929, the Reading Transportation Company, a subsidiary of the Reading Company filed an application for a certificate over certain routes which would result in competition with Mr. Menke. On November 22, 1929, Mr. J. Rush, on behalf of the Fox Chase and Richboro Bus Line, a subsidiary of the Reading Transportation Co., filed an application to take over the existing routes of Menke, who desired to discontinue his service. A temporary certificate was granted to the Fox Chase and Richboro to terminate at such time as a decision was reached in connection with the case of the Reading Transportation Company.

Under date of October 20, 1925, Mr. Menke was granted permission by the Commission to put on his additional buses, which completed his Mack equipment. Now, when he lost his equipment, he was granted permission by the Commission on January 19, 1927, to operate the three Federal buses, which were in operation till the time that he ceased.

WILBUR F. MENKE recalled

BY MR. EVANS:

Q. Mr. Menke, reference has been made to the refusal of a certificate to you in February, 1926. Can you briefly state to the Committee the facts in regard to that case?

A. That was a bus line running from Norristown, to take people in Montgomery County over to Norristown courts and to transact real estate and other business, over a line which there was no lines whatsoever running over, and it was refused because of not enough necessity, which we showed plenty of necessity at the hearing, that there was a necessity for that line to be in operation.

Q. From where did it go to Norristown?

A. From North Glenside to Norristown, by the way of Montgomery County.

BY MR. MEMOLO:

Q. Have they established a bus line there since?

A. No, sir. If you want to go to Norristown, you have to go all the ways in to the city and up from 69th and Market up into Norristown and pay the additional fare, of about 69 cents.

(At 5.50 P. M., adjourned until Thursday, April 9, 1931, at 10 o'clock A. M.)

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room, on Thursday, April 9th, 1931, at 10.00 o'clock A. M.

There were present:

Messrs. D. Glenn Moore, Chairman  
Bart Richards  
Louis J. Hagmaier  
Martin Memolo  
Elwood J. Turner  
Chester H. Rhodes  
Rev. James R. Cox  
Morris L. Cooke  
Harold Evans, Esq.  
John M. Walker, Esq.

JAMES E. CROWL recalled

BY MR. EVANS:

Q. Mr. Crowl, you have made some study of the bus situation in Pennsylvania, have you not, for the Committee?

A. I have.

Q. Will you tell the Committee briefly what your experience in the matter of regulation and particularly in regard to buses has been?

A. I was employed first by the Pennsylvania Railroad Company for a period of five years in various capacities. I was traffic manager for the Worth Steel Company for five years. I was employed as tariff examiner and rate expert with the Public Service Commission for three years. During that time I conducted an investigation of the bus situation.

BY MR. TURNER:

Q. What three year period was that?

A. 1926 to 1929, conducted an investigation of the bus situation over a period of eight months, in 1928.

BY MR. EVANS:

Q. Now, will you briefly describe that investigation of the bus situation?

A. The investigation was in connection with the various departments of the Commission, as a check to be used for the through operators who were rendering service without filing tariffs, without filing their accident reports, or without filing their annual reports with the Bureau of Accounts. At that time the bus situation was at its full height, it was an attempt made to try to stabilize the situation.

BY MR. TURNER:

Q. Was that made by the Commission?

A. Yes.

BY MR. EVANS:

Q. In the course of that investigation did you prepare a map of bus routes in Pennsylvania?

A. I did.

Q. And those maps were used by the Commission in their investigation?

A. Those maps showed all the bus routes in the State as of November, 1928, and they were used by the various Commissioners in conducting their investigation for applications of certificates of public convenience, to determine if there were existing operators over the particular route.

Q. Have you made for the Committee a study of the passenger traffic of the various bus companies throughout Pennsylvania during the years 1928 and 1929?

A. I have made a comparison of the revenue passengers carried over routes which were later granted to the Pennsylvania General Transit Company.

Q. What is the Pennsylvania General Transit Company?

A. The Pennsylvania General Transit Company is a subsidiary of the Pennsylvania Railroad Company.

Q. Is it a directly owned subsidiary, or is there some intermediary company?

A. The Pennsylvania General Transit Company is owned by the American Contract and Trust Company, whose stock is in turn owned by the Pennsylvania Railroad Company.

Q. Does the American Contract and Trust Company own or control any other bus companies than the Pennsylvania General Transit Company?

A. It does.

Q. What is its relation to the Greyhound Lines?

A. That it owns and controls the stock in the Greyhound Lines.

Q. Does the Greyhound Line in turn own and control stock in any other company?

A. The Greyhound Lines owns the controlling interest in the Great Lakes Stages.

Q. Now, where do the Greyhound Lines operate?

A. The Greyhound Lines operate from New York City to California and Florida.

Q. In other words, a general operation throughout the United States?

A. Throughout the United States.

Q. Now, take the statistics of the independent operators, have you prepared a paper showing the revenue passengers of the individual operators or lines competing with the Pennsylvania General Transit Lines for the years 1928 and 1929?

A. I have.

Q. Have you also prepared a table showing similar statistics for the bus companies which are subsidiaries of street railway companies?

A. I have.

Q. And for the Reading Transit Company?

A. I have.

Q. And the Pennsylvania General Transit subsidiaries?

A. Yes.

Q. Also for the Pennsylvania General Transit Company itself?

A. Yes.

Q. I show you a paper consisting of three sheets, headed, "Bus transportation, 1928 and 1929," and ask you whether that was prepared by you or under your direction?

A. It was.

Q. And that exhibit embodies the studies to which you have referred?

A. Yes.

(Bus Transportation, 1928 and 1929—Comparison of revenue passengers carried by Pennsylvania General Transit Company, Reading Transportation Company and subsidiaries, with independent operators in competition, produced and marked Exhibit No. 122.)

MR. EVANS: I offer this paper in evidence as Exhibit No. 122.

Q. When did the Pennsylvania General Transit first apply for a charter?

A. The Pennsylvania General Transit Company first applied for a charter in 1926.

Q. And did it then obtain a charter?

A. A charter was refused at that time.

Q. That is, it was refused by the Commonwealth of Pennsylvania.

A. By the Commonwealth of Pennsylvania.

Q. Did it subsequently obtain a charter?

A. It subsequently obtained a charter on July 3, 1928. It was chartered in fifty-five counties in Pennsylvania.

Q. That is, to operate buses throughout fifty-five counties?

A. Fifty-five counties in Pennsylvania.

Q. Has that extent of its territory since been extended?

A. It has.

Q. Now, turning to the exhibit number 122, table number 1, on page 1, shows a comparison for the independent operators in the years 1928 and 1929, does it not?

A. That is right.

Q. And that shows what in regard to their revenue passengers?

A. That shows a decrease of 127,451 revenue passengers, or 43% decrease in 1929 under 1928.

Q. And those were lines that were competitive with the Pennsylvania General Transit Company Lines?

A. That is correct.

Q. During the same period—

BY MR. TURNER:

Q. Does the list of names at the left represent these different corporations under the Pennsylvania or are they the independents?

A. These are independent operators who were placed in competition with the Pennsylvania General Transit Company by reason of the granting of certificates.

BY MR. EVANS:

Q. On table number two on page two of the exhibit what has been the corresponding situation with the bus companies owned by street railways?

A. Taking the four bus companies shown in the table who were also operating lines which paralleled the lines of the Pennsylvania General Transit, in which the Commission placed restrictions prohibiting the carriage of local passengers over the routes of these lines, they show an increase of 1,049,425 passengers or 27.6%.

Q. And during the same period the Reading Transportation has shown an increase in bus passengers of how many?

A. An increase of 511,133 passengers, or a 128.2% of an increase.

Q. On page 4 you show the subsidiaries of the Pennsylvania General Transit Company, what is the situation in regard to that?

A. They show an increase of 71,058 passengers, or 5.8%.

Q. In giving these figures for the subsidiaries of the Pennsylvania General Transit Company, some of the subsidiaries, as I understand were taken over in 1930, and, therefore, their figures only show for a part of a year?

A. That is correct.

Q. Table 5, on page 7, shows the revenue passengers carried by the Pennsylvania General Transit Company during 1929?

A. That is correct.

Q. Did the Pennsylvania General Transit Company operate as such during 1928?

A. They did not.

Q. How were the operations, later taken over by the Pennsylvania General Transit Company, conducted in 1928?

A. The certificates were obtained under the name of Robert E. Stackhouse as an individual in 1928, and then operated as such, but no annual reports were filed showing the number of passengers, carried during that year.

Q. Now, then, in table 6 you have summarized the previous tables, and will you comment, briefly on that summary?

A. This summary shows us the total revenue passengers, carried over routes now covered by the Pennsylvania General Transit Company, showing that in that year, 1928, there were 8,385,710 passengers carried over these routes.

In 1929 there were 10,098,887 passengers, that the independent operators, shown on table 1 carried 35.4% of the total passengers in 1928 and 28% in 1929.

On table number 2,—

BY MR. TURNER:

Q. As I understand it, in 1928 there was no Pennsylvania Transit Company?

A. In 1928?

Q. Yes.

A. No; only through the companies that were held by the American Contract and Trust Company as subsidiaries of the Pennsylvania General Transit Company.

BY MR. EVANS:

Q. Now, wait a minute, let us get that clear, Mr. Crowl. The subsidiaries of the Pennsylvania General Transit Company shown on table number 4, were not controlled, were they in 1928, by the Pennsylvania Railroad interests, were they?

A. No; they were not. Table number 2, the street car subsidiaries, carried 45.4% of the total traffic in 1928, and 48.1% in 1929. Table number 3 of the Reading Transportation Company carried 4.8% of the total passengers in 1928 and 9% in 1929.

Now, taking table 4 and table number 5 combined, representing all companies owned or controlled by the American Contract and Trust Company, represented 14.4% of the total passengers carried in 1928 and 14.7% in 1929.

The Pennsylvania General Transit Company did not begin operations until the middle of the year 1929.

BY MR. COOKE:

Q. Is that an error in the mimeograph sheet where it says 12.4? You have testified 14.7.

A. In that I have added on the 2% of the Pennsylvania General Transit Company to show the total.



Q. When was the first certificate granted to the Pennsylvania General Transit Company?

A. The application for certificate to operate buses was filed with the Commission on October 2nd, 1928, and finally granted on April 29th, 1929, between Philadelphia and the Ohio State line enroute to East Liverpool, Ohio, over the Lincoln and William Penn Highways.

Q. Have you prepared a map showing the route of the independent companies as of January 1st, 1929, competitive with the Pennsylvania General Transit lines as they now exist?

A. I have.

BY MR. HAGMAIER:

Q. Mr. Evans, get this matter clear; that is, the independent companies had their certificates first?

A. Yes, sir, they had been operating.

Q. And then the other people got their certificate to operate in competition with them?

A. Yes, sir. In connection with that competition, in every case they were not permitted to operate locally between the points of existing operators but these operators had built up service in connection with each other for transportation of persons for greater distances than their particular certificates covered, with the result that indirectly they were placed in competition with them.

Q. When was the first certificate granted to the Pennsylvania General Transit Company?

A. The application for certificate to operate buses was filed with the Commission on October 2nd, 1928, and finally granted on April 29th, 1929, between Philadelphia and the Ohio State line enroute to East Liverpool, Ohio, over the Lincoln and William Penn Highways.

Q. Have you prepared a map showing the route of the independent companies as of January 1st, 1929, competitive with the Pennsylvania General Transit lines as they now exist?

A. I have.

BY MR. RHODES:

Q. May I refer to Table 2. I would like to know with reference particularly to the East Stroudsburg Bus Company and the Stroudsburg Traction Company, what do you mean?

A. According to the annual report filed, the East Stroudsburg Bus Company is owned by the Stroudsburg Transportation Company.

Q. Do you assume that the Stroudsburg Traction Company is operating a trolley line?

A. I could not say that.

Q. I happen to live in Stroudsburg. The only thing we have in East Stroudsburg and Stroudsburg is a bus line?

A. I had no check on the street railways companies. This tabulation was made more to show that the rights of street railway subsidiary companies had been considered to a greater extent by the Commission than have the rights of individual operators.

Q. That is perhaps true. The Stroudsburg Traction Company went bankrupt in operating the trolley line, and the bus line was substituted and it is of course owned by the same individuals. In other words, the trolley company had only to salvage the franchise for this bus line. I wondered if it was assumed that the traction company was still operating a traction line and a subsidiary line of buses was operated in competition or in conjunction therewith?

A. No, I think that is explained in this way: The former officers of the traction company are probably the officers of the bus company.

MR. RHODES: I think that is true in this particular case.

BY MR. EVANS:

Q. Is it generally true, is it not, in many of these cases of trolley subsidiaries, that the bus lines have taken the place of the street railway lines?

A. That is true.

BY MR. TURNER:

Q. In many instances that was the only way which these traction and trolley companies had of salvaging anything?

A. That is true.

BY FATHER COX:

Q. Does the Commission make any effort to regulate the rates of the bus companies?

A. No more than they do in connection with other utilities.

Q. It is a very important matter in organizing new companies to get them started right.

MR. TURNER: The Commission regulates the rates on buses the same as anything else.

MR. EVANS: Certainly.

MR. TURNER: They have to file tariffs the same as railroad companies and any other utility companies?

MR. EVANS: Yes, sir.

FATHER COX: If they are the same as others, we are in a bad way.

BY MR. EVANS:

Q. Mr. Crowl, you have prepared a map showing the routes in Pennsylvania of the independent bus operators as of January 1st, 1929?

A. I have.

Q. Does this map cover practically all of the important routes of the independent bus operators?

A. It does.

Q. The routes as I understand it are indicated in red on this map.

A. That is correct.

#### MAP SHOWING INDEPENDENT BUS OPERATION IN PENNSYLVANIA, JANUARY 1, 1929, PRODUCED AND MARKED EXHIBIT No. 123

MR. EVANS: I offer this in evidence as Exhibit No. 123.

We will try to have photostatic copies made for the members of the Committee.

BY MR. EVANS:

Q. Mr. Crowl, what does this map indicate as to the extent to which Pennsylvania was covered by the routes of independent bus operators.

A. It shows it was pretty well covered, most of the principal highways of the state were covered, where there was very much population.

Q. Now, have you prepared a similar map showing the routes, subsequently granted, with the Pennsylvania General Transit Company.

A. I have.

#### MAP SHOWING ROUTE SCRANTON PENNSYLVANIA GENERAL TRANSIT COMPANY, PRODUCED AND MARKED EXHIBIT No. 124

MR. EVANS: I offer this map in evidence as Exhibit No. 124.

BY MR. EVANS:

Q. On this map you have indicated the routes of the Pennsylvania General Transit Company in what way?

A. The routes that have been granted by the Commission to the Pennsylvania General Transit Company are shown in a solid red or green line. There is one proposed route that is shown in a dotted line.

Q. What is the significance of the red and green portions of the line.

A. It shows that a greater—

Q. Now, tell us what those mean first.

A. The red lines show that part of the route on which there were existing operators at the time certificates were granted, and the green lines represent that portion of the route on which there were no bus operators at the time certificates were granted.

Q. Now, what does the dotted line indicate; is that a pending application before the Commission?

A. That is a pending application before the Commission.

Q. For what route?

A. For a route from Pittsburgh to Scranton, which represents an addition of approximately one hundred miles of route.

Q. And when you say and addition, you mean that much of the route is now already covered by Pennsylvania General Transit Company franchises.

A. That is correct.

Q. What portion of this new route is not covered by independent bus service.

A. A very small portion.

Q. From what points to what points?

A. From Potter Mills to Mifflinburg, and from Wilkes-Barre to Pittston.

Q. Have there been any applications before the Commission for routes from Wilkes-Barre to Pittston.

A. I don't know.

Q. What service is there between Wilkes-Barre and Pittston already existing?

A. I understand there is high speed service between Wilkes-Barre and Pittston.

Q. An interurban electric.

A. Yes.

BY MR. RHODES:

Q. Is there any high speed service between Wilkes-Barre and Pittston?

A. I don't know.

MR. MEMOLO: No.

MR. RHODES: The Laurel Line.

MR. MEMOLO: Yes.

MR. RHODES: Is that not what they refer to between Wilkes-Barre and Pittston?

MR. MEMOLO: They have a high speed line on the west side; a street car electric service.

BY MR. EVANS:

Q. Mr. Crowl, taking this map as a whole what does it indicate as to the proportion of the routes granted to the Pennsylvania General Transit Company, which were already covered by independent operators?

A. It shows that a greater portion of the routes were already covered by existing operators.

Q. What has been the practice of the Commission in regards to granting to applicants routes which are already covered by the operators. In other words, what has the Commission required an applicant to show before a certificate was granted to him in the usual run of cases?

A. In the usual run of cases the Commission required that the applicant established the need for the service before the certificate is granted.

Q. And where existing—

A. Is sufficient to meet the public needs the application has been refused.

Q. Has that been the case with regard to the applications of the Pennsylvania General Transit Company?

A. It has not.

BY MR. RHODES:

Q. Speaking of the Pennsylvania General Transit Company you mean that this is the bus company that is owned by the Pennsylvania Railroad.

A. Yes.

MR. EVANS: And when you speak of the Pennsylvania General Transit lines you mean the lines operated by them either directly or through a subsidiary, do you not?

A. That is right.

Q. The map of the routes of the Pennsylvania General Transit Company is brought approximately up to date; is it not?

A. It is; sir.

Q. In granting certificates to the Pennsylvania General Transit Company or its subsidiaries, has the Commission ever granted certificates for service, which was not asked by the applicant?

A. They have.

Q. In what cases, do you refer to that?

A. In the application for a route, at Application Docket 19425, folder number 21, application was made for a route between Philadelphia, Scranton and Wilkes-Barre. At the time of the hearing the Pennsylvania General Transit Company offered a stipulation to be placed in their certificate, and also incorporated that stipulation in their brief which read as follows:

"The Pennsylvania General Transit Company, at the beginning of the hearing announced that it would voluntarily accept a general stipulation to the effect that it shall not pick up and deliver passengers or do a local business between the termini of any existing bus operator, duly certified by your Honorable Commission, or any existing street railway lines, but that your applicant does desire to reserve the right to pick up passengers between such termini for carriage beyond and to deliver passengers from points beyond such termini."

Q. What existing carriers were there on that route at that time?

A. That particular route was completely covered with individual operators at that time.

Q. What stipulation did the Commission place in its certificate?

A. The stipulation placed in the certificate issued on July 23, 1929, states that no right, power or privilege is granted to transport local passengers on any trip or trips in either direction between the cities of Philadelphia and Easton and intermediate points between said places, the city of Easton and the borough of Stroudsburg and intermediate points between said places, the village of Bostonville and the borough of East Stroudsburg and intermediate points between said places, the village of Pocono Summit and the city of Wilkes-Barre and locally between the cities of Wilkes-Barre, Easton and Philadelphia the intent and purpose of this condition being to make effective the stipulation of the applicant not to transport local passengers in the territory of a certified operator furnishing transportation service over any portion of the route.

Q. Was there an existing operator between Pocono Summit and Wilkes-Barre?

A. There was.

Q. And the stipulation inserted by the Commission does not prevent the Pennsylvania General Transit Company from picking passengers and delivering at intermediate points on that route?

A. It does not.

Q. But it does with other routes held by independent operators?

A. Yes sir.

BY MR. RHODES:

Q. Who had the certificate between Pocono Summit and Wilkes-Barre?

A. Now, the Wilkes-Barre Transit Company, certificate 10895-1929, Folder No. 4, permits us to operate between Water Gap and Wilkes-Barre, and the Wilkes-Barre and Pocono Transit Company provide a through rate of \$1.90. The Pennsylvania General Transit Company's tariff provides a through rate for the same service for \$1.75. The only restriction that is contained in the tariff of the Pennsylvania General Transit Company is with reference to this certificate holder that it will not transport passengers between the village of Pocono Summit and Wilkes-Barre.

Q. Supposing someone got on at Pocono Summit and wanted to get off at Wilkes-Barre, is that permissible?

A. Not under the Pennsylvania General Transit Company's tariff, unless they are destined to some point beyond, and were sold a through ticket in connection with the bus line and the Pennsylvania Railroad.

BY MR. EVANS:

Q. But under the Pennsylvania General Transit Company's certificate, they can pick up a passenger at any point between Pocono Summit and Wilkes-Barre and carry them to Wilkes-Barre?

A. They can.

Q. And have they tariffs covering those points?

A. They have.

Q. How do those tariffs compare with the tariffs of the existing operator?

A. In all cases the fares are less, usually from 5 to 10 cents.

Q. So insofar as the route between Pocono Summit and Wilkes-Barre is concerned, the Commission granted the rights to the Pennsylvania General Transit Company that it had not asked for in its application?

A. That is correct.

Q. Then the Pennsylvania General Transit Company has exercised those rights?

A. They have.

Q. And they are in direct competition with the existing carrier in that portion of the territory?

A. They are.

Q. Have you any other similar case?

A. Frank Rodgers, Certificate 20784, of 1929, between Pocono Summit and Pocono Lake; his fare is 75 cents, and the Pennsylvania General Transit fare between the same points is 25 cents.

Q. And that falls within the same portion of the territory that you have just been discussing?

A. That is right.



Q. Have you anything further to say in regard to the practice of the Commission in regard to proof of public necessity?

A. On April 14th, 1930, a certificate was granted to the Pennsylvania General Transit Company for operating between Beaver Falls and Erie. This application was strenuously opposed by the West Ridge Transportation Company, which is a very large operator in the Western part of the State, but nevertheless a certificate was granted. On May 5th the West Ridge Transportation Company petitioned the Commission for a re-hearing, stating among other things that "there have been repeated applications filed for certificate in territory adjacent to this for which the Commission found no necessity; that the petitioner believes that there has been injustice done in this case and that inadvertently or through a misconstruction of the testimony the certificate was granted without a sufficient record to support it." Under date of May 27th the Commission refused the petition for a rehearing.

Q. And the result of that was that a certificate was granted to the Pennsylvania General Transit Company for this route?

A. That is correct.

Q. And there had been a number of prior applications for the same route, had there not?

A. There had.

Q. What then happened?

A. On November 16th, 1930, the same year, the Pennsylvania General Transit Company filed a petition with the Commission for a withdrawal of service between Erie and Beaver Falls, claiming a lack of patronage and that the service was burdensome to the petitioner. This petition was granted on December 15th.

Q. In other words, as I understand the situation, the existing carriers in that territory had from time to time asked for this right and had been refused on the ground that there was no necessity?

A. Yes, sir.

Q. And the Pennsylvania General Transit Company petitioned for the same right, and in spite of the protest of the carriers in the territory, was granted a certificate, the Commission finding that there was a necessity for the service?

A. That is right. And within six months after the certificate was granted the Pennsylvania General Transit Company itself admitted there was no necessity for the service and asked for leave to have the service discontinued.

MR. TURNER: We all make mistakes in judgment.

FATHER COX: They never make a mistake in refusing a company.

BY MR. MEMOLO:

Q. Is the route there now operated by independents?

A. Yes, there is an independent operator over that route at the present time.

BY MR. EVANS:

Q. What other similar cases do you know of?

A. Another route between Pittsburgh and the West Virginia State line near Florence, a certificate was granted on November 19, 1929. On December 2nd, 1930, the Pennsylvania General Transit Company was granted a supplementary order to suspend their service for six months on account of lack of patronage.

Q. Now, Mr. Crowl, in this case of the application of the Pennsylvania General Transit Company, have there been protests from independent operators?

A. There have, strenuous protests.

Q. And these protests have been overruled in the cases where the certificates have been granted?

A. Yes, sir. The application for the first route of the Pennsylvania General Transit Company over the William Penn and the Lincoln Highways was formally protested against by twenty-seven bus operators, six street railway companies, and three railroad companies.

Q. These protests were to the effect that the territory was adequately served by existing service and that there was no need for additional service?

A. These protests were disregarded and the certificate was granted.

BY MR. RICHARDS:

Q. Is that route parallel to the Pennsylvania Railroad?

A. To some extent, not altogether.

Q. What railroad protested, then, if you know?

A. The Pittsburgh and Lake Erie, the Baltimore and Ohio, and the Huntingdon and Broad Top Mountain Railroad.

BY MR. EVANS:

Q. Now, going back to the route from Philadelphia to Wilkes-Barre and Scranton; had an application been made for that route in any year prior to the application of the Pennsylvania General Transit Company?

A. Yes, sir, the Great Lakes Stages applied for the right from the New York State line to Philadelphia via Scranton, Stroudsburg and Easton, on July 10th, 1928.

Q. Was that for intra-state business only?

A. No, sir, that was for both inter-state and intra-state.

Q. Who protested the granting of that certificate?

A. The Pennsylvania Railroad. They stated in their protest that the service rendered by the petitioner and other common carriers mentioned in this application provided ample and adequate service to the travelling public in the territory over which the proposed motor bus line will operate; that there is no necessity for any additional service of the nature proposed to be rendered by the applicant.

Q. When did the Pennsylvania General Transit Company apply for the right from Scranton to Philadelphia?

A. On May 1st, 1929.

Q. How much later was that than the previous one?

A. Practically one year later. This application was protested by the Great Lakes Stages to the effect that the application was not made in good faith inasmuch as it has directly, positively and without qualification opposed bus service over this same route on the ground of lack of necessity.

BY MR. RHODES:

Q. What happened to the Great Lakes application?

A. I will come to that in just one minute. That was finally granted for inter-state service between Trenton and Portland.

BY MR. EVANS:

Q. But was refused for intra-state service?

A. Was refused for intra-state service.

Q. And the following year the Pennsylvania General Transit Company application was granted for intra-state service?

A. Yes.

BY MR. HAGMAIER:

Q. In the same territory?

A. Yes.

BY MR. EVANS:

Q. What happened in the meantime, Mr. Crowl?

A. After the Great Lakes Stages obtained their certificate for inter-state rights, a tariff was filed for this company by the Greyhound Lines. After the Pennsylvania General Transit Company obtained their certificate for intra-state service, the Greyhound Lines withdrew the tariff of the Great Lakes Stages and filed a tariff of their own, incorporating the rates of the Pennsylvania General Transit Company.

Q. Have you any knowledge as to when the Pennsylvania Railroad obtained control, either directly or indirectly of the Great Lakes Stages?

A. I don't.

BY MR. RHODES:

Q. Do you know that they have?

A. Only that they have an interest in the Greyhound Lines, and inasmuch as the Greyhound Lines filed the tariff of the Great Lakes Stages, they must indirectly have an interest in the Great Lakes Stages.

Q. What is the distinction between the Greyhound Lines and the Great Lakes Stages, two separate corporations?

A. Supposedly, from the record, yes.

Q. They operate two sets of buses?

A. I cannot answer that.

Q. You say the Pennsylvania Railroad, however, is interested in the Greyhound Lines?

A. Yes.

Q. And the Greyhound Lines filed the schedules for the Great Lakes Stages?

A. Yes.

BY MR. EVANS:

Q. Where did the Great Lakes Stages primarily operate?

A. In New York State, around the Great Lakes. They were attempting to get a route that would link with their service from Buffalo through to Philadelphia.

Q. Who heard the application of the Pennsylvania General Transit Company for the route from Philadelphia to Scranton?

A. Commissioner Benn.

Q. What was said in the course of that hearing by Commissioner Benn in regard to these statements against competitive service that you have referred to?

A. Commissioner Benn said among other things, that this applicant has filed a stipulation which is binding only upon the applicant and not upon the Commission, the only thing that binds the Commission in matters of this kind is public necessity. If in the judgment of the Commission public necessity and convenience would be best served by the local service between any points by such an applicant as this, or any other applicant, besides the existence of a pending application, or even of a certificate for local service, it would be the Commission's duty then to believe that public necessity and convenience exists, although a stipulation was entered of record.

Q. And it was apparently on that principle that the Commission allowed competition with the existing carrier between Pocono Summit and Wilkes-Barre?

A. It was, inasmuch as the stipulation of the Pennsylvania General Transit Company would have prohibited that service.

BY MR. RHODES:

Q. You can go by bus from Harrisburg clear through to Wilkes-Barre, can you not?

A. On the Pennsylvania General Transit Company?

Q. Yes.

A. Yes, that is permissible.

Q. What lines operate between Scranton and Stroudsburg?

A. Pennsylvania General Transit.

Q. Between Stroudsburg and Scranton?

A. Yes, they branch at Swift Water.

Q. You cannot get on the bus at Stroudsburg and go to Scranton?

A. They probably have an arrangement for that transfer at Swift Water.

Q. But you cannot go on the bus from Stroudsburg, you cannot buy a ticket?

A. They provide in their rates—

Q. Because they won't allow you to travel that way?

A. They provide for that in their rates, in their tariff before the Commission.

Q. But you cannot get on the bus at Stroudsburg and go to Scranton, but you can get on the bus at Stroudsburg and go to Wilkes-Barre?

A. Well, their tariff rates are filed, and they have no restriction.

Q. For the Pennsylvania General Transit Company.

A. Yes.

Q. Which operates the Greyhound Lines.

A. I can give you the rates between the two points.

Q. I would just like to know as a matter of information, because we have tried it.

A. The rate is \$1.50.

Q. From Stroudsburg to Scranton.

A. Yes, and Stroudsburg to Wilkes-Barre is \$1.60.

BY MR. EVANS:

Q. Now Mr. Crowl, when these certificates have been granted to the Pennsylvania General Transit Company does the Pennsylvania General Transit Company in all cases operate those lines for which they get certificates.

A. They operate a very small portion of their routes granted by the Commission.

Q. How do they operate the lines?

A. They are operating under operating agreements with various other companies.

Q. Subsidiaries of the Pennsylvania Railroad?

A. In some cases.

Q. Can you give us a typical example of that.

A. The Commission granted the Pennsylvania General Transit Company their first application to operate buses in April, 1929, over the Lincoln Highway and the William Penn Highway. Under date of May 23, 1929, the Pennsylvania General Transit Company filed for the Commission's approval an operating agreement in connection with the Greyhound Lines whereby the Greyhound Lines would furnish all equipment, personnel and facilities and assume all costs and expenses connected with such operation and shall pay to the Pennsylvania General Transit Company one-half of the revenue in

excess of 48 cents per mile revenue; the intrastate operation of the Greyhound Lines in Pennsylvania being included in the forty-eight cents per mile revenue.

BY MR. EVANS:

Q. What service does the Pennsylvania General Transit Company render to the actual operator for this revenue which it receives?

A. None whatever, except to hold the certificates; obtain the certificates and hold them.

Q. In other words, the Pennsylvania General Transit Company gets the certificates and then, in most cases, makes an operating agreement with some other carrier to perform the service?

A. They do.

Q. Early in your testimony you mentioned the indirect competition that existed by reason of the Pennsylvania General Transit Company being allowed to perform service already being performed by two connecting independent operators. Have you anything more to say on that?

A. Yes. There are several cases that I have picked out at random—I didn't have time to go through all of the operators, as there are about four hundred and fifty in the state—but there are a few typical examples in this competition. The Adams Transit Company have a certificate to operate service between York and Gettysburg. They also have a certificate between Gettysburg and Chambersburg. They are not permitted however, to carry a passenger through from York to Chambersburg. A passenger must change at Gettysburg. The Pennsylvania General Transit Company can pick up passengers at York on through tickets issued to Bedford, with a stop over privilege at Chambersburg, and in that way the Adams Transit Company is placed in competition with the Pennsylvania General Transit Company.

Another case is that of the operators, Shank and Roomig, operating between Elizabethtown and Middletown. They have testified at a number of hearings before the Commission that the greatest portion of their revenue is derived from passengers originating at Harrisburg or between Harrisburg and Middletown on the line of the traction company. They have so arranged their schedules as to meet the street cars of this traction company at Middletown. Under the tariffs of the Pennsylvania General Transit Company, they can pick passengers up at any point between Middletown and carry them to points between Middletown and Harrisburg, or in the reverse direction, but they are not permitted, under their tariff or certificate to transport passengers locally between Elizabethtown and Middletown.

Q. In other words, the stipulations in these cases, or the conditions in the certificates do not eliminate competition with the existing carriers?

A. They do not. The Gettysburg and Harrisburg Transportation Company, who operate buses between Gettysburg and Harrisburg, testified through their attorneys that a study was made in 1927, which disclosed that approximately 5000 passengers were transported between the Pennsylvania Railroad station at Harrisburg and Gettysburg, and that inasmuch as the Gettysburg and Harrisburg Transportation also provided another stop in Harrisburg, in the center of the town that a great majority of these passengers traveled either east or west via the Pennsylvania Railroad. While the Gettysburg and Harrisburg Transportation Company is not placed in direct competition with the Pennsylvania General Transit Company, they feel that by permitting the General Transit Company to pick up passengers at Gettysburg, going in either direction will naturally affect their revenue.

Q. How many miles of bus routes in Pennsylvania, does the Pennsylvania General Transit Company now hold?

A. Approximately 1150 miles.

Q. How does that compare with other bus operators?

A. It is by far greater than any other bus operator.

Q. And when did the Pennsylvania General Transit Company enter the field?

A. They obtained their first certificate in April, 1929.

Q. So that within less than two years, they have received certificates for 1150 miles which is by far greater than any other operator in the state?

A. Yes sir; and they have never had an application refused by the Commission. They have withdrawn three applications, but they never had one refused.



MR. EVANS: Does the Committee have any questions to ask Mr. Crowl?  
(No response).

H. V. McNAIR (Recalled)

BY MR. EVANS:

Mr. McNair, in connection with the matter of rural electrification, has put in an estimate from their experiences in Middletown, of the cost of the erection of electric lines, and we will just put that on exhibit.

Q. Have you had any experience in connection with your electric plant in Middletown in the construction of electric lines?

A. I have.

Q. To what extent have you had such experience?

A. As chairman of the finance committee of the borough council, I supervised the bills and accounts and am familiar with the fixed prices of all material purchased.

Q. And you are familiar with the cost to the borough for the construction of such lines?

A. I am familiar with the labor costs, and the time of setting up poles, and wires, and all similar cases.

Q. Have you prepared an exhibit showing the cost of the construction of a mile of line?

A. I have.

BY MR. TURNER:

Q. You mean a mile of rural line or a mile of any kind?

A. This will be a mile of the better grade than the average rural line. It is standard in our borough and is constructed of red cedar poles and standard heavy equipment including transformers.

BY MR. EVANS:

Q. What is the total cost of construction of a mile of such line?

A. The total cost including materials and labor in erection of a mile complete with five kilowatt transformer, fuse boxes and all equipment including double wire for the mile, with 36 first grade red cedar poles, is \$947.41.

Q. Have you prepared or had prepared under your direction an exhibit setting forth the details of this estimate?

A. I have.

Q. Is this the paper before you?

A. This is the paper, and this has been approved by the superintendent of our light lines who is also familiar with the cost of material and the cost of construction and the list price of these articles.

BY MR. RICHARDS:

Q. And what size poles did you use?

A. This is figures on thirty foot poles, which have a list price of \$12.95. We figure it at \$13.00. A thirty-five foot pole would make a difference and—a forty-foot pole is \$17.55, but in rural electrification you would not use that size pole.

Q. What is the distance between the poles?

A. We figure thirty-six poles to a mile, which is standard in our community.

Q. What kind of wire did you use?

A. We used No. 6 wire which has a retail cost of 18 cents a pound and 82 pounds to the thousand feet. That is standard wire for all purposes.

Q. That is not aluminum?

A. No, sir, copper.

Q. You say it costs \$947.00 a mile?

A. Yes, sir.

Q. That is some price?

A. We have everything itemized here with the list price and everything, including the number of men per day and the pay per man.

MR. RICHARDS: I would like to have a copy of that too.

BY MR. RHODES:

Q. Do you have any overhead in there?

A. No, sir, this is the actual cost of labor and construction. The private company's overhead would be \$900 a mile.

BY MR. RICHARDS:

Q. You have no right of way cost?

A. No, sir.

BY MR. EVANS:

Q. This is labor and material cost?

A. Yes, sir.

BY MR. RHODES:

Q. I understand they have no right of way cost?

MR. RICHARDS: This is rural electrification. Get what the man says.

MR. COOKE: Mr. Richards is interested in having this. I gave him several estimates immediately above and below that figure. This figure is only remarkable in the sense you are comparing it with private company cost. I think we can establish if necessary that that bookkeeping is pretty correct.

THE WITNESS: We include in that a five kilowatt transformer which would take care of eight consumers.

EXHIBIT NO. 125, being "Construction Cost of One Mile of Poles and Wire Complete in Middletown, Pa," is offered in evidence, and for the information of the Committee to be copied direct into the record.

(Exhibit No. 125 follows:)

"Middletown, Penna., April 8, 1931.

"Construction Cost of One Mile of Poles and Wire Complete."	
Thirty-six (36) poles (red cedar) @ \$13.00 .....	\$ 468.00
Thirty-six (36) four pin cross arms @ .80 .....	28.80
Seventy-two (72) insulators @ .18 .....	12.96
Seventy-two arm braces @ .14 .....	10.08
Seventy-two (72) carriage bolts @ .05 .....	3.60
Thirty-six (36) through bolts @ .25 .....	9.00
Thirty-six toe bolts (36) @ .05 .....	1.80
Seventy-two (72) pins @ .05 .....	3.60
Two miles #6 wire @ .18 per pound, 82 pounds per thousand feet, or 10560 feet @ \$14.76 per M ft. ....	155.87
Five (5) KW Transformer .....	84.00
Two fuse boxes (2) @ 4.85 .....	9.70
Labor of setting 36 poles in place four (4) men will require six (6) days, or 24 days labor @ \$5.00 per day .....	120.00
Labor of stringing one mile of double wire will require four men for two days, or 8 days labor @ \$5.00 per day .....	40.00
	<hr/>
	\$ 947.41

HARPER D. SHEPPARD sworn

BY MR. EVANS:

Q. Mr. Sheppard, where do you live?

A. At Hanover, Pennsylvania.

Q. What is your occupation?

A. Shoe manufacturer.

Q. You are president of the—

A. Sheppard-Myers, Incorporated.

Q. And you also, I understand, are connected with one of the banks in Hanover?

A. Two of them.

Q. In what capacity?

A. President of one, and director in another.

Q. You have been familiar, Mr. Sheppard, with the water situation in Hanover for some time?

A. I have lived in Hanover for thirty-two years, yes, and I have been familiar with it for that length of time.

Q. What company is serving Hanover with water?

A. During my time—the Hanover Water Company which was taken over by the Consumers Water Company and in 1905, the Hanover-McSherrystown Water Company took over the Hanover Water Company and the McSherrystown Water Company; it is now the Hanover-McSherrystown Water Company.

Q. Have you any knowledge at all of the financial history of that company?

MR. TURNER: Mr. Evans, is some of that not already in the record on the first day?

MR. EVANS: Not in regard to this matter, I don't think, Mr. Turner.

Q. Will you give us some of its history, Mr. Sheppard?

A. The Hanover Company, the original company, had a capital of \$30,000. That was taken over by the Consumers Water Company, and they paid \$30,000 in bonds for their capital.

Q. Approximately when was that?

A. That was in 1894, and they sold to the Hanover-McSherrystown Water Company in 1905, and there was a

SE. . . . . from time to time until they had \$350,000 worth of bonds authorized, and \$250,000 of capital stock.

Q. As of what date now are you speaking, roughly?

A. This was about 1910 or 1911.

Q. Did you at any time consider the purchase of the water company?

A. We did in 1917. Mr. Myers and myself. At that time Mr. John H. Brough, who is now dead, came into our office one morning in March of 1917 and said, "I want to sell you fellows the water company." And our reply was he could not give it to us under ordinary conditions, but after some conversation, we told him that if he could show us that he could set the small householder's rate back to the 1912 rate, we would consider it. It took him a week or two to go over his figures, and he brought them down showing us that he could do it but would not have over \$1000 left, and would not have anything to take off for depreciation or add on for betterments. Our idea in that was to induce the small householder to put in all the conveniences. Hanover is a great home-owning community where a very great many of the workingmen own their own homes. I think a few dollars difference, and that we would offer it to the borough when we got it, or a little while thereafter, as soon as it was in our ownership, at exactly the price that we paid for it. He offered to sell us \$220,000 worth of common stock, which did not represent any capital whatever, it is the only constant supply of water we have in the city, for \$5 a share, \$50 par. In other words, we were to pay him \$25,000 for the \$250,000 of capital stock—

BY MR. TURNER:

Q. Sort of a drought then?

A. No, this was in March, when the reservoirs had—

Q. You didn't catch what I was saying?

A. Yes, the water was running out of the system then. I didn't understand, sir. We were to assume a bonded indebtedness they had of \$45,000, and he was to procure \$250,000 worth of the bonds at 80, or in other words, \$250 par for \$200,000, that is, 50 would take up the \$45,000 of indebtedness, considering the bonds would be worth par if the borough owned them, and pay \$5,000 on the \$25,000, or an approximate cost of \$420,000.

BY MR. EVANS:

Q. For the whole?

A. For the entire works, assuming the bonds that were out.

Q. What were the 1912 rates to which you refer, the household rates?

A. The whole household would pay about \$2.50.

Q. And what had those rates become by 1915?

A. \$16.50.

Q. How far did you go with this negotiation, Mr. Sheppard?

A. Why, he was corraling the bonds which were all up in the various banks, most of them around Harrisburg, as collateral security for the owners of the bonds. He had procured all of them but a very few of them, or rather had the option on them, and he came into the office one morning, we expected to get it through that week, and he came into the office one morning and said, "Did you see what council did last night?" I told him I didn't know anything about it, and he said they were considering putting engineers on and having a valuation made of the plant, and if they would do that; he said that he would drop the matter, "as I am afraid the valuation will not be as much as this price." About two weeks later council did pass a resolution to do such a thing, but I don't think it was ever put into effect. They passed a resolution to do so on April 15th, 1917, and there they dropped it. The war broke out soon after, and Mr. Brough died after that, about a year and a half after that. Two years later, in 1919, a Mr. Alvin R. Nissley, a real estate operator submitted to Mr. Myers, a proposition to sell the water company, which was somewhat different from Mr. Brough's. I think I have his original—I never had any conversation with Mr. Nissley about it, but I think I have his original proposition here, or memorandum of the Hanover-McSherrystown Water Company—I will read this just as he presented it, because that is all the evidence I can give on it.

Q. During the past two years the company has shown increased earnings of \$6,000; has spent for betterments, including mains on High street, and so forth, about two miles, \$20,000; has paid deferred interest of \$4,500, total \$30,500; they charged off for depreciation \$10,000 Gring and his associates, they were the owners of the water company, Mr. Brough was

the local manager, and one of the stockholders paid \$82.50 for the bonds, and held the coupons for several years because the company was not in shape to pay them. Capital stock, \$250,000 stock, \$30,000 Consumers Water Company's 6% bonds. That was the original \$50,000 that they had paid on the shares and was still out, to assume them when they purchased them \$220,000 and they were McSherrystown First Mortgage Five's, \$75,000; Second Mortgage Five's \$225,000 First Refunding Five's. \$225,000 of those bonds are still held by the trustees to retire the preceding bonds. All except the \$30,000 was callable at any interest period at par. Now comes his proposal of 1919, and this is what he wants to sell us: \$65,000 worth of bonds at \$80, \$52,000; 5,000 shares capital stock, that is the entire capital stock, that is approximately—Gring can deliver about 4,487, \$80,000, that would be equivalent to about \$3.00 a share. \$15,000 in coupons floating or outstanding bonds unpaid \$15,000; outstanding bonds \$485,000, at total of \$332,000 cash outlay \$147,000. This is summarizing it. Mr. Gring will carry \$12,000 coupons for one year if desirable, reducing the cash outlay to \$135,000, and that would have made \$80,000 for the stock instead of \$25,000, and would have added \$15,000 indebtedness against it as coupons instead of \$45,000 of bonded indebtedness when we were negotiating with Mr. Brough.

Q. Mr. Sheppard, what roughly would the total price at that time have been on this proposition?

A. \$80,000 for the stock, \$15,000 for the unpaid coupons would have been \$95,000, and he was willing to accept \$65,000 worth of bonds at \$80, that would have been a difference of \$13,000, considering the bonds worth par, that would be the capital stock, and then there would be \$485,000 of other bonds outstanding.

Q. So in round figures with the price of the whole property including the outstanding bonds have been somewhere in the neighborhood of \$600,000.

A. \$550,000 plus \$80,000—about \$630,000.

Q. \$630,000?

A. Yes.

Q. This proposition also as I understand it was not carried through however.

A. This was not considered at all. This was not considered at all, and I only found this memorandum in our desk by accident.

Q. But it represents what the owners of the company were willing to do at that time?

A. You see, we have had no communication with the owners at all; only with this real estate agent. We didn't enter into it at all. That was his proposal.

Q. Were there any subsequent negotiations with you with regard to the water company?

A. No; not with us—with the town council.

BY MR. RHODES:

Q. What was the difference in the two offers?

A. The difference in the two offers, was practically two hundred thousand; maybe slightly more.

Q. In other words, there was about \$200,000 increase in two years time?

A. Yes. He starts off, you notice, that they had increase in their earnings in the two years. He starts out with this two years period; and during the past two years the company shows earnings. He was trying to show a justification for it. He shows for each main on High street which had rusted off and had to be replaced.

BY MR. EVANS:

Q. What was the matter that you just spoke of in regard to the borough council considering taking over the property?

A. It was offered to the borough council in 1925 for \$800,000. And that included everything.

Q. Who were the owners then?

A. Mr. Brunner was the president at that time; Edward Brunner.

Q. What, was then done in regard to that offer?

A. They considered it, but considered that it was entirely too high, and they employed a firm of engineers in Baltimore; Major Whitman's firm; I don't recall the other two names connected with it. You know them.

Q. Major Ezra Whitman you are referring to?

A. Yes; Major Whitman's firm. They made an estimate on it, and as I recall it, the estimate was \$787,300.



Q. And that was the estimate of the reproduction cost less the depreciation?

A. Reproduction cost new, less depreciation.

Q. And were all the overhead charges added into it?

A. Yes; and a great many obsolete properties and charges.

BY MR. TURNER:

Q. And that price was for \$787,300?

A. Yes; just \$13,000 under the price that the other concern was offering it for. Their engineers put a price of about \$185,000 or \$190,000 more than that although he was willing to sell it for nearly \$200,000 less than his own engineers appraised it.

Q. Who were the company's engineers at that time?

A. Gannett, Seelye and Fleming.

Q. Did the borough take over the property?

A. No sir; it rejected it; wouldn't consider it. It was too high.

Q. What then happened in regard to the company?

A. Then they sold it to the North American Water and Power Company, and they sold it very soon afterwards to the Keystone.

Q. Do you know what that price was?

A. No; I have no knowledge. They got into high finance. The figures were too high for our conception.

Q. Aren't you a banker?

A. Yes; but only a country banker; a small town banker. sir.

BY MR. EVANS:

Q. Then, the North American Company, that you referred to, was the holding company?

A. They were the holding company, and they turned it over to the Keystone Electric and Power Company—The Keystone Water and Electric Company, which is also a holding company.

BY MR. RHODES:

Q. You do not know what the increased selling price was each time the new holding company took it over, do you?

A. No; we have no figures on that question.

Q. Who owns it now?

A. Well, it is pretty hard to say, sir. The pedigree of it now resembles very much the pedigree of a registered hound dog. It is pretty hard to tell just who owns it. If you wish to glance over this—this is one of our setups. The Keystone owns 19 companies and the Main State Water and Power Company owns the 19; the Central Electric Water Works and Electric Company owns five and they are all owned by the North American Water Works and Water Corporation; and the Atlantic Public Service Corporation has 18; the Indiana Light and Power Company, three; the Freeland Southwestern Company two; the Union Water Works, 11 and they in conjunction with the North American Water Works, that owns the Keystone and these others are owned by the Atlantic Public Utilities.

BY MR. EVANS:

Q. And at the present time is the Atlantic Public Utilities company, the owners?

A. Oh, no; we are not near the top. It is pretty hard to get at the top. They have gone one step further up to the holding corporation. So, it is really pretty hard to tell who owns it. The Keystone, the first holding company that owned it, is in the hands of a receiver for the past eight or nine months.

Q. Have you obtained any figures from the Keystone Water Works or Electric company?

A. From the Protective Bond Holders Committee since they have gone into the hands of a receiver. We have had a setup of their sheets, and these setups show the amount of bonds that they have issued on one side and on the other the collateral pledges, funded debt of subsidiaries amounting to \$4,915,000, that is collateral pledge to justify the bonds and the preferred stock they issued.

MR. TURNER: Mr. Evans, where are we getting to?

MR. RHODES: Does not the whole thing mean this; that the water companies are a football of high finance?

THE WITNESS: They have now collateral pledges against the Hanover and McSherrystown Water Company of \$914,770.43, and a mortgage—notes receivable that the Hanover-McSherrystown have given to the Keystone, to the holding com-

pany, \$514,777, in notes, and also a mortgage of \$900,000 pledged.

BY MR. TURNER:

Q. On this company?

A. On this little company that we are discussing.

Q. That means about one million eight hundred?

A. A little over one million eight hundred.

MR. TURNER: Mr. Evans, the rate increase, is that what you were coming to?

MR. EVANS: Yes.

BY MR. EVANS:

Q. And what was done in regard to the rates of the company?

A. The new holders took it over after the rates were boosted ahead of the new holders; before the new holders took it over.

Q. When were the rates increased?

A. If my memory serves me correctly, it was '21.

Q. What were the rates then to the ordinary household consumer?

A. A small householder; that is the man who has a bath, a washstand, a commode and a sink, and pavement wash was nineteen and half.

Q. Nineteen and a half dollars a year?

A. Nineteen and a half dollars a year.

Q. In your own case, what are your rates today, compared with what they were in 1912?

A. Ten fifty to nineteen and a half for the small householder.

Q. Yes, but I say in the case of your own residence?

A. My personal rate was advanced on my house in 1921 from \$65 a year to \$173.

BY MR. TURNER:

Q. Was that on a meter?

A. No, sir. They refused to give you a meter. I have demanded it a number of times, but they refused to give it to me.

BY MR. COOKE:

Q. Can you describe your house, the size of it?

A. You mean the house proper?

Q. Yes. I mean, do you live in a castle or—

A. Oh, no, Pennsylvania Dutchmen don't live in castles ordinarily, sir. No, it is rather a large house.

Q. I pay \$32 a year myself, and I am wondering whether—what kind of a house you have?

A. They run up the rates in charging you for the frontage. I have 115 feet front, and the lot is 230 feet to the alley. Then behind the alley I have a similar sized lot. So, I pay sprinkling frontage of 115 to 230, and the same again by being on the corner. I have four bathrooms in the house, so that would govern the water charge.

Q. A normal sized family?

A. There is three in the family, sir, and one of the three is off at school. My wife and myself.

BY MR. HAGMAIER:

Q. That is a new system of water taxing, isn't it?

A. My partner, Mr. Myers, has a similar house and pays the same rate.

BY MR. RHODES:

Q. What is your rate?

A. \$173 a year.

BY MR. TURNER:

Q. How much do you have to pay a foot front?

A. I couldn't answer that question, even I think, by looking up the rates. It is pretty hard for you to get it. It will take a Philadelphia lawyer to take their rate book, but I have it here.

BY MR. RHODES:

Q. Isn't it rather difficult for a small home owner to pay water rent in that borough?

A. Well, on the back of this lot that I was describing—I didn't deduct that, I have a small frame house that my chauffeur lives in, and that rate is \$19.50 in addition to mine.

Q. If a small home owner has a large frontage on a small house—

A. If it is a corner house and has a sprinkler that he uses to sprinkle or wash his pavement, or if he wants to wash his car, that is in addition, that is another charge.

BY MR. RICHARDS:

Q. What would you say was probably the average cost for a small lot, take, say 40 by 150, something like that?

A. That would be \$19.50, if he didn't exceed 40 feet.

Q. Does it make any difference how many rooms are in the house?

A. How many connections, it does. It is made on a connection basis.

BY MR. RHODES:

Q. Then if you had a 40 foot lot, in addition, if you were not occupying, next to your house, you would have to pay additional water rent?

A. And if it happened to be a corner, you have to go down the other street, and that makes it extra.

Q. They count that as extra too?

A. Yes.

BY MR. TURNER:

Q. That is, you pay both a spigot rate and a frontage basis?

A. On a frontage basis for sprinkling.

Q. Oh, for sprinkling?

A. Yes. If you want to wash your pavement, and in addition to that you have to pay if you want to sprinkle your grass or wash your car, that is another charge.

BY MR. RICHARDS:

Q. That is in addition to this \$19 that you spoke of?

A. Yes.

BY MR. TURNER:

Q. That is, you mean there is a lawn connection?

A. Yes.

Q. You pay so much for the lawn connection?

A. You have to pay so much for the lawn connection in addition to each one. In other words, one at the front, and then each one is so much more.

Q. We have a municipal plant and I have to pay that too.

A. Yes, that is how it gets up.

BY MR. RHODES:

Q. I understand you say you have to pay for washing your pavement and also an additional charge for sprinkling the lawn, that is two separate charges.

A. Separate charges, yes.

BY MR. COOKE:

Q. You testified, as I understand it, that there is approximately \$1,800,000 standing against this property now in one form or another, is that right?

A. Yes.

Q. You have done a lot of figuring and thinking about this, how many actual dollars that you can bite into, have gone into the creation of this?

A. \$550,000 worth of bonds.

Q. I am not thinking about bonds. I mean what is the actual dollars that you can bite, the kind that you use in buying food?

A. I should say between 5 and 600,000. The water rent they collected in 1929,—I haven't 1930 figures,—1929 was a little over \$116,000.

BY MR. COOKE:

Q. From how many people? What is the population of the town?

A. They serve the two communities and part of the outlying townships in between, though I should judge they serve about 14,000 people. They serve Hanover, McSherrystown, Midway, and Conewago Townships and Penn Township in addition, outlying, you know.

BY MR. RICHARDS:

Q. You would not know how many consumers there were there, that that 14,000 represents.

A. I couldn't tell you how many consumers there are.

BY MR. EVANS:

Q. Mr. Sheppard, in paying \$173.00 a year, as you do, do you receive adequate water service for that charge?

A. Oh, no. No, we are not permitted to sprinkle the front nor water the lawn usually. Now in the spring if we are having frequent rains, we can do that very well. More than half the year we have water restrictions and you are forbidden.

BY MR. RHODES:

Q. But still you pay that?

A. Oh, yes, sure. We are forbidden to do it, in some instances only by the water company, and also cautioned by the borough council frequently, in the papers.

BY MR. RICHARDS:

Q. What is the source of supply, Mr. Sheppard, down there?

A. We have two sources of supply, one is in the nearby hills, called Pigeon Hills, about three or four miles out, and then we have some little springs up in the hills, and it has a water shed less than a mile square, in addition to these little springs that also run into their reservoirs. That comes in by gravity, into the mains without being filtrated at all. They use that ordinarily only in the spring. It takes up all the balance of the year to fill their reservoirs up there. They have reservoirs there that hold 15,100,000 gallons for the three, but their main source of supply is on the other side of town, little Conewago Creek, a very small creek, and they have a little impounding dam, thirty inches and about thirty feet long, running diagonally across the creek, and that is all the water that they have to depend on.

Q. You wouldn't know the gallonage of that little creek, I expect?

A. When it rains it is very wide, and in the summer it gets very very low. It will only probably be this wide over the gravel part, and two or three inches deep. We have records here of how much it flowed all of last summer at various times. We have the borough manager here who kept the records for quite a while.

BY MR. RHODES:

Q. Did you tell us what your rate was for 1917? You might have told us that.

A. \$65.00. And more than half the years, I don't mean every other year, because we may have two wet seasons and we may have three then dry continuously; but more than half the year, I looked over the newspaper files a few days ago, and I find that since 1920 we have had six years of restrictions. That is fixed at eleven, I don't know if I missed any or not, but they were the published restrictions.

BY MR. COOKE:

Q. Then the Chairman is incorrect in characterizing your rate as a ready to serve charge, a service charge?

A. Well, we are still hauling drinking water, for all of the public schools, eight public schools in Hanover, two in Conewago Township, two parochial schools, one in Hanover, one midway, and one in McSherrystown, still hauling their drinking water.

BY MR. RHODES:

Q. Do you get any rebates on your bills?

A. Last fall we did for the first time in history.

Q. What were your individual rates before the raise?

A. \$65.000.

Q. And now you pay \$173.00?

A. Yes sir.

BY MR. RICHARDS:

Q. Does that carry out to the small consumer?

A. Not the small consumer. He was raised from \$16.50 to \$19.50, I mean for the five and six-room house.

BY MR. EVANS:

Q. Mr. Sheppard, in addition to the lack of adequate supply, what has the quality of the water been at times?

A. From about the first of August until the latter part of September the State Health Department through their field officer, Mr. A. F. Glace, advised the people not to drink it unless it was very thoroughly boiled, but there was hardly any necessity for that because the odor was so great that you could hardly get near enough to it. About the latter part of



September he declared it fit for use. That was when they discontinued their temporary supply, they put the water in from Little Codorus Creek, that was going in, raw water, and to use the words of Governor Pinchot, he said he would not fish in it, nor would he eat a fish that were caught out of it. He visited it himself last August. In ten days or two weeks after they discontinued putting that raw water in, Mr. Glace declared that it was fit to use. That was just previous to getting out the October 1st bills.

Q. Who is Mr. Glace?

A. He is a division engineer of the Health Department. In a few days it was not fit to use and many analyses were made during the fall, and in November on the 10th it was too bad to use; on his analysis of water taken on the 18th it was too bad to use.

Q. Have you any information as to the bacteria content?

A. Yes sir, I can give you all of them.

Q. Just in brief, Mr. Sheppard?

A. I would not like to try to do it from memory, it is too hard to keep track of the bugs. Here is a letter written on the 18th of November concerning the water taken on November 10th by J. C. Bell, the letter written by Mr. I. M. Glace to the Water Committee manager: "On November 10th Mr. J. C. Bell collected a number of samples of water from various points in the distribution system of the Hanover-McSherrystown Water Company, reported upon as follows, Sample No. 1 total bacteria 1000, colli none.

Sample No. 2, total bacteria 6000, colli aerogens 100, colli bacteria 100.

BY MR. RHODES:

Q. Is that a dangerous quantity?

A. Absolutely, very.

Sample No. 3, total bacteria 40, colli aerogens .1, colli bacteria .1.

Sample No. 4, total bacteria 600, no colli.

Sample No. 5, total bacteria 3000, no colli.

Sample No. 6, total bacteria 5000, no colli.

Sample No. 7, total bacteria 3600, colli aerogens, .1, colli bacteria .1.

Sample No. 8, total bacteria 48000, aerogens, .1, colli bacteria .1.

BY MR. EVANS:

Q. Mr. Sheppard, what steps were taken during the past summer to get some additional water supply for the borough of Hanover?

A. Mr. Cramer, Chairman of the Fire and Water Committee of the Borough Council, and Mr. Eckbert, who is borough manager, were going night and day trying to find supplies and did locate three artesian wells in the borough that would give them approximately 300,000 gallons a day by pumping it direct into the main, which they did, and the Public Service Commission sent down an engineer and he permitted them to put back the raw water out of the Codorus Creek, which had been discontinued in 1925 by the State Health Department. They were forbidden to put in any of this water. That now went direct into the reservoir without being filtered.

BY MR. HAGMAIER:

Q. Mr. Evans, I would like to ask the witness, when you were furnishing this water to these schools, who is paying for that?

A. No one. The school board have the cost to get these drinking stands and furnishing the cups but nobody pays for hauling the water; the school board spent possibly a thousand dollars. We haul it for them from our own artesian wells.

Q. The expense it put on you?

A. No, our firm hauls it with our own trucks and our own men.

Q. You give that service gratuitous to the community?

A. To the citizens. We feel that one little child's life is worth more than the cost of hauling all the water. We haul it also for our own employees.

BY MR. MOORE:

Q. During the time they were pyramiding the capital, were there any major improvements to the plant?

A. The only improvements made were in 1926. In 1925 the same Mr. Glace, the chief engineer of the district, said, "Han-

over is sitting on a volcano. It is only by the grace of God that the residents have so far escaped an epidemic." That statement was credited to Mr. Glace of the State Department of Health. He ordered them to put in filtration plant. Up to that time we never had any filtered water, just always the raw water out of the creek. He ordered them to put in a filtration plant which they did the latter part of 1926 which they claim cost them \$70,000 and which is added to their setup, and there has been no other improvements whatever made beyond extending a few blocks out to a new street, and the taking up of the old rusted-out 4-inch mains and replacing them.

Q. That is necessary replacement and not improvements?

A. That is true except the extending out of the lines on the little street which is a natural growth in a small town.

BY MR. COX:

Q. When did they give you a rebate, the last one?

A. We had an emergency water committee formed, there was a mass meeting in the Opera House under the auspices of the borough council, inviting the public, and they formed what they called an Emergency Water Committee to see what they could do, and try to do something. They made out bills and destroyed them, they were to make a small reduction, and finally made a 33 1/3% reduction for the quarter beginning July 1, and ending October 1, payable October 1st. This consumer's emergency water committee thought that reduction not sufficient, and demanded a much larger reduction, and advised the people not to pay the bills. Some paid, some had paid, and some did not pay. When the January 1st bills, for the first quarter were coming out, or just previously, early in December we compromised with them, and when I say we, I mean the Emergency Water Committee, advised the people to pay their bills if they would give 27 1/2% on that quarter, which they were not going to do, they were not going to do anything, as we understood—which gave us 60%, or the equivalent of 60% on one quarter, and in consideration they were to allow our engineers, if we wanted them to, to figure out an estimate of the physical valuation of the plant. We had been three months trying to get it, and we have not gotten anything yet, and we had compromised in order to get our investigation through.

Q. Don't you think Governor Pinchot's going into office had something to do with their generosity?

A. Their generosity was forced—

Q. Was forced largely, but Governor Pinchot's going into office had a lot to do with it?

A. Now, the past quarter there was no allowance made.

BY MR. COOKE:

Q. Have you gone ahead with that valuation?

A. They said that the figures—the engineers had measured it all up, and they have gone through with it and are now pricing it, and we expect to have it within the next ten days of two weeks.

BY MR. EVANS:

Q. Did you say who made that appraisalment?

A. Albright and Mebus, of Philadelphia.

Q. Mr. Sheppard, do you have some photographs taken of that water company?

A. Mr. Kramer here, a member of council, had these taken. (Indicating photographs on counsel table.)

Q. Were some photographs taken last summer showing the condition at the various reservoirs, and so on?

A. Yes, and one of the water that we are drinking, going in raw.

MR. EVANS: I will just pass these photographs to the Committee so they can see the situation as it is pictured there.

BY MR. EVANS:

Q. Mr. Sheppard, have you taken this matter up—

A. There is our water supply, (Indicating on photograph.) and 50 yards from there is hog pens were twelve as fine hogs as you ever saw—going right down into it—that is Codorus Creek that was abandoned.

Q. Mr. Sheppard, had you taken this matter up with the Public Service Commission?

A. Why, Mr. Cramer, the chairman of the water and fire committee of council made an engagement to see Mr. Ainey about the 9th of August, and I accompanied him to Mr. Ainey's

office, and we laid our pitiable case before him to see if he would recommend—would permit the borough to put in its own water supply, and when I asked him whether he would under those conditions—if he didn't think it justified the borough for the protection of the lives, health and happiness of its citizens, and the safety of its property to put in its own water supply, as they could not get redress here, he said, "That I will not allow. I will however order them to put in an impounding basin," which, of course, is an additional capital expenditure which means more water rent, and I explained that we were pretty high on water rents then. I cannot say whether the order has gone through or not, but there has been nothing done toward putting in an impounding basin.

BY MR. COOKE:

Q. Did he explain what he meant by saying that he would not allow the city to put in its own system?

A. Oh, no, "That I will not allow."

BY MR. EVANS:

Q. That was Chairman Ainey that said that to you in his office?

A. We saw only him, no other member of the Public Service Commission, and my testimony can be corroborated through Mr. Cramer, sitting there.

Q. Would you just repeat that, I think some of the members of the Committee were looking at the photographs, just your conversation with Mr. Ainey?

A. We made complaint about the terrible condition that we were in, we had that much water, (indicating above two feet) in the reservoir, not two hours' supply, and if the town had caught fire, we would have burned up. We explained to Mr. Ainey the terrible condition we were in—

Q. When was this?

A. August 9th of last year.

Q. Who was with you?

A. Mr. Cramer, who is sitting right there, as a member of council, chairman of the Water and Fire Committee, he made the arrangements, and I accompanied him, and we asked him if under the conditions, if the borough would apply for a permit to put in its own water system, whether he would grant it, and he said, "That I will not allow." And he hit the desk rather forcibly. He said, "I will, however, order them to put in an impounding basin," which you know, will add to their capital structure, which also means more water rent, and that was all the satisfaction we got.

BY MR. RHODES:

Q. He would give no other reason why he would not allow this municipality to put in its own system?

A. Why, it would be in competition with the other.

BY THE CHAIRMAN:

Q. You would not consider that satisfactory, would you?

A. I was satisfied to go home and never come back to Harrisburg.

BY MR. RHODES:

Q. One of these photographs represents your dam, a pond of water; do you mean to say you get your drinking supply out of a place like that?

A. I think I could astound you. (Discussion of photographs with the members of the Committee off the record.)

THE CHAIRMAN: A recess will be taken until 2.15 o'clock P. M.

#### HANOVER AND McSHERRYSTOWN WATER SUPPLY SITUATION

FRANK E. CREMER sworn

BY MR. EVANS:

Q. Where do you live?

A. Hanover, Pa.

Q. What position do you hold in the borough government?

A. I am a member of the town council, chairman of the fire and water committee.

Q. How long have you been chairman of the fire and water committee?

A. This is entering the fourth year.

Q. You heard Mr. Sheppard's testimony this morning in regard to the water condition in Hanover. Is Mr. Hanover's testimony correct, so far as you know?

A. It is.

Q. Were you present at the interview that Mr. Sheppard testified to in Mr. Ainey's office.

A. I was. It was through me that we got the interview.

Q. When was this?

A. As near as I can remember, I think around the 9th of August.

Q. In 1930?

A. Yes, sir. It was in the forepart of August, right when we were at the height of our water crisis over there.

Q. Will you state the substance of the conversation that you and Mr. Sheppard had with Chairman Ainey?

A. Our idea was to see Mr. Ainey, to see if we couldn't have something done to remedy the conditions that we have been going through year after year, because we were not getting any more water and neither were we getting any service. We went over to see Mr. Ainey; I wired him for an interview; and the testimony of Mr. Sheppard is substantially what had taken place. We asked him whether it would be possible for us to put in our water system. He said, "That will not be allowed." He said, "Of course I can't make it rain, but—" he says, "I can order the water company to build an impounding dam," he says, "which will add to their capital structure, which will revert back to you people in increased water rates," and that was all that we had from him, and we said good morning.

Q. So far as you know has anything further been done by the Commission to remedy the situation?

A. No, sir. We do know that if proper conservation is taken of the water, when we have it, we would have an ample supply of water for that community for the next forty years, but you can't have water if you don't take care of it when it is coming down the stream.

MR. EVANS: If the Committee has any questions? I think that is all I have.

BY MR. HAGMAIER:

Q. He has verified everything—

A. Yes, sir.

MR. EVANS: We had intended to take Dr. Snow at this time, and Mr. Walker is now hunting up the records in regard to his testimony before the Senate Committee on or about the 16th, in which Dr. Snow is reported to have stated, that Hanover had an abundant water supply until the summer of 1930. Mr. Walker has not been able to accomplish that check, and in order to save time I am going to ask the Committee if they would be willing to turn temporarily from this situation, in order that Mr. Lee, the borough manager of Aspinwall, may testify in regard to the municipal plant there.

H. C. LEA sworn

(The witness withdrawn.)

A. C. BUCH sworn

BY MR. EVANS:

Q. Your own property at Hanover, do you?

A. Yes, sir.

Q. How long have you owned that property?

A. Why, I suppose for forty years.

Q. Do you pay water rents in connection with it?

A. Yes, sir.

Q. What does that property consist of?

A. I have four stores facing on center square and two stores on Carlisle Street.

Q. What water rents did you pay on that property prior to the time it was metered?

A. \$200 a year.

Q. For what years was that?

A. 1927 and 1928.

Q. Did you make any complaint about the amount of water rents.

A. Yes, I went to the Hanover and McSherrystown Water Company, and I complained about my rate being extremely high; I asked if they would install a meter and they said that they would not. I don't know what the reason was, but they claimed they would not install a meter. I applied to the Public Service Commission at Harrisburg and laid my complaint there, and in two or three weeks later from that I had a letter from



the Hanover Water Company stating that if I would pay for the meter, they would install it, and I at once sent them a check, I think the amount was \$12. I sent them a check for the meter, we installed it. My store, as you understand, doesn't use much water at night. They are closed as a rule. My last water bill was—I have just got the bill—I paid it the other day.—McSherrystown Water Company, for the month of March, 1931, \$8.39. That totals me up on an average of about \$10.00 a month, \$120.00 a year. It used to be \$200, \$212, and so forth.

Q. At what rate are you charged for water consumption on the meter.

A. I just don't know that on this bill unless it is on there, maybe it gives it to you.

Q. This bill shows 34,990 gallons, \$8.39?

A. Yes, sir.

#### BOROUGH OF ASPINWALL, ALLEGHENY COUNTY.

H. C. LEA recalled

BY MR. EVANS:

Q. Mr. Lea, you are borough manager of the borough of Aspinwall?

A. Yes.

Q. How long have you held that position?

A. Since March, 1925.

Q. Does the borough have its own electric light plant?

A. Yes.

Q. And its own water plant?

A. Yes, sir.

Q. Taking up first its electric light plant do you have a generating station as well as a distribution system?

A. Yes.

Q. What is your total investment in the electric light plant?

A. Present value \$112,940.63.

Q. And that is after the deduction of depreciation?

A. Yes.

Q. What bonds have you outstanding against that?

A. \$77,000.

Q. What is the population of the borough?

A. 4,250.

Q. What is its approximate area?

A. About 225 acres.

Q. What is its assessed valuation?

A. \$4,550,000.

Q. What is the tax rate?

A. Ten mills for borough purposes.

Q. Does that include the millage for sinking fund purposes?

A. Yes.

Q. What is the millage for sinking fund?

A. 5½.

Q. Leaving 4½ mills for other borough purposes?

A. General borough purposes.

Q. How much does this produce for general borough purposes exclusive of sinking fund?

A. About \$18,000.

Q. What is the approximate budget of the borough?

A. \$140,000.

Q. How do you make up the difference between the amount raised by taxes and the amount of the budget?

A. Well, now, the \$140,000 includes our operating and maintenance expense in both the water and light stations and the distribution lines.

Q. Suppose you exclude those. What would your borough budget be annually? I just want to have an idea of how much of your general expenses are raised from taxation and how much from the water and light revenues.

A. It would be in the neighborhood of 95 to \$100,000.

Q. So that of that budget you raised perhaps \$80,000 from the revenues of the water and light departments?

A. Yes, about \$88,000.

Q. How many lighting customers do you have in the borough?

A. 1,135; that is the first of January, 1931.

Q. What is the total number of kilowatt hours sold to them during the year 1930?

A. 1,185,492.

Q. How many kilowatt hours were used during the year for borough purposes such as the street lighting and so forth?

A. Street lighting, pumping and general use, \$392,566.

Q. So that the total kilowatt hours delivered to either the borough or customers amounted to how many?

A. 1,578,058.

Q. How many kilowatt hours were generated by your plant?

A. 1,708,916 according to our meters.

Q. What type of generating equipment have you?

A. Steam driven turbo generators.

Q. Of what capacity?

A. 500 kw each, two of them.

Q. What was your revenue from customers to whom electricity was sold? I mean by that to exclude the borough.

A. Revenue \$68,822.47.

Q. And if you had to charge the borough for the electricity furnished to it, how much additional revenue would that have amounted to approximately?

A. That would have brought us in the neighborhood of \$8,000. No, a little more than that, I am wrong there. We would only charge that at the productive cost. It would run about \$8,000.

Q. At production cost?

A. At production cost, yes.

Q. But if you charged it at the prevailing rates at which you sell to your other customers, it would have amounted to more than that.

A. Oh, yes; it would have amounted to \$20,000.

Q. What are your rates for electricity in the borough.

A. 8c gross, with 25% discount if paid within ten days for all those using up to eight hundred kilowatts a month. Over eight hundred kilowatts—well, that is two cents of a discount and over eight hundred kilowatts there is 2½ cents discount bringing it down to 5½ cents per kilowatt net; and for special purposes council will make contracts with certain companies to supply current at different rates such as we have one contract that we supply in the neighborhood of 8,000 kilowatts per month at 3 cents per kilowatt.

Q. When you speak of kilowatts, you mean kilowatt hours, do you not?

A. Kilowatt hours, yes, sir.

Q. What is the nature of the load on the borough light plant? That is, is it mostly industrial or mostly residential lighting?

A. Residential.

Q. How many kilowatt hours approximately were sold during the year for industrial purposes?

A. For industrial power purposes, 88,420.

Q. Now, what were the operating expenses of the borough lighting plant during the year 1930?

A. \$33,000, close to \$33,000—\$30,686.02 plus the force of administration, \$2,232.85, which would bring us up to about \$32,900.

Q. In your bookkeeping system you also included an expense of the lighting plant for sinking fund and interest charges on the lighting bonds of the borough, do you not?

A. Yes, sir.

Q. What did that amount to in the year 1930?

A. \$8,085.

Q. How much of this was sinking fund and how much was interest, approximately?

A. I guess close to \$5,000 goes on the bond payment.

Q. So that your total operating expense, including administration and sinking fund and interest on the bonds, amounted to how much?

A. \$41,009.87. Did you say including extensions?

Q. No. And after you deducted that from your operating revenue, what was the income of the light plant of the borough?

A. \$27,755.

Q. Now in your bookkeeping system you also charged against the operating revenue the lighting plant any extensions that are made, do you not?

A. Yes, sir. We make all extensions out of revenue derived.

Q. And what did that amount to in the year 1930?

A. \$8,471.88, plus the share of the overhead, \$746.29, making a total of \$9,228.17.

Q. So that after deducting that amount also, what is the net amount left as profit from the operation of the lighting plant?

A. \$18,436.11.

Q. Now, turning to the water system, how much is your investment in it?

A. \$66,443.85 is the present value.

Q. That is, depreciated?

A. Yes, sir.

Q. What is the source of water supply of the borough?

A. We have a driven well about 250 feet from the bank of the Allegheny River. That well is driven to the rock and the casing is set on the rock, and it has a hole pushed on through the rock and the water comes under the rock.

Q. Does this furnish an adequate supply?

A. We can at the present time take out three or four times as much water as we now use in our water supply.

Q. Was there any shortage last summer in the water?

A. None whatever.

Q. Is the water of good quality?

A. We are one of the very few that do not have to use chemicals of any kind in our water. We do aerate it but we do not use chemicals of any kind. I have here some analyses of water taken over different periods of the year.

Q. What do they show?

A. The bacteria count ran all the way from zero to I guess about fourteen is the highest count we have, and we have no b-coli whatever.

Q. Who made this analysis?

A. Mr. Edward C. Trax, city chemist of McKeesport.

Q. Does he also make tests for the Community Water Service Corporation, do you know?

A. Really I don't know. I know he has several boroughs. He is employed by the City of McKeesport primarily and takes this work on the side.

Q. He is, as I understand, one of the outstanding water chemists of the western part of the State?

A. Yes sir, he is.

Q. What are your rates for water in the borough to residential consumers?

A. Fifty cents a thousand gallons, with a 20% discount, making a net total of 40 cents.

Q. Is there any service charge?

A. There is a minimum charge of a dollar, but we give you water for that dollar. It is one dollar every three months—no, a dollar and a half every three months, it is, fifty cents a month.

Q. Does the ordinary consumer use more than the amount of the minimum bill?

A. Yes. The residents of our town use on an average of \$18 worth a year, or about \$1.50 a month.

Q. What is the number of water customers in the borough?

A. 954.

Q. You also furnish water for borough purposes, I assume?

A. Yes, sir.

Q. Do you make any charge, for instance, for fire service, on your books or is that just furnished free?

A. It is furnished free other than that we take a credit in our bookkeeping for the fire hydrants on the water system. It is not a money transaction.

Q. And what rate do you charge for fire hydrants?

A. We make a flat charge or take a flat credit of \$50 a hydrant.

Q. How many hydrants do you have in the borough?

A. We have 54 hydrants.

Q. What were your total receipts from the sale of water during 1930?

A. \$18,779.10.

Q. That is after deducting such accounts as were delinquent on December 31st?

A. Yes sir, we supplied water to the amount of \$19,180.30, but there was \$401.20 that was delinquent accounts on the first of January.

Q. What were the operating expenses of the water plant in the year 1930?

A. \$10,205.28.

Q. Did you in the case of the water plant also charge against operating expenses the sinking fund and interest?

A. Yes sir, \$1260.

Q. What is the amount of water bonds outstanding?

A. \$12,000.

Q. So, including this sinking fund and interest on these bonds, what is the total expense of the water plants operation?

A. \$11,465.28.

Q. And that leaves you an income from the plant of how much?

A. \$7,947.07.

Q. In the case of the water plant also, did you pay for extensions and improvements out of current revenue?

A. Yes sir.

Q. How much was expended for this purpose in the year 1930?

A. \$633.63, plus administration or overhead charge of \$746.28, making a total of \$7,584.36.

Q. So that was your cash profit from the operation of the water plant during the year?

A. \$366.11, with \$401 outstanding.

Q. In depreciating your electric light plant on your books, approximately what rate of depreciation do you charge a year?

A. 10%.

Q. Was the amount charged against operating expenses for sinking fund on the bonds and for extensions and betterments equal or exceeding that amount?

A. It exceeds it.

Q. So that in fact you are charging to operating expenses not only depreciation but something in addition to it?

A. Yes.

Q. And that is also true of the water plant, is it?

A. Yes.

Q. Have you prepared a tabulation showing the costs of generation and distribution of electric current in the borough?

A. Yes.

Q. Is that the table to which you refer, the one I show you, headed, "Electric cost to generate."

A. Yes.

Statement of Electric Cost to Generate, produced and marked Exhibit No. 126.

MR. EVANS: I offer this paper in evidence as Exhibit No. 126.

BY MR. EVANS:

Q. What was your cost per kilowatt hour to generate electricity in the borough?

A. 2.257 cents, or 2 cents 2<sup>1</sup>/<sub>2</sub> mills approximately—do you wish me to state it that way?

Q. I think you are stating it properly as you stated it at first.

A. 2.257 cents.

Q. As I understand it, this is calculated on the basis of kilowatt hours furnished to either to the borough or consumers?

A. Yes.

Q. What is your distribution cost per kilowatt hour furnished to the borough or the cash consumers?

A. .565 cents.

Q. That is?

A. 5 and .65 mills.

Q. What then was your total for generating and distributing electric current in the borough per kilowatt hour?

A. 2.822 cents.

Q. Do you know approximately what your revenue per kilowatt hour is, Mr. Lea?

A. 5.7, that is the average.

A. Of what I sold, what I received in revenue was 5.7.

Q. Now, in these figures have you made any allowance for depreciation?

A. Yes, I have taken 10% of the value, that is, depreciated value.

Q. And you have included all operating expenses?

A. All operating expenses and administration or overhead.

Q. So that these figures include all of the expenses which are properly chargeable to the operation of the electric light plant?

A. Yes, to the best of our ability, that is where we place them.

Q. Now, on the same tabulation you have shown costs for water, what do they amount to?

A. Water pumping costs us 14.7 cents per thousand gallons; to distribute our water costs us 13.15 cents per thousand gallons, making a total cost of 28.02 cents per thousand gallons of water. Our costs are a little high, on account that we pump our water three times to our consumers.

Q. And the entire supply has to be pumped?

A. Oh, yes, every drop of water that we use is pumped. We pump it from the well into an aeration tank, and from the aeration tank it is pumped to the town proper. The surplus



that is not used by our consumers going into the reservoir, and we have a booster pump there that lifts it to a higher point. to take care of about 100 or 125 residents in the hill district. So there our cost is a little high because we run three pumps.

Q. Mr. Lea, you testified that the tax rate in the borough is 10 mills, including 5½ mills for sinking funds?

A. Yes.

Q. Can you state approximately what your tax rate would have to be if you didn't have your municipal water and electric plant?

A. According to my figures, I cannot see anything else except 10 mills.

Q. So that the revenue from these plants amounts to approximately the equivalent of 10 mills taxation?

A. Yes.

MR. EVANS: Any questions the members of the Committee want to ask?

BY MR. COOKE:

Q. Have you had any tenders to sell this electric plant and take service from an outside plant?

A. We did in 1919, that was the last.

Q. What was the company?

A. The Duquesne Light Company.

Q. What was the argument?

A. We wanted to rehabilitate the plant at the time, that is issue bonds to rehabilitate, right after the war, and they came in and tried to convince our citizens that they could sell us power cheaper than we could produce it.

Q. Did they work through council, or go to the citizens direct?

A. They went to the citizens direct.

Q. How did they do that?

A. By possibly a dozen company men coming into town, making an house to house canvass in the evening, visiting with the people and trying to convince them it was wrong for us to put the bond issue through.

Q. What was the vote?

A. The ultimate result was about 5 to 1 vote in favor of issuing the bonds, and rehabilitating the plant.

Q. Was there any idea given you at that time as to what your electric service would cost if you went with the private company?

A. About 3 cents, as I recollect; they never did come right down and make us a bonafide offer.

Q. You mean that is for the current, 3 cents?

A. Yes.

Q. They would furnish the current, and you were to keep on with the distribution?

A. We were to distribute it.

Q. Three cents compared with this figure of 2¼ that it cost you to generate yourself?

A. Yes.

Q. This seems to be a marvelous showing, I never heard of it, is it on the record anywhere before; have you ever told this story of Aspinwall before?

A. No sir.

Q. Why did you not?

A. We were always under the impression in our town that we were not allowed to make any money, and we kept our mouths shut. While we were making it, we used it for borough purposes, and kept quiet.

Q. Who was supposed to issue this license to you to tell your story?

A. Well, no person. When I received a subpoena to come here, we had a council meeting on Monday night, and I told them—I told them I would have to come down here, and they told me, "All right, if they want you down there, go down and tell all you know."

Q. But this is the first time this has ever become known to the public?

A. Yes.

FATHER COX: After listening to Mr. Lea, I think you have learned some of the reasons why we look upon Aspinwall as the model borough in our county, and why we think so highly of the member of our Committee, Mr. Burgess Hagmaier.

THE CHAIRMAN: It is in that classification on his account, isn't it?

FATHER COX: I would say he had seventy-five per cent as much as with it

MR. HAGMAIER: I would like to say in answer to Mr. Cooke, to the question he asked Mr. Lea, that from my fifteen years experience with the League of Boroughs in this state; I think Mr. Lea will bear me out; he has attended these conventions from year to year; that there always has been a feeling there that we were not supposed to tell anybody the money we were making. The understanding was that we would come under the hands of the Public Service Commission, and, therefore, at every convention we were told not to say anything, and we never did, and I think Mr. Lea will bear that out.

MR. EVANS: Are there any other questions by the members of the Committee, which they want to ask Mr. Lea?

FATHER COX: Why did you figure that would come in to the Public Service Commission, Mr. Hagmaier?

MR. HAGMAIER: I don't know. We were just given to understand that, and we played safely for the benefit of our citizens.

FATHER COX: Nobody told you that?

MR. HAGMAIER: I don't know how I got it, but every borough owning its own electric or water plant, when we got to these conventions, that is one subject that never came up in the fifteen years. We attended to our own knitting.

BY FATHER COX:

Q. What do you think would happen if you came out to the Public Service Commission?

MR. EVANS: Father Cox, you are getting into the realm of prophecy now.

FATHER COX: They are pretty wise. They have had a lot of experience.

THE WITNESS: It is pretty hard to tell, Father.

BY FATHER COX:

Q. You would not take a chance to answer?

A. No, sir.

FATHER COX: That is the idea.

MR. HAGMAIER: I would like to say, for the benefit of Mr. Lea, that besides the work he has mentioned, he operates a play ground for the people of Aspinwall, and trims every tree in the town and anything that has to be done for the people of Aspinwall. He gathers up all their clippings of grass in the summer without any charge to the people in the town. That is not of record, but, after all, that work is done by him, and he is practically a father to the borough. He does all that stuff and there is nothing shown in the record that it is done.

FATHER COX: All the motorists in Pittsburgh I have met have a healthy respect for the police force of Aspinwall. There is no fooling in that little borough, because their regulations are enforced.

THE WITNESS: We enforce our regulations, and we don't take any money from them.

MR. WALKER: I understand that in 11 years they have collected \$11.95 in fines. Is that right, Burgess?

(No response.)

THE WITNESS: We like the people to come to our town, and we treat them right. We don't want their money. If they come a second time and do not behave themselves, I don't know what the Burgess would do then.

THE CHAIRMAN: Mr. Lea, on behalf of the Committee, I want to extend our thanks for your coming, because it is very informative testimony that you have given.

FATHER COX: You notice the simplicity of a good and honest report. There is no juggling or manipulation of the figures. It is all straight to the point.

THE WITNESS: Awfully glad to have been of service to you men. I will come back any time if you want me.

MR. EVANS: Thanks very much. If the Committee, please, I am informed that Mr. Krug, the Superintendent of the Hanover and McSherrytown Water Company, is in the room. I don't know whether the Committee cares to hear from him, as to anything he may have to say as to the water situation there, but I think it would be very well to give him the opportunity to be heard if he wishes to.

THE CHAIRMAN: We would be very glad to hear him.

In Re: HANOVER MCSHERRYSTOWN WATER SITUATION,

EDGAR A. KRUG sworn

BY MR. EVANS:

Q. I understand you are the superintendent manager of the Hanover McSherrytown Water Company?

A. Yes sir.  
 Q. How long have you held that position?  
 A. Since 1918.  
 Q. Since 1918?  
 A. Since 1917 or 18, I am not positive.  
 Q. You held the position then, prior to the time that the National Water Works took charge of the property; The North American Company, I mean?

A. Yes sir.  
 Q. Did you hear Mr. Sheppard's testimony this morning in regard to the water situation in Hanover?

A. No sir.  
 Q. You did not?  
 A. No sir.  
 Q. Do you consider that there is an adequate water supply furnished to the borough of Hanover?

A. An adequate supply; I do not consider that last year it was adequate; no.

Q. What is your schedule of rates to the ordinary residence consumer, how do you charge?

A. What do you mean; on the flat rate?  
 Q. Yes.  
 A. We make a flat rate charge of \$8 for the first faucet and seventy cents for each additional faucet for the same purpose.

Q. And what is your charge for sprinkler service?  
 A. Lawn sprinkling, we charge \$8 for not exceeding forty feet frontage.

Q. And how much over that?  
 A. Twelve cents, I believe, for each additional foot.  
 Q. Twelve cents a front foot, and is there, also a charge for pavement washing and things of that sort?

A. Yes, sir.  
 Q. What does that amount to?  
 A. The charge for pavement wash is \$5, for not exceeding forty foot frontage.

Q. And how much additional?  
 A. That, I believe is twelve cents. I believe I am mistaken on lawn sprinkling. I believe that is eighteen cents additional for each additional foot and the pavement wash, I believe is twelve cents. I believe that is the way.

Q. What are the sources of supply of the system?  
 A. We have three reservoirs located northeast of the town in what is known as Pigeon Hills, then we have another known as the Powell Hill, located about a mile southeast of the town, and the balance is pumped out of the Little Conemaw creek; in other words we pump from the Little Conemaw creek into this Powell Hill reservoir.

Q. What is the reservoir's capacity on Pigeon Hill?  
 A. The upper reservoir, to the best of my knowledge is 13,000,000; the middle one three and one-half and the other one one and one half millions.

Q. And what other reservoirs have you?  
 A. Powell Hill reservoir with a capacity of eight and a half million.

Q. So what is the total reservoir capacity?  
 A. Twenty-six and a half million I think it makes.  
 Q. How many times during the last ten years has there been a restriction in the use of water during the summer months?

A. I don't know.  
 Q. Mr. Sheppard testified that he had looked up the records and I think six times since 1920, as far as you know that would be substantially correct.

A. I don't remember how many, I know there has been restrictions on it.

Q. You put advertisements restricting it in the local newspapers, do you?

A. Yes, sir.  
 Q. What steps has the company taken during the last ten years to get a more adequate water supply.

A. Well, the only thing I recall in the last ten years is the laying of two and a half miles of main this past summer along the Little Conewago Creek.

Q. What was the purpose of the laying of the main?  
 A. That was laid during the last summer, during this dry season.

Q. In other words that was an emergency measure?  
 A. Yes.  
 Q. What other steps did you take during this past summer to meet the situation?

A. Well, we have a number of industrial wells hooked up. We had a well at the Western Maryland Dairy. We had a well at the Hanover Ice Company and a well at the D. E. Weinbenner Company, and one at the J. S. Young Company. Barton Extract Works.

Q. These were all privately owned wells that the owners allowed you to use in the emergency?

A. Yes.  
 Q. You also pump water from the Codorus Creek into the system?

A. Yes.  
 Q. Was that a pure water supply?  
 A. Well, I can't tell you that.

Q. You haven't seen analyses of that water?  
 A. No, I haven't seen an analyses.

Q. And the company so far as you know, hasn't yet had any test made of the purity of the water during the past year?

A. Oh yes. The tests have been made under the jurisdiction of the State. They were taking the tests.

Q. You have never seen the results of those tests?  
 A. Oh yes, I have seen the results of the tests, but I don't know of just the Codorus, I can't recall just what that was.

Q. As a matter of fact, isn't it true that the Codorus Creek hasn't yet been condemned as a source of water supply?

A. I believe it has. I understood so.

BY THE CHAIRMAN:

Q. Superintendent, don't you know the quality of the water you are serving down there?

A. Yes.  
 Q. Then don't you know the analysis of the water?

A. I don't recall the analysis of the Codorus Creek water. No sir.

BY MR. EVANS:

Q. Did you ever have any analyses made of the Codorus Creek water?

A. Yes.  
 Q. And you have seen these analyses?  
 A. Yes.  
 Q. You saw them during the summer?

A. I don't recall seeing one this past summer just off hand.  
 Q. In other words, you didn't make any analyses of the creek during the time you were using that water for the citizens of Hanover.

A. Yes, I recall drawing one sample.  
 Q. What does that test show?

A. I don't recall.  
 Q. Well, did it show that the water was pure, or impure, speaking generally?

A. I don't recall anything about it.  
 Q. You don't recall anything about it?

A. No sir.

FATHER COX: Mr. Evans, I would suggest that this gentleman go back home and learn something about his company before he tries to testify. I don't say that in an insulting fashion either, I say that for the benefit of this Committee. There is no need of wasting time having somebody saying I don't know. They are certainly things that he should know, and if he doesn't know them, they are questions that he ought to go back home and learn about them, and then come back and tell the Committee what are on the files of the company.

BY MR. HAGMAIER:

Q. I would like to ask,—when you stated here in your second question, that you have an adequate supply of water,—did you make that statement?

A. I said up until this last year.

Q. All right, and you admit that the last five years in back of that you sent out notices not to use water at certain times. Does that show that you have had an adequate supply of water?

A. Well, those restrictions were put on sprinkling. That is, there were times when the water dropped down and we would become a little alarmed, and we would ask them to save water.

Q. That would indicate you would not have a supply of water, wouldn't it?

A. Well, it depends how large a supply.

Q. Well, you know the supply, how large, as large as the people use you supply with water. You charge then for it, and you ought to have a supply of water.



BY MR. RHODES:

Q. Doesn't your company require you to make periodic tests of your water to determine whether it is pure or polluted?

A. Yes.

Q. How often do you have those tests made a year?

A. Every week.

Q. You have them made every week?

A. Yes.

Q. Do you see those tests? Are they reported?

A. Yes.

Q. What chemist makes those analyses?

A. M. B. Litch of Steelton, Pa.

BY MR. MEMOLO:

Q. You have those records at your office, haven't you?

A. Yes.

BY MR. HAGMAIER:

Q. He stated a minutes ago he had not seen a report of the water for six months or so.

A. I beg to differ. I said I had not seen a report of the Codorus supply.

Q. Should you not have seen it when that was being used?

A. I judge I should; but the State was drawing the samples. they had a laboratory.

MR. HAGMAIER: But the people are not paying the State. they are paying your company.

BY MR. COOKE:

Q. Where are these samples taken from?

A. The samples that I draw are always from the filter plant right from our intake. We draw one sample of raw water at the faucet at the filter plant.

Q. You never take them from the spigots?

A. Well, every once in a while, yes.

BY MR. WALKER:

Q. Where do you take your samples of filtered water from—

A. No; right in the filter plant.

Q. How long is your impounding reservoir? What is the capacity?

A. We don't have any impounding reservoir.

Q. You don't have any impounding reservoir?

A. No sir.

Q. What do you call that (counsel showing photograph to witness).

BY MR. EVANS:

Q. What is the Cell Station?

A. That is a diversion dam.

Q. A diversion dam?

A. Yes.

Q. What do you mean by that term?

A. That dam is put into the creek merely to divert the water into a sedimentation basin.

Q. Is that one of the reservoirs you referred to?

A. No; I didn't mention that.

BY MR. WALKER:

Q. Do you chlorinate with water.

A. Yes.

Q. What is your normal chlorination?

A. It runs between two and three pounds, per twenty-four hours.

Q. What was your chlorination this summer?

A. It was considerably higher, I can't tell you just off hand.

Q. About how much higher?

A. Oh, I think we had it up to about six pounds.

Q. To what?

A. Six pounds.

Q. Your operation records would show how much your chlorination was during this summer, wouldn't they?

A. Yes.

Q. As a matter of fact, didn't you get your chlorination nearly up to somewhere around forty pounds, this summer?

A. Not to my knowledge, no sir.

BY MR. RHODES:

Q. Very few people in Hanover drink your water, is that right?

A. I think there is some few that don't drink it now. I think the majority of them are drinking it.

Q. You think a majority of them do drink your water?

A. Yes.

Q. Do they use your water in the schools, for drinking purposes?

A. I believe not, I understand the youngsters drink other water at the schools, but they go home and drink our water out of the faucets.

Q. As I understood you to say a moment ago, you didn't see these reports from the chemist each week. Well, if you don't analyze and look at those reports carefully each week, how do you know if your water is fit for anybody to drink?

A. I do look at the reports from the Conewago supply, but this Codorus was only hooked up for a short while.

Q. I thought you said a while ago that you didn't see those reports from the chemist as they came to you each week by week?

A. I didn't say so.

Q. That is what I understood you to say, that you didn't see these reports.

A. I didn't say that.

Q. Do you look at them very carefully each week?

A. Yes.

Q. To determine in your own mind whether your water is fit to supply to the public?

A. Yes.

BY MR. WALKER:

Q. Do I understand you to say, Mr. Krugh, that there is a sample taken of your water every week?

A. Yes sir.

Q. And a report furnished by the chemist on the water?

A. Yes sir.

Q. And these reports are kept on file in your office?

A. Yes sir.

BY MR. EVANS:

Q. Will you furnish the Committee with a copy of these reports during the past four years so we can see what they show?

MR. RHODES: I think we should have the original reports.

BY MR. EVANS:

Q. Mr. Rhodes suggests that we should have the original reports. If you will submit them for our inspection, we will then permit you to furnish copies later?

BY FATHER COX:

Q. When you receive adverse reports, do you do anything to make that water better?

A. I don't understand you.

Q. If you get a bad report of the condition of the water, do you do anything to improve the water after receiving the report?

A. Sure.

Q. Did the reports each week show an improvement, or was it going back or getting better, or getting worse or how?

A. You know how reports come through, sometimes one way and sometimes another.

Q. And you don't know whether they showed improvement or not?

A. The proof of the pudding is in the eating of it. I don't know of a single case of typhoid fever in Hummelstown or McSherrystown that has been traced to water supply.

BY MR. WALKER:

Q. As a matter of fact there has been numerous complaints about the water?

A. Yes sir.

Q. And these complaints have been about the potability of the water?

A. Yes sir, there have been numerous complaints.

Q. And these complaints have extended over a number of years?

A. I don't know about that.

Q. In 1929 you had complaints regarding the potability of your water?

A. Not to my knowledge.

Q. In 1928 did you have complaints? As to the potability of your water?

A. I don't say that.

Q. You never had any complaints before 1930?  
 A. Before our filter plant was installed we had.  
 Q. When was the filter plant installed?  
 A. About five years ago.  
 Q. Do you have a chemist at the filter plant?  
 A. No sir.  
 Q. Do you analyze your water, your raw water?  
 A. I draw a sample and send it to the chemist.  
 Q. Do you operate twenty-four or just twelve hours a day?  
 A. Sometimes we operate twenty-four and sometimes just half of that.  
 Q. When you operate twenty-four hours a day do you test the raw water during that twenty-four hour period?  
 A. Yes sir.  
 Q. How often?  
 A. It depends on the turpidity of the water.  
 Q. During the treatment how often do you analyze your treated water? Do you take an analysis at the weigher?  
 A. No sir.  
 Q. How often during the twenty-four hour run do you analyze your filtered water?  
 A. We don't analyze it at all except what I send to the chemist once a week. And the operator makes a test.  
 Q. What do these tests include?  
 A. He tests the alkalinity and the T. H.  
 Q. And soap hardness?  
 A. Yes, he has to make his tests so as to find out the amount of chemicals to use.  
 Q. That operator is not a chemist?  
 A. No sir.  
 Q. What did your P. H. run during 1930?  
 A. That varies generally about seven I think.  
 Q. Do you hold it at seven?  
 A. We try to we didn't when we had the hard water coming in.  
 Q. What does your soap hardness run?  
 A. I don't recall that I don't know.  
 Q. Did you ever get it under 150?  
 A. It is not that high I don't recall what that is just now.

BY MR. COOKE:

Q. Who owns this company? Who is the real owner who is the stockholder company?  
 A. The Atlantic Public Utilities I believe.

BY MR. RHODES:

Q. You believe; don't you know?

BY MR. WALKER:

Q. Do you believe you can control flashy raw water in your plant by taking sample of filtrated water once a week?  
 A. I think so.  
 Q. Don't you think that is remote control of the water?  
 A. I don't think so.  
 Q. When these reports come back to you do you study them?  
 A. I look them over.  
 Q. And file them?  
 A. Yes sir.  
 Q. Do you ever make any suggestions as to treatment based on these analyses?  
 A. No sir.

BY MR. COOKE:

Q. Who are the individuals back of this company you just mentioned?  
 A. I really don't know.  
 Q. You don't know of any concern that controls this Atlantic Public Utilities never heard of the individuals that control it?  
 A. I think there is a man by the name of Fitkin who is interested. I never met him.  
 Q. What have you imagined are Mr. Fitkin's relations to this company you work for?  
 A. I understood Mr. Fitkin was the controller of that and controlled the Atlantic Public Utilities.  
 Q. It was testified here this morning that a family of five or six persons or less occupying a normal sized house on a lot of forty feet frontage paid \$173.00 for their water a year. How is that rate determined?  
 A. By the number of faucets and fixtures.

Q. Is there any relation or supposed relation to that price and the cost of service or is it simply something pulled out of the blue?

A. I don't know.  
 Q. How would you justify or do you justify \$173.00 a year charge for service of that kind?  
 A. They charge according to the fixtures on the property.  
 Q. Did you fix these rates?  
 A. No sir.  
 Q. Who fixed them?  
 A. I cannot tell you that. The rates have been approved, that is all I know.  
 Q. You are superintendent of the plant, and yet you never have taken any action in regard to this water and the rates, whether it justifies them or not?  
 A. No sir.  
 Q. How many years have you been in charge of the plant?  
 A. Since 1917 or 1918.  
 Q. You have been there between twelve and thirteen years and have never taken any interest either in justifying the present rates or changing them?  
 A. No sir.

BY FATHER COX:

Q. You file complaints probably just like you file your chemical reports, just put them in the file?  
 MR. TURNER: The testimony this morning was that you had a charge according to the frontage you had.  
 MR. EVANS: He has testified to that.  
 MR. RHODES: Who do you get your orders from?  
 A. Mr. C. H. Bishop.  
 Q. Where does he live?  
 A. Lemoyne.  
 Q. What company is he employed by?  
 A. He is the district manager for the Atlantic Public Utilities.  
 Q. Can you tell this Committee any reason why your company has such an undesirable reputation not only throughout York County but throughout the State?  
 A. No sir. I don't know.  
 Q. You heard what Governor Pinchot said about your water supply when he was down there?  
 A. Yes, sir.  
 Q. Was he right or was he wrong?  
 A. He was right on some things, and on some things I guess he is wrong.  
 MR. MEMOLO: If this man cannot enlighten the Committee about his own company, I think we should get Mr. Bishop here.

BY MR. COOKE:

Q. Who does Mr. Bishop work for?  
 A. I don't know.  
 Q. Who does he report to?  
 A. I cannot tell you that. I report to Mr. Bishop, I don't know who he reports to, that is out of my line.  
 Q. Who do you suggest, connected with this organization, that might enlighten this Committee?  
 MR. C. J. DELONE: May I make the suggestion, because I have had some connection with the emergency water committee of Lancaster. This water company is operated by a concern known as the United Engineers, whose office address is 39 Broadway, New York City. I understand that they are the ones who have taken charge of the interest of Pitcairn, and representing other water interests throughout the country. I know that, because I have been in connection with them a number of times, growing out of this situation in Hanover. I am volunteering that information for what it may be worth.

BY MR. MEMOLO:

Q. The complaints concerning this Hanover Company are so serious that we would like to have something definite. Do you know whom we could call upon to get some information?  
 MR. DELONE: I think I do.  
 MR. MEMOLO: It seems to me that these gentlemen here representing the consumers in Hanover, have repeatedly made complaints to this gentleman, who don't seem to know anything about his own company. Now, if you can suggest—  
 MR. DELONE: I think Mr. Bishop surely can tell you, and do so with authority.



BY MR. WALKER:

Q. Do you know anything about this original contract, or the offer that was made to Mr. Sheppard in 1917, when Mr. Brough made an offer to sell the company to Mr. Sheppard?

A. Yes.

Q. Do you have that original proposition in your possession?

A. No sir.

Q. Did you have it in your office files?

A. No sir.

Q. Do you know where it is?

A. No sir.

BY MR. EVANS:

Q. Did you never have it in your office files since January 1, 1931?

A. Yes.

Q. What did you do with it?

A. Destroyed it.

Q. Why did you destroy it?

A. Because Mr. Frank Cramer asked for a copy, and I didn't think it was his business to have it.

Q. Do you know of any existing copy of that agreement?

A. No sir.

Q. So you destroyed the only evidence there was of it?

A. Yes.

Q. Mr. Krugh, in addition to the chemical and bacteriological tests of the water, will you please furnish also to this Committee by Wednesday of next week the original chlorination records of the company for the year from April 1, 1930 to April 1, 1931.

BY MR. WALKER:

Q. You have daily work sheets?

A. Yes.

Q. Those will have your chlorination on there in addition to all your other reports?

A. Yes.

Q. Will you submit those, please, under the dates given you by Mr. Evans?

BY FATHER COX:

Q. From whom do you receive your check for your service?

A. The divisional office.

Q. What company is that; is that an official check of the utility corporation that you speak of?

A. You see, they have, I think, 14 companies that I think they take care of.

Q. The check is signed by whom?

A. The check is signed by the divisional manager, and somebody else, and then it is forwarded to New York, and another signature added there.

Q. Forwarded to New York?

A. Yes, the check contains three or four signatures.

THE CHAIRMAN: It is the opinion of this Committee that this testimony is not very enlightening or very helpful. The indication in our minds is that the people of Hanover community are justified in making complaints, and we feel further that this company is open to criticism because of the lax way in which these matters are handled. If Mr. Bishop can be obtained, I understand that he lives at Lemoyne, we would like to have him subpoenaed. Possibly we can get him by telephone.

(Remarks by Mr. Evans at his request off the record.)

THE CHAIRMAN. I want to say that apparently the operation at this time is not in conformity with the rules, not only of health, but the operation of a public utility.

BY MR. EVANS:

Q. Mr. Krugh, last summer the water that was pumped into the system from the Codorus Creek was not filtered. Was it?

A. No sir.

Q. And was not treated in any way?

A. Yes, it was chlorinated with a chlorinating machine.

Q. Where was it chlorinated?

A. Right at the creek.

Q. This is a photograph of the chlorinating (showing witness photographs).

A. In that little building (indicating on photograph) there was the chlorinator.

BY MR. WALKER:

Q. You also chlorinated your reservoirs?

A. Yes, we put a chlorinator in the valve chamber for a short time.

Q. Do you have any algae up there?

A. Well, I don't think they term it algae. We had trouble in the reservoir about three years ago. Some sort of a vegetable growth. I don't think it was algae. I think it had another name.

Q. And that is what they call, "algae," is it not?

A. Spirogoa, I believe they call it.

BY MR. EVANS:

Q. Did you testify that there was no reservoir on the Little Conemaugh Creek?

A. No reservoir.

Q. No reservoir?

A. It is a sedimentation basin.

Q. So that from your main source of supply you have no reservoir at all?

A. We pump you see. We take the water from the Little Conemaugh Creek into the sedimentation basin, and from there it flows by gravity into the filter plant, and then there is two pumps that lift it up into the filter plant, into what we term the flock basin, and from there that flows by gravity over into the filters, and from there we pump it four and one-half miles to Power Hill reservoir, and from there the water flows into the town by gravity; that is about ninety per cent. of our water that is used.

Q. And how much water during the summer months, do you maintain in that reservoir?

A. We aim to keep that reservoir as full as possible.

Q. You have not answered my question. How many million of gallons of water do you maintain in that reservoir during the summer?

A. Well, the capacity of that reservoir is eight and one-half million, and we aim to keep it full, but this last summer it was not full. At one time there was only about eighteen inches of water over the screen.

Q. And you had an emergency pump on during this past summer, did you not? And burst the pipes of the system?

A. No sir.

Q. You did not have an emergency pump on at all during this past summer?

A. We had four emergency wells hooked up.

Q. And no pumping water up to reservoirs?

A. No; I didn't have any emergency pump on.

Q. What did you do?

A. With the pressure we had a by-pass line at the Power Hill reservoir. I can pump directly into the system instead of pumping it into the reservoir.

Q. Did you, as a result of that pumping that you did burst any pipes in the system?

A. We tried to force water up into our Pigeon Hill reservoir, that is when we bursted the pipe at McSherrytown.

Q. That bursted the pipe?

A. Yes, sir.

Q. How many consumers do you have?

A. About 4,500.

Q. 4500?

A. About forty-five hundred.

Q. Do you know actually what the effective capacity of this Power Hill reservoir is?

A. Power Hill was always estimated to contain eight and one-half million, but when I made measurements according to my measurements—Now, I am not absolutely sure that my calculation is correct—but according to my calculation I think it held something like five million and a quarter.

Q. Would you not be surprised to learn that Allbright and Mebus made a measurement of it and found it to contain four million seven hundred and eight thousand gallons?

A. That come pretty close to what I judge.

#### GENERAL CONDITIONS IN PHILADELPHIA— PUBLIC UTILITIES.

MR. EVANS: Is Mr. Wilson here?

THE CHAIRMAN: Before Mr. Wilson is called I want to say, Mr. Evans, and to the other members of the Committee that Mr. Turner and I on account of a previous engagement will have to leave in fifteen or twenty minutes and that during my absence, I have asked Mr. Rhodes to act as Chairman.

MR. S. DAVIS WILSON sworn

BY MR. EVANS:

Q. Where do you live?

A. Philadelphia.

Q. You are Deputy Controller of the City of Philadelphia?

A. Deputy Controller Philadelphia County and of the city; deputy controller of the board of education, and secretary of the sinking fund commission in Philadelphia. I don't draw salaries for all of those positions, though.

Q. In the course of your official duties, you have had occasion to have audits made of some of the utilities operating in Philadelphia, have you not?

A. Yes; we have general supervision and control of the expenditures of the public moneys and the auditing of the utility accounts; the U. G. I., the P. R. T. and other companies.

Q. As a result of these audits and other information which you have obtained, you have a statement to make to the Committee in regard to certain utility matters in Philadelphia?

A. I would like to make two or three suggestions that might be helpful to this Committee and to the Legislature in relieving Philadelphia from some of the intolerable conditions existing there.

For a number of years the government in Philadelphia has been controlled by a group of political contractor bosses and utility companies. As a result of that control, the City of Philadelphia has increased its pay roll from \$10,700,000 to \$44,830,000.

BY MR. TURNER:

Q. What bearing will this have upon the work of this Committee; the pay roll of the City of Philadelphia?

A. Because the utilities control the government and I have evidence to prove that the utilities are responsible for the condition of the finances of the city government in Philadelphia, and it is necessary that we should have legislation amending the city charter and making other changes, if we are to be protected because the City of Philadelphia is governed by a charter given by the Legislature of the State of Pennsylvania.

Q. Yes; but this Committee, while a legislative committee has nothing to do with that end of legislation. They are taking evidence on Public Service Law relating to the Public Service Commission's operation of these utilities.

A. These utilities have taken and used millions of dollars of this outstanding debt, which the people are paying, and if you are going to properly legislate to control those utilities, it will most certainly affect the financial condition of the city.

I just wanted to say that there is abundance of evidence to show that these utilities have unloaded on the City of Philadelphia land for which the taxpayers have had to borrow money and issue fifty year bonds, that the land was unnecessary, that the prices paid were excessive; and a result thereof that the tax rate has jumped from a \$1.50 to \$2.77½ that 42¢ were required in 1910, or twenty-eight per cent. of the taxes to pay interest and sinking fund on that borrowed money, and it has now jumped to \$1.12 or 40% of the entire tax rate required to pay the interest and sinking fund charges on this borrowed money. And a great deal of this money was borrowed as a result of the activities of the utility companies.

MR. TURNER: In what respect?

THE WITNESS: First of all by requiring the cities to pay for improvements, utility improvements. We are committed to the extent of between 80 and \$100,000,000 in connection with a new railroad station now being built by the Pennsylvania Railroad.

MR. TURNER: Well, that is a matter of council action, isn't it?

THE WITNESS: I think it is very much a matter of legislative action.

MR. TURNER: Well, it is legislative in the sense of council.

THE WITNESS: Well, Mr. Turner, I am only here to be helpful, and if you feel you do not want this material, why I will come down to something—I will take—

MR. TURNER: I want all the material that is helpful, but I just wanted you to feel that the record is long and that time is short, and perhaps I am delaying it by asking questions, but we don't want to get a lot of material in there which this poor Committee has got to try to read, which may not be germane to the subject.

THE WITNESS: I know, but 2,000,000 people in Philadelphia are suffering. They must have relief. We depend upon the Legislature to give us that relief, and I assure you, however, I won't waste any time, your time or mine, because I know that our time is valuable. Through this control of the government by the utilities—

MR. RHODES: Now, when you say control of the government by the utilities, are you going to follow that up with sufficient proof?

THE WITNESS: Absolutely.

BY MR. RHODES:

Q. You have the evidence, have you?

A. I have. I have never made a statement in my life that I could not prove.

MR. MEMOLO: Let the gentleman proceed.

MR. RHODES: I think that is the gist of the whole proposition. If you have the proof that the utilities are controlling the government of Pennsylvania or the government of Philadelphia, you have hit the crux of the whole situation.

THE WITNESS: Well, we stand ready to prove it.

MR. RHODES: Then the Committee stands willing to listen as long as you can offer us the facts and the evidence.

THE WITNESS: And I haven't any malice in this matter at all. My purpose is to be constructive, so anything I say is in the nature of constructive criticism. I haven't any enemies to punish or any friends to serve or protect improperly.

MR. RHODES: We are interested, Mr. Wilson, in getting all the facts, and if you have the evidence, we are vitally interested in those things.

THE WITNESS: Thank you. The City of Philadelphia had a gas plant which cost approximately \$85,000,000. This plant was leased to the U. G. I. The company agreed to pay for the use of that plant to the City of Philadelphia 25% of the gross income. In addition to that the company agreed to furnish the City of Philadelphia free lights, free gas in the streets and public buildings, and also to give the city 300 new lights each year free.

During the last city administration in Philadelphia, between 1924 and 1927, when these utility companies, as I will prove, reached the very height of their power, a new lease was entered into between the U. G. I. Company and the city of Philadelphia. Under the terms of the new low lease the city was to pay for all street gas. We were not to get free lights, new lights, in view of the 25% of the gross income we were to receive \$4,200,000 a year in cash each year.

Under the first year of this new lease from January 1 to December 31, 1929, the U. G. I. received from the sale of gas \$18,293,240.53. If the old lease had been in effect and force, we would have received 25% of that sum, or \$4,576,310.13. But we didn't. We received \$4,200,000. The loss resulting therefrom was \$376,310.13 in 12 months. The cost of gas furnished to the city during 1929, prior to the new lease was \$940,333.27. The cost to the city during 1929 for removing lamp posts and cutting of service—prior to the new lease this service was furnished free to the city—was \$14,991.45. So, the total loss resulting in the first year under this new lease to the city of Philadelphia was \$1,342,637.85.

I understand that the attorney who represented the gas company and put this through, was the former candidate for governor, Republican candidate.

BY MR. RHODES:

Q. Just a minute. Let me interrupt you. Can you tell us right there the circumstances relative to the change from the old lease to the new lease?

A. The only circumstance that I know of was that these utilities got everything they wanted from city council, and they thought it was a good time to better their conditions.

BY MR. COOKE:

Q. Does the U. G. I. come under the regulation of the Public Service Commission?

A. It should.

Q. But does it?

A. It does not in Philadelphia.

Q. Why doesn't it?

A. Because under this contract—

Q. Which contract, the old contract?



A. The second contract. The Commission was created, one member to be selected by the company, the second by city council,—and as a practical matter, he was also a company man—and the two selected a third, who was Mr. Vulcaulin, who does not live in Philadelphia. That was the Committee charged with fixing the gas rate in Philadelphia.

Q. The Public Service Commission had no jurisdiction over the U. G. I. before this contract, did it?

A. No sir.

Q. Why was that?

A. It should have been done, but it wasn't. I think the company preferred to have its own people fix the price of gas.

MR. EVANS: Well, Mr. Cooke, I think I can perhaps explain that. Under the Public Service Company Law the Commission has no jurisdiction over municipally owned utilities. The Philadelphia Gas Works are municipally owned, and the Superior Court held in the case of Ferguson and McDowell against the Public Service Commission that where municipally owned property was leased to an operating utility, so far as that company was concerned, it was not subject to the jurisdiction of the Public Service Commission. I was just going to say, the Commission however has jurisdiction over the approval of contracts between municipalities and utilities, or did have jurisdiction or did approve of the gas lease of 1917 to which Mr. Wilson has referred.

BY MR. COOKE:

Q. Is it not a travesty that boroughs like Aspinwall has been living in fear of the Public Service Commission rule, being afraid to let anybody know what they are making, at the same time the U. G. I. Company was glad to escape that same supervision?

THE WITNESS: Under this new arrangement the U. G. I. Company formed another company called the Philadelphia Gas Works Company and assigned the lease to them. The United Gas Improvement Company collected \$800,000 a year as a management fee. And the U. G. I. Company also has a subsidiary called the United Gas Improvement Construction Company and another one called the Ugit Company. The U. G. I. Company fixed the price to be paid by the Ugit Company, a subsidiary, to the gas works, for by-products. There is no competition. That by-product is very valuable and our recent audit would indicate that the Philadelphia Gas Works Company had sustained a substantial loss because of the insufficient amount paid for the by-products by the Ugit Company, a subsidiary of the United Gas Improvement Company. The Ugit Company is engaged in laying roads and this by-product is used for that purpose. They also have a realty company and they rent a portion of the buildings owned by the U. G. I. Company to the Philadelphia Gas Works Company. When we started our audit we found the gas works company was paying a charge of \$10 a foot for floor space on the first floor. I called their attention to it and they immediately reduced the price to \$5 a foot, cutting it in half.

BY MR. COOKE:

Q. How does that compare with the floor space in contiguous buildings?

A. \$5 is about fair. It is about as much as the Philadelphia Rapid Transit Company is paying the Mitten Management. They pay \$7.10 a foot for the whole building.

BY MR. TURNER:

Q. Is this the building at Broad and Arch Streets?

A. Yes sir.

MR. COOKE: I pay less than \$3 a foot a block away from the Philadelphia Rapid Transit Company.

BY MR. TURNER:

Q. It depends upon whether it is on the first floor?

MR. COOKE: I am about the average floor. The rate you refer to, that applies to the ground floor.

THE WITNESS: The Philadelphia Rapid Transit Company rate is \$7.10 for the whole building. They sublet one floor to Mitten Management for less than they pay for it.

Now that is the U. G. I. situation very briefly. I think it might pay to go into it more fully at some later time. There are a number of other matters in connection with it that I think might be interesting.

MR. RHODES: Council really was responsible for making this new lease which was not advantageous?

A. I would say, Council and the U. G. I. Company.

BY MR. TURNER:

Q. If the City of Philadelphia is getting the short end of this deal it is due to its Council?

A. It is approved by the Public Service Commission.

Q. Council made the contract in the first place?

A. That means nothing unless the Public Service Commission approves it.

BY MR. COOKE:

Q. Is it not the whole theory that the local communities cannot act wisely in these matters? Formerly, we got along without the Public Service Commission, but they said we could not do it and they established the Public Service Commission?

MR. TURNER: Council is a legislative body, and unless there is fraud in it you cannot enter into their acts.

MR. EVANS: There is no such provision for the approval of contracts by the Public Service Commission.

BY MR. COOKE:

Q. Am I in error about my understanding? Didn't we formerly, before we had this Public Service Commission, these matters were handled locally, but the theory was that they were badly done and we needed a State agency to supervise the acts of these communities?

BY FATHER COX:

Q. Was not the Public Service Commission originally to protect the people's interests?

BY MR. EVANS:

A. Presumably.

FATHER COX: If it didn't look good then, it doesn't look good now, and something ought to be done to make it right.

MR. EVANS: I might say that in the contract which was made by the City of Philadelphia for the lease of the Chestnut Street Subway, the contract was illegally passed by council, and an amendment was put in at the last moment changing the purpose of the original act. Representing the Northeast Chamber of Commerce, we protested before the Public Service Commission against the approval of that contract on the ground, among others, that it was not a legal ordinance. The Public Service Commission approved the contract and I argued before the Supreme Court that the Public Commission had no jurisdiction to pass upon the method of the passage of an ordinance before city council, and as Mr. Turner, suggests, to go back of city council, but the Superior Court indicated so strongly from the bench that they had no sympathy with that point of view that the subject was not pressed further and the ordinance was declared invalid by the Superior Court.

MR. COOKE: Was any reason given why it was necessary to change the contract at that time?

A. No sir except that they required more money.

Q. Did they give any reasons?

A. No sir. They stated that as an argument to get the thing through and satisfy the public that if they were granted this consideration, that it would be reflected in reduced prices to the consumer. They didn't reduce the price to the consumer until after the controller had made his audit and then after vigorous protests and threatened suits by the controller the gas commission made a reduction of five cents which is the equivalent of \$800,000. Our audit shows that they ought to make a further reduction of seven cents which would be considerably over \$1,600,000.

BY FATHER COX:

Q. You don't believe the reason given at the time was a valid reason?

A. I believe it was done because the United Gas Improvement Company was in power and they controlled the situation and could get anything they wanted almost.

BY MR. RHODES:

Q. Do you mean they control council?

A. Yes sir. I think there is a community of interest between the Pennsylvania Railroad Company, the United Gas Improvement Company, and the Philadelphia Rapid Transit Company that has existed for years, and if you look over the records you will find that council has never voted down any proposition made by any utility. I do not say that they control all the councilmen. There are some good men on council, but the majority of them have gone along with the utilities and the utilities can do just what they want.

BY MR. RHODES:

We don't want to interrupt your discussion, Mr. Wilson, so you proceed and we will ask just as few questions as possible.

MR. WILSON: Now, as a result of these tremendous expenditures made in behalf of utility companies, or as a result of the things that were required to be done, to be paid for out of public funds, our funded debt has jumped from 102 million in 1910 to 676 million at present, the highest per capita of any city in the United States. Our sinking fund assets are 132 million. The result is that the people have not been able to pay their taxes, so terrific has grown their burden, from 2 million in 1910 to 26 million dollars this year. Our water rent delinquency from 63 thousand dollars in 1910 to over \$2,588,000 at present. Personal property delinquents amounted to \$990,000, and there is a total delinquency of \$29,666,000 as against \$3,041,000 in 1919. Now, if the Committee would make an analysis of these major expenditures of the Pennsylvania Railroad made in the acquisition of property for the railroad, the acquisition of property from the railroad, for which the city paid, you will find that the people of Philadelphia are losing 1,400 houses per month on sheriff's sale, because they cannot meet the taxes. These are deplorable conditions, and the Legislature must give us relief.

BY MR. TURNER:

Q. Of course, I don't know how far that may go in your case, I know that while you have terrific sheriff sales in your county, we have sheriff sales in our county, very heavy ones, and we have not given any property away.

THE WITNESS: In the case of the P. R. T. you have heard a lot about this \$1,300,000 Quaker Cab deal. That is just a mere drop in the bucket. It is just one drop in the bucket. Mr. Stotesbury, Morgan and Drexel brought a strike breaker here from Chicago to take over the transit system in Philadelphia. They turned the whole city over to him and his associates, and they demanded and took over control at that time up until today.

MR. RHODES: I just wish you would be a little more explicit, because you know, I am not familiar with the conditions there.

THE WITNESS: I don't like to mention his name, because he has disappeared; because he is no longer in the picture.

BY MR. EVANS:

Q. You mean Thomas E. Mitten?

A. Yes. And during the time that he was in absolute control, he handled \$808,348.192, so that that is up toward a billion dollars, and this \$1,300,000 cab deal, while it is very serious, as was testified to in my equity suit a year ago in the Court of Common Pleas, there is nothing new in it. There are many other transactions that are far more serious, and involve in one case \$16,000,000.

BY MR. TURNER:

Q. What was that?

A. That was when the P. R. T. had to ask city council for permission to sell 7% preferred stock to be used for construction purposes, and for the cost of taxicabs, they had no—

Q. That was \$16,000,000 they had to pay back?

A. Yes, so they had no immediate use for this money, so they advanced it to Mitten Management, and Mitten Management was a \$10,000 Delaware corporation, the stock was owned originally, all of it, by Thomas E. Mitten, and later 30% of it, of the stock, was turned over to Dr. Mitten, the son of Thomas Mitten.

BY MR. TURNER:

Q. Did they take any security for that?

A. No, oh, no. They just turned \$16,000,000 over to Mitten, and Mitten Management paid 3% for it, and the company was paying 7% for it, so the company took a loss of 4%, and while they had that money the company required some other capital, some capital for corporate purposes, and they paid Dillon, Read and Company \$385,000 to sell 6% gold bonds to get money to carry on the business of the company, while this other money was being held at a loss to the company by Mitten Management. The first day of the equity case I demanded, or I gave them 24 hours to return the \$16,000,000, and they returned it the next day, but they returned it in the form of stock. Now—

BY MR. RHODES:

Q. Stock of what company?

A. P. R. T., preferred stock of the company.

BY MR. EVANS:

Q. And they returned it on the basis of par for the stock, did they not, Mr. Wilson?

A. Yes, they returned it on the basis of par, but the market value that day was 42, the par value was 50, so we are still suing for the loss, the difference, and I think we are surcharging in the suit Mitten Management \$15,500,000, and we are surcharging the P. R. T. \$17,000,000, and we expect a decision within a few days in that case. I think that the record in that case might be very helpful to your committee.

BY MR. RHODES:

Q. What is the case?

A. The case is the control of the city of Philadelphia versus P. R. T., Mitten Management, and certain other defendants. There are about 8,000 pages of testimony, it is quite a job to read it, it has taken me three years to prepare it, but it is very interesting.

If you have anything as I go along, Mr. Evans, I will be glad to have you call my attention to it.

BY MR. EVANS:

Q. That is a suit in the Court of Common Pleas No. 1, in Philadelphia?

A. Yes. Now, another thing, before going on with the P. R. T., in response to a question as to the utilities in Philadelphia, during this same period of 1924 to 1927, the underliers, the underlying transit companies in Philadelphia, the bankers who held the stock, representing the estates holding stock, the Pennsylvania Railroad, Mr. Atterbury and Mr. Mitten, decided that they would sell the underliers to the city of Philadelphia for \$149,000,000. Fortunately the transaction could not be consummated without the certificate of the controller, that the property to be acquired had an operating income at that time, operating expenses sufficient to pay the interest and sinking fund on the bonds necessary to be issued for the purchase of the property, and that the income would be sufficient during the life of the proposed loan, so it would not become a charge against the borrowing capacity, because the borrowing capacity in Philadelphia was very low at that time. They could not have used any such sum for the acquisition of any property, so it was necessary to have it certified, and the controller refused to certify it, and therefore the city solicitor and the mayor mandamused the controller, and the controller has no attorney in Philadelphia, and I was obliged to try the case. The Court held that while they could, the Court might compel the controller to act, the Court could not substitute its discretion for that of the controller. The result was that in spite of this tremendous pressure to unload this, the underliers on the city of Philadelphia, on the taxpayers by this utility group, we are able to save the people of Philadelphia \$7,100,000 a year for 50 years, that would have been the interest on the sinking fund just during that period.

Q. Mr. Wilson, the Public Service Commission fixed that price of \$149,000,000, did they not?

A. Yes.

Q. Who heard the case on behalf of the Public Service Commission?

A. Why, I am not clear, but I think it was Mr. Benn,—I think you know better about that than I do, Mr. Evans.

Q. Was any demand made on behalf of any public agencies, civic agencies to intervene in the condemnation proceedings before the Commission?

A. Yes, but they were kept out.

Q. The Commission did not allow anybody to intervene?

A. They said it was a matter between the company and the city solicitor, the legal officer of the city of Philadelphia, and they would not allow anyone else to intervene in the case, all the time the case was going on.

BY MR. COOKE:

Q. What is the general practice of the Commission in regard to interveners by civic organizations and such like?

A. I don't know.

MR. EVANS: My experience has always been in any case involving municipal contracts, anything of that sort, or in rate cases, that anyone is allowed to intervene.



BY MR. COOKE:

Q. Was there anything in this case that was different; that would afford justification for that action?

MR. EVANS: Not in my opinion.

MR. COOKE: Just an arbitrary decision.

MR. EVANS: I think there was no adequate reason for refusing intervention.

THE WITNESS: There underlier franchises were granted by the Legislature originally, and then were pyramided, and finally reached the point where an agreement was made under which we would pay \$8,700,000 a year in rental to them. Most of these underliers have disappeared, many of the streets covered by their franchises are without transit facilities; in many cases the tracks have been removed; but we understand that we must go on for nine hundred and ninety-nine years paying \$8,700,000 a year, and I figured up that in the first one hundred years; I know I wouldn't be here after that—

MR. TURNER: You are optimistic.

THE WITNESS: Yes; I hope to live that long. But the rental compounded at 6% amounts to four billions for one hundred years.

Now, there is only one way to remedy that situation: the Legislature, undoubtedly has the power to do it, and it is the only way. I think there is no other, Mr. Evans, do you agree with me, or not? I think the Supreme Court or one of the courts of Appeal did indicate in a case that the Legislature had not given to the Public Service Commission the power to adjudge leases; is that it, Mr. Evans?

MR. EVANS: That is correct.

THE WITNESS: So, that is a police power that the Legislature may exercise at any time.

I prepared a bill; I introduced in the last session but it died in the committee, giving the Commission the power to conduct hearings upon its own initiative, and compelling them to conduct a hearing upon the petition of any citizen, a taxpayer, to investigate all the underlying leases in Philadelphia where the service has been discontinued and readjust the amount to be paid on an equitable basis.

We do not want to be unfair, we do not want to deprive innocent people of stock that they bought or inherited and depend upon that income, but there ought to be an equitable adjustment of the underlying leases, and it would greatly relieve the situation if the Legislature would pass that law, which is to be introduced again by the way, and we would cut that \$8,700,000 down to at least \$4,000,000, I think, say \$4,700,000 a year, and give them a fair return because the Supreme Court has said that all they own—that they have a right to receive; they have no property right; they merely have a right to receive this rental for nine hundred and ninety-nine years.

BY MR. EVANS:

Q. Some of these rentals of the underliers run as high as seventy per cent. of the paid in value of the stock, don't they?

A. Yes sir, that is true. The returns are ridiculous. They capitalize upon their income; isn't that right, Mr. Evans: some of those companies are capitalized on their income?

MR. EVANS: I can't tell you how the rentals were fixed.

THE WITNESS: Some of them were I know. I know the Ridge Avenue line the rental was just capitalized, and they claim that value, because they were receiving so much rental, and, therefore, it was worth so much, but the value isn't there.

Now, some time ago the city of Philadelphia constructed a sub-way under Broad Street. The taxpayers have paid \$100,000,000 for it. We are obliged to levy a tax of \$6,000,000 to pay the interest and sinking fund charges in that investment. When the subway was completed and equipped with public moneys, it was turned over to P. R. R. for operation, and they were to pay \$200,000 a month rental for three months, and then under the terms of the agreement cancelled it in twenty-four hours. It then became city property; the Public Service Commission certainly had no jurisdiction over it. Councils passed an ordinance called a gentleman's agreement. The city charter provides that an ordinance of that character, involving city or city funds, may not be finally passed on the day it was introduced, and it must have the signature of the mayor. This ordinance was introduced and passed on the same day, and didn't have the signature of the mayor, and the P. R. T. was permitted to continue to operate the subway and they collected \$3,000,00 in fares, and they took that

\$3,000,000 and put it into operating receipts, consolidated it without setting up any liability against it.

BY MR. RHODES:

Q. Do you have anything to show that the action of city council was due to the influence of P. R. T. over city council?

A. I think, when all the evidence is in, that that would be the only conclusion that any reasonable mind could reach. I didn't see any money pass.

Q. In other words, your position is that from a narration of these facts, we will be warranted in concluding that such an influence existed?

A. Yes sir. I believe some very radical legislation is required to remedy the situation and to prevent a recurrence of many of these cases that have resulted in a big loss to the public.

BY MR. COOKE:

Q. Let me get that transaction. They took three and one-half million in fares and put it into their receipts, without any set up for liability?

A. Yes, sir.

Q. They covered it into the P. R. T. receipts?

A. As a part of the general income. Now, the right to build a subway was originally vested in an underlying company and the Legislature in 1907 authorized the city to enter into an agreement for the management of its Broad street subway, and city councils, pursuant to that legislation entered into the 1907 agreement with an underlying company giving it the right to go under Broadway, relinquishing all the right, title and interest to build the subway and the city in exchange, made certain valuable considerations; and this is where the Public Service Commission comes in. Some time after that an equity was brought. I brought a taxpayers suit to compel the payment of \$3,000,000 into the treasury, and then I brought a second taxpayers' suit because councils and the company attempted to change the status quo by drawing a new agreement. I finally went to Judge McDevitt and got an injunction and served it just as they were about to sign the agreement; they had the pen in hand; under which they were going to settle the \$3,000,000 claim for \$400,000 in lieu of the \$3,000,000. I got an injunction in my taxpayers' suit and stopped that. Later on an agreement was drawn, and submitted to the Public Service Commission. I filed a protest with the Public Service Commission as to the lease, proposed lease between the company and the city covering the operation of the subway.

Now that lease, in the first place provides auditing of the books and accounts shall be done by the director of transit, which is a violation of the law, because no one but the comptroller may audit such books and accounts. Secondly the Commission, by approving that lease would settle a claim between debtor and creditor, because they had no jurisdiction over the subway, a municipality owned enterprise, while it was not being operated by a utility company. In other words, the money collected during that period following the expiration of the temporary lease and to the present time, is just the same as other income from any other city property and not subject to the jurisdiction of the Public Service Commission.

But they attempt to, i. this lease, to settle on that contract \$50,000 a month, and to enter into a lease for \$65,000 a month for a two-year period. Now, the Commission, to get around this thing gave its temporary approval, and issued an order of temporary approval, but they were careful to say that we do not pass upon the terms of this. But subsequently they issued a hearing to pass upon their permanent approval and I went in there again and protested and I don't know what they propose to do. But that lease should never be approved by the Public Service Commission. It is unfair, inequitable to the city, and it closes up city property without due process of law.

BY MR. MEMOLO:

Q. This action is still pending, is it?

A. It is still pending before the Commission at the present time.

MR. COOKE: Mr. Walker, can you straighten me out? The other members of the Committee may understand it. What does the Public Service Commission Law say about the relation of the Public Service Commission to municipally owned and operated enterprises? Now apparently they all have to keep their books in a certain way. Is that provided in the act?

MR. WALKER: Yes; they are required to file a similar account to other privately owned utilities.

MR. COOKE: Do they have to file rates?

MR. WALKER: No, they are not required to do anything else. They have no jurisdiction over their rates, or over their management.

MR. COOKE: Nothing except that they must keep their books the same way as the others?

MR. WALKER: Yes sir.

MR. COOKE: They don't do that, do they?

MR. WALKER: Very few of them do. They consider it is none of the Commission's business.

THE WITNESS: Nevertheless and notwithstanding that Mr. Cooke, the 1907 agreement, which was drawn before the Public Service Commission was created, under which the terms and facilities in Philadelphia are being operated, provided that the rate of fare should never be increased above five cents without the consent of the city. The city hasn't yet given its consent by ordinance of council or otherwise, and yet the Public Service Commission, has granted two increases in the rate of fare, the last one in 1924, the first one in 1920, upon a purely fictitious valuation.

MR. COOKE: Mr. Walker why isn't that inconsistent with what you just told me? You say the only way in which the Public Service Commission can exercise its authority over a municipally owned enterprise is by insisting upon bookkeeping and accounting of a certain type?

MR. WALKER: You must understand, Mr. Cooke, so far as I can find out, they have never insisted on it.

MR. COOKE: You say they have the right to do it?

MR. WALKER: Yes sir.

MR. COOKE: Here we find they have the right to fix a rate. Where do you draw the line?

MR. WALKER: I don't know where they draw the line.

BY MR. RHODES:

Q. Mr. Wilson, the courts have held that the Public Service Commission has the right to abrogate any contract such as you mention.

A. You mean the 1907 agreement between the city and—?

Q. Any contract between a municipality and a public service company can be abrogated by the Public Service Commission, can it not?

A. No sir, not if it was entered into before the Public Service Commission was created. Anyone subsequent to that yes, but not anyone before. That is why I contend that these increases in the rate of fare were illegal and improper.

Q. This one you speak about was entered into when, 1907?

A. 1907.

MR. COOKE: I know the U. G. I. under the old contract always held that it was not regulatable by the Public Service Commission.

MR. RHODES: That was prior to the Act of 1913?

A. Yes.

Q. That is what you refer to, that this was prior to the 1913 Act?

A. Yes, and we have recently had a city expert value the system, two independent groups working in conjunction with the company's representatives; and the valuation as reported today by Maltbie's group is \$116,000,000 for the whole system, including the underliers; and the other group valued at, I think, \$159,000,000 for the whole system including the underliers. But the other group—not the Maltbie group—the other group included in their valuation the reproduction cost of capital, which certainly should not enter into a valuation of this character.

BY MR. COOKE:

Q. Well, what was the equivalent when the Public Service Commission—and

A. \$200,000,000 and upwards.

Q. That is more than \$200,000,000.

A. Yes, sir; that is what the fare is based on.

Q. And the average of the other two was perhaps \$130,000,000 averaging these two which you have just given us.

A. Yes, about \$130,000,000. The Public Service Commission is granting their increase in the rate of fare, fixed a value of \$200,000,000 and upwards.

Q. And these valuation matters, are they of public record anywhere?

A. Yes.

Q. Where?

A. The Conference Board of which Judge McDevitt was the moderator, and I was a member of it, by way,—council and the Mayor and all other officials and representatives of the company are members of this board.

Q. Have they as a matter of fact been made accessible?

A. Yes.

Q. Where?

A. We could send copies to you. I would be very glad to. They have been sent officially to city council.

Q. I have been informed by Mr. Cox that he has not as yet seen them.

A. And Judge McDevitt is preparing his whole report to send it to Council; but he has not yet seen them, they are matters of record in the Controller's Office, and I will be very glad to send you a copy of both valuations made by both groups. That shows depreciation and original cost, and reproduction cost.

MR. COOKE: Mr. Evans, Mr. Wilson volunteers to let us have copies of these two. I think it would be very desirable. A copy of the Maltbie valuation and of the Ford, Bacon and Davis. I think it would be very valuable to have that as a part of our records, because they are both competently made valuations on two different bases. I think it will be a splendid model to have on this record.

MR. EVANS: I think it will be valuable.

THE WITNESS: Now there is our subway situation. The company has the subway, still collecting the fares, and they are paying out \$375,000 under this lease, if it is permanently approved by the Commission, in settlement of a \$3,000,000 claim. In other words, they have collected \$3,000,000 of our money, used it, and now they attempt to enter an agreement between council and the company to settle for \$375,000,—a three million dollar claim. We are fighting it. I have a taxpayers' bill against it now. I mean my own suits.

BY MR. COOKE:

Q. Your theory is the Public Service Commission has nothing to do with that, that your relief would come through the courts rather than the Commission?

A. I hope the relief will come through the courts, in this whole matter.

Q. Your hope there is not entirely that you think you will get a better deal, from the courts than from the Public Service Commission, because you do not think the Commission has the legal authority?

A. In that particular matter. But I must say the Commission has treated me very fairly in the matters that I have had before them. You take the Steffen case. I think you would be interested in that. A man who had been in the taxicab business, in a limited business for years, had \$100,000 invested and the P. R. T. filed a complaint against him a year ago last May and they tried to put him out of business, and I represented him before the Commission, and he has as yet not been put out of business, and the P. R. T. complaint was thrown out and the man is still doing business, he was fully protected.

MR. COOKE: We had a man named Menke here yesterday. It is pity you were not his counsel.

THE WITNESS: I wish I had known about it, I would have liked very much to have represented him. He came to me just recently and I promised to do what I could for him.

BY MR. RHODES:

Q. What was this \$3,000,000 used for in connection with the subway deal?

A. General expenses of the P. R. T. company.

Q. It was the city's money, was it?

A. Oh, yes.

Q. Now the P. R. T. is to pay back \$375,000 in place of it?

A. Yes.

Q. Who is the business gentleman that got you into that kind of a jam? Council?

A. It seems to be council all the way through, because they are the legislative body.

Q. If the people running your city down there would use a little better business judgment, you would not have to borrow on your delinquent taxes.

A. If the Legislature will give us an election law down there so that we can have free and fair elections, I think we might correct the situation. I opened 550 ballot boxes after



the last election and found 322 coun's of errors, and gained 5,250 votes for one candidate.

Q. Aren't the people of Philadelphia public spirited enough to realize that they cannot go on that way without going bankrupt?

A. The people are all right, but this group have gotten a strangle hold on it, have gotten hold of the minor judiciary and the registration boards, I think there are thousands of names there that should not be there.

Q. What do you mean when you say this group?

A. I mean by that the dominate bipartisan political machine, because we have no single party in Philadelphia.

Q. You mean the utilities are affiliated with that element.

A. Always have been.

Q. That is P. R. T. and U. G. I.?

A. Yes sir. Now, in the Pennsylvania Rapid Transit, as I said, Mr. Mitten took over the company to manage it, and he was to receive \$157,000 a year for his services, and he was to furnish such experts as he required and pay them out of that.

BY MR. COOKE:

Q. What authority did you have for that?

A. A letter from Mr. Stotesbury which is on the court record, and engaging him, and the reply and the admission in Senator Pepper's paper book.

Q. And Mr. Mitten was supposed to make these disbursements out of his salary?

A. Yes sir, he was to pay everything except office rent and incidental expenses of his office. He was to pay all the experts, but nevertheless the Philadelphia Rapid Transit paid experts out of their general fund. Later on Mr. Mitten formed this Mitten Management, a \$10,000 Delaware corporation. The Mitten Management proceeded to carry on for the same compensation of \$157,000, but after the first year of the new management, they jumped to 4% of the gross income, which amounted to \$4,200,000.

BY MR. EVANS:

Q. There was an intermittent stop, was there not?

A. Yes sir, but for a brief interval. As soon as they got their increase to 8 cents, they jumped the fee to some \$350,000 a year.

Q. And when that increase was made permanent in 1924, the new arrangement of 4% of the gross earnings was entered into?

A. Yes, sir.

Q. Is it not true that the contract made in 1925 which resulted in the Mitten Management fee of \$350,000, it was a written contract running for three years, and in spite of that fact at the end of a little over one year it was terminated and the fee increased to a million dollars?

A. That is true. The alleged contract as it stands consists of minutes on the minute book of the company. There is no other contract, and this provides that this 4% shall be paid to Mitten Management for services and patents.

BY MR. COOKE:

Q. You mean men and management?

A. Yes sir, they are supposed to give 2% to the men and keep 2% for themselves.

BY MR. RHODES:

Q. This was paid by whom?

A. The Philadelphia Rapid Transit pays it out of gross income.

BY MR. EVANS:

Q. What does the gross revenue of the Philadelphia Rapid Transit amount to?

A. Approximately \$50,000,000; it was \$52,000,000 this year and \$57,000,000 last year, and the 4% you refer to would amount to over two million dollars, of which one-half goes to Mitten Management and one-half is turned over by the Mitten Management to the men. And what happens is this: Mitten Management without consulting city council or anybody else started to give the men a bonus besides their wages. He didn't pay the money to the men but put it into an account and they required the men to use that money for the purchase of common stock of Philadelphia Rapid Transit. When the men had accumulated 231,000 shares of stock, or nearly a majority of the controlling interest of the company,

then Mr. Mitten went down to Delaware and formed the Philadelphia Rapid Transit Securities Corporation capitalized at \$10,000, with \$1,000, and called the men together and had them pass a resolution exchanging their 231,000 shares of voting stock at a price of 31 when the market price was 55 on that day. Mr. Mitten now controls the stock of the Philadelphia Rapid Transit Company and this he transferred to another company owned by Mitten, organized originally at \$10,000 and which was jumped to \$60,000,000 over night, so that in fifteen minutes Mr. Mitten got control of all the voting stock bought by the men with the bonus which he himself paid without consulting the city council or anyone else. And that is the way he acquired control of the company.

BY MR. RHODES:

Q. How much did that cost him?

A. I figure he made two or three million dollars besides getting control of the voting stock. The accusation is not denied that before the time of Mr. Mitten's death a meeting was held every morning at six o'clock in his room where all the plans were made. The city was not represented there. The same men who made these plans then adjourned and went over constituting the executive committee of the Philadelphia Rapid Transit Company and carried out the plans. Then they passed a by-law providing that the executive committee have all the power of a board of directors. The city had three directors and a board of directors, but without representation on this executive committee the city was without knowledge of what was going on. Then the Mitten Management published a pamphlet and in there they interpreted to the public what they were doing or attempting to do and an account of what they had done stood for twelve months when they had a meeting of the stockholders and what had been done in the twelve months previous was approved by the meeting of the stockholders. But a reply to my question as to who voted the stock in approval of what had been done for twelve months, the testimony was that it was the same three men who made up the executive committee, who made the plans in the morning, and who voted the majority of the stock in approval of what they themselves had done during the preceding twelve months.

Q. Who were these men?

A. Well, the whole thing was in the hands of the Mitten crowd; there was Queney, Myers, Joyce and Dr. Mitten. You will find now that the four men who controlled Mitten Management, three of them received \$40,000 a year, and Dr. Mitten received \$50,000. I asked them what became of the difference between the \$300,000 paid to these four men for service—and by the way, that compensation includes the services they render to the National at Buffalo and the Mitten bank and other Mitten interests not chargeable to the Philadelphia Rapid Transit—when I asked what became of the difference between that \$300,000 and \$1,200,000, Mr. Queney said it was paid to the stockholders. Then I asked who the stockholders were and I was informed that the Mitten heirs held 70% of it. When I asked what the service was that they rendered now, whether they had any of the patents, I was informed that they had nothing of value. So that we are actually paying for today, and have been right up to the present time, 70% of the profits and 30% goes to Dr. Mitten, in addition of his \$50,000.

BY MR. COOKE:

Q. Is this \$1,100,000 that you are talking about now—

A. 2% of the gross.

Q. The same item that was testified to here a few days ago included the operating expense of the company?

MR. EVANS: Yes.

MR. RHODES: Contrary to the instruction of the Public Service Commission?

MR. COOKE: Contrary to the statement of the company.

BY FATHER COX:

Q. Does P. R. T. have any control of Parmalee?

A. I don't know whether they do or not, I have no knowledge of it. One other transaction which I think will rank with the Quaker Cab Company deal, perhaps a little higher, because it involves 18 or 19 million dollars; under the agreement it was provided that no commitment of any kind shall be made without the approval of council. It prescribed a method by which approval should be obtained. In other words, there must be an application, and thereupon an ordinance

must be passed by the city approving it. The company leased a part of a building on Locust Street, Broad and Locust, and made a ten year lease with Greenfield for office space at \$23,700 a year. The landlord to pay all the costs, the usual costs paid by a landlord, and that lease was signed by the president of the P. R. T. Company, Mr. Myers, who was vice-president of the Mitten Management. The building was sold to Mitten Management, and then by Mitten Management to M. B. S. C., which is another Mitten organization.

BY MR. EVANS:

Q. What does that stand for?

A. Mitten Bank Securities Corporation. Mr. Myers retired as president of the P. R. T. and became president of the M. B. S. C., he was vice-president of the Mitten Management. This lease had run two years, and Mr. Myers sent a letter to Mr. Senter, and the letter is of record, directing him to cancel the ten year lease, and enter into a new lease for 30 years. Thereupon a lease was drawn between M. B. S. C., of which Mr. Myers was president, and signed by him as president of M. B. S. C., the new landlord which was Mitten Management, and signed by the company by Mr. Senter, Mr. Myers' successor, so that Mr. Myers entered into a ten year lease for \$286,000, then withdrew from P. R. T., used his office as president of Mitten Management to direct a cancellation of the lease, and then as president of Mitten Management, he directed the P. R. T. to enter a new lease for 30 years, with his own company, in which he had become president. The new landlord, M. B. S. C., for a period of 30 years at \$400,000 for the first ten years and \$500,000 for the next 20 years, P. R. T. to pay all the taxes, water rents, gas, on the whole building, including a theater in the building, which was rented for \$90,000 a year directly from M. B. S. C., and also Childs Restaurant occupied a part of the building, and then P. R. T. was required to give on the part of Mitten Management \$25,000 to someone who had a cigar stand in the building canceling the lease that they had in the beginning, so that the company is saddled with this great building and they are paying \$7.10 a square foot for it, for the whole building, subletting one floor to Mitten Management for less than what it costs for the floor, taking a loss of \$5,000 a year on one floor, making alterations and repairs, for the tenants, for Mitten tenants too as well, the Mitten Bank and all others that occupy space, one floor, and all this under the direction of Mitten Management. The Public Service Commission has never passed upon that lease, never approved it, but there is an obligation involved there from 16 to 19 million dollars, and a burden for 30 years against the car riders in Philadelphia.

BY MR. RHODES:

Q. Does P. R. T. have to pay all the deficiency?

A. They pay everything, carrying charges, except interest on the mortgages.

Q. Are all those charges charged to operating expense of P. R. T.?

A. I don't know. Do you know, Mr. Evans?

MR. EVANS: I cannot say.

THE WITNESS: I cannot say, because there is so much of it, to this situation, as to the Mitten Building.

MR. EVANS: Mr. Rhodes, I don't think there would be any question but that the rentals paid by the operating company, which is P. R. T., would be charged to operating expenses.

MR. RHODES: When they are adding rentals, they are enlarging the deficit of this entire building, are they not, by virtue of the excessive rental?

MR. EVANS: I have no direct knowledge, but I have no doubt that is true.

THE WITNESS: Now, under this 1907 agreement, which the Legislature authorized, the city of Philadelphia entered into an agreement with the P. R. T. for the management, and under that agreement—

MR. RHODES: You have too many companies down there?

THE WITNESS: Oh, absolutely.

MR. RHODES: You ought to have an index to keep track of them.

THE WITNESS: There are so many Mitten companies, it is a crystal maze, they are all interlocking, it is a terrific thing to even try to delve into them, it is impossible. Now, under the agreement the company has to file in the controller's office an annual statement of income and expenditures, and

for a number of years before the increase of the fare in 1920, the company's income was so small comparatively that they were satisfied, or the controller in office was satisfied with the returns as made, but when they got the increase of fare there was such an evident change in the company's financial condition that the controller wrote city council, and it appears in the controller's annual report of that date, stating that because of the change in the condition of the company, the matter should be taken up with the company, and that they should file a full statement annually, including—

BY MR. COOKE:

Q. What year was that?

A. 1924.

Q. They have had the legal right for years before that to have such an income statement, had they not?

A. We had a legal right, and the account was made up by an outside auditing firm, and it was very perfunctory, and the company was in bad shape, there was no question about it, there was nothing worth going into at that time—

Q. Does it not go as far back as 1914 that the city officials were making an effort to get an accounting?

A. Yes. Then this communication from council states that the company has agreed to file in the office of the controller this statement, and the city solicitor then came down, and there was a conference between the controller and Mr. Joyce and the city solicitor, and the controller finally got them to agree to make their returns thereafter on a form prescribed by the controller, and they went back over the 1924 books and made a report on that form, and they were to make the return for subsequent years, but they never did; they have not done it today. So we were struggling for several years, trying to get results, trying to get others to help us get the books, and we could not get them, and finally we brought suit in Judge McDevitt's Court. Judge McDevitt decided in our favor, granting a mandamus enabling us to open the books, and thereupon they took an appeal, they got it; it is still pending. It has not been settled. I got the books, but the way I got the books, Mr. Atterbury called me over one day, and he said he would like to know why I as acting controller would not attest that the underliers are earning enough to pay the carrying charges. I said, "how can you expect me to make any such attestation without seeing the books of the company?" Well, he said "if you should see the books of the company and find that they are accurate would you attest?" and I said, "most assuredly." Then he pushed a button and sent for Mr. Ballard.

Q. Who is Mr. Ballard?

A. Mr. Ballard is attorney for P. R. T. He said to Mr. Ballard, "you go and tell Tom Mitten to open those books," and we got the books four days later.

BY MR. COOKE:

Q. How did Mr. Atterbury, of the Pennsylvania Railroad Company, get into this?

A. I don't know. I am just giving you the facts.

BY MR. EVANS:

Q. Was this before or after the famous meeting in General Atterbury's office on Sunday morning?

A. Right afterwards. I think one subject that was discussed there as to how they were going to get the Controller to attest the acquisition or condemnation. Following that the city solicitor filed a suit compelling the controller to attest, but as stated we refused to do it.

BY MR. COOKE:

Q. Have you any theory why the President of the Pennsylvania Railroad Company should play this part?

A. I do not. He was interested in seeing that the underliers were sold to the city.

Q. What interest could he have in the underliers?

A. I don't know, but the relations between Mr. Atterbury and the P. R. T. were very close. Would you like me to tell you how I know it?

Q. Apparently they were close, because Mr. Mitten did do what Mr. Atterbury told him to do?

A. Yes; but for another reason. The P. R. T. sold seven per cent. bonds of the P. R. T. company and handed to Mr. Queeney who was no longer connected with the P. R. T. company, \$837,000 for the purchase of bus lines and taxicabs. He



has testified under cross examination by me, that he didn't keep any books; that he just used this account for the acquisition of bus lines, and that he bought and established bus lines and carried them through the experimental stages and then sold them to Mr. Atterbury at cost.

Q. Who was he working for at that time?

A. Mr. Queeney?

Q. From the time he was given the \$837,000?

A. He was working for Mitten Management.

Q. Oh, you said he didn't have anything to do with the P. R. T.?

A. With the P. R. T. He had no right to have any funds of the P. R. T. He was president of the Philadelphia Rural Transit Company, Incorporated.

BY MR. EVANS:

Q. That is a subsidiary of the P. R. T., operating buses in Philadelphia; that is correct is it not?

A. Yes.

BY MR. RHODES:

Q. Was this \$837,000 expended without any accounting?

A. Absolutely. When our office asked the officials of the P. R. T. what these advances to Queeney were they said it was none of our business; the money had been returned. Mr. Queeney on the stand said that he never paid any interest for the money, and the books showed that he had paid seven per cent., and when I asked Mr. Queeney who was right, he or the books, he said he was right and the books were right, and that is all I could get out of him.

Then, they went down to Atlantic City. Well, they established the bus line to Washington. They spend \$250,000 to establish a flying line between the Sesquicentennial to Washington, D. C. without any authority of councils. They had two or three planes, and underneath each one they had painted "William S. Vare under Mitten Management," and I think "Freeland Kendrick under Mitten Management." There was a confession, if you will read the thing literally, but anyway they flew back and forth and they took a loss of \$250,000 on the transaction.

BY MR. COOKE:

Q. That was a part of the \$837,000?

A. No; this was another item in addition to it.

Q. How long after you had this conversation with Mr. Atterbury, did you actually get access to the books?

A. In just a few days. Councils immediately acted. We had never been able to get councils to act.

Q. Who told councils to act?

A. I don't know. Mr. Cox and the Mayor came down to see me and they put in an ordinance appropriating money for Haskins and Solls, an auditing firm, and I said, "that won't do, the money must be appropriated to the controller, because he is the only one authorized to make the order. We are willing to have Haskins and Sells assist in the matter if that is the wish of the councils and the Mayor," but I inserted the words "and such other experts as the controller may require," and after some fight on that I got it passed in that form, and I brought Mr. Maltbie over from New York.

BY MR. RHODES:

Q. Who was mayor at that time?

A. Mackey, our present mayor.

BY FATHER COX:

Q. I heard this side of the story about a year ago and I heard the other side, which makes me believe there is one man in the United States who is responsible for the whole utility situation. Last year in our Pittsburgh taxicab trouble, the Mitten Management was there represented by Parmalee officials, and they brought on a man to take care of the situation, who said he would remain as general manager, who had been for years with the Mitten management in Philadelphia. When we had our trouble in Pittsburgh we learned that these companies were owned and controlled by one gentleman. Now, I am not going to mention the name because we don't have the facts, but it seems to be leading up to one. They not only control the utilities, but they control the United States government, and I think when the bomb bursts, it will show one dominating figure in political life.

A. We are doing our best to burst it. Father.

BY MR. EVANS:

Q. Who attended the meeting in General Atterbury's office, that was held just prior to this conversation that you have testified to? Do you know that?

A. Well, only from having heard the testimony before the Senate Committee. There was Benn, Mackey and Charley Hall; am I correct in that? The President of Councils.

MR. RHODES: You are speaking about the time when they decided to sell the underliers for \$129,000,000.

MR. EVANS: Yes; at the meeting in General Atterbury's Office on Sunday morning.

BY MR. RHODES:

Q. I think you told us that the city was indebted to the extent of \$800,000,000?

A. \$676,185,100.

Q. That is in the form of funded debt?

A. That is outstanding bonds.

Q. How much of your tax is required to pay your interest and sinking fund under your funded indebtedness in the city of Philadelphia?

A. Forty per cent.

Q. It takes forty per cent. of your tax to take care of that overhead; is that right?

A. Yes sir.

BY MR. EVANS:

Q. It amounts to about \$1.12.

A. \$1.12 of the tax rate of \$2.77?

BY MR. COOKE:

Q. How does that compare with other representative cities?

A. You can't make a comparison, Mr. Cooke, because there is a difference in the practice of assessments. Now, in Philadelphia, the utilities are exempt from paying any real estate tax on \$23,000,000 worth of real estate. I think that ought to be corrected. I think they should be required to pay taxes on their real estate. Furthermore through that political control—

Q. Is that customary in other cities do you know?

A. I am not familiar with that. I am not sure about that. We have a board of revision, three members are appointed by the Board of Judges. They fix the final assessments unless an appeal is taken to the court. They are all politicians, and they give special consideration to utilities, in the matter of assessments; that is property that they have to pay taxes on are favorably assessed. And now, the distribution of the burden of taxation in Philadelphia is absolutely inequitable. The law says that property shall be assessed at its full value. If all property in Philadelphia were assessed at its full value, the taxes would be almost one-half of what they are now, and we would still be receiving as much money by taxation as we are now raising.

But of course, because of the inequitable assessment—I had issued an appraisal made in conjunction with one or two business organizations of six central city blocks near city hall, and they are \$100,000,000 under assessed, or were last year.

Q. How about the small property owner?

A. They are carrying the burden of taxation.

Q. Inequality falls upon them?

A. Absolutely. Some of them are assessed above what they are worth, the small homes, but they don't dare to complain because if they did, the trust company holding the mortgage would come down on them, and that is a greater hardship in paying the additional tax. That is why we are losing twelve to fourteen hundred homes monthly by sheriff's sale.

Q. Are your banks under this same sinister influence?

A. Oh yes, they are part of the system.

Q. Part of a vicious circle down there, isn't it?

A. Oh yes, it is. I don't know that it is any worse than some of the other great municipalities, but it is certainly bad enough. The people have lost control of their government. Representative government is broken down in Philadelphia, and we have to look to our State, because after all we are residents of the State of Pennsylvania, the county of Philadelphia, for a remedy.

Q. To summarize, where does the power lie in this vicious circle that you speak of?

A. It is a community of interest.

Q. Well, now, just what is the group that is the pre-dominant factor there in Philadelphia?

A. I would say that Atterbury was the outstanding leader, of course, some of the great utilities give contracts to members of council. There is one member of council who had 500,000 a year contract for years with the Philadelphia Electric Company on,—

Q. What is it? A 30%? What was that Philadelphia Electric contract, \$500,000 a year,——— It was on a 15% basis, wasn't it? The man who just died in councils. 15% plus cost?

Q. Then as I understand you, in your opinion General Atterbury is the dominant factor in the political and economic life of Philadelphia?

A. No question about it. There are others who are joined with him at times, in various enterprises, but we have tremendous taxes levied upon us without representation; that is, in the form of gas rates, and electric rates, car fares. Millions of dollars have been taken away from the public above what was really a fair return to those companies on their investments, and they could only accomplish it by a conspiracy, a community of interest working together for their mutual advantage.

Q. Don't the people of Philadelphia realize the situation?

A. I think they do now more than ever. But we need a new election law, as I said before, to help us down there.

Q. Aren't there enough public spirited Philadelphians to rectify these conditions locally without having legislation?

A. I think the thing has gone on for so many years that the average man has become disgusted and discouraged. You see, take some years ago, we had a political leadership, Senator Penrose and the Vares, at that time the Vares were ash men, Penrose represented the utilities, and then Mr. Penrose always controlled the independent movement, and we had two councils, a select and a common council of over a hundred members, the utilities found it rather expensive to handle and the public became thoroughly aroused, and threatened a political revolution. So Mr. Penrose told his independent friends to give their people a charter, so they gave us a city charter which is a very good in theory, but it is not lived up to. That city charter cut the number of councilmen down to twenty-two and made it much easier for the utilities to control twelve councilmen than a hundred. Now they have another plan for a city manager. They want to take the right away from the people to elect their Mayor and let the majority of council elect the city manager.

Q. You don't favor that plan?

A. I absolutely do not. It is good in principle, it is all right in a small community, but not in Philadelphia. The tendency of the utility movement today is to deprive the public, the people, of as much power as possible, and to delegate it to commissions and committees and individuals. They are trying to combine the county government with the city government. The county government pays for itself, the fees that they take in. They talk about extravagance in the county government. The Legislature creates the jobs and increases the salaries. The Legislature has never created a job in the controller's office and has never been asked to. My salary was fixed by the Legislature forty years ago at \$3,500 a year. It has never been increased, and they cannot charge the Legislature with extravagance in that matter. The same is true of the controller's salary of \$12,000, that is eight and four, because he is controller of the Board of Education. We have never issued a mandamus in our office. Council have always appropriated what has been asked for to cover our personal service costs. But we have never used it up. We have always turned back at the end of a year a saving or surplus from one service item. So that the whole scheme to combine the county and city government—

BY MR. COOKE:

Q. As a matter of fact, the controller's office has been for years traditionally on a very much higher plane than any of the other county offices?

A. Yes, but any other county office can do the same, and you won't remedy it by changing the law. You have to elect honest men to office, and there are plenty of honest men in Philadelphia.

BY MR. RHODES:

Q. Your controller is elected by the people, is he?

A. Yes.

Q. Well, if you use good judgment in the election of your controller, why can't they use the same kind of judgment in the election of the others?

A. You see, the controller was never a politician. He came in to put in a new set of books, as an expert, and the old controller died before his term expired, and the leaders couldn't agree upon a man. And so he was permitted to go in, and the last time he came up for election, there was a split in the Republican Party, and they were afraid that I was going to tie up with one party or the other, but I didn't and both sides endorsed me,—not because they wanted me, I can assure you of that.

MR. RHODES: I think we are getting a little afield. I want to ask you one other question in conclusion, as far as I am concerned. Of course, as I view it, a lot of your troubles cannot be attributed to the utilities. In other words, you have troubles in Philadelphia that have no connection with the utility situation.

THE WITNESS: Well, I think these utilities have contributed substantially to all of our troubles.

MR. RHODES: What I am getting at is that your trouble is only utility problem, which we are investigating. Now, what recommendations do you have to make to this committee as far as correcting the conditions as they may exist, and which we are investigating are concerned?

THE WITNESS: I understand that you not only with your committee cover the Public Service Commission but utility companies. Am I right about that?

MR. RHODES: Yes, that is correct. Just what are your recommendations to this committee?

THE WITNESS: First of all, that the Public Service Commission be given greater power than it has.

BY MR. RHODES:

Q. In what respects?

A. To take the initiative in any matter connected with operation or the purchase or leasing of a public utility. That you establish a bureau to represent the public.

Q. You mean a people's council?

A. People's counsel, but not limit it to complaints made by municipalities. If, say, one per cent of the citizens file a petition with such a bureau, the service should be given to the citizens. If you limit it to the municipalities and the officials, of that municipality, are friendly to the utilities you would not be apt to get very good service. That should, I think, be added, if that feature is to be incorporated in the people's council.

FATHER COX: That is very good, because there are governments that have mayors and public officials who are elected by a minority, because there were two or three candidates in the field, and they do not always represent public opinion when they speak on a subject.

THE WITNESS: So that if 1% or some percentage to be determined by the Legislature had a petition filed to get service of such an organization, I think it would be very helpful.

Q. What other suggestions do you have?

A. I think that the Public Service Commission should not be permitted to give blanket approval to improvements. They gave blanket approval to the \$80,000,000 city improvement in connection with the Pennsylvania Railroad, they simply approved the general proposition, then they entered into all sorts of contracts involving the city in expenditures of money and the Commission doesn't go into it any further. I think that every contract for the management of a utility by another company should be passed upon and approved by the Commission. The managing company should show its qualifications and the company should show it is necessary to have such a management.

In other words, we have an example of a fee of \$700,000 of which \$33,000 is paid to the president, and then we pay \$2,200,000 for such management. That should never be permitted and the law should be so drawn as to preclude the recognition of such a policy as that. A management, when it takes over the management of a public utility, should pay the salaries of officers of the management, of the president, of the secretary and the treasurer, because if they are competent they don't need a managing company, and if they need a managing company, then the managing company should pay all the salaries for service and all research work should be paid by the managing company, and the necessary experts should be paid for by the managing company. The managing



company should be looked into and be required to be approved just as a bank or any other corporation handling the people's money, before they are permitted to engage in the management of public utilities. If such was the law now, Mitten Management would never have been in the position they are today in the managing of the Philadelphia Rapid Transit. I think I would go a step further and say if the Legislature or this committee would come to Philadelphia and sit for a month and study the contracts between the utility companies and the councilmen, utility companies and public officials, and look into the whole situation, making a comprehensive study of it, if it would take a month to do it, that the whole situation there would be cleared up and you could prepare legislation that would be comprehensive and would cover the whole situation. It is a long way from Philadelphia to Harrisburg, and it would be much better if you were there on the job.

BY MR. RHODES:

Q. Do you have personal knowledge that there are such contracts?

A. Absolutely. I can give you a list of them and tell you where to subpoena them. It ought to be corrected. Public Officials should be barred from having contact with utility companies while they are in public office and for one year thereafter. Attorneys should not be permitted to represent utility companies as the city solicitors do today and are on the payroll of the Philadelphia Rapid Transit Company, and that is public, right on their books, and they don't deny it, and yet they are supposed to be representing the city of Philadelphia while they are on the payroll of the Philadelphia Rapid Transit Company.

BY MR. RHODES:

Q. Are there any city solicitors that are in that position?

A. Yes sir, assistant city solicitors and assistant district attorneys.

Q. I would suggest that you give us a list of the councilmen contracting with utility companies and attorneys that are on the payroll of both parties?

A. Yes sir, I will do that. That ought to be prohibited. An attorney either elected or appointed as a public official should not be permitted to represent a utility company during his term of office nor during two years thereafter, nor receive directly or indirectly any money or other valuable thing either directly or indirectly through a partner or otherwise. If your committee or a sub-committee would come to Philadelphia, we could develop the whole situation and show you what is going on, and then I think you would be in a position to prepare comprehensive legislation. I am not a pessimist and never have been, and I am not a politician, but I am in a position to know what is going on. I am not in politics and never have been, but I have the benefits of contacts and know what is going on.

FATHER COX. Maybe if the committee would accept the suggestion to hold the hearings in this case in Atlantic City it would get somewhere. During the summer it is hard to sit in Philadelphia.

BY MR. MEMOLO:

Q. You represent a cab company, you testified?

A. Yes sir.

Q. That was being attacked by whom?

A. The Philadelphia Rapid Transit Company filed a complaint that this man was operating five taxicabs and thirty limousines, and that the limousines were not licensed and that when people called for taxicabs, limousines were being sent to them.

Q. What was the name of this Company?

A. The Steffens Company.

Q. Now Mr. Wilson, you know something about this Menke company?

A. Yes sir. He came to me the other day.

Q. You say that in the Steffens case the Public Service Commission refused to revoke the certificate of public convenience for the Steffens Company?

A. Yes sir.

Q. They did, however, revoke the certificate of Mr. Menke, according to the way he testified here yesterday. I should like to know, if you know, if you are able to tell us, in what

way did these two cases differ; what was the difference between the two; were they not pretty near alike?

A. Yes sir, very much alike. It was possibly because the newspapers at the time I tried the Steffens case were very much interested in this Philadelphia Rapid Transit situation, and gave us a great deal of publicity, and I had been trying the Philadelphia Rapid Transit case and had got lots of publicity.

Q. The Public Service Commission surely does not desire cases of publicity?

A. No sir, but I broke down their witnesses. All their witnesses were detectives or employees instructed to ride in their cabs.

Q. This man yesterday testified he was put out of business and lost his home and everything he had?

A. It is absolutely true.

Q. I think the members of the committee would like to know, if you know, just what was the difference in the two cases; were they not very much alike?

A. Yes, but I think the Mitten crowd were in full power at that time. You see that happened two or three years ago.

BY FATHER COX:

Q. Mr. Joyce didn't make them write up their agreement the same way?

A. No, my man had no agreement. Further, I won this case on its merits. They could not decide it any other way on the evidence. I represent about 157 independent cab men in Philadelphia. Each man owns his own cab, about 150 cabs. One man has owned his cab for fifty years and the average time these cab-men have owned their cabs is 22 years. They filed complaints against every one of them charging they haul passengers by the head instead of by the meter. I represented them and I agreed that they would desist and cease, and the Commission agreed to issue such an order. Then I reduced the cab fare and I asked them if they wouldn't reduce their fare to 15 and 5, and all of the people that I represent have reduced their rates to 15 and 5, the first reduction ever made in cab rates in the city of Philadelphia.

BY MR. COX:

Q. Did you ever hear of the Parmalee Company in Cleveland in a similar situation?

A. No sir.

Q. They sent one of their men to start a strike among these privately owned cabmen.

BY MR. COOKE:

Q. You say you think we ought to pass legislation prohibiting public officials from taking a retainer from utility companies?

A. Yes.

Q. Now, you are a public official, and you represented private interests, in other words, you are on the other side of the fence from the utility; just how do you reconcile that?

A. Because I took those cases to help the general P. R. T. situation; because the P. R. T. Company was trying, they were fighting me, and they were fighting these men, and I felt that these men were individual citizens, each having a family to support, and that they were entitled to do business as free American citizens in the community, and that a monopoly should not be permitted to be established in the taxi business.

Q. In other words, you sought—

A. I did not take it for the fee, because I turned away hundreds of cases; I turned down a \$10,000 fee only yesterday.

Q. Under normal conditions, it would be from a social standpoint as bad for the city official to take a case against these companies?

A. Absolutely.

Q. And you simply handled these particular cases in order to help the situation?

A. I did. I have consistently refused, although I have a perfect legal right to do it, and my partner and associate has refused to take any case that is directly or indirectly connected with any government agency, or with any concern or individual doing business directly or indirectly doing business with the government, city or council. The only clients we have are people entirely outside, no possible connection. They have tried to frame us two or three times by sending clients to

us, but we look our clients up pretty carefully before we accept a retainer. We have to do that to protect ourselves.

Q. Under normal conditions you think it would be just as bad for public officials to be against utilities as to be for them?

A. Absolutely. In regard to this peculiar situation here, I felt justified in doing that. If we have a utility there operating properly, and there was no complaint against it, I would not be a party to interfering in any way with any other company with whom they might have a contest. I think I have taken a lot of your time, and I hope what I have said will be helpful. I don't suppose you are interested in the taxicabs. They bought a lot of taxicabs, this Yellow Cab Company bought it for \$3,000,000, \$1,100,000 was paid for intangible assets, and many of the cabs were three years old, and the life of a cab is three and a half years, but we paid 90% of the cost.

Q. Do you happen to know anything about the purchase of bus lines in Delaware County by the P. R. T.?

A. I know that they did purchase them, yes.

Q. Do you remember the names of them?

A. Hartell Cab Company.

Q. The Red Star?

A. I have not heard of that yet, but they fatten up a company, take a small company, fatten it up, and then buy it. Take the Cunningham Company, their stock was worth \$75,000 par value, and they paid \$150,000 for it.

Q. Who owns these companies before the fattening process?

A. Queeney or Swoyer, or some individual that they pick up to feed them and fatten them up, and then they buy them.

BY MR. COX:

Q. Do you believe in taxicab monopoly?

A. No, I don't.

Q. We are fighting them in Pittsburgh right now, and they won't give us a certificate of public convenience.

A. I think there should be competition in the taxi business, or in any other business. Are your rates as high there as they are in Philadelphia; they are 15 cents for the first quarter?

MR. COX: Ours are much higher.

BY MR. COOKE:

Q. Who owns the Cunningham Taxicab Company?

A. Thomas Cunningham.

Q. He owned it during the fattening process?

A. I guess that was already fattened. I guess Tom fattened that himself, but the P. R. T. records show that the first check was drawn to Thomas Cunningham in the sum of \$750,000, and that one check was cancelled, and the next check was drawn to a man who is a clerk in the Greenfield offices for a like amount. I don't know whether that is the mysterious \$50,000 that was referred to down in Washington.

Q. Were those checks drawn to the companies?

A. No sir, they were drawn to individuals, and there are a great many checks and a great many vouchers that are missing out of the files.

BY MR. RHODES:

Q. You spoke in part of your testimony of the fact that there were a lot of real estate transactions between the utilities and the city?

A. Yes.

Q. Now, we didn't get any of those specific instances on the record, could you send to this Committee, or to counsel for the Committee, a list of the transactions in the real estate line between the utilities and the city?

A. Yes.

Q. Both to and from?

A. Yes, just as a point, to show you how this thing was done. There was an old worn out pier, Greenwich Pier, that the Pennsylvania Company wanted to get rid of, they wanted to put up a new plant, that was sold originally for \$2,000,000—

BY MR. EVANS:

Q. You say Pennsylvania Company, you mean Pennsylvania Railroad?

A. Yes, Pennsylvania Railroad Company, not Pennsylvania Company. I happen to bank there, it is a very good bank, I don't have very much money there.

BY MR. COOKE:

Q. Where is Greenwich Pier?

A. It is down on the waterfront, it is downtown along the river. We paid \$5,000,000 for it—

Q. When you speak of we, you mean the city?

A. Yes, I always speak of the city as we.

Q. Was that part of the South Philadelphia grade crossing elimination?

A. Yes. \$5,000,000, and we borrowed the money for 50 years, and pay a sinking fund charge on it, and our children and grandchildren turn the money over.

BY MR. RHODES:

Q. Who is the financial genius of your city that countenances all of these transactions?

A. We have quite a number of experts, each particular one in his own particular field, he will go and gather the others in, and when it is necessary to put something over they are all together, because each man expects support at the proper time for his pet project, the same community of interest.

BY MR. COOKE:

Q. Do you know when the value of the Greenwich Pier was established?

A. It was during Kendrick's administration, I think the last year. I paid the last million dollars on it a short time ago.

Q. Then that valuation was not part of the South Philadelphia grade crossing?

A. I am not clear on that, Mr. Cooke, but I think it was in connection with—

Q. Be very careful, because I was one of the negotiators.

A. Your name does not appear in the transaction in making the valuation originally. I know that, because I examined the records before I came up here, and your name is not on it. If it were, I would not criticize it, because I know it would be right, and I mean that too, I am very sincere about that.

BY MR. RHODES:

Q. These other lists, Mr. Wilson, you can submit those?

A. I have quite a number of them, and I think that I might as well submit them in writing and save your time.

Q. We would be very glad to have them.

A. There are a number of important things I have not touched on. Principally legal fees, turning over legal fees in the amount of \$1,000,000 in four years, and the hypocritical conduct in management in the handling of their men. I am speaking now with reference to the P. R. T., giving them money and then taking it away from them, requiring them to take a box and pay rent for the box in the bank; they have 10,000 boxes there, and these fellows came to me and said, "I don't need the box, but they want me to take it," then they had them make their wills, and they make the Mitten crowd executors of their wills, get their insurance through them, and one year they charged them 75 cents to give to Einar Barford, to advise them on their investment, 75 cents from each employe for advise on their investment and they didn't have much to invest after they paid all these contributions—

BY MR. COOKE:

Q. Are you referring to the incident in which Mr. Barford gave some legal advice on investment in the security of a company that came under the Blue Sky Law?

A. I am familiar with that.

Q. I think they got quite a considerable recovery in that?

A. Yes.

Q. As I recall it, a couple hundred thousand dollars recovery, so that the employes might easily have paid 75 cents and still be away ahead of the game.

The seventy-five cents was subsequent to that. They paid a fee, and Mitten paid a fee. I think I prepaid him \$10,000 and now, I am not criticizing Barford, because he is a good, clean, straight fellow; I am not saying a word against him, but I am criticizing them for requiring their men to pay seventy-five cents a year. I am not criticizing Barford, because he is perfectly alright and I have not doubt that he gave them good advice.

MR. RHODES: Mr. Wilson, any relevant suggestion you may have, along with those that we have requested, I would sug-



gest that you submit to the Committee in writing, unless there is something that Mr. Evans has to ask?

THE WITNESS: Have you something else in mind, Mr. Evans?

MR. EVANS: No. I think not, Mr. Wilson. I was wondering whether in connection with the Pennsylvania Railroad improvements, which you mentioned, in West Philadelphia and the commitments of the city in that connection, it has been frequently stated that the Pennsylvania Railroad was investing \$75,000,000 in those improvements for the benefit of the city. Is that, in your opinion, an accurate statement?

THE WITNESS: Absolutely, no. They built a station in New York and the City of New York did not contribute a dollar. On the contrary they paid—the railroad company was required to pay for the street improvements and various surrounding improvements there.

BY MR. EVANS:

Q. As a result of those improvements, the Pennsylvania Railroad will have large quantities of central real estate that they can later dispose of, will they not?

A. Yes sir. They are putting up a great office building and other structures, that are going to be highly profitable. The city should not have paid anything.

There was an elevated structure with an estimated life of seventy-five years; it was in perfectly good condition; but to please them councils passed an ordinance to take that structure down and place it under the river. They are going to spend \$28,000,000 to put that down under the river and make the extension. Under a decision of the United States Supreme Court that becomes an improvement to the underlyer owning that elevated structure, and if we should take it over we have not only to pay \$28,000,000 and interest and sinking fund, but we have to pay the \$28,000,000 in 1957, if we acquire it. We have to pay twice. I pointed that out when the agreement was made, but it didn't seem to have any effect.

BY THE CHAIRMAN:

Q. The city does not seem hesitant to go ahead with these important improvements?

A. Oh, they are perfectly willing to spend other people's money.

Q. Don't some of the people down there anticipate that there will be a reckoning some time?

A. Yes we have reached the point now that if we don't get this \$3,000,000 through, they will not have any payrolls in July and August.

Q. The \$3,000,000 seems to be a picyune amount for the city of Philadelphia to ask the Legislature to let them borrow that amount. It would seem that you are on your last legs now.

A. I don't want to attack the bond issues of the city, but the city can never become bankrupt under our law, because the bonds issued are a first lien against all real estate in Philadelphia. You can always get your taxes out. Our bonds are good. They are gilt edge securities. There is a demand for them. One high official had an argument with me the other day about it; and I said, "Do you know a tramp can go into a pawn shop and hock a diamond?" and I said: "Just as long as we have a borrowing capacity, the banks are only too glad to buy our bonds," but our operating situation is in a terrible condition. Now, the Legislature required a tax rate at the first of the year to meet all current expenses and borrowing expenses and interest in our sinking fund, and for political reasons the Legislature held the tax rate down. As a result of that we had to rob the police and fire fund of \$3,800,000.

MR. RHODES: I think your city needs more than the Legislature can supply.

THE WITNESS: Well, in the old days, when they put through the old gas lease the people used horse whips on them, and I think one of those old fashioned western bees might be very helpful. I believe in law and order, but sometimes, I honestly believe that more strenuous methods are necessary.

A recess was here taken until 7.30 o'clock.

April 9, 1931. 7.30 P. M.

COLLEDGE (recalled).

BY MR. EVANS:

Q. Have you made a study of the financial set-up of the Hanover and McSherrystown Water Company

A. Yes sir.

Q. Have the first assets of this company been written upon the books.

A. Yes sir.

Q. When was the first write-up?

A. The report filed by the company with the Public Service Commission as of the 31st day of December, 1927, shows a write-up in the company's fixed assets of \$241,755.68.

BY MR. COOKE:

Q. What was the book value at the time that write-up was put in.

A. The book value before the write-up was \$1,063,610.20, showing a write-up of 22.7%.

BY MR. EVANS:

Q. How was the figure of \$1,063,610.20 made up?

A. On December 31, 1921, which was the first yearly report filed by the company, showed a book value of fixed assets of \$914,344.51. From January 1, 1922, to December 31, 1927, the report showed net additions of \$149,265.69 totaling \$1,063,610.20.

Q. Have you any way of ascertaining whether or not there is any write-up in the figure of \$914,344.51.

A. No sir.

MR. COOKE: Mr. Evans, before we leave this subject, is there any way of getting this figure of \$900,000 or \$1,050,000 in relation to the \$500,000 that the witness said today that he thought represented the real investment in the property?

THE WITNESS: I don't think so, Mr. Cooke, because as I say, the first report filed by the company under the regulation of the Public Service Commission was for the year 1922, and that report showed the balance as of the year 1921 and the balance sheet as of the end of 1922. So that the figure of \$914,344.51 was the only figure available. Now then, the only way that you could get that would be an examination of their books to determine the make up of that.

BY MR. COOKE:

Q. Was that company as of 1921 the result of consolidating other companies.

A. Apparently, yes.

Q. That is probably where some of that took place.

A. Yes sir.

MR. EVANS: As I understood Mr. Sheppard, this morning he testified that this same company in 1917 was offered to him and his partner for approximately \$450,000, and that perhaps in 1919,—I am not sure of the exact date,—it was again offered to his partner, according to a memorandum that had been found for something over \$600,000, if I remember rightly. I think that is correct.

THE WITNESS: I think it was about \$600,000, I think he said.

BY MR. EVANS:

Q. Now what was the amount of depreciation charged between January 1, 1922, and December 31, 1927.

A. \$168,363.09 was the accumulated depreciation reserve as shown by the report as of December 31, 1927.

Q. What then was the depreciated value of the fixed assets as of December 31, 1927, excluding the write-ups to which you refer.

A. \$895,247.11

Q. What would this figure be including the write-up.

A. \$1,137,002.79.

Q. Have you been able to ascertain by whom the appraisal was made upon which this write-up was based.

A. No sir. I attempted this morning,—well not only this morning, but before—to ascertain this, but the certificate of notification, as I will mention later, made no mention of it, and I thought maybe there might be in the application docket a record of an application, but it appears that when a company purchases the capital stock of another utility company, no application is required, no application for a certificate of public convenience is required, so therefore there was no testimony as to the appraisal.

Q. That is if the purchasing company is not an operating utility?

A. Yes.

Q. By whom was the stock of this company purchased? As of December 31, 1927?

A. I will have to go back to the year 1926, Mr. Evans, the common stock of the Hanover and McSherrystown Water

Company was purchased in 1926 by the North American Water Works Corporation, which company in 1927 turned this stock over to the Keystone Water Works Corporation, now the Keystone Water Works and Electric Corporation, a subsidiary of North American Water Works Corporation.

Q. What securities did the Hanover and McSherrystown Water Company have outstanding at the time of this acquisition?

A. The company as shown by previous reports at the time that the stock was sold, had issued and outstanding an issue of \$550,000 of first refunding six per cent. bonds, and on September 1, 1926, it put out an issue of \$70,000 of ten year six per cent. gold notes, the proceeds from which, according to certificate of notification No. 4431, filed in regards thereto, were stated to be for the purpose of constructing a filter plant and other corporate purposes. These latter notes were apparently sold for par.

Q. What was the next issue of securities?

A. On March 1, 1927, after the company was purchased by the North America Water Works Corporation and the Keystone, the company issued another series of ten year six per cent. gold notes, par value \$350,000, the purpose as stated in certificate of notification No. 4433, filed in regards thereto, being as follows: "Proceeds of this issue of notes to be used in part in retiring outstanding \$70,000 in filtration and improvements 6% gold notes; to reimburse the company for fixed capital expenditures, and for other proper corporate purposes." The proceeds were actually used as follows: Retiring 6% filtration gold notes, \$70,000; reacquiring 3,459 shares of common stock of the company par value \$172,950.00 at \$65.00, \$224,835.00; total \$294,835.00.

The premium of \$15.00 per share or \$51,885.00 was charged to earned surplus, thereby assisting in the creation of a deficit of \$60,146.37 as of December 31, 1927.

BY MR. EVANS:

Q. How much common stock did the company have outstanding at that time?

A. \$250,000—5000 shares at \$50 par value.

Q. And it reacquired with the proceeds of this note issue, 3,459 of those shares at \$15 above their par value?

A. Yes sir.

BY MR. COOKE:

Q. Is there anything in the notification there that would suggest that type of use of money?

A. Nothing without the wide interpretation to be made to mean that, unless they would class that as "other proper corporate purposes." I may have something more to say on that later.

Q. Who purchased this issue of \$350,000 worth of 6% notes?

A. From a copy of a contract attached to the certificate of notification No. 4433, the \$350,000 of 6% gold notes were apparently sold to Vought and Company, of New York City, at 90%.

BY MR. EVANS:

Q. Now, did you find in connection with this certificate of notification any correspondence or other information between the bureau of accounts of the Public Service Commission and the company?

A. Yes sir. An outstanding feature in regard to this issue of notes is the apparent evasion by the officers of the company of the question as to the exact purpose of the issue, as evidenced by letters attached to the certificates of notification, extracts of which I shall be glad to read and which I think will be interesting. A letter from the Bureau of Accounts dated August 6, 1927, File 038 to J. H. Freeland, that letter was written by the Chief of the Bureau of Accounts, to Mr. J. H. Freeland who apparently was an officer of the Hanover-McSherrystown Water Company as now constituted and stated in part:

"A further examination of the certificate indicates that the following journal entry is to be made on the books of the company with respect to this issue:

Debit, Other Accounts Receivable .....	\$315,000.00
Debit, Unamortized Debt, Discount and expenses .....	35,000.00
<b>Credit Other Funded Debt .....</b>	<b>\$350,000.00</b>

"Proceeds of this issue of notes to be used in part in retiring outstanding \$70,000 in Filtration and Improvement 6% Gold Notes; to reimburse the Company for Fixed Capital expenditures and for other corporate purposes."

"It is noted from the explanation to this entry that the balance of the proceeds after the retirement of the \$70,000 of Filtration Notes are to be used to reimburse the treasury of the Company for fixed capital expenditure and for other corporate purposes. Inasmuch as the balance sheet as of December 31, 1926, does not show any immediate need for any additional amount of working capital, it is requested that the Company advise the Commission further with regard to the disposition from the treasury of the proceeds of this issue. Journal entries should likewise be submitted showing the journal entry that will be made with respect to the disposition of the entire proceeds of this issue. If all or any part of the proceeds of this issue of notes after the retirement of the \$70,000 of Filtration Notes are to be disbursed in the form of a cash dividend to the stockholders it is also requested that you inform the Commission with regard to the surplus against which this dividend was issued; and if all or any part of such surplus was created by recording a revaluation of the company's property a summary of such appraisal should be submitted as well as the journal entry through which it is recorded. In this connection it is also requested that the Commission be advised with regard to the aggregate amount which the North American Water Works Corporation recently paid for the stock of this company."

A letter of the Bureau of Accounts dated August 15, 1927, requests a reply to this letter. This first letter is dated August 6th, and August 15th, 1927, it had not been answered yet.

A letter from Mr. J. H. Freeland on August 23, 1927, transmits journal entry as follows:

"121 Other Accounts Receivable .....	\$ 14,000.00
110 Reacquired Capital Stock .....	172,950.00
711 Other Deductions from Surplus .....	51,885.00
159 Other Funded Debt .....	70,000.00
116 Other Special Deposits .....	6,165.00
131 Unamortized Debt for Discount and Expense .....	35,000.00

Credit, To 159 Other Funded Debt .. \$350,000.00"

That is all the correspondence that appears in the case.

BY MR. EVANS:

Q. If I understand that clearly, then the debits that go to make up the \$224,835 which you have testified were spent for reacquiring the stock, goes on account No. 110, Reacquired Capital Stock \$172,950, and on Account No. 711, Other Deductions from Surplus \$51,885?

A. That is right.

BY MR. COOKE:

Q. There is no follow up from the Commission on that? They made these inquiries and they got that rather terse answer but there was no action taken?

A. I asked Mr. Dunlap, who has charge of the section of the Bureau in which these certificates of notification are filed, yesterday morning how the Commission evidenced its approval of these certificates, and he said that it doesn't evidence its approval, and I asked him why, and he said, "Well, you are getting on a question, some of you fellows say that the Commission has authority over the issuance of securities of companies, but the Commission says that it has not." I said, "I am not going to controvert that opinion with anybody." I said, "I am just asking a question." I said, "You mean they just file it," and he said when we apparently obtain all the information we can obtain, then we file it.

Q. What other securities were issued during the year 1928? A. There were no other securities issued, but the report filed for the year 1928 showed that apparently that during the year 1928, the issue of \$350,000 of 10 year 6% gold notes, and the \$550,000 of the first refunding 6% bonds previously issued were retired by borrowing money on current notes payable. Their balance sheet as of December 31, 1928 showed notes payable of \$910,000; the year previously it showed a liability for notes payable of \$900,000, and a sinking fund as an asset of \$920,750. There was no explanation as to what the sinking fund was intended for, but it is apparent to me, inasmuch as



the balance sheet as of December 31, 1928, shows no funded debt, that it was the intention to immediately retire all of the funded debt and throw it into the current liabilities.

BY MR. COOKE:

Q. Now, what is the difference in the rate of return between the bonds and these notes?

A. Apparently the notes are 6%.

Q. What were the bonds?

A. Well, the bonds were both 6% too, both bonds issues were 6%. The 6% notes and the 6% bonds. I do not get the idea of throwing it out of the funded debt column into the current liabilities, unless the idea was to obtain a mortgage on the property of the company in order for the holding company—

Q. To be able to say they had no funded debt?

A. To get a mortgage possibly, get a mortgage and put it up to take some of its securities.

Q. Isn't that a very unusual situation for a company like that to have no funded debt and such a tremendous volume outstanding securities?

A. I would say so, Mr. Cooke. In the year 1927 it had an issue of 10 year notes in addition to the \$550,000 it already had due, and then turned around in the very next year and retired those notes—this funded debt by current liability—

BY MR. RHODES:

Q. The selling of those notes cost them \$35,000?

A. Beg pardon?

Q. I say the selling of those notes cost them \$35,000?

A. Yes, that was the discount on them, \$35,000.

Q. And then turned round and redeemed them the next year?

A. Yes, the very next year. Right here, at the end of 1930, the balance showed unpaid matured interest on unfunded debt of \$27,319.54. Now, if that interest were not overdue, it would be accrued interest, so apparently they had not even met the interest on their current notes payable.

BY MR. EVANS:

Q. You don't know whether this \$350,000 issue of notes was held by the public or not, do you?

A. No, except that the contract of sale as attached—the contract of sale which I have here is not attached to the certificate of notification showing that they were sold through Vought and Company.

Q. Have you any information as to the price at which the \$550,000 of bonds were sold; you testified that they were outstanding on September 1st, 1926?

A. No, they were outstanding, Mr. Evans, from the first report that was filed, they were shown by the report for the year 1922 as being outstanding.

Q. As I remember it, Mr. Sheppard testified that these bonds were offered to him at 80.

BY MR. RHODES:

Q. When did they mature, do you know?

A. I cannot tell you that, Mr. Rhodes.

Q. I thought maybe these notes were utilized to take care of that bond issue which might have matured.

MR. EVANS: I don't know; it is too many for me.

BY MR. EVANS:

Q. Now, what have you found in regard to the assets of the company as shown by its reports to the Commission?

A. Since the year 1922 the company shows by its reports annual return, annual overall returns, as follows: for the year 1922 they showed gross operating income of \$40,999.45—and remember that the write-up in the books did not occur till 1927, so that the per cent. of overall return based on all the depreciated fixed assets, excluded write-up, which would be before the write-up, was 4.94%. For the year 1923 it was \$40,893.57, the overall return, of 4.86. 1924, \$51,184.58 overall return of 5.96. 1925, \$40,008.54, overall return of 5.70%. 1926, \$53,667.35, overall return of 6.60%. 1927, the year of the write-up, gross operating income of \$66,843.12, overall return, including write-up, was 5.33%, and excluding write-up was 7.46%. 1928, \$72,923.63, overall return including write-up was 6.44%, and excluding write-up was 8.17%. 1929, \$72,576.64, overall return, including write-up 6.14%, and excluding write-up was 8.14%. 1930, the gross operating income was \$43,696.18, including

write-up the overall return was 4.27%, and excluding write-up was 5.43%. The drop in the revenue, or the drop in the gross revenue for the year 1929, the gross revenue was \$116,229.48, and in 1930 it dropped to \$103,624.51. That might have been due to the rebates that Mr. Sheppard stated they got during the year 1930.

BY MR. EVANS:

Q. I guess they didn't have enough water to sell.

A. Apparently; may be not.

Q. What dividends has the company paid?

A. The company paid no dividends from 1922 to 1925, inclusive. In 1926 it paid a cash dividend of six per cent. on \$15,000, on its outstanding capital of \$250,000, from income. In 1927 it paid a cash dividend of four and one-half per cent., or \$11,250 from surplus. No dividends have been paid since 1927.

Q. Now, when you speak of gross operating income of this company, is that the gross operating income after the deduction of all taxes and fixed charges?

A. That is the deduction of the operating—or let me just give you the set up of it.

For the year 1930, the operating revenue was \$103,624.51; merchandise sales and job work revenue was \$892.60; rent revenues \$125; total revenue, \$104,642.11.

Operating expenses, exclusive of loans, taxes and depreciation \$56,123.67. It happened that there was no loan in 1930. Apparently these current notes were discounted at the bank, and would not be taxable. The depreciation was \$4,681.86; merchandise sales, expenses \$132.05; rent expense \$8.35; total, \$60,945.93.

Gross operating income, \$43,698.18, as stated in the exhibit there.

Q. The Keystone Water Works and Electric Corporation is in the hands of a receiver, is it not?

A. The Keystone Water Works and Electric Corporation was placed in the hands of a receiver on August 31, 1930 at Wilmington, Delaware.

Q. This morning Mr. Sheppard, and Mr. Cremer also, in regard to a conference had with Chairman Ainey of the Public Service Commission in his office in August, 1930 at which time according to their testimony, Chairman Ainey said that he would not permit the borough to erect its own water works, but would order the company to construct an impounding dam, which would increase the fixed capital of the company and the rates charged to consumers. As I understand it, this was subsequent to this right, to which you have referred, and to all these financial transactions?

A. That is correct. The write-up in the books of the company as to fixed capital occurred during the year 1927, so that if there were any additions made to the fixed capital account, as it stood on the books of the company, as of December 31, 1927, or in any of the years subsequent to, that would be an apparent approval of the write-up, which had been shown in the reports of the company since 1927.

Q. Mr. Sheppard also testified this morning that the stock of the company was offered to him and his associates in 1917 at a nominal value, and that the common stock represented little or no investment. Is that as you understand, the same stock which was in 1927, reacquired by the company at \$65 a share.

A. Apparently, yes. That same amount of capital stock has been outstanding in all of the reports on file in the bureau of accounts and statistics of the Public Service Commission.

I might say, Mr. Evans, that a letter from Mr. Freeland, attached to the certification in regard to the issue of \$350,000 6% notes, stated that the purchase price paid by the holding company for the Hanover McSherrystown Water Company stock was \$65 per share. And now, if they paid \$65 per share for the 5000 or for the five thousand shares outstanding, they paid \$325,000 for the stock, but in retiring the 3459 shares for \$224,835, it would leave them an apparent investment in the plant of \$100,165, exclusive of the bonds, notes that they might hold. But inasmuch as these were all retired during the year 1923, apparently that would be the only investment they had.

Q. Do you know what bankers are the ultimate controllers of this chain of companies?

A. I don't believe I do, Mr. Evans. Mr. Sheppard said the Fitchin Corporation was the last owner and the Guaranty Trust Company of New York was the trustee of the bonds.

## IN RE GETTYSBURG WATER COMPANY:

BY MR. EVANS:

Q. Have you made a similar study of the financing of the Gettysburg Water Company?

A. Yes sir.

Q. Is that owned by the same interests?

A. Yes sir.

Q. Have there been any write-ups in its fixed assets on its books?

A. The report of the Gettysburg Water Company filed with the Commission for the year 1927, showed a write-up of the company's fixed assets amounting to \$193,117.16. The fixed assets before the write-up as of December 31, 1926, was \$147,814.18, or a write-up of 130.64%—\$193,117.16 against \$147,814.18.

BY MR. COOKE:

Q. What year was that?

A. That was in the year 1927, they wrote them up.

BY MR. EVANS:

Q. On what was this write up based, as far as you have been able to discover?

A. Apparently on an appraisal made by Ford, Bacon and Davis as of February 15, 1927, on the basis of reproduction cost new, less deterioration of \$347,000.

Q. Did they speak of deterioration rather than depreciation?

A. That is what they said, deterioration.

BY MR. COOKE:

Q. What is your interpretation of the difference between depreciation and deterioration?

A. I don't know any.

Q. It is probably observed depreciation, isn't it?

A. Yes sir. It is something like the firm of engineers that was making an appraisal of a street car line and its equipment and this is one of the things they did to determine observed depreciation. They went out and measured the brake shoes on the street cars and then measured the flange on the wheel and determined the difference between the ordinary size of the brake shoe and the size of the flange and then took that as the depreciation against the original cost of the brake shoes and the rail. That is just the two items that they used.

BY MR. EVANS:

Q. Well, now getting back to Gettysburg, what value did the company use on its books? You have spoken of the appraisal being \$347,000?

A. Taking the \$347,000 as shown by the appraisal of Ford, Bacon and Davis, the company made a deduction of \$34,000, for going value and \$5,000 for working capital, which I presume was a part of the appraisal, bringing the value down to \$308,000.

Q. For its fixed assets?

A. For its fixed assets. It then deducted the book value as at December 31, 1926, as stated above of \$147,814.18, leaving an indicated write-up of \$160,185.82. To this it added the reserve for depreciation as shown by the company's books as of December 31, 1926 of \$14,155.63, showing a necessary write-up of \$174,341.45. But instead of writing up its fixed assets \$160,185.82, and cancelling the reserve for depreciation of \$14,155.63, the company wrote up its fixed capital \$193,117.16 and also cancelled the reserve for depreciation.

Q. Are you able to explain why they did that.

A. No sir, I haven't been able to get their logic in it yet. I tried to obtain the figures to find out just exactly why they did use the figures of \$193,117.16, but I was not able to do it.

Q. These were the figures on its books, as I understand it.

A. Yes.

Q. What figures did it submit to the Commission in its annual report.

A. In its certificate of notification, as the journal entry to write-up its books, it submitted the journal entry debiting fixed capital installed \$160,185.82, and debited depreciation, by which I presume they mean depreciation reserve, \$14,155.63, and credited capital surplus \$174,341.45, which shows that a further entry debiting fixed assets and crediting capital surplus for \$32,931.18 was made, but was not submitted to the Commission.

Q. Now, that \$32,931.18, as I understand it, is the difference between the \$160,185.82, and \$193,117.16.

A. That is correct.

Q. What did the company then do.

A. The company then proceeded to declare a dividend of 170%, that is 170% on \$105,000 capital stock outstanding, or \$178,500, making the following entry in its books: Debit capital surplus \$174,341.45, debit unappropriated surplus \$4,158.55, credit dividend procurable payable \$178,500.

Q. How many shares of stock did the company have outstanding at this time.

A. 7,000 shares, \$15.00 par value each.

Q. Approximately what did this dividend amount to per share, Mr. Colledge.

A. \$25.50 a share.

Q. What holding company acquired the Gettysburg Water Works, at this time.

A. The entire capital stock of the Gettysburg Water Company was purchased by the Keystone Water Works, Incorporated, which is now the Keystone Water Works and Electric Corporation, a subsidiary of North American Water Works Corporation.

Q. And who got this dividend of \$178,500 that you have spoken of.

A. Apparently the holding company received the entire dividend.

Q. Up to the year 1927 had the Gettysburg Water Company been an independent water company.

A. Yes. The Gettysburg Water Company up to the purchase of its common stock by the North American Water Works Corporation, and the Keystone was an independent company, serving the borough of Gettysburg, and the townships of Cumberland and Straband, with a population approximating 6,000.

Q. What securities did the company issue after acquisition by the Keystone Water Works Corporation.

A. On April 1, 1927, after the purchase of its stock by the holding company, the company issued \$200,000 first mortgage 5½% gold bonds, selling them to H. M. Jacoby and Company of New York at 89½. This was as shown by a letter to Glenn R. Snyder dated July 14, 1927, which was attached to the certificate of notification No. 4547 in regards to this issue of bonds.

Q. What was the purpose stated in the certificate of notification of this issue?

A. The purpose as stated in the certificate was "for the purpose of making additions, extensions and improvements to its properties, and of extending and improving its service; and reimbursing the company for capital expenditures made, and for other proper corporate purposes."

The entry on the company's books as shown by the certificates was:

Other Accounts Receivable .....	\$179,000.00
Unmortized Debt, Discount and Interest,	
Debit .....	21,000.00
Funded Debt, Credit .....	200,000.00"

Q. Did the Bureau of Accounts of the Public Service Commission have any correspondence in regard to this certificate?

A. Yes, here again the Commission appears to have had trouble in determining the proceeds, or rather what the exact purpose of the proceeds was. This is evidenced by correspondence which was attached to the certificate. I will read these letters in the record.

Harrisburg, May 25, 1927,

File 038.

"Mr. J. H. Freeland,

"P. O. Box 921,

"Harrisburg, Pa.

"Dear Sir:

"Receipt is acknowledged of Certificate of Notification of the Gettysburg Water Company covering the issuance and sale of 200,000 of First Mortgage 5½ per cent. Gold Bonds; \* \* \*

"Kindly furnish this office with a statement showing in detail the capital expenditures made to December 31, 1926, amounting to \$147,814.18.

"This certificate has been filed as of May 19, 1927, serial number 4547.

"Very truly yours,

"CRF"

CHIEF."



Harrisburg, July 1, 1927.  
File 038.

"Mr. J. H. Freeland,  
"P. O. Box 921,  
"Harrisburg, Pa.

"Dear Sir:

"A further examination of Certificate of Notification filed by the Gettysburg Water Company \* \* \*, discloses that the following additional information will be required:

"1. In answer to the question regarding purpose of issue on page 12, the following is inserted:

"For the purpose of making additions, extensions and improvements to its properties, and of extending and improving its services; to reimburse the company for capital expenditures made, and for other proper corporate purposes.

"(a) Capital expenditures to Dec. 31, 1926.. \$147,814.18

"(b) Working Capital ..... 32,185.82

Total ..... \$180,000.00

"With regard to item (a) above, an examination of the balance sheet on pages 14 and 15 of the Certificate indicates that as of December 31, 1926 the company had Fixed Capital aggregating \$147,814.18 against which it had issued an (d) outstanding \$105,000.00 of capital stock. It would therefore appear from the balance sheet submitted that if the \$105,000.00 of capital stock was represented by a cash investment, the treasury of the company has already been reimbursed for a large part of the \$147,814.18 of Fixed Capital. In other words, a statement should be submitted which will establish the fact that the treasury has not been reimbursed for the capital expenditures against which the company now seeks to issue bonds.

"Furthermore, since there does not seem to be an immediate use for additional cash other than that which will be provided by item (b) above, the Commission desires to be informed in detail as to what disposition the company proposes to make of the cash which will come to its treasury as a result of transaction (a) above.

"2. With regard to item (b) above, it is stated in Certificate that the \$32,185.82 will be used for laying mains, for extension of distribution system, purchase of meters and labor incident thereto in installing same, and for other general working capital.

"Since the balance sheet at December 31, 1926 shows current assets of over \$16,000.00 and no current liabilities, the company does not appear to have an immediate use of any large amount of additional working capital, particularly in view of the fact that the major portion of its operating revenue are collected semi-annually in advance. It is therefore requested that a disposition of the amounts \$32,185.82 be given in more detail, setting forth separately the amounts which it is proposed to expend for (1) mains, (2) distribution system, (3) meters, etc.

"On page 13, it is stated that the bonds are to be sold at 90. The Commission desires to be informed with regard to the name of the party through whom these bonds are to be marketed, the selling commission, if any, and if the contract is in writing, a copy of the contract should be submitted.

"Very truly yours,

"BFM:REZ

CHIEF."

Harrisburg, August 6, 1927,  
File 038.

Answer dated July 5, 1927. Letter forwarded to New York accountants for reply.

"Mr. J. H. Freeland,  
"P. O. Box 921,  
"Harrisburg, Pa.

"Dear Sir:

"Referring further to our letter of July first \* \* \* Certificate of Notification of the Gettysburg Water Company \* \* \* \$200,000 of First Mortgage 5½ per cent Gold Bonds.

"Receipt is acknowledged of the entries that will be recorded on the books of the Company with regard to this issue of

bonds. It is noted from these entries that all the proceeds of this issue with the exception of \$500 are to be issued as a cash dividend to the stockholders, said dividend to be issued for the most part against a surplus created as a result of a revaluation of the company's property. In this connection it is requested that the Gettysburg Water Company advise the Commission of the aggregate price at which its stock was recently sold to the present management, the North American Water Works Corporation. \* \* \*.

"Very truly yours,

"CHIEF."

I was unable to find an answer to this letter.

BY MR. COOKE:

Q. Who is it in the Bureau that writes these letters?

A. Mr. Morgal.

Q. I imagine he got a great kick out of writing these letters, but what have the consumers gotten out of any of that work?

A. Not a thing.

Q. He might as well have taken a walk around the block?

A. Yes, or put his head out of the window and hollered..

BY MR. EVANS:

Q. As an accountant, was this in your opinion a proper method of financing?

A. I just don't know whether I get the—

Q. I mean, to issue \$200,000 worth of bonds in this way in order to pay the dividend to stockholders?

A. I never fancied the plan of borrowing money to pay a dividend. I have been asked by clients who have had very nice earnings in certain years whether it would be advisable to pay an extra dividend and if so whether it would be a good idea to borrow money to do so, and I told them emphatically no. If your surplus earnings are not liquidated, then I don't like to see you place a liability on your books to pay the dividends out of, and I think that this is going far beyond any good financing that I could conceive of.

BY MR. RHODES:

Q. It is taking your capital out of your company?

A. Yes sir.

Q. And certainly it is not sound financial practice?

A. No. And further on I am going to show you what they did with the biggest part of this \$178,000.

BY MR. COOKE:

Q. The point of my question sounded like a joke, but we are constantly told the Public Service Commission cannot do this, that or the other thing because they have not help enough, and we are constantly seeing that the help they have are engaged in things that might as well not be done because the company doesn't come across and pay any attention to them. With me it is not a question of good or bad financing, but the fact that the company does not pay any attention to them but goes right ahead and acts as though they were not there, and I think our committee is bound to find that they could take the appropriation the State gives them now and accomplish infinitely more if they had the energy and the desire to do it.

MR. RHODES: Does it not seem that they got on record these financial manipulations, but they took the position that they are powerless to do anything, even after they have acquired the information which indicates how these things have been done?

MR. EVANS: I think that is the situation, Mr. Rhodes. The Bureau of Accounts frequently gets information which might have considerable value if put into action.

MR. COOKE: But it never gets into action.

FATHER COX: Nobody cares.

MR. EVANS: All I meant to indicate, Mr. Cooke, was that I think it is perhaps unfair to the Bureau of Accounts to criticize them for spending their time in getting this information, because in my own opinion this information when gotten could be made good use of.

MR. RHODES: But it is not made good use of in this particular instance, because the Commission takes the position that it is powerless to act, is that not correct?

MR. EVANS: That is true.

MR. RHODES: Whether they are wrong or right, that remains to be determined.

FATHER COX: Are they powerless to act?

MR. RHODES: I cannot answer that.

MR. EVANS: I think Commissioner Young and other Commissioners testified that they never tried to act on these matters.

FATHER COX: They don't, apparently, from all we have heard, they don't want to act.

MR. RHODES: Well, they don't act, but the question whether they could act or not, there is a difference of opinion on that perhaps.

MR. COOKE: That is only as to whether they can act legally in setting aside these issues of securities. There is no doubt in your mind there, that they could bring relief to practices of that kind—they could bring relief to the rate payers?

MR. RHODES: Now, of course, if there is anything wrong about that, they could refer it to the attorney general's department for investigation.

MR. COOKE: But such financing as that indicates that the rate must be inflated as well as the securities, isn't that true?

MR. RHODES: It would seem that way.

FATHER COX: If they were interested on the side of the people they would at least try to act, and if they had any doubt it, the best way to find out whether they have power or not was to institute some kind of proceedings, and find out what would happen to it, but they just sat back and let the rest of the world go by.

THE WITNESS: Let George do it.

FATHER COX: Yes, the office boy might have done much better.

BY MR. RHODES:

Q. Mr. Colledge, the financial manipulations of the Gettysburg Company are just about the same as in the Hanover-McSherrystown Company?

A. With the exception, Mr. Rhodes, in the case of the Hanover-McSherrystown Water Company they covered the thing up by retiring 3,459 shares of the common stock at \$65, a premium of \$15, but in this case they came straight out and paid a dividend of 170%.

Q. Well, in the end it was the same?

A. It amounted to the same thing, they just put it back, or paid it back to the holding company.

Q. And the same holding company was interested in both of these local companies?

A. Yes.

FATHER COX: Only instead of getting justice, they received just ice, frozen out everywhere.

BY MR. EVANS:

Q. Mr. Colledge, in this case in all events the Commission through its Bureau of Accounts did succeed in getting this information as to the use to which this \$178,000 was to be put, did they not?

A. Apparently, yes.

Q. Now then, what happened during the year 1928?

A. During the year 1928 the entire issue of \$200,000 of bonds was retired by borrowing money on current notes payable.

BY MR. RHODES:

Q. Did they sell those bonds below par?

A. Yes, they sold them at 89½, I believe that is the figure.

Q. There was a \$22,000 loss there for brokerage just in one year's time, is that correct?

A. \$21,000. During the year 1928, \$162,116.99 of the charged capital surplus on account of the dividend of \$178,500 mentioned above was charged to earned surplus and credited to capital surplus, with the explanation that the charged capital surplus in 1927 was in error. This acted to restore capital surplus to \$193,117.16, which is the exact amount of the write-up to the fixed capital account. This transfer of the charge, partial charge, of the dividend by transfer from capital surplus to earned surplus created a deficiency in the earned surplus account of \$134,604.05, and ever since that time, the company since it has been showing a net income, the amount has only acted to reduce the deficiency, so that on December 31, 1930, the deficiency stood at \$104,720.70.

BY MR. EVANS:

Q. What had been the earnings of this company?

A. Since the year 1922, the company has shown by its annual reports filed with the Public Service Commission over all returns as follows; bearing in mind that in this connection the write-up to fixed capital was made in the year 1927:

Year	Gross Operating Income	Per Cent. of over all Returns	
		Based on Fixed Assets Depreciated Including Write-Up	Based on Fixed Assets Depreciated Excluding Write-Up
1922	10,079.05		8.28
1923	9,125.79		7.47
1924	14,496.18		11.83
1925	13,565.30		10.74
1926	21,990.85		16.45
(The year of the write up):			
1927	20,295.51	5.95	15.18
1928	25,107.31	7.39	18.94
1929	25,750.66	7.62	19.70
1930	22,245.17	6.51	16.52

Their income or their over all return was climbing right along.

Q. Until 1930?

A. Until 1930.

BY MR. RHODES:

Q. That gross operating income is after interest, is it not?

A. No; that is before interest.

Q. Before interest?

A. Yes.

BY MR. EVANS:

Q. After depreciation and taxes?

A. After depreciation and taxes.

BY MR. COOKE:

Q. Are these both operating companies, Hanover and Gettysburg?

A. Yes; they are both operating companies.

Q. But the company that owned them is now in the hands of a receiver?

A. Yes sir.

MR. COOKE: What effect has that got, Mr. Evans, on the credit of these companies? Are they holding off and doing nothing on the ground that their credit is impaired?

MR. EVANS: I can't answer that.

FATHER COX: What happened, somebody run away with their money?

BY MR. EVANS:

Q. What dividends has the company paid?

A. For the period 1922 to 1930 the company paid dividends as follows:

Year	Per Cent.	Amount
1922	7.66.	\$8,050.00
1923	7.67	8,050.00
1924	8.	8,400.00
1925	9.	9,450.00
1926	8.	8,400.00

In 1927—Now, I am going to give three amounts here; \$6,210 is one amount; 1927, also \$19,908.55, a part of which was charged to earned surplus and a part to—no; this was all charged to earned surplus;

In 1927, also \$174,341.45, which was charged to capital surplus which is part of the \$178,500 dividends.

Now, the dividends for the year 1927 amounted to 185% or a total dividend for the period of from 1922 to 1927, inclusive, of \$242,810.

Q. On an outstanding capital of \$105.?

A. Yes sir.



Q. When you say that this dividend of \$154,000 odd dollars was charged to capital surplus, that was not originally so charged?

A. That was originally so charged, but then in 1928 it was changed.

Q. I thought it was originally charged to capital surplus. After all that is what you said?

A. Yes it was originally charged to capital surplus, then in the year 1927 a part of it not all of it, but \$62,116.99, being a part of the \$174,341.45 was transferred from capital surplus to earned surplus, thereby creating a deficit in the earned surplus account.

Q. Have you anything further to add to that?

A. I don't think so, except that to say that the balance sheet as of December 31, 1930, showed current notes payable outstanding of \$202,493.15.

BY MR. RHODES:

Q. And no funded debt?

A. No funded debt.

BY MR. EVANS:

Q. Mr. Sheppard has just handed me a sheet headed "Keystone Water Works and Electric Corporation and Subsidiaries, statement of the funded debt in the hands of the public and collateral pledged thereon as of July 31, 1930," from which it appears that the \$202,493.15 of notes receivable have been pledged. Would this indicate that the notes, to which you have referred, of the Gettysburg Water Company were held by the Keystone Water Works and Electric Corporation?

A. That might be true.

Q. Now then, the same sheet shows under the heading, mortgage and bonds dated December 1, 1927 to Guarantee Trust Company, \$200,000 bonds and mortgage of the Gettysburg Water Company, and this column bears the notation, "These items haven't been recorded on the books of the individual companies." What does that indicate to you, if anything?

A. That would indicate to me a possible transaction of this nature, that the Keystone Water Works and Electric Corporation gave its notes to the Gettysburg Water Company, which company in turn discounted the notes at the bank and retired the bonds and allowed the mortgage to stand, in order that it could be used by the holding company to back up its own securities which were outstanding.

BY MR. RHODES:

Q. But doesn't that statement of the Keystone Company very clearly indicate that these notes payable of the Gettysburg Company are notes receivable of the Keystone Company; is that correct, of the same amount?

A. Yes.

Q. And doesn't that also indicate very plainly that that \$200,000 mortgage that we assumed had been refunded by this issue of notes in the amount of \$202,000, is still a liability of that company and not carried upon the books of the Gettysburg Company and not reported to the Public Service Commission in its report?

A. That is another theory, and I would say possibly a logical theory—or a logical construction—I will not say a theory.

MR. RHODES: Either that is true, that is, the Keystone's report or statement is true, indicating that that \$200,000 mortgage is still a liability, or the statement of the Gettysburg Company that has no funded debt is true. They cannot both be true.

BY MR. COOKE:

Q. Who signed these reports?

A. I don't remember just who signed this one. It is an officer of the operating company.

BY MR. EVANS:

Q. Mr. Sheppard, from whom did you obtain this report of the Keystone Water Works and Electric Corporation?

A. The Bondholders' Protective Committee that are getting the bonds of the defunct Keystone.

MR. EVANS: Mr. Rhodes, in order to complete our records, I think I will offer in evidence, this report of the Keystone Water Works and Electric Corporation, consisting of six sheets, as Exhibit No. 127.

MR. RHODES: I understood Mr. Sheppard to say that he got that from the Protective—

THE WITNESS: Bondholders' Protective Committee. They were trying to collect the bonds into this Committee's hands, and they wanted to know more about it, and that is the first statement—

BY MR. RHODES:

Q. Do you know the attorneys for the Committee?

A. No, I do not.

BY MR. EVANS:

Q. Have you anything further to say about this report of the Keystone Water Works?

A. I have known of one or two cases where a corporation did not desire to have its books show a liability on its property, and it obtained money on current notes payable and then executed a mortgage against its property as collateral to those notes, and showed on its books that its liabilities consisted only of current notes payable, and in that way it was able to show its own property unencumbered.

BY MR. RHODES:

Q. But it would actually have a collateral mortgage against the property?

A. Yes, but the books would not show it.

Q. But the property actually and legally would be encumbered by a mortgage which was being held as collateral for the notes?

A. Yes.

Q. But when they would make a report to the effect that their property was not encumbered, that would not be a correct statement of the facts?

A. No. Were I auditing a concern that had a condition of that kind, and I have, I have always covered myself by commenting on the fact under the notes payable, that a collateral mortgage against the property of the company was outstanding.

Q. But there is nothing in the records that we have to indicate that the \$200,000 mortgage is being held as collateral for the \$202,000 notes?

A. No sir, there is nothing in those reports either.

BY MR. COOKE:

Q. Should not the annual report to the Public Service Commission in all fairness state that?

A. Absolutely.

BY MR. RHODES:

Q. It would be a very easy matter to determine whether this mortgage was unsatisfied upon the record by looking in the recorder's office in York county.

A. Yes sir.

BY MR. COOKE:

Q. This is a sworn statement, isn't it, these reports.

A. I believe so, Mr. Cooke. I know they are very carefully signed on the back, and I believe that they are sworn to. Now I wouldn't be sure about that. That is funny, you can look at those things all day long, day after day and you never notice those things.

MR. COOKE. It seems to me we ought to look into that, Mr. Chairman.

MR. RHODES: Could you find out tomorrow from the recorder's office in York county, whether or not this \$200,000 mortgage to the Guaranty Trust Company is open on the records, Mr. Walker?

MR. WALKER: Whether it is recorded?

MR. RHODES: Whether it is recorded, and if so unsatisfied?

MR. BUCHER: I think that would come under Adams county.

MR. RHODES: That's right, Gettysburg is in Adams county.

THE WITNESS: Mr. Cooke, I just learned that these reports are sworn to. There is an affidavit on the last page of every report.

HARPER D. SHEPPARD recalled.

BY MR. EVANS:

Q. According to the information that you have received from the Bondholders Protective Committee of the Keystone Water Works and Electric Corporation, what securities, or what amount of securities, has that company issued?

A. According to this statement, and you have also the sales sheet on it, they have issued four million dollars worth of Series A bonds due December 1st, 1915, and have also issued first lien bonds due November 1st, 1949.

Q. A portion of this last issue was held in the treasury?

A. Yes and no. Left in the treasury and pledged with the Guaranty Trust Company of New York to secure 6½% judgment note due May 31st, 1930, for \$350,000, \$766,500. That is in the hands of a third party as collateral, and with the Chase National Bank to secure 6% judgment note dated December 2nd, 1929, for \$500,000, \$900,000 worth of the Series B. bonds, and with the Guaranty Trust Company of New York in escrow June 5th, 1929, on agreement between the company and the Guaranty Trust Company, \$445,000 of the Series B bonds. They might as well be in your hands or mine as to be up for collateral.

Q. Series B bonds to the total of \$2,112,500 are placed with the banks as collateral?

A. Yes.

Q. And that makes a total outstanding bonded indebtedness as shown by this report of the Keystone Water Works and Electrical Corporation approximately \$10,000,000?

A. About \$10,500,000.

Q. What is the collateral which is pledged to secure these bonds insofar as the Hanover-McSherrystown Water Company is concerned?

A. Collateral pledges, notes receivable from the Hanover-McSherrystown Water Company to the Keystone Water Works and Electrical Corporation, \$914,747.42, and notes, mortgages and bonds dated December 1st, 1927, to the Guaranty Trust Company, \$900,000.

Q. And in the case of the Gettysburg Water Company?

A. In notes, \$202,493.15, and mortgages and bonds, \$200,000. There is a notation there referring to the bottom of the sheet which says these items have not been recorded on the books of the individual companies.

Q. With reference to the mortgages of these companies?

A. Yes sir.

Q. And apparently the Keystone Water Works and Electric Corporation has pledged both the notes and the mortgages of the Hanover-McSherrystown Water Company and the Gettysburg Water Company as collateral security for securities which the Keystone Company has issued.

A. Yes sir, according to the statement.

BY MR. RHODES:

Q. That makes the total amount of the outstanding securities of the Hanover-McSherrystown Water Company how much?

A. \$814,744.42.

Q. And the outstanding liabilities of the Gettysburg Water Company?

A. Would be \$402,493.15.

Q. According to the statement of the Keystone Company?

A. Yes.

BY MR. EVANS:

Q. Have you any information, Mr. Sheppard, as to what portion of the Keystone Water Works and Electrical Corporation went into the receivership last summer?

A. I was told, but I am not in a position to take oath to it. When some of our attorneys visited Mr. Ritchey, the Vice President of the United States Engineering Company, which operates all these companies for these various holding companies—there are so many wheels within wheels that it is very hard to get at it—he was told that at the first of last year the North American, which is the holding company of the Keystone Company, I guess they needed about a million dollars and could not get their notes discounted, and that the banks might discount the Keystone Company's notes so they exchanged their notes for the Keystone Company notes and didn't succeed in getting the Keystone notes discounted in the North American Bank.

BY MR. RHODES:

Q. In other words they kited the paper.

A. Yes, that is what they did. But they were unable to discount the North American Company notes so that they had this million dollars coming due. That is not what broke them. It is the high-handed rake-off which the holding companies take from these properties. On their operating expense

account of 1929, I do not have the figures for 1930, they paid to the Keystone Water Works and Electric Corporation \$54,000 of interest on this \$914,000 worth of notes. But there is no notation there of where they paid any mortgage interest, so they probably passed this over to the mortgage interests.

BY MR. RHODES:

Q. Mr. Sheppard, this \$1,800,000, that only indicated what?

A. That indicated \$914,000 worth of notes, but there was no charge for any mortgage interest recorded in York County.

Q. \$900,000, and not recorded in York County?

A. No record, it is not even recorded on the books of the company, it states here. I had it looked up within the last month, and the old mortgage of \$550,000 was satisfied as a matter of record on September 11, 1928, and there has no mortgage been entered since that time.

Q. What does that statement say about the mortgage being an outstanding liability; it would not be a lien unless it were recorded?

[Discussion of tabulation off the record.]

BY MR. EVANS:

Q. Do you happen to know whether the Keystone Water Works and Electric Corporation, if that is the correct title, is a Pennsylvania corporation?

A. No, it is Delaware.

MR. EVANS: That is all we have, I think, tonight.

MR. RHODES: We will adjourn until 10 o'clock tomorrow morning.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment the Committee reconvened in the House Caucus Room, on Friday, April 10, 1931, at 10.00 o'clock A. M.

There were present:

Messrs. D. Glenn Moore, Chairman,  
Martin Memolo,  
Louis J. Hagmaier,  
Chester H. Rhodes,  
Ellwood J. Turner,  
Rev. James R. Cox,  
Morris L. Cooke,  
H. J. Crawford,  
Harold Evans, Esq.,  
John M. Walker, Esq.

C. H. BISHOP sworn.

BY THE CHAIRMAN:

Q. Where do you live, Mr. Bishop?

A. Lemoyne.

Q. What is your occupation?

A. I am divisional manager of Water Works.

Q. Water Works?

A. Keystone Water Works.

Q. That is the company that operates the Hanover-McSherrystown Water Company, is it not?

A. Yes.

Q. How long have you been superintendent?

A. 1928.

Q. What time in 1928?

A. It was early in 1928.

Q. That was approximately the time that the Keystone took over the property?

A. I think the North American took it over prior to that, and then the Keystone was organized later.

Q. The North American is a holding company in the same system, is it not?

A. A holding company in the same system, owns the Keystone.

Q. What was your occupation before 1928?

A. Street railways, light and power companies.

Q. You had no experience in the water business?

A. A short time only, a small company.

Q. Where was that?

A. Lemoyne.

Q. That has been your only experience?

A. One water company since 1918.

Q. What water companies are you in charge of for the Keystone?

A. At the present time?



Q. In 1928 and at the present time.  
A. There have been some companies added at different times, but at the present time I can tell you the companies.

Q. What companies?  
A. The Latrobe Water Company of Latrobe; the Ellwood City Water Company of Ellwood; the West Penn Water Company of McDonald, Pa.; the Consumers Water Company of Girardville; the Consumers Water Company of Montrose, Montrose, Pa.; the Mohnville Water Company of Shillington; the Northampton Consolidated Water Company of Easton; the Riverton Consolidated Water Company of Lemoyne; the Parkesburg Water Company of Parkesburg, Pa.; the Hanover-McSherrystown Water Company of Hanover, Pa.; the Gettysburg Water Company and the Biglerville Water Company.

Q. Those companies are all within the territory of which you are superintendent?

A. Yes.  
Q. What is the territorial extent of your division; does it include all of the State of Pennsylvania?

A. That is all the companies they have in Pennsylvania.  
Q. And do you have charge of any companies outside of Pennsylvania?

A. Two in Maryland.  
Q. What are your duties as divisional superintendent?  
A. Looking after the physical operation of the properties.

Q. To whom do you report?  
A. The New York Office.

Q. To whom?  
A. H. L. Clark.  
Q. What is his address?  
A. 39 Broadway, New York.

Q. Who is immediately under you, insofar as the Hanover and McSherrystown Water Company is concerned?

A. Mr. Krugh.  
Q. He reports direct to you?

A. Yes.  
Q. You are familiar with the operation of that system?

A. I think so.  
Q. Do you consider that your company furnishes an adequate water supply in the borough of Hanover?

A. At the present time, yes.  
Q. Do you think it did in prior years?

A. No, I would not think it did.  
Q. You don't think it has?

A. No.  
Q. Five or six times in the last ten years there has been a shortage of water that has necessitated notice to the consumers to curtail the consumption, has there not?

A. I think they have, of course, last year was the most serious.

Q. There was also one in 1927?

A. For a short time.

Q. What control do you exercise on the quality of the water in Hanover?

A. On the quality of the water?

Q. The quality?

A. The quality is treated, of course, they have a filter plant for the greater part of the water, that is treated by chlorinating treatment.

Q. How frequently do you test the water?

A. The samples are sent to the chemist once a week for analysis.

Q. That is the raw or filtered water that is sent to the chemist?

A. Both.

Q. But you make only weekly tests?

A. The chemist makes only weekly tests; the employees at the plant make daily tests.

Q. Of what nature are the daily tests made by the employees?

A. They check the alkalinity of the water.

Q. They are not bacterial analyses?

A. No.

BY MR. WALKER:

Q. You make P. H. tests?

A. Yes.

Q. Make tests for soap hardness?

A. No their test is mainly to determine the amount of chlorine that they can find in the water, that is all.

Q. The only analysis you make is once a week for P. H. and soap hardness?

A. Yes, that is right.

Q. You only test your raw water once a week?

A. For the chemical treatment, yes.

Q. I mean your chemical analysis?

A. Yes.

Q. In your opinion as a water works manager, do you figure that is sufficient?

A. I do.

BY MR. EVANS:

Q. And you base that on your long experience as a water works manager?

A. I would not call it a long experience as a manager of water works. I don't have very much to do with any amount of treatment that the water gets, that is generally governed by the chemist.

MR. TURNER: How long an experience has he had?

MR. EVANS: Two or three years. He testified that before this taking over of the Hanover-McSherrystown Water Company in 1928 he administered for a time the Lemoyne Water Company.

THE WITNESS: That is the Riverton Consolidated Water Company.

BY MR. TURNER:

Q. How long has that been?

A. Since 1917.

Q. Your experience with water companies started in 1917?

A. With the one company.

Q. How much experience then have you had with water companies?

A. Since 1917.

BY MR. COOKE:

Q. Were you exclusively engaged with that water company since 1917?

A. No I had that in conjunction with other duties.

Q. What were those other duties?

A. I was connected with the street railway and the light and power company.

Q. How much of your time would you say had been allocated to the Lemoyne Water Company in those years?

A. I would say 10% of it.

BY FATHER COX:

Q. When you receive reports that the water is in bad shape, what is your procedure?

A. We don't get the reports direct to us of the water itself, of course, I mean daily, as we get rain, of course, the water changes.

Q. Yesterday we had one of your managers here to testify, Mr. Krug, and he did not seem to know anything about what has been done or anything about it, that is, with reference to the tests or the reports that come from your chemist is that what you check?

A. Well, the operator of the plant is really the one who makes the tests of the water, the local tests that we make.

BY MR. TURNER:

Q. Do you maintain a laboratory?

A. No.

Q. That is done by an outside chemist?

A. Yes.

Q. When?

A. Once a week.

BY MR. WALKER:

Q. You say that your water is tested daily by the local operator, on what do they base that treatment?

A. I am not familiar enough with that to tell you, but they are instructed by the chemist as to how to make the tests, and they have a table to follow.

Q. Each operator is instructed by the chemist what to do?

A. Each one of them is.

Q. The twelve or thirteen plants under your control?

A. Yes. They don't send their reports, all of them, to Mr. Litch, they send them to the chemist, and they are controlled by his reports.

Q. I am not talking about the chemist, but what does the man at the plant do?

A. That is the amount of treatment that the water requires.

Q. Do you have your work sheets here?

A. No, I am sorry, Hanover sent them to Mr. Litch, and he sends them to the Department here.

Q. As a matter of fact do you know whether or not this operator at the filtration plant makes P. H. test every day?

A. I am not there to see if he does it.

Q. Have you directed him to do it?

A. Yes.

Q. They do that in all of your other companies?

A. No, all the other companies do not make tests daily.

BY MR. WALKER:

Q. How many employes do you have there at the filtration plant?

A. One on each shift to operate the pumps.

Q. Fire the boilers?

A. No boilers, electric driven.

Q. Oils the engines?

A. No engines.

Q. Only one man around there?

A. He is the only fellow around there.

Q. That fellow makes these tests?

A. Yes; he has a table there on which he goes on.

Q. How much does he get for all of that, do you know?

A. I cannot tell you off hand.

Q. What is he listed at in your employes' record?

A. I think he is listed as a pump-station operator.

BY FATHER COX:

Q. Mr. Krugh testified when we asked him about these reports he didn't know anything about them, and when we asked him about these reports he didn't know, and I think there ought to be somebody in this company that knows what is being done. That is what we are trying to find out, Mr. Bishop. Do you know what is done there, somebody ought to know. Mr. Krugh knows nothing, and Mr. Bishop does not know whether the orders are carried out.

THE WITNESS: They are carried out by the pumper.

Q. Who could tell us about this?

A. I think the chemist would be the one that could explain it to you better than any of the operators.

Q. Where are the reports of the chemist?

A. We don't have them in our office, they are sent to the chemist and he sends them to the Health Department.

Q. They are all on file?

A. In the Health Department, all of them.

MR. TURNER: Let us send to the Health Department for them.

MR. WALKER: We are going to send for them.

BY MR. WALKER:

Q. How much does this pumper or helper get, who makes the tests of the water?

A. I think he gets something like fifty-five cents an hour.

Q. He is paid for the hours that he works?

A. Yes.

Q. Who makes these chemical analyses?

A. The chemist, and he sends them to the Health Department, and he instructs the operators of the plant how to handle the treatment.

BY MR. COOKE:

Q. Mr. Bishop, how would you describe your duties in connection with your present assignment as divisional head?

A. To look after the operation of the properties as far as I can, and check up on the superintendents of the property from time to time.

Q. How often do you visit this Hanover plant?

A. Well, during the last summer it was generally every week, a day at a time, and this winter I have been down there not less than every two or three weeks.

BY MR. WALKER:

Q. A day at a time every week?

A. During the drought.

BY MR. COOKE:

Q. What steps did you take during that time?

A. During the summer?

Q. What steps did you take in regard to that plant?

A. In what way, during the water shortage?

Q. During that critical situation that required you to be there so frequently, one day every week, what happened as a result of your visit there?

A. Well, we purchased pumping equipment, and connected up industrial wells in Hanover—we purchased pumping equipment and located about two or two and a half miles below the pumping station along the same creek, a pumping station, and extended an eight-inch line to pump water back to the filtration plant to tide us over during the drought period. The connecting of these outside wells was obviously an emergency measure, also the pump that was located down there on the Conewago creek was an emergency measure.

Q. What did you do as divisional manager of the State of Pennsylvania in regard to that water supply?

A. I am sorry to say up to this time there has nothing been done, more than calling the attention of the holding company to this situation.

Q. How did you call it to their attention?

A. Through letters, and through frequent trips to Mr. Clark, who was in Hanover frequently during the drought.

Q. You very strenuously called it to the attention of the holding company?

A. Very strenuously.

Q. In other words, you consider the present supply there only a temporary supply?

A. There is no question about the additional supply being only temporary, and something of a more permanent nature should be done.

Q. What steps have the holding company taken to carry out your recommendation?

A. As I understand it, the borough of Hanover insists that they are going to purchase the company, and I imagine that the holding company is waiting until these negotiations are settled one way or the other before they take any definite steps.

BY MR. EVANS:

Q. Why should they wait for the borough of Hanover?

A. I don't know. That may be one reason. Another reason is that the holding company is in the hands of a receiver, and that may last for probably another month or two, and they would not be able to raise the money to install an adequate supply.

BY MR. COOKE:

Q. Your inability to raise money has nothing to do with carrying out your franchise obligation there, has it?

A. I think that is a very important point.

Q. Your company has been very badly managed financially apparently, and it has obviously gotten into the position where it may be very difficult to finance itself, but what has very little to do with their obligation to go ahead and provide an adequate and proper water supply.

MR. TURNER: There is no doubt about the fact that because of the way the finances of your company have been handled, that it would be difficult for you to raise the money.

MR. COOKE: The situation may be similar to that at Center Bridge, Pa., where one section of the bridge had burned down and the company wanted the State to buy them out at what the State thought was rather an exorbitant price, and they were simply told to go ahead and function, and rather than rebuild the section of the bridge that was burned down, and put themselves in a position to function, the bridge company decided to sell to the State at a proper price, and the same thing may be true of this situation, this company has an obligation to the citizens of Hanover, and the manipulation of its securities has nothing to do with its duties, as I see it.

MR. TURNER: Listening to the testimony of the financial arrangements of this company, anyone would think it would be in the hands of a receiver, and be in financial difficulties.

BY MR. COOKE:

Q. What do you consider—where are you specialized in the operation of water works?

A. Well, in the business management, nothing else.

Q. What do you do there?

A. Look after the employees, see that they look after their duties, things of that kind.

Q. What mechanisms have you got in your divisional headquarters for seeing, for instance, that the superintendent at



Hanover carries out the instructions which you have given him?

A. Only my frequent visits there, visits to the plant.

Q. You testified that you go there rather infrequently, except in such emergency periods as we had last year?

A. I get there at least every two or three weeks, even when there is no emergency there.

Q. You do not depend on routine reports, do you? It is when you visit there?

A. That's all.

Q. When you go there, give me an idea of what you do on these visits?

A. As a rule, I go to the office first, and then I visit the pumping station and then I go to the reservoir and go out over the territory with regard to extensions in the service and things of that kind.

Q. That is, more or less an optional observation?

A. That is about all you can do.

(No answer)

MR. TURNER: Mr. Walker, maybe you can tell me about these increases; the \$6,000 that was paid at one time; and then that \$1,800,000 item. When were those jumps made in the capital of this company?

MR. WALKER: That is all in the evidence. The big write up was in 1927.

MR. TURNER: Before that, what was the last figure we had; do you remember?

MR. WALKER: I don't remember, Mr. Turner.

Mr. Crowl testified to that last week. I think it was 1925 or 1929.

BY MR. TURNER:

Q. Between 1924 and 1927, did you know anything about this plant?

A. No; I didn't.

Q. You don't know whether any improvements or extensions were made to warrant any increase?

A. The only large improvement I know of is that the Filter Plant was completed in 1926.

Q. And what was the cost of that?

A. Well, I could only say in round figures, it would probably run fifty or sixty thousand dollars.

Q. That would not warrant an increase of \$900,000 in your capitalization?

A. I don't see how a fifty or sixty thousand would, of course.

BY MR. COOKE:

Q. What is the recommendation now on file with the officers of the holding company, that has been made in the improvement of the plant?

A. You know the question of the water supply at Hanover is a serious problem. There is not a water supply within a reasonable distance of Hanover. In the last two years, we have recommended the building of an impounding dam.

Q. That would not increase the water supply.

A. It would help out that much.

Q. You would have to raise your rates, in order to do it?

A. Not that; I don't think we would have to do that. I am glad now we didn't do it, because it would only be just a drop in the bucket. I wouldn't know how to answer that question.

Q. What can you do?

A. You see, we have made recommendations to the holding company.

Q. As to what they should do?

A. Not as to what they should do, but that they should do something. We don't pretend to tell them what to do because I think that is an engineering question.

Q. You don't think this additional impoundage would do it?

A. Personally, I doubt it.

Q. You don't think, then, it would have demanded raising the rates?

A. Not in the original plans. Now, it has been suggested since then that we built a larger plant.

Q. Would that raise the rates?

A. I am afraid it might. There is a large amount of land that would have to be bought up there, and the question of building a dam would enter into it.

Q. You have customers out there, a family of three; one of them has testified here. He said he paid \$173. And now, what would you expect that a family of three should pay?

A. I couldn't answer, unless I knew what that family of three did.

Q. But you do not permit them to put in meters; therefore the quality of water has nothing to do with it?

A. The only meters that they have in Hanover are industrials. Everything else is on a flat rate.

Q. We asked you Mr. Krugh yesterday, how he justified the \$173 rate for a family of three, and he said that he couldn't justify it; that he was carrying out orders. Do you issue these orders?

A. The rate is on file with the Commission, and has been on file since 1921, I think.

Q. The rates are never changed?

A. We go over the rates occasionally, and if any question is raised about rates.

Q. And don't you check them over unless a complaint is made?

A. No; unless we find we aren't getting enough revenue.

Q. So, you can't justify that \$173?

A. That rate is based on a flat rate and it depends on the number of fixtures. I would say that any family which has a rate like that must have an enormous house.

BY MR. EVANS:

Q. Would you put in meters for any customers that want them?

A. No, not in Hanover.

Q. Will you put in meters in Hanover?

A. We have commercial down there.

Q. Do you know a customer there by the name of Boucher?

A. No; I don't know him that way. He has a place of business.

Q. You are familiar with the fact that he was being charged \$200 a year, and asked you to put in meters, and you refused to do so, and then he complained to the Commission, and before any action was taken, you put a meter in, and his rate has been approximately \$120 since that time?

A. What does that cover?

Q. It covers his properties in Hanover.

A. How many properties?

Q. I couldn't tell you.

MR. SHEPPARD: From the First National Bank around to Guard's Cigar Store; those several little stores.

THE WITNESS: No apartments connected with it?

MR. SHEPPARD: No.

BY MR. COOKE:

Q. What official of your company has charge of fixing the rates?

A. There has not been any rates changed during my experience with the company. All the rates have been left the way they were.

Q. Is there anybody who has the responsibility to visa the rates and constantly go over them?

A. No.

BY MR. EVANS:

Q. What would be the course of this impounding reservoir that you spoke of, which would necessitate an increase in rates?

A. I am not familiar enough with it to give you an estimate. Anything I would say would be simply a guess.

Q. And based on that guess, you would have to increase the rates?

A. My guess is that that wouldn't solve the troubles.

Q. I didn't ask you that. I am speaking about the impounding dam?

A. I think it has been stated it would probably necessitate an increase in rates.

Q. What would the cost of it be?

A. I suppose 75 or 100 thousand dollars.

Q. Don't you know that this company has declared dividends as of the capital, amounting to more than that amount?

A. No, I don't know that.

Q. You don't know that?

A. No.

Q. You are familiar with the financial setup?

A. I am not familiar with the financial setup.

Q. Can you give me an estimate of the cost of the impounding reservoir, based on—

A. No; I am not an engineer.

Q. I say, if you have to spend that much money, I suppose there would be an increase in rates anyhow? If you had to spend that much money, you suppose there ought to be an increase in the rates?

A. Yes.

Q. What is the average daily consumption of water in Hanover?

A. Approximately a million and a half gallons.

Q. Do you know how much excess passes down the creek and which is not used?

A. At this time?

Q. Yes.

A. Oh, no; but I suppose there are several times that amount right now.

Q. Do you know the amount that passed through from, say, early in February to the middle of March?

A. This year?

Q. Yes.

A. Well, I imagine that flow, which started down there some time in February, showed an excess.

Q. Was that an abnormally high flow?

A. No; not for the spring of the year.

Q. Was it an abnormally high flow in that winter season or spring season of the year?

A. No; I wouldn't think so.

Q. As a matter of fact, it was lower than usual, was it not?

A. They have had some heavy rains down there, but no snow, as far as I know this spring.

Q. Prior to March 19th?

A. They had enough occasionally since last December to maintain the supply without running the auxiliaries we put in last summer.

Q. Is it not true that exceptionally drought conditions existed up until the end of the year?

A. The drought conditions in Hanover continued from some time in July until December.

Q. And do you mean to say that from the middle of December to the first of February these drought conditions were remedied, and the flow of the stream was up to normal?

A. Oh—

Q. Just answer the question.

A. By nature; yes, but the company didn't do anything.

Q. You mean to say that the flow of the stream by the first of February was up to normal?

A. Yes.

BY MR. COOKE:

Q. What officers of the company who rank you have visited this property since the first of January of this year?

A. None.

Q. Who visited it, who ranked you, during last year?

A. Mr. Clark, the engineer, as I said before was there frequently from some time in July until the late fall. Mr. Richie a Vice President of the company was down there some time in the late fall. I am not sure of the date.

Q. What promises did they give you as to affording the people permanent relief?

A. There haven't been any promises made there, and as I said before, I think the matter has been help up to some extent on account of negotiations with Hanover.

BY MR. EVANS:

Q. Your chief source of supply is the Little Conemaugh creek?

A. Yes.

Q. You have no impounding basin on the Little Conemaugh creek, have you?

A. No.

Q. You do have a so-called diversion dam upon it, don't you?

A. On the Conemaugh?

Q. Yes.

A. No; the only dam we have on the Conemaugh is a little dam right at the end of the intake pipe.

Q. I show you a photograph, purporting to be a cell station, and ask you whether that is the dam you have reference to?

A. Yes.

Q. Mr. Krugh referred to that yesterday as a diversion dam. Is that not correct?

A. We don't give it any name. This leads to the sedimentation basin.

Q. I show you another photograph entitled "Supply basin and cell station and plant" and ask you whether that is the sedimentation basin?

A. That is both the sedimentation and the clear water basin.

Q. You are familiar with the fact, are you not, that there is a crack in the wall between those two, so that the water in the filtration basin mixes with the unfiltered water; it goes into the filtered water basin?

A. Yes.

Q. How long has that condition existed?

A. As far as I know, perhaps for some time. I don't know for how long. This is a condition that doesn't exist. The water will go down in your raw water basin; it won't go down into the clear water basin. So, the tendency is opposite to what you have said.

Q. Do you think that it is proper to have a crack in the wall?

A. No.

Q. And that has existed for a long time?

A. I think it has.

Q. What steps have you taken to have that condition remedied?

A. It is going to be taken care of.

Q. I asked you, what steps you have taken to have condition remedied, by your superintendent there?

A. We have nobody but the divisional office to do it. We might shut the water off.

Q. How long has that crack been there?

A. I never heard of it until last summer; when the water was down far enough; when it was noticeable.

Q. From this filtration plant the water is pumped to the power hill reservoir, is it not?

A. Yes sir.

Q. Is that a picture of that reservoir last summer? Does it correctly represent it?

A. I would say that it did.

Q. What is the capacity of that reservoir?

A. Five million two hundred thousand gallons, I think, is the correct capacity.

Q. From there the water runs down through the system?

A. Through the distributing system to the town.

Q. There is also another source of supply on Pigeon Hills isn't there?

A. Yes sir.

Q. That is unfiltered entirely?

A. That unfiltered.

Q. That goes into the stream system and is mixed with this filtered water?

A. Yes sir.

Q. This filtered water is chlorinated?

A. Yes.

Q. What was the maximum amount of chlorination last summer?

A. Last summer it wasn't used.

Q. What is the maximum amount of chlorination you have ever used in it?

A. That water was never treated until last year when the treatment house was constructed, but since that time it wasn't used.

Q. In other words, you never chlorinated that water?

A. It never used to be chlorinated.

Q. I say, you never chlorinated that water.

A. If it has been, it has been only in the last few months.

Q. Will you answer my question? Have you ever chlorinated that water there?

A. At Pigeon Hills?

Q. No; in Hanover.

A. It is all chlorinated, except this supply at Pigeon Hills.

Q. What is the maximum chlorination of the water that comes from the Little Conemaugh creek?

A. I couldn't tell you that today. I don't know how much they use.

Q. How much have they ever used? You are the division superintendent?

A. When they were treating water, they were treating it under the supervision of the health department, and really I wasn't paying any attention to the treatment of the water.

Q. You didn't pay any attention to it?

A. No not at that time.



Q. Is it not true that all the time this water had been chlorinated, you have not been paying any attention to it?

A. The amount, I haven't paid any attention to it.

Q. You don't have any idea of how much chlorination has been used?

A. I couldn't tell you that. I don't know.

BY MR. TURNER:

Q. Does that same kind of management prevail in the rest of the companies as it does in Hanover?

A. Why, I think so; yes. We can get you all that information filed with this Committee, if it is permissible; the amount of chlorine that has been used during any period of time.

MR. EVANS: Mr. Krugh has been instructed to do that.

BY MR. WALKER:

Q. You say that the water is being treated under the direction of the health department?

A. Yes.

Q. What makes you say that?

A. I don't know just what you mean. I say, the Department of Health has been there so frequently this summer, and they have been watching the treatment of that water.

Q. To your knowledge have they ever issued any orders for the treatment of the water?

A. Yes; the amount of the treatment.

Q. How frequently?

A. Quite frequently. During the summer they changed the treatment and started to use some ammonia.

FATHER COX: I think that the testimony of Mr. Krugh and of Mr. Bishop proves again something, that they are only interested in the collection of the charges and the payment of dividends. There has not been one illuminating, one thing they could tell us about their plant. All they seem to know is how to make reports, and the reports received last night were certainly illuminating.

J. H. FREELAND sworn.

BY MR. EVANS:

Q. Where do you live?

A. West Fairview, Cumberland County, Pa.

Q. What is your occupation?

A. I own two roadhouses; make barbecue sandwiches and sell them. That is one part of my business, and the other part of my business is bookkeeper for the Middletown-Royalton Water Company. I am secretary of the company.

Q. Have you any connection with the Hanover-McSherrystown Water Company, or did you ever have?

A. I have had in past years; yes sir.

Q. Did you have during the years 1926 and 1928?

A. Yes sir.

Q. You filed for the Hanover-McSherrystown Water Company and for the Gettysburg Water Company certificates of notification with the Public Service Commission covering issue of securities during that period, did you not?

A. I did; yes sir.

Q. Where did you get the information that you furnished to the Public Service Commission for those certificates?

A. I got the information for those certificates from the purchasers of the property; a New York concern. I kept the books for those companies. They came to Harrisburg, and gave me the information that was incorporated in these certificates, and I filed that with the Public Service Commission. The information came from the owners of the company at that time; a New York concern.

BY MR. TURNER:

Q. Who were they?

A. The North American Water Works Corporation.

BY MR. EVANS:

Q. And you merely followed their directions?

A. Absolutely.

Q. And it was under their directions that you made bookkeeping entries for the Gettysburg Water Company, which showed the use of \$200,000 bond issue for a large part of it, in paying dividends on the stock of that company?

A. It certainly was. I wouldn't have known how to do it.

Q. So you were merely a tool?

A. I was a bookkeeper for the company, and I filed it; filed my certificates with the Public Service Commission for their approval.

Q. And you did not hold any office with either the Gettysburg Water Company or the Hanover-McSherrystown Water Company?

A. Yes, I was the secretary of the Hanover Water Company, and I was the secretary, and I think, the assistant treasurer of the Gettysburg Water Company for that period of time. The Hanover Water Company, I was the secretary of the company for a long period of years, from 1917 up until I decided to retire from it.

Q. When did you decide to retire?

A. Shortly after the filing of this certificate in this Gettysburg case.

Q. Why did you decide to retire?

A. The duties were pretty arduous. They moved the office to Riverton, and they had 15 or 16 companies.

BY FATHER COX:

Q. Didn't you have any fear of the report too?

A. I didn't have any fear of the report. I didn't know where I stood, and I didn't know who my boss was, and what would happen as far as my position was concerned, and I physically felt that I couldn't become chief bookkeeper for 18 water companies.

Q. Were you ever directed by the holding company to make any bookkeeping entries that you did not approve of?

A. Not especially that I didn't approve of. Any entries that were made, if I had any doubt about them I got advice about them.

BY MR. COOKE:

Q. Did you check the making of that report?

A. No; I didn't check the making of it, because it was to be filed with the Public Service Commission. If it wasn't right, I felt it was their business to let me know.

Q. Did you feel it was right?

A. I don't recall how I felt about it at the time. I don't know. It wasn't my business finding out whether it was right, as I see it just at the moment.

BY MR. EVANS:

Q. Do you remember a certificate of notification, which you filed with the Commission for the Gettysburg Water Company in 1927, covering the issuance and sale of \$200,000 first mortgage 5½% gold bonds?

A. Yes, there was a certificate filed in that matter.

Q. And you filed it?

A. Very likely. I could tell if I saw the certificate. If I signed it, I filed it.

Q. And you had some correspondence with the Accounting Bureau of the Commission after that, in regard to it?

A. I don't know. If my signature is there, I did, I don't recall it. I don't have a paper, I turned every book and paper in to the company that I ever had when I retired, and simply forgot the matter; dismissed it from my mind rather.

Q. The net effect of that transaction as shown on your books was to use the entire proceeds of that bond issue, with the exception of \$500, to pay a dividend of \$178,500 to the stockholders of the company, was it not?

A. I don't recall whether it was or not. That was the effect? Is that what it shows? It is out of my mind at the present time. The statement would show what it was.

Q. And you have no remembrance in regard to it?

A. I felt that—

Q. I asked you, have you any remembrance in regard to it?

A. No, I don't recall it. I feel the certificate would be more than that.

Q. The certificate does not show anything but that necessitated the correspondence to the Accounting Bureau?

A. Yes.

BY MR. TURNER:

Q. If you have the correspondence, Mr. Evans, why don't you offer it to him, and ask him if he remembers it. It is costing us money on these stenographic notes.

MR. EVANS: Mr. Colledge put in the only copies, and I have not the originals.

FATHER COX: Never mind the notes. It is worth finding out.

MR. TURNER: Sure, but you can't make a bad egg worse.

BY MR. TURNER:

Q. Do you know who held the stock of the Gettysburg Water Company in 1927 and 1928?

A. Was that before or after the purchase by the New York people?

Q. It was after the purchase?

A. After the North American Water Works Corporation should have held it. They bought the company.

Q. Do you know what price they paid for the stock of the water company?

A. Not absolutely from memory, but I think they paid \$42.50. I wouldn't say that is the positive price.

Q. And the par value of that stock was \$15, was it not?

A. Yes.

Q. Do you know what price they paid for the stock of the Hanover-McSherrystown Water Company?

A. Sixty-five dollars a share.

Q. These sales from one corporation to another, or were they sales by individuals?

A. The North American Water Works Corporation purchased the Hanover Company, and purchased the Gettysburg Company's stock.

BY MR. EVANS:

Q. And the stock previous to that time had been held by individuals?

A. Individuals.

Q. Did they acquire the capital stock of these companies?

A. 100%.

F. HERBERT SNOW (recalled).

BY MR. EVANS:

Q. You testified before the Senate Investigating Committee on March 16, in regard to the water situation in Gettysburg and Hanover, did you not?

A. I think so.

Q. On page 1551 of the record you were asked: "Have you ever criticized these water companies to the Commission?" and your answer was "no; there was no occasion, because we had an abundant supply until last summer, and were similarly in the Hanover-McSherrystown case." Do you want to make any corrections of that testimony?

A. As far as I know, no.

Q. You think that they have had an abundant water supply and a satisfactory water supply at Gettysburg and Hanover, since you have been connected with the Commission, until last summer.

A. No; I didn't testify to that.

Q. What do you mean by an abundant water supply?

A. So far as I was informed, they had plenty of water.

Q. Is it not part of your duty to keep yourself informed in regard to these matters?

A. No.

Q. Have you had any complaints in regard to the water situation in either of these places?

A. Yes; I submitted a report to the Senate Committee, in which I enumerated over all the years of the life of the Commission, the complaints so far as I knew that came to my Bureau. I have no duties except those imposed upon me by the Commission. There may be a lot of complaints that come in, that don't come to my Bureau.

Q. It has been testified here that on six occasions, from 1920 to 1930 the Hanover McSherrystown Water Company advertised in the papers of Hanover that there was an inadequate water supply and the use of the water would have to be curtailed. In view of that situation, do you think there was an adequate water supply in Hanover?

A. I should think not.

BY MR. TUURNER:

Q. Does your Bureau go out and make periodical inspections of these plants?

A. No sir.

Q. Does the health department?

A. I am unable to state.

Q. You were connected with the health department?

A. When I was chief engineer of the health department we made or attempted to make periodical examinations of water supplies.

Q. You don't know whether they still do that or not?

A. I do not.

BY FATHER COX:

Q. There have been a lot of complaints about this particular plant. And now, doesn't the Commission under such circumstances, ask you to go out and see whether the complaints are justified or not?

A. Whenever they ask us to do it, we do it.

Q. Do they do that very often; when they have a lot of complaints?

A. I would say that we don't make periodical inspections of water works; only when complaints are made.

Q. But when you have complaints, the Commission orders it?

A. Yes.

Q. How does it happen that you didn't make a more thorough investigation with all the complaints against it?

A. I don't know whether there were complaints made to the Commission. I understand they were newspaper advertisements. I wouldn't have any means of knowing about complaints of that kind. My Bureau—if we find out something by accident, then I would consider it my duty to report it to the Commission.

Q. But you were not sent there?

A. I enumerated in my report to the Senate Committee several complaints that had come before the Commission, and those I have commented upon in that report.

BY MR. EVANS:

Q. Who is the Water Works Engineer of the Commission?

A. Mr. Curry.

Q. What is his full name?

A. Lynn.

Q. And he has general charge of water cases?

A. No I am the chief of the Bureau and direct its affairs, and he does the work assigned to him, either directly by me or through the Chairman of the Commission or some member.

Q. That is in the ordinary water case, such as we have been discussing, he is the man who would naturally make the investigation for you?

A. Yes; he did. Last summer I was sick and was away from the middle of July until the first of October. I was not in Pennsylvania during the extreme portion of the drought, and Mr. Curry was working directly with Chairman Ainey, and I assume with some of the other Commissioners.

Q. Do you have on your staff any other water works engineers?

A. No.

Q. So, he is the man in the Bureau under you who would be the expert in these water matters?

A. Yes.

BY MR. TURNER:

Q. Does the water power resources board in any way exercise control of water companies?

A. As to the distribution of the waters, the sources, and dams or obstructions in or under streams; so far as I am informed.

BY MR. COOKE:

Q. What was the word you used in your testimony: abundant?

MR. EVANS: Abundant.

BY MR. COOKE:

Q. Will you tell us what basis you had for the use of that word?

A. The supply of water to Hanover and McSherrystown was primarily in an uninhabited water shed in the hills. As that territory grew, the two companies, McSherrystown and Hanover, were combined. They needed more water and they sought it at Little Conemaugh creek, and then, in 1926, I think, there was a proceeding started before the Commission and an order I believe, was issued that a filtration plant must be built, and was to be built in conformity with the law, that the detailed plans were to be approved by the State Health Department, and that augmented the supply. Now, to my knowledge, there was no serious shortage of water until last year; there may have been, but I didn't know of it.

Q. Do you know of any shortage of water prior to last September?

A. No; I don't.



Q. You made the positive statement that this supply was abundant. And now, I am interested in knowing what lead you to make that statement?

A. As far as I know, it was my candid belief. If there had been any serious shortage, I would suppose that the complaints would be referred to the Commission.

Q. Take the town of Smithtown, and you never had any complaints, you would not be warranted in saying that the water supply at this town was abundant?

A. I don't know about Smithtown. I do know something about McSherrystown.

Q. What do you know?

A. We ordered a filtration building to be built on Little Conemaugh creek. That stream has quite a water supply and quite a flow, augmented with the gravity supply at Pigeon Hill, which ought to be sufficient, and if we hadn't heard anything to the contrary, I would say there was an abundance of water.

Q. A filtration basin does not add to the supply?

A. No, but the Little Conemaugh has an abundant supply.

Q. And did you testify to your visit to Hanover?

A. No; I did not testify to that.

BY MR. TURNER:

Q. Dr. Snow, we have here three different departments, I understand, the Water Power Resources Board, the Health Department and the Public Service Commission, which have something to do with water supplies. Is there any co-ordination of co-operation between those departments in working out these questions, in Pennsylvania?

A. Yes sir; by hearty co-operation, I can say between the chief engineers of these three departments; Mr. Stevenson, Mr. Ryder and myself, and we have a practice, whenever questions of difficulty of water come up to remand them over for some amendment to the law to the Health Department. They maintain laboratories clinical and bacteriological, we have nothing of that kind.

Q. It seems to me that on account of the complaints that have been made as to polluted streams and inadequacy of the water supply, in reference to these water companies in Pennsylvania, there ought to be some direct instruction and check up by some group, either by these engineers or by some kind of a board created by the representatives of the two departments.

A. I think so. During my time with Dr. Dickinson, we had men in squads all over the State making inspections. Since that time it was taken away from the Health Department.

Q. There is no such departmental operation now.

A. Those thirty inspectors were removed during the Brumbaugh administration.

Q. Do you have any idea of what the costs were?

A. I would say \$200,000.

Q. Don't you think it would be worth while to have that sort of an organization today?

A. Well, I doubt, your honors, if as large an organization—those were the days when typhoid fever was epidemic and also the suppression, we only had sporadic cases, and I think so large a force would be necessary.

Q. I was not thinking of the force, but some organization checking this water situation.

A. I think it would be very well, if there were closer co-operation; a system set up and impose a high standard of inspection.

(Discussion off the record.)

BY MR. EVANS:

Q. Am I correct in understanding that with the limited financial resources of the Commission there is only in the bureau of engineering one water works engineer?

A. That is right.

Q. And none of the other engineers would qualify as a water works engineer.

A. Not as a specialty. Professor Parmley, whom we get from Cornell University, is our mechanical engineer. He pays special attention to our steam heat cases, and he works to quite considerable extent with Mr. Curry or with myself, water cases, but I wouldn't qualify him as a water works expert.

Q. Nor any of these others?

Nor any of these others. I asked different engineers to help out on things.

Q. Do you feel that the bureau needs additional engineering service.

A. Most assuredly.

Q. Just while you are on the stand, the Commission has been requested by this Committee and has submitted a list of the employees of the bureau engineering, giving them by title, and not by names. Would you be good enough to run over this list with me; and give me the names of the various persons? The chief of the bureau is yourself?

A. Yes.

Q. Who is the assistant chief.

A. Mr. Lewis G. Krause.

Q. The executive secretary of the bureau?

A. Moses K. Ely.

Q. The bureau secretary?

A. He is the executive secretary and the bureau secretary.

Q. The stenographer-secretary?

A. Miss M. Irene Cuenot.

Q. Two electrical engineers are now receiving \$5000 a year?

A. There is but one; William H. Black.

Q. Who was the other engineer as of December 31, 1930, classified as an electrical engineer?

A. Mr. Bearman, I forget his initials, I can supply them.

Q. He is no longer connected with you?

A. Oh, yes; he is with us.

Q. He is an electrical engineer?

A. Yes. He is assistant to Mr. Black.

Q. Assistant to Mr. Black, and he receives the same salary?

A. No; that salary is wrong. He does not receive \$5,000. That is absolutely wrong. That is a mistake.

Q. Do you know what salary he does receive?

A. I think he receives \$3,480; something like that.

Q. A railroad engineer?

A. Mr. Tripp is in charge of that section.

Q. Do you know what salary he does receive?

A. I think he receives \$3,480; something like that.

Q. A railroad engineer?

A. Mr. Tripp is in charge of inspection.

Q. Is he the person who is here referred to as an engineer receiving a salary of \$4,500?

A. Yes; he is in charge of that group; the railroad group.

Q. Here is a second railroad engineer receiving \$4,000?

A. Yes.

Q. Who is he?

A. I think that is Mr. Ralph Bechtel.

Q. What are his particular duties?

A. Well, he is a designing engineer and construction engineer on bridges and railroad work. He has had 25 or 30 years experience in railroad work. He is wholly on our grade crossing work.

Q. Gas engineer?

A. Mr. Walter Allison.

Q. What has been Mr. Allison's training and experience?

A. He has spent his whole life in the specialty of natural and artificial gas.

Q. He is exclusively a gas engineer?

A. Yes. He was a \$15,000 a year man retired, and I was fortunate enough to get him; a man of national reputation.

Q. As a gas engineer?

A. Yes.

Q. Had he any affiliation with the gas companies that you know of?

A. No; not that I know of; I would say positively, no. He has always been in professional work.

Q. Where was he April 1st? Did you speak of him as a professor?

A. No.

Q. Where was he employed before he came to the Commission?

A. He was in private practice.

Q. As a consulting engineer?

A. As a consulting engineer, yes.

BY MR. COOKE:

Q. He was in the employ of the gas companies, was he not?

A. Yes.

Q. If he accepted compensation, he was purely a professional engineer?

Q. But his practice was large, if not exclusively, with gas companies?

A. I think so. I wouldn't say exclusively, I think he would probably deal very largely with gas companies because his work had been to do with matters of that kind.

BY MR. EVANS:

Q. Where was he located before he came to the Commission?

A. He lived in Philadelphia.

Q. What was his business in Philadelphia before he came with the Commission?

A. As far as I know, he always had his office in Philadelphia.

Q. The water works engineer is Mr. Curry?

A. That is right; L. B. Curry.

Q. And telephone engineer?

A. Huether, I will supply his initials.

Q. Mechanical engineer?

A. That is Parmalee.

Q. And street railway engineer?

A. His name is Chas. E. Parry.

Q. A transportation and street railway engineer?

A. P. C. Russell.

Q. Where is he located?

A. Philadelphia.

Q. He is not located here?

A. He is in charge of the Philadelphia office.

Q. A stationary engineer and electrical engineer, is that it, "Stat."?

A. I don't think we have any stationary engineers in my bureau. I don't know—that is "Statistical;" that is H. R. Parmley.

Q. A bridge engineer?

A. Mr. Paul Didier.

Q. A designing engineer?

A. I think Beckel and Didier are mixed, but I think Haig should be there; and Paul Didier down there. (Indicating)

Q. Haig is the great bridge engineer?

A. Haig is a general bridge and construction engineer, and Didier would be put down as a bridge engineer.

Q. Who gets the highest salary?

A. Didier gets the highest salary.

Q. And there is one assistant engineer receiving \$4,000 at the end of last year?

A. I think that is Didier, I got that mixed up.

Q. A junior engineer; he does not seem to be listed? A senior draftsman?

A. That is Harry Braynan.

Q. Perhaps we had better cover two more draftsman. Another draftsman receiving \$1,800?

A. Yes; he has been transferred over into the railroad section now. His name is George Krick.

Q. And the rest of your employees are either clerks or stenographers, except those in the laboratory section?

A. That is right.

Q. Who is the chief of the laboratory section?

A. Bennethum.

Q. A meter prover tester.

A. He is in the field all the time—Keller, I can supply the initials.

Q. A water standard tester.

A. Mr. Patrick Regan.

Q. The laboratory assistant.

A. Harry Hocker.

Q. Are there any other employes that you think of.

A. No; that covers them all.

Q. In order to enable you to function adequately and have the Commission in a position to undertake investigations more frequently on its own initiative, will you submit to the Committee, Dr. Snow, what additional assistants you feel you should have?

A. I have already made a statement to the Senate Committee. I can make the same thing, but a very grave misunderstanding would occur in making up those estimates, as to what it was; if I was told what we wanted?

Q. Will you prepare a statement for submission next week to the Committee as to what you consider adequate personnel in the bureau and the amount of money to cover it.

A. All right, sir.

PAUL W. LEITCH sworn.

BY MR. EVANS:

Q. Mr. Leitch, you are the Chairman of the Department Board and Commission of Pennsylvania Securities Commission?

A. Yes sir.

Q. You have been subpoenaed to produce the papers filed and issued by the Commission in connection with the issue of the first mortgage issue of the Pennsylvania Water Company corporation. Have you those papers?

A. I have.

Q. What do they consist of?

A. They consist of the statement of the Pennsylvania Water Service Company before the financing which consisted of a first mortgage and funding issue as of June 30th 1927, statement after financing and giving effect to the acquisition of certain securities of water service companies as of June 30, 1927, statement of earnings of the Pennsylvania Water Service Company for the year ending December 31, 1925; a statement of earnings of the Pennsylvania Water Service Company for the year ending December 31, 1926; and a statement of earnings as of the 31st of December, 1927.

BY MR. TURNER:

Q. What is this?

BY MR. EVANS:

A. This is the holding company of a number of water companies throughout the State.

THE WITNESS: A statement of the earnings of the companies making up the Pennsylvania Water Service Company for six months ending June 30, 1927. A certified copy of the minutes of the Pennsylvania Water Service Company, relative to the acquisition of certain companies held by the Board of Directors. A memorandum of the Central Water Service Corporation giving a list of securities to be acquired by the Pennsylvania Water Service Company.

MR. EVANS: We offer these papers in evidence as Exhibit No. 128, consisting of the eleven papers submitted by Mr. Leitch.

JAMES S. BENN (recalled).

BY MR. EVANS:

Q. The day before yesterday Mr. W. F. Menke testified in regard to certificates of public convenience granted to him for the operation of certain bus routes in the city of Philadelphia. In these certificates of service or certain of them, were certain stipulations to the effect that: "The rights, privileges and powers hereby granted shall cease and terminate on June 1st, 1924 (or other date according to the time the certificate was granted) provided however, that if the Philadelphia Rapid Transit Company prior to this date shall extend its service into or over the route hereby designated, then the powers, rights and privileges hereby granted shall terminate and cease \* \* \* at the time such service is furnished by the Philadelphia Rapid Transit Company." You are familiar, are you not, with the granting of these certificates, Mr. Commissioner?

A. Yes, sir.

Q. Can you state approximately when the first of these conditions was inserted in the Menke certificates?

A. I think so. I have not had an opportunity to examine the records. I was in hearings yesterday in the City of Chester and did not arrive in Harrisburg until late last night. I can give you this information, but I would like to have the privilege of giving the Committee the full facts relative to all of the Menke certificates. This memoranda shows or indicates that the certificate to which you refer was approved by the Commission on November 20, 1922.

BY MR. TURNER:

Q. Had you the number of that on the record?

A. It is A-7443-22.

BY MR. EVANS:

Q. You heard the testimony in that case?

A. Yes sir, this memoranda is that I took the testimony on that case on November 16, 1922.

Q. This was the application by Mr. Menke for a certificate to operate busses from Cottman Street south on Oxford Pike to Cheltenham Road, north to Rising Sun Avenue and return



on Cheltenham Road to Busselton Pike, north on Busselton Pike and return?

A. That is correct.

Q. This is a route connecting to Fox Chase?

A. I don't think it went all the way at that time to Fox Chase.

Q. At that time there was no other bus service over this route?

A. There was not.

Q. At the close of the hearing as shown on pages 11 and 12 of the testimony, you stated: "It is noted and stipulated on the record if and when the Philadelphia Rapid Transit Company, upon its own initiative or in conjunction with the City of Philadelphia shall inaugurate auto or bus service that will cover the same territory or supply the same public needs as are set forth in this application, that the certificate granted by the Public Service Commission covered in this application will automatically become null and void." Is that correct?

A. That is correct.

Q. According to the records, upon whose suggestion was that statement made by you, or was it made on your own initiative?

A. Yes sir.

Q. Is that the first case you know of that such a statement was inserted in a certificate of public convenience?

A. I don't believe it was.

Q. What other prior case can you refer to, if any?

A. Without a search of the records I cannot refer to any specific case, but my recollection is that this particular stipulation was preceded by others of the same kind. I will be glad to look that up.

Q. The Committee has asked for this?

A. We have been burdened over there. And we are working nights to get this information. The task has been rather onerous.

BY FATHER COX

Q. Why was such a stipulation made?

A. I will be very glad to give the Committee as to the stipulation.

MR. RHODES: I think that Mr. Evans had better go and secure the testimony.

BY MR. EVANS:

Q. There were certificates granted to Mr. Menke from time to time?

A. Yes sir.

Q. And these certificates contained this stipulation or a similar one?

A. Yes sir.

Q. During the years following 1922, Mr. Menke built up a considerable clientele for his bus line, did he not?

A. Yes, I think there were as many as ten or twelve busses operated on the route granted to him, yes sir.

Q. Do you happen to remember what routes he had?

A. If this is the time, I will be glad to place on the record, his original certificate was extended on two or three occasions. In other words, the route was extended and subsequent to these extensions, and I think the consolidation of these extended routes were included in one certificate running from the terminus of the "L" to Fox Chase. The Commission subsequently granted Mr. Menke additional certificate running from Fox Chase to Jenkintown.

Q. So that he was granted certificates for these three routes in the northeast section of the city of Philadelphia and the adjacent territory?

A. He was granted more than three certificates by the Commission, as the record will show.

Q. So far as the Commission was concerned, was this stipulation inserted in those certificates on your recommendation?

A. No sir.

Q. Who did recommend it to the Commission?

A. The stipulation was entered in the Menke case and others in which it was entered, at the suggestion of the City of Philadelphia speaking through its law officers.

Q. Was that recommendation made in writing?

A. Yes sir.

Q. Have you got—can you refer to the writing?

A. Yes sir, and in addition to the writing, I would like to give to the committee the full facts. The principle upon which that stipulation was based dates years before, or a long time

before, Mr. Menke and the Philadelphia Rapid Transit Company received these certificates from this Commission, indeed I believe it based itself on a time prior to my appointment to the Commission. I remember as far back as the fall of 1919 when for the first time I conferred with another member of the Commission, Mr. Samuel L. Clement, Jr., and there is a record of that conference, it was called for a conference with Mr. William B. Wilson and Mr. John B. Confer, in connection with the problem or proposition of motor vehicles for the city of Philadelphia, and from that time to this, the city of Philadelphia through its law officers have consistently maintained the position that they would assert the legal rights of the city of Philadelphia. It was maintained that they have the right to prescribe franchises and ordinances the routes that must be followed and used by common carriers, and the municipality under decisions of the courts has the right and the function to determine the public interest and convenience and in municipalities of the first, second and third class, they have the legal right to control their highways and prescribe their routes. The city of Philadelphia has done so in every instance in which the Commission has issued a certificate based on a franchise ordinance. In these instances in which franchises have not been granted to a bus operator, the city has reserved the right and that is the basis of this stipulation, so that when it chooses to exercise the right specified by franchise ordinance, the highways and streets over which the holder of the certificate may operate, it may do so. Therefore, this stipulation is a reservation of the city's rights.

Q. Was this stipulation placed on the Philadelphia Rural Transit Company?

A. No sir. Under the 1907 contract, under what is called the "recapture clause," is the right to take over all of the bus routes of the Philadelphia Rural Company as the subsidiary to the Philadelphia Rapid Transit Company, and thereby recapture these bus routes. I might say in numerous conversations while I have been on this Commission, the city solicitors of Philadelphia have uniformly and consistently insisted on that. It has only been a matter of a few weeks that the city law office was represented before the Commission by a deputy who insisted on that provision. Therefore, before Mr. Menke made his application, this principle was laid down by the city and agreed to by the Commission.

BY MR. TURNER:

Q. Is that in writing?

A. It was agreed to by the Commission and a stipulation was made by the chief of the bureau, Major E. M. Vale, and as I recall this record, which by the way was submitted to Mr. Menke's attorney and agreed to by him, was read from the stipulation as originally framed by Major Vale. Two or three years went along and a number of these certificates as I recall—certainly as they came up for renewal and during the entire time in which Mr. Evans was my colleague and Mr. Scattergood was on the Commission—the matter certainly came up to the Commission at that time on a number of occasions. While I was absent on enforced leave, whether or not the Commission desired to have as a matter of record the position of the city of Philadelphia I don't know, but when I had the pleasure of returning to the bosom of the family with Mr. Evans and Mr. Scattergood and the rest of the Commission, this communication was received from the law officers of the city of Philadelphia, and I would like to read it into the record:

#### OFFICE OF THE CITY SOLICITOR

Philadelphia, December 14, 1925.

Frank M. Hunter, Esq.,  
Counsel, Public Service Commission,  
Harrisburg, Pennsylvania.

Dear Mr. Hunter:

On Wednesday last, over the telephone from Harrisburg, you asked me to reduce to writing, so that you might submit them to the Public Service Commission, the statements made by me during a conversation with you in my office in the Morris Building on Thursday, November 19, 1925, in support of a request that no Certificate of Public Convenience be issued for motor bus operation in Philadelphia unless there be enacted ordinances granting municipal consent for such operation.



I shall endeavor to set down here, to the best of my recollection, the reasons advanced by me at that time to support the aforesaid request. I first called your attention to the provisions of Section 9, Article XVII of the Constitution, that no street passenger railway shall be constructed within the limits of any city, borough, or township, without the consent of its local authorities, and then added, had the framers of that provision visualized the bus lines as a future important, if not essential means of urban transportation, they would likewise have required municipal consent for their operation.

I next pointed out that due to the agreement of 1907 entered into between the City and the P. R. T., in pursuance of and by the authority of the Act of April 15, 1907, (P. L. 80), the transportation problem in Philadelphia is unique and different from any other city in the United States, so far as I am aware, except possibly Kansas City. By that contract (Section 11) the City reserves the right to purchase all the property, leaseholds and franchises of the company, subject to all indebtedness then existing, or thereafter created (with consent of city), upon July 1, 1957, or upon the first day of May and July thereafter, upon six months' notice, and upon the payment of an amount equal to par for its capital stock then outstanding, to-wit, \$30,000,000 then authorized plus any additional capital stock issued with the consent of the city. All moneys paid annually into the sinking fund by the P. R. T. as set up and described in Section 9, are to be available to the city for the purpose of making, or assisting in making the said payment for the property of the company, unless when the said fund reaches \$5,000,000, the city by ordinance directs that that sum together with all future payments shall be paid over to the city Treasurer for general city purposes. Upon the city exercising its aforesaid right by purchase, it then succeeds to and becomes the owner, subject as aforesaid, to all the franchises, leaseholds, rights, property and privileges theretofore vested in the company; and the City may either operate the same, lease the right to operate for such terms and upon such conditions as it may deem fit, or put them up at public auction and assign them to the highest bidder.

Already the owner, at the time of the execution of the 1907 agreement, of its own gas and water works, the provisions just referred to pointed the way for the ownership in 1957 by the City of a third utility, to-wit, the entire street railway system; those provisions drafted the agreement may well have contemplated that Philadelphia, unlike any other city in the country, would in 1957 be the owner of a trinity of essential utilities, to-wit, water, gas and transportation. Following upon the heels of the 1907 agreement, came the vision, the study and then the necessary legislation which embarked the city upon its present high speed program. The Frankford Elevated was its first completed step, and before the administration of Mayor Hendrick has closed, the Broad Street Subway from City Hall to Olney Avenue will be a reality, to be likewise operated as a part of the unified system. Upon the completion of the Frankford Elevated, a City-P. R. T. contract was executed operating it as part of the unified system, with exchanges and free transfers to the surface lines. Buses of individuals, running rather spasmodically and for short distances, began to appear in some of the suburban sections. They afforded the only means of public transportation to the people living in these more or less remote districts. The Philadelphia Rural Transit Company, a subsidiary of the P. R. T., incorporated with power to operate buses, all the stock of which is owned by the P. R. T. asked authority of City Council to operate buses upon some of the principal thoroughfares of the city as well as in the suburban sections, agreeing to provide for an interchange of passengers between these bus lines and the street railways of the P. R. T.

In the ordinances giving consent to the Rural Transit Company to operate buses, the City reserves the right to purchase all the property of the company at the expiration of ten years, or upon the first of any July thereafter upon six months' notice, and upon paying to the company the value of its physical property. Also in these ordinances the Rural Transit Company is acknowledged to be and is identified as a subsidiary of the P. R. T. within the meaning of the aforesaid agreement of 1907, and its earnings accruing directly or indirectly to the P. R. T. are therein made available for, and applicable to the payments to be made to the city under the provisions for recapture of profits contained in paragraph 6 of said agreement.

Back of these municipal ordinance contracts and this municipal construction and equipment has been the fundamental municipal consideration that in 1957 the city may desire to supply all the local common carriage transportation service that the traveling public may require. Accordingly, the city has a direct interest in the creation of additional, common carriage transportation facilities within the city. First, because companies unnecessarily created would require possibly an unnecessary expenditure of city funds in municipal acquisition in 1957 should the city then determine to operate directly as aforesaid. Second; that before any additional companies are created, the city, through ordinance contract, should weave them into the municipal policy of city operation at the time and in the contingency above stated.

Furthermore, without regard to its interest from a monetary standpoint, the city is interested in having the transportation agencies of the city in such hands that proper extensions and improvements may be made when demanded, even though they may not be profitable; and a high standard of service rendered, although in some locations the revenue might not warrant the service. This can best be accomplished through a strong, single, transportation agency that can take advantage of the profitable areas to support areas that are not so profitable.

In connection with this thought and reverting to the 1907 agreement, I called your attention to the language of section 3, which in order to be exact I here quote verbatim and in toto:

"Thrd. In case at any time in the future councils shall, either of its own initiative or upon petition of any of the citizens, determine that new lines of surface, elevated or underground railway should be constructed within the city, it shall, by ordinance determine the route of such line, and the terms and conditions under which it shall be built, financed, and operated and the company shall have ninety (90) days after the passage of such ordinance to take such corporate action as may be necessary to accept the same, certified copies of which action shall be duly filed with the Mayor within said period of ninety (90) days; but if the company shall fail to accept said plan within said period of ninety (90) days, or shall reject the same within said time or, after accepting the same, shall fail to enter upon the work in good faith and prosecute the same as required in such ordinance, then the city may offer the right to construct and operate said road under said terms and conditions to such other persons, company or corporation as may be willing to undertake the same; PROVIDED HOWEVER, That any rights acquired by the company under this section, and the section immediately preceding, shall be subject to all the terms and conditions of this contract with respect to voice in the management, supervision of accounts, division of profits after the return of six (6) per cent upon the capital invested, and the right to ultimately acquire all the interest of the company at the expiration of fifty (50) years from the date of this contract; AND PROVIDED FURTHER, That in the case of the construction of new lines the capital necessary therefor shall, as far as practicable, be raised upon bond issues bearing the guarantee of the company as to principal and interest, which bonds shall be issued in denominations of one hundred (100) dollars, five hundred (500) dollars, and one thousand (1,000) dollars, and be offered to public subscription, but in no case shall they be sold for less than par; and to such extent as it may be impracticable to finance new enterprises upon bonds, or in case additional capital is needed for the purpose of extensions, additions and betterments to existing lines, power of equipment, the same may be raised by an increase in the capital stock of the company, but only with the express consent of the city, and all such increases shall be full paid at par in cash, and to be subject to all the provisions herein contained with respect to the original thirty million (30,000,000) dollars of capital stock of the company."

While no mention of bus lines is made in this section, because none then were either in operation or in contemplation, both the spirit of fairness and the sound theory of unified city transportation warrants the conclusion that had those who drafted this section foreseen bus lines as a likely form of transportation in the future, they would have requested the P. R. T. or a subsidiary, to supply and operate when and as they became necessary, bus lines, if it refused, then offer the right to such others who would be willing to perform that service, in order that the people of Philadelphia might at all times have adequate, improved, and up-to-date transportation facilities.



As I carefully explained to you in our conversation, all of the foregoing statements are not made either with the intent or for the purpose of attempting to over throw the Collins case, or of denying the applicability of its legal principles to Philadelphia. The city's request that the Public Service Commission should not grant motor bus certificates for operation wholly or partly within Philadelphia without the consent of city council having first been obtained to such operation, evidenced by ordinance, is based upon consideration of municipal policy and the correlative activities of the city and the Commission, as herein rather fully set out. This would seem to be recognized in the Collins case, for Judge Porter, in his opinion, uses this language (pp. 63 and 64):

"No individual or company has a right to operate such motor vehicle as a common carrier for transportation of passengers, without first obtaining from the Public Service Commission a certificate of public convenience. What service of this character is necessary or desirable for the convenience, comfort and safety of the public is a matter which the law requires to be determined by the Public Service Commission. That is an administrative question rather than one of law. It is a question which must be left in a large degree to the sound judgment of the Commission and when that judgment has been exercised the conclusion ought not to be disturbed by judicial interference unless it is made clearly to appear that it is unreasonable and not in conformity with law."

What I endeavored to do in our conversation was to present, as I have in this communication, facts which would appeal to the sound judgment of the Commission and enable it to arrive at a just conclusion that the request of the city is made in the interest of and for the convenience, comfort, and safety of the city's riding public.

In answer to your inquiry as to whether the request to the Commission contemplated a desire that the Commission should grant no certificate for taxicab service within the City of Philadelphia unless such ordinance consent be by the applicant first obtained, I replied that my present request did not comprehend taxicabs, although some future date might dictate it municipally expedient to extend the request to that extent, should it develop that that was necessary in order to protect the full and free development of city transportation policy which had its beginning in the said ordinance of 1907.

Very truly yours,

(Signed) Joseph P. Gaffney,  
City Solicitor.

THE WITNESS: That has been the consistent policy of the law officers of the city of Philadelphia. I met Mr. J. P. Connelly last night and I was assured by him and he stated that during his term as city solicitor, that policy was then the policy of the law bureau as it has been consistently since.

BY MR. COOKE:

Q. Is Mr. Connelly now counsel for the Philadelphia Rapid Transit Company?

A. I don't know, sir.

BY MR. EVANS:

Q. This is the only written communication of the authorities of the city of Philadelphia bearing on this situation?

A. I believe it is.

Q. Are you familiar with the circumstances that led up to this letter?

A. I don't know.

Q. You do know as a matter of fact that it had nothing to do with the issuance of the certificates which we have been discussing?

A. I don't know.

Q. You are not familiar with the circumstances under which this letter was written? That it was that the city of Philadelphia had adopted an ordinance providing for taking up of street railways tracks on Race Street?

A. No, Mr. Evans, the only recollection I have, and I attempted to refresh my memory last evening in a telephone conversation with Commissioner Scattergood who was at Washington. Commissioner Scattergood gave me his recollection of this matter and it was the same as mine.

Q. Did it not appear that the writing of this letter was an entirely different matter that would change the entire interpretation you had placed on this letter?

A. It would not, for the reason that every law officer of the city of Philadelphia, Mr. Connelly, Mr. Smythe, Mr. Ashton, and Mr. Gaffney, all maintained the same position on this matter.

Q. Will you refer to anything in that letter which refers to the insertion of a stipulation that when the Philadelphia Rural Transit Company gets ready to take over the operating bus lines, the certificate of existing operators shall cease?

A. There is no stipulation of that kind.

Q. When they are ready to take over all of these lines and operate them, where is the reference to that in that letter?

A. There is no reference in the wording, and the only reference in that letter is as to the request of the city authorities that the Commission do not grant certificates for highways over which the city has a reserve right, and each succeeding city solicitor has consistently requested the Commission that the city's legal right be reserved in a stipulation of this kind.

Q. If that was the purpose of that stipulation, it should appear in the certificate of all the bus operators in the city of Philadelphia, should it not?

A. It should appear in the certificate of all bus operators, yes sir.

Q. Are you prepared to say that every bus certificate holder operating in the limits of the city of Philadelphia on the same basis that Mr. Menke operated, has had this stipulation inserted in their certificates? You have handled them all?

A. No I have not.

Q. Is there any certificate that has not been heard by you or by Examiner Wolfe who reported to you?

A. As a matter of fact, I believe you heard more of these during your time on the Commission, certainly in the Philadelphia Rapid Transit Cases, than I have held in all my years on the Commission.

Q. I am talking about existing certificates today?

A. Personally I don't believe I have heard many of them.

Q. Are there today any other bus companies operating in Philadelphia other than the Philadelphia Rural Transit Company?

A. If there are, I do not recall them; there may be.

Q. Now, while you were temporarily relieved of your duties on the Commission, as I think you expressed it, a certificate was granted in a case heard by Commissioner Scattergood to Mr. Menke for a route in the northern part of the city of Philadelphia, was it not?

A. This is a memorandum prepared for me at my telephone request by the bureau of public convenience of the Commission, and I believe covers all the proceedings referring to Mr. Menke as the certificate holder. As a witness, he testified no complaints had ever been made against him, but the official record will speak for itself in that respect. If this Committee is to judge on the basis of facts and not on the deductions or conclusions of an individual of that type, then I think it is only fair that the Committee should have the facts from the official records spread upon their minutes.

BY MR. COOKE:

Q. Was this action taken because Mr. Menke gave bad service?

A. This array of facts is offered to show that Mr. Menke misrepresented the facts to this Committee for his recollection of the treatment accorded to him by the Commission was very derelict.

#### WILBUR F. MENKE PROCEEDINGS ARRANGED CHRONOLOGICALLY

A.4724. Filed March 28, 1921. Route on Roosevelt Boulevard between Broad Street and Asylum Pike, in the City of Philadelphia. Heard before Examiner Phillips April 15, 1921. No protest. Approved April 19, 1921.

A.7043. Filed July 15, 1922. Routes on Cottman Street, Oxford Pike, and Roosevelt Boulevard, in the City of Philadelphia. Hearing held Sept. 7, 1922, before Examiner Phillips. Protests by William C. Whitaker, Albert Neibauer and Philadelphia Rapid Transit Co. Refused Sept. 11, 1922. No necessity.

55119. Filed July 29, 1922. William C. Whitaker versus Wilbur F. Menke. (Phila. Rapid Transit Company, intervening complainant) Alleging inefficient and unsafe operation of autobuses on Roosevelt Boulevard, Phila. Hearing held Sept.

7. 1922, before Examiner Phillips. Complaint sustained, certificate issued at A.D.4724 revoked and canceled and respondent ordered to cease and desist from operating motor vehicles in common carriage Sept. 11, 1922. Petition for rehearing filed Oct. 11, 1922. Rehearing refused and order of Sept. 11, 1922, reaffirmed Oct. 24, 1922.

C.5120: Filed July 29, 1922. Albert Neibauer versus Wilbur F. Menke. (Phila. Rapid Transit Company, intervening complainant). Alleging inefficient and unsafe operation of automobiles on Roosevelt Boulevard, Phila. Hearing held Sept. 7, 1922, before Examiner Phillips. Complaint sustained, certificate issued at A.D.4724 revoked and cancelled and respondent ordered to cease and desist from operating motor vehicles in common carriage Sept. 11, 1922. Petition for rehearing filed Oct. 11, 1922. Rehearing refused and order of Sept. 11, 1922, reaffirmed Oct. 24, 1922.

C.5151. Filed Aug. 9, 1922. Trenton, Bristol & Phila. St. Rwy. Co. versus Wilbur F. Menke. Alleging operation of automobiles between Eddington and Cornwalls and vicinity, Bucks County, without the approval of the Commission. Hearing held Sept. 14, 1922, before Examiner Phillips. Oral argument heard Oct. 2, 1922. Complaint sustained and respondent ordered to cease and desist from operating motor vehicles in common carriage Oct. 2, 1922.

A.7443. Filed Nov. 2, 1922. Route between the corner of Rising Sun & Cheltenham Aves. & the corner of Bustleton Ave. & Bridge St. in the City of Phila. Heard before Commissioner Benn Nov. 16, 1922. Protest by Phila. Rapid Transit Co. Approved Nov. 20, 1922. Expired June 1, 1924. Certificate contains if and when stipulation.

THE WITNESS: I believe that Mr. Rotan, cousin of a former district attorney of the City of Philadelphia, represented him, and he didn't protest and I believe Mr. Rotan on behalf of his client and the client himself agreed to the stipulation, and I intend to get in touch with Mr. Rotan later.

In December, 1922, he filed an application for a route on Cheltenham Road, Ayers Avenue and Cottman Street to Oxford Pike, in the City of Philadelphia, Pennsylvania, and asked for leave to withdraw on January 15, 1923.

There was a complaint of William J. Henderson, filed on February 8, 1923, against Wilbur F. Menke alleging operation of automobiles in violation of certificate. It showed by the record that three hearings were held, which I conducted and I have a vague recollection of the testimony. But such recollection that I have is that he was operating in a manner prejudicial, or dangerous to the public safety. What the other allegations there were on the complaint, I don't at all recall, but the complaint was satisfied but how it was satisfied. I don't know, it was satisfied on the record and marked closed June 6, 1923.

Then on February 8, 1923, Charles Guldin who was a certificate holder filed a complaint against Menke alleging violation of his certificate and there were two hearing in March and one in June of that year and that complaint was satisfied and the record marked closed.

An application was filed by Menke on September 4, 1923, for a route between the intersection of Oxford Road and Rising Sun Avenues in the city of Philadelphia at the intersection of Rhawn and Elverson Streets, Fox Chase A hearing was held on the 15th of December before the Commission, and on March 6th, 1924, before Commissioner Benn and Commissioner Clement. Protests were by the Reading Transit Company and Charles Guldin. That application was approved March 10, 1924, and that contained an if and when stipulation according to this memorandum. That certificate expired on June 1st, 1926, and was renewed by the Commission to August 31, 1926, when it became inoperative under order 14.896.

He filed an application on January 29, 1924, and a preliminary order of approval was issued by the Commission without hearing which contained a stipulation and he filed another application—that was for an extension of a read—

He filed another application on February 7, 1924, heard by Commissioners Benn and Clement and was approved. That certificate contained if and when stipulation. That was also as I recall it an extension of this Frankford-Fox Chase route. He filed on the 16th an application which was heard before Commissioners Clement, Benn and Stewart, and that was for a route between Rising Sun Avenue and Cheltenham Road in the city of Philadelphia and the intersection of Central Street

and Cheltenham Road, in Cheltenham Township, Montgomery County, and that was approved with a stipulation. Was subsequently extended for a part of the year, from June 1, 1926, to August 31, 1926.

He filed another application in renewal of certificate 7443, and a hearing on that was held on June 12, 1924, before Commissioner Clement. That was approved on June 16, 1924, and contains the stipulation. He filed an application for a sight-seeing route between Broad Street and South Penn Square and Evergreen Farms in the city of Philadelphia, and the hearing on that was held on June 26, 1924, by Commissioner Clement, it was refused on the ground of no necessity on September 16.

He filed on November 5, 1924, an application for a route between Cottman and Central Streets, and the intersection of Huntingdon Pike to Fillmore Street in the city of Philadelphia, and that was heard before Commissioner Stewart November 28, 1924, and was protested by C. H. Springer; approved December 8, 1924, and it contained the stipulation. He filed an application February 20, 1925, for a group and party service in Philadelphia and Montgomery counties, heard before Commissioner Benn March 12, 1925. That was protested by the Reading Company, the Pennsylvania Railroad, the Philadelphia Rapid Transit Company, Springer Brothers and the Fox Chase and Richboro Bus Company. Oral argument was heard on May 6, 1925, and it was refused on the ground of no necessity.

He filed an application for a certificate on June 26, 1929, between the corner of Huntingdon Pike and Fillmore Street, and the intersection of Cedar Road and Huntingdon Pike in the city of Philadelphia. It was protested by the Fox Chase and Richboro Bus Company, and leave to withdraw was granted, or an application was filed and was granted on July 27, 1925. He filed on July 15, 1925, an application for a route between Huntingdon Park and Fillmore Street and the intersection of Jenkintown Road and Pine Kiln Pike, Montgomery County, and the hearing was held on August 19, 1929, before Commissioner Scattergood; protested by the Fox Chase and Richboro Bus Company, approved October 20, 1925, and expired June 1, 1927.

BY MR. EVANS:

Q. Did that certificate contain the stipulation that you referred to?

A. It did not. It was entirely outside of the city of Philadelphia, and therefore the stipulation would not apply. I might say that Examiner Wolfe yesterday afternoon stated that he reviewed this testimony for Commissioner Scattergood, the Commission Scattergood's inclination on that was that the Menke application should be denied, the reason for that being that Commissioner Scattergood—

MR. EVANS: Had we not better get Examiner Wolfe here for that?

THE WITNESS: He reviewed the testimony in that application, and it was an application for a route over one on which there was another man operating by the name of Rush.

MR. COOKE: I don't think it is fair to have Mr. Scattergood quoted.

THE WITNESS: I am quoting my conversation—

MR. TURNER: I don't think we want to get that in the testimony. We have had a lot of hearsay testimony, and Mr. Evans has stated that there is already too much hearsay evidence in the record, so I do not see any reason why this testimony should be taken of Commissioner Benn, because we can produce Mr. Wolfe, and we can get the direct testimony in a better way.

THE WITNESS: An application was filed—

BY MR. EVANS:

Q. I would just like to read from the minutes of the Commission in regard to this application; the minutes of the Commission in the volume of September 9, 1925, to May 24, 1926, page 14011 in the matter of the application of Wilbur F. Menke for approval of the granting of the exercise of the right to operate motor vehicles as a common carrier for the transportation of passengers on schedule between Fillmore Street andunting Park and the intersection of Jenkintown Road and Time Kiln Pike, Montgomery County. Commissioner Scattergood reported that he had examined the record, and recommended that the application be approved. On motion the application was approved, a certificate was directed to be issued.



THE WITNESS: I talked with Examiner Wolfe in reference to this—

MR. TURNER: I don't think you ought to go on with that here.

THE WITNESS: Mr. Evans and Mr. Scattergood during my absence from the Commission, upon their recommendation, Examiner Wolfe was made an examiner of the Commission, and he is a high minded gentleman, a sound lawyer, and a man for whom I have the highest regard, and for whose judgment I have the greatest respect, and I am sure that if Mr. Wolfe was brought here as a witness before the Committee, he will substantiate what he told me with reference to the particular application which he reviewed for Commissioner Scattergood. That was before I knew Mr. Wolfe, but he has been brought into the testimony by this witness in a way that Mr. Wolfe thought at least from the newspaper accounts, reflected upon him.

MR. COOKE: For the purpose of the Menke case we depend on the record.

THE WITNESS: He filed an application December 15, 1925, for a route between the Jenkintown Road and Lime Kiln Pike and York Road and Olney Avenue, Montgomery County, and the hearing was heard before Commissioner Benn, and protested by the Philadelphia Rapid Transit Company, the Philadelphia Rural Transit Company, the Reading Company, and the city of Philadelphia, and refused on February 9, 1926, on the ground of no necessity.

He filed an application on March 18, 1926, between Norristown and the Frankford terminal in the city of Philadelphia. This hearing was heard before Examiner Wolfe and protested by the Philadelphia Rapid Transit Company, the Pennsylvania Railroad Company, by the borough of Norristown, the Reading Transportation Company, the Lehigh Valley Transit Company, the Philadelphia and Western Railway Company and the Reading Company. An amended application was filed October 11, 1926, fixing the terminals at Lafayette Street and Strawberry Alley, Norristown, and Oxford Pike and Olney Street, Philadelphia, the hearing held November 17, 1926, before Examiner Wolfe, and protested by the same utilities. That was refused February 7, 1927, on the ground of no necessity.

He filed an application May 10, 1927, a renewal of certificate issued A.D. 11020; the hearing was conducted on the 25th, by Examiner Wolfe, and was protested by the Rapid Transit Company and the Rural Transit Company, and was refused June 15, 1927, by reason of the approval of the application of the Philadelphia Rural Transit Company that operates over routes "N" and "O." Their bus routes extending from the Frankford terminus, or the Frankford L to Fox Chase. On May 10, 1926, he filed an application for a renewal of his certificate Application Docket No. 11917, and May 10, 1928, renewal of certificate in Application Docket 10902 was granted.

May 10, 1926, renewal of certificate in Application Docket 10082, same date; renewal of certificate 9248; May 26, renewal of certificate 13445, hearing before Examiner Wolfe, no protest, approved June 20, 1927.

April 20, 1929, renewal of certificate issued at Application Docket 16983, hearing held May 14, 1929, before Examiner Wolfe, approved November 19, 1929, but the certificate was not issued, and the action of November 19, 1929, rescinded and leave to withdraw granted. That, as I recall it, was because Menke sold that bus route from Fox Chase to Jenkintown to the Fox Chase and Richboro Bus Company, which in turn sold it to the Rapid Transit Company. In other words, no application came before the Commission for the approval of the sale, he simply withdrew his application. Now, there are the records of the Commission as to the certificates.

BY MR. TURNER:

Q. Where was this one case that we had yesterday; which was that one?

MR. EVANS: May I just ask Commissioner Benn while we are on that matter, if I understood you correctly to state earlier in your testimony that there were numerous cases where certificates were issued to Menke during the time that Commissioner Scattergood and I were members of the Commission, containing this stipulation?

THE WITNESS: I don't recall such a statement.

BY MR. EVANS:

Q. That was not the case?

A. I believe that all the proceedings with reference to Menke, or while you were on the Commission and Mr. Scatter-

good, and while I was on the Commission, are included in this list.

Q. Was any of this during the time that Commissioner Scattergood or I—I will confine it to myself, was on the Commission?

A. Whatever there was during the period.

Q. You made the assertion, Mr. Commissioner, that I would have to clear it up one way or the other?

A. I made the assertion that during the entire time, you or the colleagues appointed by Governor Pinchot during this time were on the Commission, this stipulation, or the condition on which it was based, was before the Commission, just as it has been since, and just as it was before.

Q. But can you point out any case where such a stipulation was inserted in the certificate during that time?

A. Well, let us see. (Referring to record.)

MR. TURNER: What period of time did that cover?

MR. EVANS: From April 20, 1925, to January 17, I think, 1926.

THE WITNESS: Mr. Commissioner Scattergood antedates that.

MR. EVANS: I am talking about my own case.

THE WITNESS: The application of November 5, 1924, which was heard by Commissioner Stewart, as I recall, and Mr. Scattergood, that was heard by the Commission at that time—it was heard by Commissioner Stewart, and that contained the if and when clause.

BY MR. EVANS:

Q. Did you confine it to the dates between April 20, 1925, and January 17, 1926?

A. No, the application, while you were a member of the Commission, apparently with the clause filed June 26, 1925, for operation between the corner of Huntingdon Pike and Fillmore Street and the intersection of Huntingdon Pike in the city of Philadelphia, that was heard July 23, 1925, protested by the Fox Chase and Richboro Bus Company, and leave to withdraw granted July 27, 1925. The application filed July 15, 1925, for a route between Huntingdon Pike and Fillmore Street and the intersection of Jenkintown Road and Lime Kiln Pike, Montgomery County, heard by Commissioner Scattergood, which was approved October 20, 1925. The application filed December 15, 1925—well, that was not refused until February 8, 1926, and you were not on the Commission then.

Q. So during that time there were no such stipulations?

A. No sir, no such stipulation while you were on the Commission, nor certificates granted.

Q. I just wanted that clear, because I understood you to say that there has been. In regard to this letter to city solicitor Gaffney, to which you have referred, the secretary of the Commission or the acting secretary of the Commission has now produced a folder in which it appears that that is a matter, the taxicab applications in Philadelphia, has nothing to do with busses as far as I can see.

A. Whether it had or not, it covered a principle involved and so what is the use of quibbling about it, the communication speaks for itself, and I have testified that every city solicitor, every city officer of the city of Philadelphia since I have been a member of this Commission has consistently held to the same principles, and that principle is embodied in these stipulations.

Q. This is the only written communication that you have so interpreted.

A. That is the only one I know of, Mr. Evans.

MR. COOKE: That is stated, as I understand it, three years before.

MR. EVANS: Dated December 14, 1925.

MR. COOKE: That is three years before the conversation that you had with Mr. Sweeney and Coleman.

THE WITNESS: That conversation, Mr. Cooke, was between—

BY MR. COOKE:

Q. That particular conversation.

A. Was in 1919.

Q. I am calling your attention, and it is a matter of record, that the conversation was with Mr. Coleman who has been for many years counsel for the P. R. T. that he was at this conference, if I recall it, and was sometime before President of the Quaker City Cab Company, and it was rather a family party.

A. I don't know that I am called upon to answer for the business activities of a former city solicitor of the city of Philadelphia, nor am I called upon to excuse or apologize for the business activities of a former colleague now dead, that arose subsequent to his service upon the Public Service Commission.

Q. Those were the people who were at this conference.

A. Yes.

BY MR. EVANS:

Q. Now, Mr. Benn. Mr. Menke testified at a hearing after Commissioner Scattergood had approved the granting of the certificate that you have referred to in 1925, you stated to him, Mr. Menke, that if you heard that case you would not have granted the certificate, is that the case?

A. I will state that that is absolutely untrue, and I will add to that, Mr. Menke is the type of a person that I would not have, and have not had for years, a conversation with, except in the presence of witnesses. The last conversation that I had with Mr. Menke was on Saturday of last week when he came to my office, and one of the engineers, or investigators of the Commission had previously phoned to me and stated that Mr. Menke was coming to see me, he said—I have the witness, if the Committee desires—that if the Commission, presumably through me would grant him a certificate for taxicab operations or taxicabs at Bethayres and Fox Chase, that he would not respond to a subpoena by this Committee or by the Senate Committee.

BY MR. TURNER:

Q. Where is this witness, Mr. Benn?

A. Right here. Was a Saturday morning, and I declined to see him, I told Mr. Mackey, that I would not talk to him—

MR. TURNER: Just a minute. I think we ought to halt there and have the witness sworn, and let him give his statement.

C. L. P. RUSSELL sworn.

BY MR. EVANS:

Q. Mr. Russell, you are an employee of the Public Service Commission, are you not?

A. I am.

Q. How long have you been employed by the Public Service Commission.

A. Since the fall of 1927, I think it was the latter part of October, or November.

Q. In whose office did you receive employment by the Public Service Commission?

A. I applied to Dr. Snow.

Q. Did any member of the Commission take any interest in your appointment that you know of?

A. No, I didn't know a member of the Commission until after I was appointed.

Q. You didn't know anybody?

A. No.

Q. Who had previously employed you?

A. I had been employed by several different concerns in my time.

Q. What had been your most recent employment?

A. My most recent employment was with the Philadelphia Improvement Company of the Pennsylvania Railroad Company.

Q. In what capacity had you been employed by the Pennsylvania Railroad Company?

A. As an engineer, and tracks maintenance man.

Q. And you were then on furlough, were you not?

A. I was not.

Q. And you were not receiving any compensation of any sort from the Pennsylvania Railroad or any agency connected with them?

A. Absolutely not.

Q. Have you at any time during the time you have been connected with the Public Service Commission received any remuneration, directly or indirectly from the Pennsylvania Railroad or any agency which was affiliated with them?

A. None at all. My connection with the Pennsylvania Railroad Company was severed before I went with the Commission.

BY MR. TURNER:

Q. Where is your home

A. Germantown.

BY MR. EVANS:

Q. Where had been your home prior to your connection with the Public Service Commission?

A. Philadelphia.

Q. Have you not had some connection with the western end of the State?

A. Oh, yes, I was in the western end of the State I lived in Ohio and I lived in West Virginia.

Q. Where were you living when you were in the employ of the Pennsylvania Railroad?

A. Well, I have lived in various places in the State of Pennsylvania, all over the State.

Q. Where?

A. Well, I have lived in Philadelphia, Pittsburgh, Cresson, Johnsonburg, Oakmont, Kittatinny, all the way down the river.

Q. Where did you happen to live in the year prior to your appointment by the Public Service Commission?

A. In Philadelphia, 48th and Walnut Streets.

Q. Were you ever active in politics, while you were connected with the Pennsylvania?

A. Never. Never been active in politics at any time.

Q. You were located at one time at Cresson, Pa., were you not?

A. Yes, sir, I was located at Cresson for three years.

Q. Was not there a campaign for State senator while you were located at Cresson?

A. I believe there was.

Q. And you did not take any part in that campaign?

A. I took no active part in that campaign at all.

Q. I didn't say that, I said did you take any part in that campaign?

A. No, I took no part in that campaign.

Q. Did you ever know Superintendent Davis?

A. F. B. Davis, I know Supervisor F. B. Davis, or I knew him at that time.

Q. You were associated with him?

A. He was company supervisor of the division, he was my neighbor.

Q. And he was sent to Wilkes-Barre, was it not at this time?

A. I don't remember where he went from there; he was moved from there, but it was a long time ago, Mr. Evans.

Q. Did you take any particular interest in the recent campaign for Governor?

A. I did not.

Q. Did you make any political contributions?

A. I did not.

Q. Now, Mr. Commissioner Benn has testified that you had some conversation with Mr. Menke last Saturday?

A. That is correct.

Q. Will you state to the Committee the substance of that conversation.

BY MR. TURNER:

Q. In the first place where was the conversation held?

A. In my office 1106, The Public Service Commission Office, 43 National Bank Building.

BY MR. RHODES:

Q. Who was there, besides yourself?

A. I don't remember whether Mr. Rush, an inspector, was there during that conversation or not or whether I was alone. I had several conversations with Mr. Menke.

Q. But you don't remember whether it was in the presence of others or not.

A. I rather think that this particular conversation on Saturday morning, I was alone. Do you want me—

MR. TURNER: Go ahead.

BY MR. EVANS:

Q. What time about was this conversation held?

A. I judge it was between 10 and 11 o'clock in the morning.

Q. On Saturday?

A. Yes; it was between ten and twelve I should say.

Q. Would you relate the circumstances?

A. The circumstances?

Q. The circumstances of your conversation?

A. About a week after Mr. Menke's service—if I remember correctly, around April 1st Mr. Menke came to me and asked if Mr. Benn was in, he wanted to see Mr. Benn, and I told him he was out of town. I think Mr. Benn was in Harrisburg, and he said he wanted to see him very badly, and he asked



me to convey the information to Mr. Benn that he had been down to see Mr. Gray, who wanted him to appear before the Senate Committee, and he had also been approached by two of the Committee's investigators, they had interviewed him, and wanted him to appear, and talked to his counsel, that is, his counsel that represented him in the last hearing, a gentleman by the name of Cohen.

BY MR. TURNER:

Q. What was his first name?

A. I don't know his first name, he is a tall light haired fellow, a Jewish gentleman, and he had requested a transcript of the testimony of that hearing. Mr. Menke said that he felt very kindly toward Commissioner Benn, and that Commissioner Benn had done a great deal for him in the past, and that any irritation that had been between the two had been due to his quick ungovernable temper, and he said it would be very important that I get this information to Commissioner Benn, as he would like to see him, because if he could make the right kind of a deal with Mr. Benn he would not testify in Harrisburg. I notified Mr. Benn of this, of the gist of this conversation, and last Saturday morning Menke called me up on the telephone—

Q. Where was this conversation held?

A. Held in my office.

Q. When?

A. That was the first—as I stated before, Menke came there in the week of April 1st.

Q. Who was there?

A. Rush was there at the time, Mr. Rush.

Q. What day of the week?

A. I cannot give you the day, but I rather think it was the middle of the week, Wednesday.

BY MR. RHODES:

Q. What day was the first of April?

A. I don't remember, I think about Wednesday or Tuesday.

Q. I thought you said this conversation took place in your office last Saturday?

A. This was the previous conversation.

Q. Did you have two conversations with him?

A. Yes, I am just getting to that now. He came up on Saturday morning—

Q. Which conversation, the one you have just testified to, so that we get this straight, this conversation that you just testified to, took place when, Saturday of this week, or the previous Saturday?

A. This took place this Saturday; this took place I think around the first of April, about ten days ago.

BY MR. TURNER:

Q. When did he call on the telephone?

A. About Saturday morning last.

Q. This last Saturday?

A. Last Saturday morning. Mr. Menke came in and asked if Mr. Benn was there, and I said, no, that he was not in his office at the Commission, I thought he was in his private office, and I told him to call him there. About, probably three quarters of an hour after that Mr. Benn called me on the telephone and told me that Mr. Menke had been there to see him, and that he would not talk to him, and that he would send him over to me, and told me that if Menke wanted an application, I was to give it to him. Mr. Menke came in and said that he had been over to see Mr. Benn, in response to my query, and I asked him what had been said, and he said that Mr. Benn refused to talk to him; would have nothing to do with him.

BY MR. RHODES:

Q. What time of the day was that last Saturday?

A. That was between—we will say between 10 and 12—I would say it was 10.45—between 10.45 and 11.15.

Q. What time did he call you in Philadelphia last Saturday morning?

A. After 10 o'clock, I will say.

BY MR. TURNER:

Q. Anybody else in your office?

A. Yes, there is an inspector there by the name of Rush.

Q. Have you a telephone operator or stenographer there?

A. No, there was nobody there but myself at that time.

Q. Don't you have a stenographer?

A. We have a stenographer that we use once in a while. Now, we have no telephone central at all, our telephone is connected with the city central, outside.

Q. Go on, you say that Mr. Menke came there to your office?

A. Yes, Mr. Menke came over to my office, and he said that Mr. Benn had sent him over, and he told me that he wanted an application, or a certificate rather for a taxicab at Bethayres Station, and also one at Fox Chase. I gave him the application blank, the requisite number of blanks, and he said to me, "I cannot fill this out," I said, "Why not." He said, "I have no money, and I have no money to engage an attorney." I said, "You don't need an attorney, all you have to do is fill out these blanks and file them, for hearing." He said, then he could not fill out the blanks because he could not meet the Commission's requirements for public indemnity insurance. He said what he would like to have would be to have Commissioner Benn use his influence to have the Commission grant him a certificate without any hearing or any formality, and suspend the public liability clause, that after he got started, and had been in business a sufficient length of time he would probably be able to get the money together to meet the insurance requirements. I gave him the blanks and he said good bye. He called me again on Monday morning at about 10.00 o'clock, that is, Monday of this week, about 10.45, and asked if Commissioner Benn was there, and if I had talked to him and I said "no," Commissioner Benn was in Harrisburg, and he said, "I will probably see him there tomorrow, because I am going up, I am subpoenaed to testify before the House Committee."

BY MR. TURNER:

Q. Is that all the conversation you had with him?

A. That is all.

Q. None of these conversations were in the presence of Mr. Benn, were they?

A. None of them.

BY MR. RHODES:

Q. There was nothing said in your testimony that would indicate that he wanted to get a particular kind of deal with Commissioner Benn, was there?

A. Well, he wanted the Commissioner to grant him a certificate, as I understand it, without going through any of the formalities that are required by the Commission, have no hearings, and no notice, allow nobody to protest.

Q. No harm in asking for it, even if he didn't get it?

MR. COOKE: I understand Mr. Benn to say that this witness quoted Mackey as saying he was practically threatening unless something was done, he would go ahead, and there is nothing about that in what you have told us that would indicate that to me.

BY MR. RHODES:

Q. Did this man Mackey tell you that unless he was given the certificate of public convenience that he would come up and testify adversely.

A. Well—

BY MR. EVANS:

Q. Now answer the question, and then explain, Mr. Russel, did he or did he not.

A. No, not in plain words, but the entire inference from the conversation was that he was there for the entire purpose of making a deal.

MR. MOORE: We don't want you to testify from inference.

BY MR. RHODES:

Q. The testimony that you have given does not indicate anything of that kind. Did you communicate with Mr. Benn that unless he was given these particular certificates of public convenience that he was going to testify adversely.

A. He requested me to—

Q. Requested you to do what?

A. To enumerate his conversation which was as I testified here to Mr. Benn.

BY MR. MOORE:

Q. What were the exact words?

A. Well, his exact words were as I testified to you here a few minutes ago, that he had a perfectly friendly feeling for the

Commission, and that if he could get what he wanted before the Commission that he would not testify.

BY MR. RHODES:

Q. Did he say what he wanted out of the Commission?

A. Yes, he wanted the certificates.

Q. Did he tell you specifically that he wanted these two certificates of public convenience?

A. Yes, he did, as I said before, the Bethayres Station, and then on last Saturday morning when he came in he wanted Fox Chase.

Q. Did he specifically say he wanted these two certificates in consideration of his not testifying?

BY MR. RHODES:

Q. Did he so state, and then say what you inferred?

BY MR. EVANS:

Q. Say yes or no.

A. He didn't come out as raw as that but his inferences—

BY MR. EVANS:

Q. Your inference?

A. Oh, my inference rather was that in a suave way.

BY MR. RHODES:

Q. It may be clear in the minds of some of the members of the Committee, but it is not clear in my mind as to just what conversation there was, and whether there was any inference as this witness has said, and if you can get it out of the witness here that we can understand it, I would appreciate it.

BY MR. EVANS:

Q. Now, Mr. Russell, let us confine ourselves to the conversation of last Saturday in your office; no one being present besides yourself and Mr. Menke, what did Mr. Menke open the conversation with?

A. He came in and said he had been over to see Mr. Benn—

Q. What did you say?

A. I said, what did Mr. Benn say?

Q. What did he say?

A. He refused to talk to me; refused to see me, and he said that you should give me the application as I remember it.

Q. Then what did you say to him?

A. Well, I talked to him—

Q. As near as what you said?

A. It was a general conversation—

Q. What was the substance of what you said to him?

A. It was that I would give him the applications, and I went over to the file and got them and handed them to him, and told him to make them out.

Q. Then what did you say?

A. He said he could not make these out.

Q. Did he explain why?

A. That he did not have the money to engage an attorney, which I told him was unnecessary, that he could make them out and file them and appear before the Commission as he knew without an attorney.

Q. What then did he say to that?

A. He then said that he could not fill out the application, because he did not have the money to meet the public requirement of the Commission.

Q. Now, Mr. Russell, you know that in addition to an attorney there is a fee for filing such applications, do you know?

A. Five dollars.

Q. Also advertising required, is there not?

A. Yes.

Q. And that advertisement the applicant must pay?

A. Yes.

Q. You know that Mr. Menke had no money, did you not?

A. Only from what he said, not from my own personal knowledge.

Q. What further was said after he told you that he could not afford to do it?

A. Well, he then acknowledged and explained that what he wanted was the Commission to grant—

Q. What did he say?

A. That is it as nearly as I can explain it to you.

Q. He said he wanted the Commission—

A. He said that he wanted the Commission certificate.

Q. That was perfectly proper for him to want.

A. He wanted the certificate without having to appear before them or meet their liability requirements, insurance requirements.

Q. And you said all that was because he did not have the money with which to pay those requirements?

A. Yes, he said that, and he said that he did not have the money to pay for this, but that after he operated for a certain length of time he would probably be making enough to pay this at a later date.

Q. What then was said?

A. I think after that, that was all that was said then.

Q. That was all that was said, and from that conversation you inferred that if the Commission would grant him a certificate for taxicab service that he wanted, that he would not come here and testify?

A. No, not only from that conversation, but from the previous conversation a week or so before.

Q. Why did this conversation cause you to infer this?

A. I inferred that.

Q. You did?

A. Yes.

MR. TURNER: Let us get the other conversation from which he inferred it?

MR. EVANS: I was going back.

MR. TURNER: I don't think that this testimony proves what it is offered for, but we have an awful pile of testimony from which certain inferences could be drawn and I think we ought to be fair, if we are going to find these facts and inferences, let us have all the inferences on both sides, don't resolve them all in favor of the plaintiff and against the defendant.

MR. EVANS: Quite right sir.

MR. TURNER: I sometimes get interested in examinations and seem to be more emphatic than I mean to be.

BY MR. EVANS:

Q. Now, Mr. Russell, will you state the substance of your previous conversation with Mr. Menke, which was held, you say, on or about April 1st?

A. Around that time.

Q. And where was this conversation held, also in your office?

A. In my office.

Q. This conversation was held in the presence of Mr. Rush?

A. I think Mr. Rush was there, as I recall, or he came in—I think he was there when Mr. Menke came in, and whether he went out during the conversation or not, I am not positive, but my recollection is that he was there during the entire conversation.

Q. Now, what did Mr. Menke say on April 1st?

A. Well, Mr. Menke came in and asked to see Mr. Benn, and the substance of his conversation was—

Q. We will not take that; what did he say?

A. Well, as I remember it, he asked for Mr. Benn, and when he was advised that Mr. Benn was out of town, he told me what he wanted to see him about.

Q. What did he say?

A. That he had been approached by Mr. Gray, had been downtown to see Mr. Gray, he had sent for him in connection with testifying before the Committee, which I surmised was the Senate Committee, and he said that he had also been approached by two investigators from Harrisburg, one's name he gave me, which I don't remember, and I cannot give you the other one, I cannot remember it, until just before he went out, and as I recall it, he stuck his head back in the door and said his name was so and so.

Q. What did he say?

A. I don't remember those names. I didn't pay any attention to them. He said that he had been approached by four or five people in one day from Harrisburg, to see him to get him to come up and testify, and that they had approached his attorney, asking for a transcript of the testimony in the last application he had, giving him the last application and he said that he had told them he would not tell them yes or no, that he wanted to see Mr. Benn first, and he left me under that impression.

Q. Don't tell your impression.

A. That is what he told me.

Q. He wanted to see Mr. Benn?

A. He wanted to see Mr. Benn first.



Q. What did you say to that?

A. I didn't say anything, I let him talk.

Q. I see.

A. Then he told me, he went into quite a discourse on his friendly feeling for Mr. Benn, and said at times that Mr. Benn had taken him to task, and that they had arguments that they had been due to his own impulsiveness and quick ungovernable temper, and that he had a very kindly feeling for Mr. Benn, and that he felt he could get more from the Commission by being friendly and continue friendly than by coming to Harrisburg and giving testimony.

Q. What did you say?

A. I didn't say anything, I let him go ahead and talk. Then he said, then he told me what he wanted, that he would like—

Q. What did he say?

A. Would like to be taken care of, would like to get something to do, that he was out of work, had lost his home, his wife had to go to work, had gone to work with a family, and he was rooming around, that he wanted to get on his feet again.

Q. Did you keep silent still?

A. Oh, I had probably a casual conversation with him, I would put in a word now and then, but I don't remember—

Q. You don't remember what you said?

A. No, it was just a general conversation, then he started out; then he came back and said to me, he didn't mention Mr. Benn's name, but he just told me that he would not give an answer yes or no until he had seen somebody.

Q. That was the substance of that conversation?

A. Yes, that he wanted to make an engagement with him, to be able to talk to Mr. Benn.

Q. And the two conversations that you have now related the substance of, constitute the whole of your conversations with Mr. Menke on which you had based your inference?

A. Yes.

MR. TURNER: Now, let us see what Mr. Menke has to say. I realize that it is long past lunch time, but we don't want an interruption between this testimony. Menke is here, let us hear what he has to say about this.

MR. EVANS: Are there any other questions that the members of the committee have to ask?

MR. COOKE: I would like to know what his duties are.

BY MR. EVANS:

Q. How are you carried on the books of the Commission, Mr. Russell?

A. I don't know, I think—

Q. What salary do you receive?

A. \$4000 a year.

Q. Dr. Snow testified—

A. He got my initials a little twisted there.

Q. Are you not listed as a railroad engineer?

A. I think—you have got my name down there.

Q. Are you getting \$4000 a year?

A. Yes.

Q. Were you getting \$4000 on December 31st, 1930?

A. Yes.

Q. Dr. Snow is going to correct this list. What engineering duties do you perform for the Commission, for the bureau of engineering?

A. Well, I am sort of a pinch hitter; I do work for all the different departments; I make investigations of all kinds; I make surveys and reports.

Q. In other words, Mr. Russell, you are attached to Commissioner Benn's office in Philadelphia?

A. Well, no, I would not say that. I have charge of the Philadelphia office of the Commission, the offices that used to be in City Hall, and since the first of October, have been in the Market Street National Bank Building.

Q. And your duties are connected with that office?

A. Yes.

Q. Who ordinarily directs you in the performance of your duties?

A. Well, considerable of it is on my own initiative.

Q. Which member of the Commission directs you?

A. All members, as the case may be, Commissioner Benn being the commissioner located in Philadelphia, it is only natural that he would give me more instructions, and he would have more work for me than the other commissioners.

Q. Practically all of your time is spent in work in and around Philadelphia, is it not?

A. Yes, I do a great deal of work for Chief Blenning of the Bureau of Public Convenience.

Q. And your work principally is in connection with the controlling of the bus and taxicab situation around Philadelphia, is it not?

A. Well, yes.

WILBUR F. MENKE recalled.

BY MR. EVANS:

Q. Mr. Menke, you have heard Mr. Russell's testimony in regard to conversation that he had with you. Will you tell the committee your recollection of these two conversations, first in regard to the one on or about April first?

A. I was in Commissioner Benn's office several times, in fact a dozen times in the past two or three years, since I lost my bus line, asking for some aid.

BY MR. TURNER:

Q. By Commissioner Benn's office, you mean the office of the Commission, or his private office?

BY MR. EVANS:

Q. You mean Mr. Benn's office in the Commercial Trust Building do you not?

A. Yes.

Q. What sort of aid were you asking?

A. I was asking that he give me compensation for what he had done, what he had taken away from me in one instance while I was still operating the bus through from Fox Chase to Jenkintown, I went to see him about some ruling about running over a detour, and as soon as he saw me approaching him, he said, "Get out of here; get out of my office; I don't want to see you; I don't want anything at all to do with you." and I said to him, if it were Mr. Atterbury or Thomas Mitten, he would leave them in with a pair of silk gloves, and he says, "You get out of here." and I said to him, "You made me lose everything I had, I lost my home and everything, and now you want to wipe your feet on me," and he said, "Shh, shh, get out of my office," and when he tried to put his hands on me, I told him that if he put his hands on me, "I will kill you." That is the words I said to him at that time.

BY MR. TURNER:

Q. Was Mr. Gray's office in touch with you?

A. No, I was not in touch. I did not know anything about coming to Harrisburg here.

Q. Did Mr. Gray's office get in touch with you?

A. Mr. Gray was not in touch with me.

Q. Any representative of his?

A. No sir.

Q. Any representatives from Harrisburg down to see you?

A. No sir.

Q. Before you received that telegram?

A. No sir.

Q. Never had any conversation with any of these people?

A. No sir, I went into the Commissioner's office at the bank building there in Philadelphia and ask for an application blank to file to operate a taxicab line—

Q. When was this?

A. Well, it was two or three days before Saturday, before I had this conversation.

BY MR. EVANS:

Q. That would have been about the first of April?

A. That was Wednesday. Yes and I asked for application blanks to operate a taxicab line from Bethayres Station, and then I said to Russell, I said, "Do you think that I could get this bus line off Commissioner Benn, because he has refused everything else?" Russell said, "Was there anybody else operating there now," and I said, "No, but there was a man operating up there, and he got in from \$100 to \$125 gross receipts with a Ford car." "Well," he said, "I will investigate and find out," which I think he investigated and found out, and I called him again on Saturday morning.

Q. That was last Saturday?

A. Yes.

Q. Just state as nearly as you can what was said?

A. I asked Russell whether he had saw Benn, and he said that he had not. There was a girl there, Miss Anderson, I think is the stenographer's name, she sat there, and she went over to Commissioner Benn's office in the Commercial Trust, and she carried the word over that I wanted to see him. I went over to the Commercial Trust and Commissioner Benn was there, and when he saw me open the door, he said, "I don't want anything at all to do with you. Sh, get out, I don't want to hear anything from you. You know that I cannot talk to you on applications now while this case is pending in Harrisburg against me." And I said, "All right." He said, "If you have anything to say, go over and tell Russell." And I said, "Will Mr. Russell tell you about it then?" He said, "I don't know whether he will or not." So I went back and there was no one else in the office but Mr. Russell.

Q. That was last Saturday morning?

A. Saturday morning, and I asked Mr. Russell, I said, "Mr. Russell—" He said, "How did you make out?" And I said, "Benn would not talk to me," and he said, "I know, I heard about it, he telephoned me." And I said, "Mr. Benn said that I should tell you, and I asked him whether you would tell him, and he said he didn't know," and I asked Russell then about it, if it would be all right to make the application out for this taxicab line, and about getting an additional stand on it, I was asking for Fox Chase in the first place, and he said, "You want too much." He said, "You might have got a taxicab stand at Fox Chase, but now you want a taxicab stand at some other place, and I know that you cannot get the one at Fox Chase, because the P. R. T. runs in the city of Philadelphia, which practically has been granted the P. R. T., and that was all, and I went out of the office.

BY MR. TURNER:

Q. Was that all the conversation you had?

A. Yes.

Q. You didn't mention Mr. Benn's name.

A. No sir.

BY MR. RHODES:

Q. Did you make a telephone call on Monday morning of this week?

A. No sir.

BY MR. TURNER:

Q. What is the date of this telegram?

A. Harrisburg, Pa., April 6, 1931, 4.02 P. M.

Q. What does it say?

A. Philadelphia, Pa., will call for this—this is a notification on the application, I called up the Postal Telegraph and asked if there was a telegram there for me, which I heard there was, and I told them I would call for this telegram this morning, that is on a Tuesday morning, it says here, expect to present your testimony Wednesday morning. Come Tuesday, if possible for discussion. Harold Evans. I was to talk to Mr. Evans' office, and he said he was not going to Harrisburg on Tuesday, and I thought, I could get the money—

BY MR. TURNER:

Q. What did you say? Were you in Mr. Evans' office?

A. Last Tuesday.

MR. EVANS: Tuesday of this week.

BY MR. TURNER:

Q. And the telegram is dated the 6th, if you will recall your testimony, the 6th was on Monday?

A. Yes.

Q. Now, the telegram was dated on the 6th, according to your testimony, and you must have had some conversation before the 6th?

A. Yes, but I didn't know I was coming to Harrisburg.

Q. Would you state you had no conversation with anybody about the testimony in Harrisburg before you received that telegram?

A. Neither I did.

Q. If that telegram there is a call for your testimony, how would they know anything about it?

A. That is, I had no talk with Mr. Russell, when he says about coming up here.

Q. No, I am asking you the question whether you had any conversation with Mr. Gray's office, and you said no, or any representatives of Gray's office and you said no, and

you were asked the question whether you had talked to any representative from Harrisburg and you said no, no one else.

A. Neither I did.

Q. Before you got the telegram?

A. No.

Q. This telegram says, "expect to present your testimony Wednesday morning, come Tuesday, if possible for discussion," signed Harold Evans, and it is dated April 6th.

BY MR. EVANS:

Q. Mr. Menke, you had had no prior conversation with me in regard to this case before last Tuesday had you?

A. Yes, I did. On last Tuesday, I called you on the phone there and asked you whether I could do anything, if I could get my bus line, and in the telephone conversation, you said that would not be in this case at all, that you would probably have to file a suit, bring it up in law—Do you remember that conversation.

Q. Not me.

A. Well, three or four weeks ago.

Q. I don't remember the instance; what was this conversation?

A. I just called you in reference to getting an attorney to act for me, not in reference to this case, coming up here, it was merely a conversation—I called up the office, and the girl answered on the first one, I said is Mr. Evans here, and I don't know whether she said Mr. Evans is in or not, but I called back later and Mr. Evans was in—

BY MR. TURNER:

Q. When was this?

A. Oh, I will say about two weeks ago, before last Monday.

Q. You had called Mr. Evans about a private matter?

A. Yes, a private matter, in conducting a law suit against the P. R. T. trying to get my bus line, or reimburse me for my bus line.

Q. And Mr. Evans didn't say anything at all to you?

A. He only said that would be probably a case he would have to take up through a civil suit.

Q. What did you understand by this telegram, expect to present your testimony on Wednesday.

A. That they wanted me to come up here and testify, he wanted my side in the case of the P. R. T. that they had taken away my bus lines from me, about that clause put in there, and I was told by several councilmen in City Hall that I had the chance in the world now to go to Harrisburg.

BY MR. TURNER:

Q. And you had no other conversation with any other person with respect to this testimony?

A. No sir.

BY MR. RHODES:

Q. You were not solicited to testify here until you got this telegram here?

A. No sir.

BY MR. MOORE:

Q. Did you volunteer to testify before the Committee?

A. Did I volunteer?

Q. Last week or any other time?

A. No sir.

BY MR. TURNER:

Q. You never got a letter of any kind from the House Committee or the Senate Committee or Mr. Gray?

A. No sir.

BY MR. EVANS:

Q. Did you ever come up prior to Tuesday, to discuss with me your appearing before the House Committee; I have no remembrance of it?

A. I remember I called you two or three weeks before the first, I am not sure when, when all this stuff I was reading in the newspapers and I thought it would be a good chance for me to get a lawyer, which I called up Mr. Evan's office in reference to getting an attorney to see whether I could get my right back.

Q. Mr. Menke, I have not been acting as your attorney in any way in this matter, have I?

A. No sir.



BY MR. TURNER:

Q. I don't think you need in any way explain that to this Committee, Mr. Evans.

MR. EVANS: I wanted to get it straight on the record.

THE WITNESS: I called to see whether Mr. Evans could take my case in reference to getting that bus line back.

BY MR. RHODES:

Q. Did you say anything to Mr. Russell at all about coming up here to testify?

A. I didn't know anything about coming up here until I got notice last night to come up here this morning.

MR. ARTHUR H. HULL: May I ask one question.

MR. EVANS: You ask me and I will tell you.

MR. HULL: Will you ask him whether or not he had complained to Mr. Gray about three weeks ago with regard to this situation.

BY MR. EVANS:

Q. Did you complain to Mr. Gray about three weeks ago in regard to this situation?

A. Of coming up here.

MR. HULL: Mr. Gray, the counsel from Philadelphia before the Senate Investigating Committee.

A. This matter of coming up here on Tuesday?

MR. HULL: Complain to Mr. Gray in regard to the action of the Public Service Commission on your certificate.

A. I was talking to Mr. Gray in his office the same day I called Mr. Evans --

MR. HULL: About three weeks ago?

THE WITNESS: The same day I was talking to Mr. Evans in his office, whether he could get my bus line back, while this case was going on in Harrisburg.

BY MR. TURNER:

Q. Then you did talk to somebody about it?

THE WITNESS: In reference to this case—not on this case against the Commission or anything, but whether he would take my case, the same as I talked to Mr. Evans, because I have so many lawyers, that I lost out in everything, and I wanted to see whether I could get a good one, and I was told by several councilmen in Philadelphia why didn't I get William Gray and I immediately went down and had a talk with him.

MR. HULL: The reason for my inquiry was this: that during the Senate investigation Mr. Gray made a request of the Public Service Commission for those very same records, and there is on file in the Commission the reply transmitting this information in response to the request, and there was a statement by Mr. Gray made to the Senate Investigation Committee with regard to the record in the nineteen cases and since it has resolved itself to a question of veracity here I think it would be enlightening to have Mr. Gray called.

MR. TURNER: If it is a question of remarks made during the Senate Investigation Committee, let us get the Senate record.

MR. HULL: I am informed by the Secretary of the Commission that he was present when this matter was discussed across the bench, if you can call it such, with the Committee.

MR. EVANS: Suppose we have Mr. Tevell take the stand.

LOUIS TEVELL sworn.

BY MR. EVANS:

Q. Mr. Tevell, you are acting Secretary of the Public Service Commission?

A. Yes sir, I am.

Q. You have heard Mr. Hull make the statement that Mr. Gray requested records in the Menke case from the Public Service Commission about three weeks ago?

A. Yes.

Q. Will you state briefly to the Committee the facts in regard to that?

A. I received a telephone call during one of the days that the Senate Committee was in session—

Q. From whom?

A. From Boyd Hamilton, and he said that Mr. Gray wanted to see me right away. I immediately went over to the Senate Caucus Room, where the hearing was being held, and of course the hearing being in progress I waited a few minutes until there was a pause in the proceedings, then I went and told

Mr. Gray who I was. I said, "I understand you want to see me, Mr. Gray," and he said, "Yes." He called me over to the bench, and I think Mr. Hart, or Mr. Hepburn, was with him, and he said he wanted the records in the chemical lime case, and he said that he had gotten a complaint from a former bus operator in Philadelphia, Menke, who said that after he had started his business, he conducted it until it was worth \$125,000, and that his rights were arbitrarily taken away from him by the Commission, and he said he wanted the records in the Menke cases.

Q. That is all you know about it?

A. That is all I know about it. I went back to the office and made a summary of the records and transmitted that summary to Mr. Gray, accompanied by a letter of transmittal. I have sent for the file, and it ought to be here in a minute or so.

MR. BENN: I am due at a conference in the Highway Department, and I do not want to trespass on the Committee's time, but there are two questions in connection with this matter that ought to be brought right out on the record.

As I understand, Mr. Menke's testimony was that he was driven out of business by this stipulation and lost a considerable amount of money. I communicated last night with two gentlemen in Philadelphia, two reputable members of the Philadelphia bar. The one was Mr. William T. Brenner, who represented the White Motor Company, and Mr. Menke when he went into business on the certificate granted upon my recommendation in 1922, had nothing. He got his equipment from the White Motor Company and gave judgments, which were never satisfied. The White Motor Company was obliged, finally, to replevin its property; he owed them something like \$76,000, and we had an informal complaint from the White Company in the records of the Commission, and when Mr. Brenner told me last night, he stated that he would verify these facts before this Committee. As the result of Menke's operation, not with property owned by Menke, but by the White Company, the White Company lost fifty some thousand dollars. Mr. Joseph T. Henderson, who was Mr. Menke's attorney, called me from Philadelphia this morning, and stated that he would verify to Mr. Evans or to the Committee, that Mr. Menke, when he represented him in the renewal of the certificate, that Mr. Menke was entirely satisfied, and not only entirely satisfied, but two of the provisions in that certificate. Mr. Menke's operation cost the Mack people a very substantial loss, so that that feature is rather out of the picture. Now—

BY MR. TURNER:

Q. What do you mean by that statement?

A. Menke did not lose any of his money, he lost the money of two motor companies, the White Company and the Mack Motor Company.

BY MR. EVANS:

Q. Do you know how much, Mr. Commissioner, Mr. Menke had paid on those debts. He advised us he had paid \$61,000 on them?

A. I don't know what Menke did. I know that Mr. Henderson told me that he had the papers to show in the White Company that Mr. Menke entirely defaulted on his payments, and Mr. Henderson called me this morning and volunteered the information. I don't know anything about the payments.

BY MR. TURNER:

Q. Did he default in these payments before this order refusing him the certificate?

A. Oh, the White Motor truck, he used the White trucks for a year or two years—whenever he was using the Mack trucks—that was two years before, because they were compelled to replevin them.

Q. Two years before when?

A. Two years before his certificate was refused.

Q. Was refused?

A. Was terminated. I do not like—

BY MR. COOKE:

Q. It is in the evidence here, Mr. Commissioner, that he was pretty prompt in his payments and they ran up into thousands of dollars?

A. I am giving you the statement of a reputable Philadelphia attorney who states that he is perfectly willing to give

that information to Mr. Evans and come here and testify before the Committee.

MR. EVANS: I cannot see that the question in regard to the payment for the White trucks is really material, and if it is material, we can easily establish the facts.

MR. TURNER: It is only material to the issue in the case in that one side having developed it, and it having been spread across the pages of the public press, it seems to me it is fair to an accredited arm of the government of the State to be given a chance to explain or answer it.

MR. RHODES: There was testimony that he has lost his equity, lost everything, lost his trucks.

MR. TURNER: Did he lose them before this certificate was taken away from him or after?

MR. BENN: I have some—

MR. EVANS: I have some more questions that I would like to ask you, if you are in a hurry to get away.

A. I have some information here, and I think it ought to be put in evidence.

Q. You will be given an opportunity to give that evidence if you will let me finish with this examination. Referring to the files in connection with the Menke cases, in Applications Nos. 14892-3-4-5-6, they were applications for the renewal of certificates containing the stipulations that have been referred to, were they not?

A. Yes.

Q. Those applications were heard by Examiner Wolfe in Philadelphia, in 1926, were they not?

A. Yes.

Q. The minutes of the Commission states: At a stated meeting of the Commission held in Harrisburg, June 1, 1926, containing the following notation, in the matter of the following applications of Wilbur F. Menke, for approval of the continued exercise of the right and privilege of operating motor vehicles as a common carrier for the transportation of persons in the places designated?

A. Yes.

Q. A-14892, designating the route; A-14893, designating the route; A-14894, designating the route; A-14895, designating the route; A-14896, designating the route, Examiner Wolfe reported that the testimony had been concluded, that protests had been filed, and he recommended that the cases be reported to Examiner Blanning for consideration in connection with the Philadelphia Rural Transit Company. On motion it was so ordered. A minute of the second meeting of the Commission, was held June 13, 1926, the application of Wilbur F. Menke for approval of the continued exercise of the right to operate motor vehicles as a common carrier for the transportation of persons in places designated (designating the same by pieces) Commissioner Benn presented a proposed Commission report granting the application to the Philadelphia Rural Transit Company with permission to inaugurate this September 1, 1926, and continue in effect the Menke service until that date, at which time they expire and become null and void. Said report was read and on motion adopted and order directed to be issued.

That correctly states what happened, does it not?

A. Yes.

REPORT AND ORDER OF COMMISSION IN APPLICATION DOCKET NUMBER 8527, produced and marked Exhibit No. 128.

BY MR. EVANS:

Q. In the report of the Public Service Commission in this matter, you have stated, Mr. Benn, that Mr. Menke assented to the insertion of this stipulation, have you not?

A. I said that his attorney assented to that, and I said that Mr. Henderson stated over the phone to me this morning that Mr. Menke approved, and was entirely agreeable upon the renewal for him to do so.

Q. And that was the only condition as announced by you, on which the certificate would be granted?

A. Well, the record speaks for itself.

Q. As a matter of fact in a similar case of Albert Neibauer in Philadelphia, did Neibauer consent to that condition?

A. Neibauer bought a certificate as I recall it, of an operator who had previously been granted a certificate upon my recommendation incidentally, in which that stipulation was on the certificate. I don't recall—I didn't conduct the hearing; I think Mr. Wolfe did; and the stipulation was inserted in that case; yes.

Q. I will read into the record the application of Philadelphia Rural Transit Company, and of Albert Neibauer, application docket No. 8527-Folder 21, 16970, 16971 and 16972, in Public Service Commission Reports, volume 8, page 756:

Neibauer claims by reason of the fact that his attorney at the time the application was made did not formally consent to insertion of such a stipulation in his certificate, that therefore the stipulation is not binding or of effect. The Commission cannot concede this claim. The stipulation was inserted in the Neibauer certificate by the Commission in the light of all the facts bearing upon public necessity and convenience, and in the light of its experience with Neibauer's predecessor and with other operators under comparable circumstances and conditions. Then the certificate was issued with the stipulation it was accepted by Neibauer and his operations were of course conducted under the condition and restrictions specified in the certificate. Stipulations, conditions and restrictions in certificates of public conveniences are inserted by the Commission not by grace or consent of certificate holders, but for reasons which in the Commission's judgment make them necessary or advisable in the public interest," and a view of that statement of the Commission, is immaterial whether or not the applicant consents to the insertion of these stipulations.

A. In my judgment, absolutely. It is not for an applicant to stipulate the terms under which he shall render public service. It is for the Commission to do so.

Q. As though your reference to Mr. Menke's consent to this was not a controlling factor in the Commission's decision?

A. No, my reference there was due to the fact that Menke's testimony, as I recall it, it appeared that there were a threatening imposition upon him, whereas it is to the contrary in matters of creditability and of veracity have risen, and the creditability of the testimony of this witness, who has been dealt with most considerably and most leniently by the Commission make it, I think, imperative on my part and on the Commission's part to allow this to go in, as far as the Commission's consideration is concerned, they know what kind of a man we have been dealing with.

BY MR. RHODES:

Q. Now when you say that we have dealt leniently with him—

A. No, I did not say that you did, I say we did.

Q. I just wanted you to feel that we are not in any way partial, because we are all desirous of getting the facts. We are not interested in personalities.

A. Certainly. I am here to give you the facts.

BY MR. COOKE:

Q. Before you take up this question, will you enlighten me on this; apparently, reading this letter, dated in 1925, there is a great deal of importance attached to the fact that the city in 1927, I think that is the date, is to take over the property by the payment of certain sums?

A. Yes sir.

Q. And that, therefore, it is against the public interest that commitments shall be created which will interfere with the early purchase of these properties at that time; is that right?

A. Yes sir; that is one reason, and the law further states that the—

Q. But that reason is rather stressed?

A. Yes sir; in the recapture clause.

Q. These licenses or permits, whatever you call them—

A. Certificates.

Q. Certificates for a limited period, some for two years and some for five years.

A. The original certificate goes for two years, and all certificates formerly were limited to two years. Now, an initial certificate is for two years and a renewal for five years.

Q. So that in 1927, Menke or Smith or Jones might have a dozen of these certificates, but they would not offer an obstacle or handicap to the city at that time?

A. No. As a matter of fact, under the law, there is no franchise value to these certificates. This certificate owner or any certificate holder has not got a right—

Q. What is going to happen in 1927, A certificate holder or any other certificate holder has not a right to—

A. What is going to happen in 1927 is very much stressed in that letter but I do not think that it is relevant.



BY MR. COOKE:

Q. The Commission does not run the affairs of the city of Philadelphia or dictate the policies of its laws department, nor did we write the 1907 contract. However, this Committee has heard a lot about Home rule and the operation of the Public Service Law as to what has been done to this and that municipality and borough.

Q. As a matter of fact, you would not act for or against one of these contracts—

A. No; I think it is sound policy, whenever the Commission can follow it, to officially outline and designate the policy of any of the municipalities or any municipal sub-division of the State of Pennsylvania, it should do so.

Q. But that was the opinion of individuals; there was no councilmanic action in support of this?

A. No.

Q. It seems to be that you are governed—

A. Well, there was a law. I have no desire at all. I would not have said anything if the question of veracity had not been raised; it goes to the creditability—a communication of March 22, 1929, from the mother and father of a twelve-year-old girl who was arrested on a criminal charge which was called to the attention of us and is in the records of the Commission—

MR. RHODES: I think from the standpoint of myself that we ought to know as a Committee, the contents of that allegation or charge before we let it become public through this Committee, because it is in itself irrelevant as to what this moral character may be, to a certain degree, and although I am not prejudicing what your testimony is going to disclose, I still feel that before that kind of a proposition goes out of this Committee, you ought to submit it to the Committee, and we can look at it.

THE WITNESS: Very well. Mr. Evans has called for the records of the Commission in consideration to the little girl and her parents.—

MR. TURNER: Let us see what the record is. If it goes to the veracity of this man, because we are dealing with veracity, then I think it ought to go in, if it is not raising the question of veracity—

THE WITNESS: Very well.

(Discussion off the record.)

THE WITNESS: Mr. Chairman, I withdraw the offer.

THE CHAIRMAN: All right.

MR. EVANS: If the Committee, please, in order to clarify the situation I would like to make a statement of this situation as I understand it, and have Commissioner Benn correct me if am wrong:

Menke was granted a certificate by the Public Service Commission in 1922 and the following years, in which the Commission inserted the stipulation that if and when the Philadelphia Rapid Transit Company or any of its subsidiaries are furnishing service in the territory serviced by Menke's lines, that his certificate would be revoked; that Menke operated under those certificates until 1926 and built up those lines; and that in 1926 he applied for a renewal of the certificates and at the same time the Philadelphia Rapid Transit Company applied to the Commission for certificates for the same or very closely identical routes; that the Commission, in view of the stipulation in Menke's certificate refused the renewal of his certificates and granted these routes to the Philadelphia Rapid Transit Company, and that by reason of that Menke lost his business and his buses.

BY MR. EVANS:

Q. Is that substantially a correct statement?

A. That is substantially a correct statement. I don't go along with the conclusion, for the reasons which I have previously testified, but as a narrative of the facts in the case, I am entirely agreeable to have it go upon the record.

Q. By the "conclusion" you mean in regard to the loss of his business?

A. Yes.

BY THE CHAIRMAN:

Q. He lost whatever equity he had in that business?

A. I have no doubt, if he had any equity; he lost it, yes sir.

MR. EVANS: I have some more questions that I want to ask Commissioner Benn, but in view of the fact that he has important engagements now, and the Committee wants to adjourn for lunch, I will be glad to hear him later.

THE WITNESS: If the Committee can persuade counsel to let me know sufficiently in advance, so that I can arrange the Commission hearings to which I am assigned, I will be very much obliged.

(Discussion off the record.)

THE CHAIRMAN: We will take a recess now until 2.30 o'clock P. M.

#### AFTER RECESS

The Committee was called to order and resumed its deliberations at 2.50 o'clock P. M.

MR. MOORE: Mr. Evans, Mr. Cooke has a statement here which I think ought to be offered in the record.

MR. COOKE: This is a classic definition of "net investment" as used in the Federal Water Power Code of June 10, 1920, and is the starting point for anybody who is going to consider a rate basis in this case. I will not read it, but it can be copied into the record.

"The following is an excerpt from the Federal Water Power Act of June 10, 1920:

"'Net investment' in a project means the actual legitimate original cost thereof as defined and interpreted in the 'classification of investment in road and equipment of steam roads, issue of 1914, Interstate Commerce Commission,' plus similar costs of additions thereto and betterments thereof, minus the sum of the following items properly allocated thereto, if and to the extent that such items have been accumulated during the period of the license from earnings in excess of a fair return on such investment: (a) Unappropriated surplus, (b) aggregate credit balances of current depreciation accounts, and (c) aggregate appropriations of surplus or income held in amortization, sinking fund, or similar reserves, or expended for additions or betterments or used for the purposes for which such reserves were created. The term 'cost' shall include, in so far as applicable the elements thereof prescribed in said classification, but shall not include expenditures from funds obtained through donations by States, municipalities, individuals, or others, and said classification of investment of the Interstate Commerce Commission shall in so far as applicable be published and promulgated as a part of the rules and regulations of the Commission."

MR. MOORE: I think in view of the testimony of yesterday and last night that the financial manipulations of the Hanover-McSherrystown Water Company and the Gettysburg Water Company, that these manipulations, as disclosed by the testimony, while differing in methods and purposes, show a very loose method; and I think it is in the province of this Committee to call the attention of the Attorney General's office to these facts for such action as he may deem proper in this situation.

MR. TURNER: I think that is entirely correct. I thought you were going to get that this morning, Mr. Evans. Don't the Security Bureau have anything to do with the issuance of securities?

MR. EVANS: We would have asked Mr. Leitch in regard to that if Commissioner Benn had not been anxious to get away.

MR. TURNER: In my understanding of the law, I cannot quite see why they should not have had some control over the issuance of these securities.

MR. EVANS: As I understand the situation, they, in a case of public utility securities, call the Commission, and if the Commission have approved the issue, the Bureau of Securities does not go any further.

MR. TURNER: Well, I think we should fix the responsibility.

MR. EVANS: I think probably between the two agencies the thing has not been properly supervised.

T. J. KEADY sworn.

BY MR. EVANS:

Q. Where do you live, Mr. Keady?

A. In Westfield, Allegheny County.

Q. What is your occupation?

A. Certified Public Accountant.

Q. What has been your experience as an accountant?

A. Eight years of public accounting experience and my public utility experience consists of working on an audit of the Beaver Valley Water Company in connection with a

stock issue some years ago, and the American Fuel and Power Company audit, and several investigations in connection with a bond issue of a holding company and bond issues of the subsidiaries, the principal subsidiaries being the Inland Gas Corporation and the Kentucky Fuel and Gas Corporation, with headquarters at Ashland, Kentucky. I have worked on several investment audits including the sale of the Freeport Water Water Company. These had principally to do with the verification of these companies income. I worked on several annual audits of the Fayette City Water Company. I have done considerable auditing in various departments of this State, having had charge of various divisions of audit of the Treasury Department and the Highway Department, the State Workmen's Insurance Fund, and numerous State institutions throughout the State.

Q. And you have been employed in the research bureau for this Committee?

A. Yes sir.

Q. Have you in connection with your work for the Committee made examination of the financial structure of the Pennsylvania and the Federal Water Service Companies?

A. Yes sir.

Q. These are the companies, if I remember correctly, that control the Chester Water Company and the Scranton-Spring Brook Water Company?

A. Yes sir.

Q. Will you state what the situation was as it existed in the summer of 1927 and explain to the committee what initial steps were then taken which were the subject of action by the Public Service Commission in regard to their finances?

A. In the Public Service Commission's decisions, Volume No. 8, page 700 to 715, there is recorded a decision on December 13, 1927, which refers to the application of the Pennsylvania Water Service Company and the underlying water companies for permission to sell their property and franchises to the Pennsylvania Water Service Company, and these companies were the Citizens Water Company, the Clymer Water Company of Indiana, the Jersey Shore Water Company, and the Clear Springs Water Company, and the following additional information is set out in this decision:

"The Federal Water Service Corporation, a holding company of the State of Delaware, in addition to having acquired the entire stock of the Pennsylvania Water Service Company and their four operating companies, has also acquired control of the Spring Brook Water Supply Company, which supplies the city of Wilkes-Barre and vicinity, and the Ohio Valley Water Company serving the suburban district of the city of Pittsburgh, and the New Chester Water Company, it being the intention to merge the three last named companies with the Pennsylvania Water Service Company at a later date."

The Pennsylvania Water Service Company had, under date of August 1, 1927, issued \$9,200,000 worth of bonds and 60,000 shares of preferred stock. The properties covered by these securities are the properties mentioned in the decision referred to. Inasmuch as the Public Service Commission refused to approve the application, other means had to be provided.

Q. This decision which you have just referred to is a decision of the Public Service Commission refusing to receive the certificates of notification?

A. They refused the merger application.

Q. What reasons did the Commission give for its disapproval?

A. It cited several reasons, in summary form, using the exact wording:

"The Commission upon petition refuses to approve the purchase of capital stock and all the property and franchises of a number of water companies for the applicants were widely separated utilities and the financial plan would place their plant under one blanket mortgage, would greatly increase such charges and decrease the investment of a holder of common stock and seemed chiefly to be based upon prices paid for the stocks and upon reproduction cost new depreciated estimates, which are not accessible as estimates of values without considerable check, comparison and revision by the Commission."

Q. What happened next?

A. At this point I want to introduce that photostat, showing the cost of the various properties acquired by Federal Water Service Corporation, which you will note is the holding company mentioned in the Commission's decision.

Q. And these photostats, as I understand it, Mr. Keady, are photostatic copies of a part of the data submitted this

morning by the Securities Bureau under subpoena, and introduced here as Exhibit No. 127?

A. Yes, sir.

MR. TURNER: Has this a number?

MR. EVANS: That is a part of Exhibit No. 127. It is not a complete exhibit.

BY MR. EVANS:

Q. Now, speaking of this photostat, which is a part of Exhibit 127, will you explain it to the Committee?

A. This exhibit represents the cost to the Federal Water Service Company their cost of acquiring these various properties, and at this point—there is a foot note on there in respect to the investigation of Jersey Shore, it can be disregarded because of the fact that the annual report of this company shows—that in the annual report? This preferred stock as shown in the photostat, and the other footnote—

Q. In other words, you mean that on page 1 the cost of retiring the preferred stock of the Jersey Shore was shown to be \$126,035?

A. Yes, sir.

Q. Right.

A. The other footnote or explanation, namely, a further reduction in the investment of the Federal Water Company should there be disregarded as the Commission's decision mentioned a complete reorganization and refinancing, and therefore, no further bonds or preferred stock of this company were sold.

Q. In other words, am I correct in understanding after that the Commission refused to approve the merger of these various companies?

A. The Pennsylvania Water Service Company, Inc., the securities of that company were issued.

Q. Will you go ahead and take up the matter to which you wish to refer?

A. The first company we will discuss is the Clear Springs Water Company of Catasauqua, Pennsylvania, serving the following territory: Catasauqua Borough, Northampton County; Coply Borough, and White Hall Township.

Q. What part of the State is that in; do you know?

A. I don't know.

MR. COOKE: Lehigh and Northampton Counties.

THE WITNESS: The reorganization of this company took place on March 15, 1928. The plant, as covered by the following journal entries; this is a copy of the journal entries charged to the certificate of notification covering the securities issued for this reorganization and filed with the Public Service Commission.

Q. And in order that we may have a perfectly clear understanding of this, am I correct in understanding that all of your testimony is based on data with the Public Service Commission or with the Securities Bureau of the Commonwealth?

A. Yes.

Q. I show you a paper headed, "Pennsylvania Water Service Transactions," Clear Springs Water Company journal entries, and ask you whether that is the paper to which you refer?

A. Yes, it is.

Q. And that was prepared by you or under your direction?

A. Yes, sir.

MR. EVANS: I offer this as Exhibit No. 129.

(Paper in question so marked.)

BY MR. EVANS:

Q. Will you explain this exhibit to the Committee?

A. The first entry covers the right of a plant and property account. This is the fixed capital; or the explanation of this entry immediately below it, you will note that it brings the plant and property account and reserve for depreciation in agreement with an appraisal dated January 1, 1927, and based on reproduction cost new.

The annual report of this company shows that the fixed capital account less depreciation is \$400,949.87. Now, this figure does not agree with the amount shown in the journal entry, and subsequent judgment have apparently been made on the books of the company. Now, the purpose of this entry is very apparent when you consider the next entry; that is, the sale of \$650,000 in bonds.

In order to float this bond issue—

Q. Just before you take that up, that was the book value of the property and plant account prior to the writeup?



(No answer.)

MR. TURNER: This was an issuance of securities of which the Commission had jurisdiction?

MR. EVANS: So far as the Clear Spring Water Company is concerned, Mr. Turner, I think the Commission does have jurisdiction. I think the Pennsylvania Water Service Company is a holding company.

MR. TURNER: I wanted to know whether the Commission had jurisdiction or not.

BY MR. EVANS:

Q. Was this an issue of securities by the Clear Spring Water Service Company or by the Pennsylvania Water Service Company?

A. No; this was by the Clear Springs Water Service Company. Fixed capital assets net of depreciation, these figures are as of December 31st, 1928. This refinancing was in March, 1928. Of course, the annual reports of the company show only at the beginning and the end of the year. So, the fixed capital assets net of depreciation as of December 31st, 1928, including the writeup was \$1,064,513.38.

Now, the net writeup was \$400,949.86. In other words, the fixed capital assets net of depreciation, exclusive of writeup, was \$663,563.52.

Q. Proceed. I interrupted you?

A. In order to float this bond issue of fixed assets, on which the agreement was based, it had to be increased in order to provide sufficient money for the company. Of course, this is where the reproduction comes in handy. The appraisal was made, and the books were written up, and the bonds were sold to a bank.

BY MR. COOKE:

Q. Who made the appraisal? Is that on there?

A. I don't have any knowledge of that. The company received \$585,000 in cash, according to the entry, that is, Entry No. 2, and this same information is shown in their annual report for 1928 to the Public Service Commission.

Now, the next entry, No. 3, covers the exchange of the old common stock of 5,812 shares of stock having a par value of \$50 per share, or a total par value \$290,600. That was exchanged for 2,200 of no-par value preferred stock, having a stated value of \$220,000, and 15,950 shares of no-par value common stock having a stated value \$638,000.

This transaction resulted in a charge against the surplus of \$547,600 and against a discount in preferred stock of \$19,800.

Q. And those are shown under the Item on Exhibit 129?

A. Yes. Preferred stock was exchanged on the basis of \$91 and there, as previously pointed out, the stated value was \$100 per share. Now the next and most important step in this reorganization as shown in General Entry No. 4, in which 13,750 shares of the new common stock was retired on the same day it was issued for \$550,000 in cash. This entry means that practically all of the cash received from the bond issue was paid to the Federal Water Service Corporation, the holders of the old common stock, which was exchanged for new preferred and new common.

BY MR. TURNER:

Q. I would like to have just a little explanation on that. I tried to follow your figures pretty closely.

(No answer.)

BY MR. EVANS:

Q. What were the proceeds of the bond issue?

A. The proceeds of the bond issue were \$585,000.

Q. And of this amount \$550,000 was used to retire—

A. The common stock.

Q. The common stock?

A. The holder of the common stock was the Federal Water Service Corporation.

Q. But the Federal Water Service Corporation was still left with some common stock, was it not?

A. Yes, they retired—they still have 100% control. In other words, they still have all of the outstanding common stock, but this number of shares or 13,750 shares, was the original issue or the issue upon the exchange of 15,950 shares.

Q. Now, they retired 13,750 shares, and they still have all of the common stock, and their control is still 100%, and yet there is \$550,000 in cash going to the former holder of this stock.

(Discussion off the record.)

THE WITNESS: Now, the purpose of the bond issue is shown in the certificate of notification filed with the Public Service Commission as follows:

"To provide cash for the corporate purposes of the company." Of course out of that explanation is not very specific, in that it fails to point which company is to be benefited.

BY MR. TURNER:

Q. Or what the corporate purpose was?

A. Yes. And what actually took place, and interpreted as being a benefit to the Clear Springs Water Service Company.

Q. In other words, in the end that company got no new capital at all?

A. No sir. There is a difference there of \$35,000, of course the cash received from the bond issue was \$858,000, and they get \$550,000.

BY MR. EVANS:

Q. What happened to the \$35,000?

A. The annual report shows that \$25,000 in bonds—No; \$25,000 in bonds, \$109,085 reacquired in preferred stock, so apparently this money was used to purchase these bonds and preferred stock.

BY MR. RHODES:

Q. Do you know who bought the bonds at the discount of \$65,000?

A. G. L. Orstrom handles all the financial transactions of the Federal Water Service Corporation.

Q. Does the record show which company handled this transaction of \$65,000, or did you just assume it?

A. I couldn't say that without looking it up.

Q. They are the bankers for the Federal Water Service Corporation, is that correct?

A. They are the bankers for the Federal Water Service Corporation.

Q. So that the deduction would be that they handled these bonds?

A. In fact the Tri-Utilities is still higher up. They control the Federal Water Service Company, and this G. L. Orstrom is one of the officers of the Tri-Utilities.

Q. Who controls the Tri-Utilities?

A. I haven't gone back to that.

BY MR. EVANS:

Q. If you later find any definite evidence as to how these securities were sold, will you present them to the Committee?

A. Yes sir. And now, the total investment of the Federal Water Service Corporation in stocks and bonds of this company prior to the refinancing, is shown on the photostat; capital stock, \$456,242, bonds, \$115,439.75 or a total of \$571,681.75.

BY MR. TURNER:

Q. They got back \$550,000 and still have the same common stock?

A. Yes sir. In other words to get the control of this company the Federal had to pay \$571,681.75. The bonds have been retired in 1927, their investment in common stock is \$571,681.75.

As previously pointed out Federal received the following as a result of the refinancing: Cash: \$550,000; Preferred Stock, \$220,000; Common Stock, \$886,000; or a total of \$858,000. Federal deducted from that \$571,681.75, leaving a profit of \$286,318.25. And now, that there was \$88,000 left in the company; that is the stated value of the common stock and they took out in excess of the original investment \$198,318.25.

BY MR. EVANS:

Q. Was the preferred stock sold to the public?

A. Yes sir; the preferred stock was disposed of, and it was disposed of at a discount through the bankers of \$19,800. And now, of course, the bankers would pass this on to the public at about par. This discount would reduce the Federal's profit because they got \$19,800 less from the bankers than the figure read there, but that would leave them a profit of \$178,513.25.

BY MR. RHODES:

Q. Now that profit is in cash?

A. Yes sir; that is over and above their original investment.

BY MR. EVANS:

Q. And they had \$88,000 the stated value of the common stock besides?

A. Yes sir.

Q. Which was all of the outstanding common stock of the company?

A. Now, it must be remembered that Federal's original investments as made to secure control of this company, at prohibited prices are not unusual in a case of that kind, and the common stockholders would naturally get top prices for their holdings, and values including reproduction cost, new, are not considered when such deals are arranged.

BY MR. TURNER:

Q. What was the value of the reproduction cost, new here.

A. I don't know what the value of the appraisal is, but the write-up—

Q. I thought you said you had an appraisal there?

A. No; I just have the original entry, bringing the appraisal into agreement with the books, which necessitated a write-up of \$400,000.

Q. What is the result of this, so far as the public is concerned?

A. It looks to me as though they are holding the bag. That they not only enabled Federal to get their money, but also a very large profit. The public money is running the company, and they have nothing whatever to say about the management or the policies of the company, as the common stock which represents 9.19% of the capital structure of this company has a full voting, dictatorial power, and control of this company.

Now, the value of this common stock, which has a stated value of only \$88,000, is more clearly shown by subsequent declarations of dividends.

In 1928 the dividends amounted to \$24,500; in 1929, \$15,000; or a total of \$39,500.

Q. These are dividends on the common stock?

A. On the common stock. The bondholders got five per cent. on their investment the preferred stockholder six per cent. whereas the common stockholders got 27.8% in 1928 and 17.4% in 1929.

Q. What were the reasons, just refresh my mind, that the Commission gave for its refusal of the merger?

A. "The Commission upon petition refused to approve."

Q. What was the capital structure of this company before and after the refinancing?

(No answer).

BY MR. TURNER:

Q. After this was refused, what did they do then?

A. No sir, this was not refused. The original purchase of these various companies by Penna. Water Service Corporation was refused in September, 1927, and one of the reasons given was that there was a mortgage placed over non-contiguous properties, and that is the only reason, and they have eliminated in subsequent—

Q. Then the holding company came along and stepped into the picture?

A. The holding company was already in the picture but the first deal didn't get across.

BY MR. EVANS:

Q. So that the Company following the proceedings which you have just outlined, and just to summarize that, what was the capital structure of this Company, the Clear Springs Water Service Company, before the refinancing as compared with the refinancing?

A. Before the refinancing, the common stockholders had one hundred per cent. Their equity represented 100% on all the money that was in the company.

Q. How much was the par value of that stock?

A. The par value of that stock was \$290,600.

Q. There was no preferred stock and no bonds?

A. The bonds were retired in 1927, and then after the refinancing, what was the situation?

Q. And then after the refinancing, the bonds amounted to \$650,000, which represented 67.85% of the total structure; the preferred stock \$220,000, or 22.96% of the total structure; and the common \$88,000, or 9.19% of the total structure.

Q. And that made the total capital including bonds and stock how much?

A. \$958,000.

Q. As far as this company is concerned, as I understand it, it has accomplished all of the things which the Commission gave as its reasons for refusing the merger with the exception of the blanket mortgage through non-contiguous properties?

A. Yes sir.

Q. Do these facts all appear on the records of the Commission?

A. All but the Federal's investment as shown on that photostat, the cost of acquiring the properties.

Q. You mean the photostat copy, the part of the data furnished by the Securities Bureau?

A. Yes sir.

Q. Can you explain why the Commission should not have taken some action in regard to the refinancing if it was going to disapprove the original mortgage?

A. All the reasons are shown. It is a complete reversal of everything that they already had on record of being against in the original line-up, but everything that was in that original line-up is still in there with the exception of that mortgage.

BY MR. COOKE:

Q. Did they make any reply at all on this excellent application or certificate of notification?

A. According to this certificate of notification, it went through in the regular way of procedure.

BY MR. MEMOLO:

Q. This refinancing was carried out, was it?

A. It apparently was. It is true. The bonds and everything were issued. That was in 1928 and they are still outstanding.

BY MR. EVANS:

Q. Now is there anything more you wish to say about the Clear Springs Water Company?

A. No sir.

Q. What is the next company you want to take up?

A. The Chester Water Service.

Q. This is a company that operates in Chester, Pennsylvania?

A. Yes sir.

Q. Tell us about the Chester Water Company? What territory does it serve outside of Chester?

A. It serves the borough of Upland, the borough of Trainor, the borough of Clarksides, Marcus Hook, the townships of Lower Chester and Lower Ashland, and the township of Nether Providence, and the township of Chester.

Q. Now, have you an exhibit of the journal entries of this company?

A. Yes sir.

MR. EVANS: This is offered in evidence as Exhibit No. 130.

BY MR. EVANS:

Q. Now Mr. Keady, will you briefly explain this exhibit to the Committee?

A. This is practically the same procedure, journal entry No. 1 refers and will show the write-up and the actual amount according to the annual report for 1928 was \$1,514,508.71.

Q. Now, what was the fixed capital exclusive of this write-up?

A. The fixed capital at December 31st, 1928, amounted to \$380,533.76.

BY MR. TURNER:

Q. Are you talking from this exhibit?

A. These journal entries were prepared subsequent to the actual refinancing to support the financial end of it, and as an explanation of what happened, they are filed with the Public Service Commission. The figure I am quoting here is the actual write-up shown by the annual report of this company for 1928, that is \$1,514,508.71.

BY MR. COOKE:

Q. You don't mean the write-up is that much?

A. Yes sir, the write-up is \$1,514,508.71.

BY MR. EVANS:

Q. Wouldn't the fixed capital, exclusive of this write-up, have been sufficient to cover the three-million-dollar issue of bonds that I see listed on the Journal entry?



A. The fixed capital account amounted to \$3,805,333.76. Now, according to these journal entries and the annual report of this company, there was \$3,000,000 in bonds and \$1,200,000 in preferred stock issues. Therefore it was absolutely necessary to have this appraisal in order to get these bonds across.

Q. Now, what does Item 2 on this journal entry indicate?

A. This represents the sale of the bonds to the bankers, and according to this entry the bankers had a margin of \$300,000 profit to work on in the disposal of this issue. The Company has still that \$3,000,000 for which they have to pay out 4% annually, in other words, the bonds that were sold to the banks at 90.

Q. What is item No. 3?

A. That covers the exchange of all the old common for new common and preferred stock. All the preferred stock is 5½% dollars cumulative and here again is \$1,200,000 of indebtedness of which this company has to earn 5½% per annum. This stock was issued on the basis of 98.50. The set value was \$100 per share, so the total discount was \$126,000. In certificate of notification there was an ad in the Public Ledger of Philadelphia of March 16, 1928 that showed this preferred stock was offered to the public at \$98 a share, a great advance. The bankers apparently secured this stock from the company at 89.50, and received \$102,000 less their expenses for disposing of the issue.

Q. You don't know at what price the bonds were issued to the public, do you?

A. No. The records didn't show anything on it.

Q. What does entry 4 indicate?

A. Entry 4 shows that the cash \$2,700,000, being paid in. Item 3 indicates that they received 552,000 shares, and on the same day 540,000 shares were retired, taking this \$2,700,000 which was received when the bonds were disposed of to the bankers.

Q. Now, what was the purpose of this bond issue in the certificate of notification?

A. It is the same as in the preceding company to provide cash for corporate purposes and restricted therein, "See Journal Entry." I think these entries are very clear and point out very clearly that the Public Service Commission in this certificate of notification but I fail to see where anybody benefited but the bankers and the Federal Water Service Corporation.

Q. So after this transaction it would seem that the Federal Water Service Corporation had 100% of the stock consisting of 1,200,000 shares, but how much did it have in the property?

A. Their investment according to the photostat—they owned all the common stock, \$1,804,500; bonds, \$2,727,999.43.

Notes, \$80,000, making a total of \$4,612,499.43.

Q. Now, the total par value of the common stock was—

A. \$1,125,000, and the bonds, \$2,600,000, and the notes \$80,000; a total of \$3,805,000.

Q. I thought the par value of the bonds was \$3,000,000?

A. This is the old bonds that were retired in 1927 in order to clear the deck for the new bond issue.

BY MR. TURNER:

Q. Where did they get the money to retire the old bonds?

A. That was part of their cost. They had to buy the bonds to retire them. The bonds were retired and the notes were retired in order to clear the property of lien, in order to issue the new bonds and preferred stock.

Q. Now, the common stock was—

A. \$1,212,499.43 on a net value of \$1,074,000, the net cash value received by the Federal interests, and in this reorganization, the net cash was \$3,774,000.

Q. Did the common stock have any stated value?

A. The common stock had a stated value of \$100 a share.

Q. And you have not included that in what the Federal received, they left that money in the company, that was Federal investment?

A. The Federal's Investment was \$112,499.43.

Q. And the net cash value received in the reorganization?

A. \$3,774,000.

Q. And the net investment after the reorganization was—

A. \$880,499.43. Now this investment represents what they paid for the common stock, which has a stated value of \$60,000 on the books of the company.

BY MR. COOKE:

Q. Now over what period of time does it take to make this transformation; Is it a matter of days or months?

A. Well, the certificates of notification and these appraisals, of course I don't know how long the company took in making these appraisals. I mean how long out of the money they put into this.

Q. Is it kept in there for weeks?

A. The notes on the photostat they had \$23,000,000 invested there. You will also notice that the bonds of the Pennsylvania Water Service Corporation of \$9,200,000 were sold and that sale took place in September of 1927, and also they sold the preferred to the total par value of \$15,000,000, which they received \$15,369,000 from the sales of these securities and this to the Federal according to that photostat copy. That reduced the investment in the Pennsylvania Service Corporation which was the original set-up and which had been approved by the Commission.

Q. Was that their own investment in that being about \$7,500,000?

A. That is \$9,511,000 and some odd dollars.

Q. Did they actually have that much money?

A. No, indeed not. After this transaction in the original group or what they call non-contiguous property that is exclusive of the Spring Brook Water Supply Company which is also on there for some fifteen million dollars, that left their own investment in these properties \$8,000,000. As a result of all these transactions they cut that down to something over a million dollars that is taking all the company.

Q. Now what dividends were paid on the common stock of the Chester Company during 1928, 1929.

A. In 1928, they got \$180,000 and in 1929, they got \$150,000, or a total of \$335,000.

Q. What was the percentage of return on the stated capital or investment?

A. On the stated valuation in 1928 the return was 300%; on the stated value of \$60,000. And in 1929, the return was 258.33%. Of course this stated value does not represent what is actually invested in the company, because they have an investment by their refinancing of \$888,499.43. Now, the return of this investment for 1928 is 21.43% and for 1929 is 18.48%.

Q. Now in the case of the Chester Water Company what was the capital structure before and after the refinancing, and the reorganization sale of the water company was 100%. All of their money was tied up in it and represented 100% of the capital structure.

Q. What was the net common stock after the retirement of the bonds?

BY MR. TURNER:

Q. What did that total?

A. This is the common stock at par value, it was \$1,725,000. That cost them \$4,612,499.43.

BY MR. EVANS:

Q. That is including the bonds?

A. Yes sir. Now, the bonds after the refinancing was \$3,000,000.00 or 70.42 per cent. of the total structure. The preferred stock was \$1,200,000.00 or 28.17 per cent. and the common stock was \$60,000.00 or 1.41 per cent.

Q. And the holders of the common stock entirely control the company?

A. Yes sir.

Q. And once more, as you expressed it, "the public is holding the bag?" Take up the Pittsburgh Suburban Water Company next. Where does this company operate, Mr. Keady?

A. This company was formerly the Ohio Valley Water Company and operated in Bellevue and Avalon, Benavon, Emsworth, Westfield, McKees Rocks Boroughs, Ross Township, Stowe Township and part of the City of Pittsburgh.

Q. Now, have you prepared a copy of the journal entries of this company?

A. Yes sir.

(Exhibit No. 131 offered, being copy of journal entries in the Pittsburgh Suburban Water Company (formerly the Ohio Valley Water Company).)

BY MR. EVANS:

Q. Will you explain this to the Committee, Mr. Keady?

A. Well, before we take up the journal entries I want to state in connection with these journal entries that number 6 and number 7 are rather separated from the rest and they were put on to cover additional bonds that were issued subsequent to this refinancing. In other words, there are some other

transactions that I think are pertinent and I want to be understood they are not in the certificates of notification following the original refinancing. They were taken from the annual reports of the company.

Q. With that exception, Mr. Keady, as I understand it, these journal entries that have been offered in evidence are taken from the certificates of notification filed with the Commission?

A. These journal entries are submitted with the certificates of notification and are on file with the Public Service Commission.

Q. Will you go ahead with the explanation of these?

A. These entries show that practically the same procedure was followed as with the other companies with the exception that this company had a \$1,000,000.00 bond issue dated January 1st, 1904, and maturing January 1st, 1954, which was not retired.

Q. Where does that appear?

A. That does not appear on these journal entries. You will also note that the Federal Company does not buy the bonds of this company. In other words, the bonds are still outstanding. They were not retired as in the other companies. Now, entries number 2 and number 6 cover new issues totaling \$872,000.00, for which, according to the reports of the company, they received \$839,080.00 in cash.

Q. How much was the write-up in the case of this company?

A. The write-up in the case of the Pittsburgh Suburban Water Service Company was \$400,107.50.

Q. Now according to entry No. 5, the Federal Water Service Corporation received \$630,000 of this cash as shown in No. 4 and No. 7 and \$170,260 was used to reacquire bonds of the 1904 issue?

A. Yes sir, they were the value of \$172,000. Now as a result of these transactions this company's surplus was reduced from \$232,182.59 to \$41,299.47 as of December 31, 1928. The first figure as of January 1, 1928.

Q. What was the Federal investment in the common stock here?

A. The Federal investment amounted to \$482,273.03. That appears on the photostat which is part of the Exhibit No. 127. This stock at par value amounted to \$999,800. Now the surplus of the company as of January 1, 1928, amounted to \$252,182.59. Therefore the common stock had a book value of \$1,231,982.59 and the premium paid thereon amounted to \$250,290. This premium was readily taken care of as the Federal Company received the following: Cash, \$630,000, Preferred stock, \$500,000, less the discount of the preferred stock of \$52,500, or a net for the preferred stock of \$447,500, making a total value secured the reorganization of \$1,077,500.

Q. Mr. Keady, did the Federal Company get this \$630,000 in cash for the proceeds of the bond sale?

A. Yes.

Q. Then what did the Federal Company have up on this?

A. They secured the common stock having a set value of \$525,000 and the taking of the cash value and securing cash received in the reorganization from their original investment this common stock cost them \$404,773 which is all the money they have invested in the company.

Q. What dividends were paid in 1928 and 1929 on this stock?

A. The dividends paid in 1928 and 1929, in 1928 they paid \$46,000, in 1929 they paid \$57,500, making a total of \$103,500. This represents a return of 11.36% on their investment for 1928, and 13.21% of a return on their investment for 1929, or a total of 25.57% for the two years. Of course, the bondholders get the usual 5% on the preferred stockholders.

Q. What was the capital structure of this company?

A. Before refinancing the bondholders had 50.1 of the common structure of the common stockholders, the Federal Company had 49.9. After refinancing the funds were increased to \$1,872,000 or 64.62% of the new structure, and the preferred stockholders were \$500,000 or 17.26% of the new structure and the common stockholders \$525,000 or 18.12% of the new structure.

Q. What, after all, was the investment of the Federal company?

A. The Federal investment originally was \$1,482,273 and it was reduced to \$404,773.03, but they still maintain complete control and the public supplying the difference of \$1,077,500.

Q. Now, in all of these cases, Mr. Keady, the returns to the public investors in these securities are fixed?

A. They are either 5% interest on bonds or 5½ on preferred dividends, and some are 6% preferred.

Q. In any event they are fixed, whereas the returns to the Federal Water Service Corporation, as the holder of the common stock are the high returns you have mentioned in these cases, totaling 25.57% in the years 1928 and 1929?

A. Yes sir.

Q. Now, do these increases in book values represent any additional burden on the consumers?

A. Yes sir, the cost of any bonds and the cost of refinancing is one of the elements considered in appraisals made for rate purposes.

Q. Did the company benefit in any way by the refinancing?

A. It did not benefit the company, but it did benefit the common stock holder, namely the Federal Water Service Corporation, and the bankers involved, but in reality it works a hardship on the company on account of the additional interest paid on the investments now in the hands of the public.

Q. The common stock interest is very much reduced in percentage, is it not?

A. Yes, sir.

Q. Will you take up the Citizens Water Service Company and the Morris Water Service Company cases?

A. Yes, sir.

Q. Have you prepared a statement of the journal entries as shown in the certificate of notification of the Citizens Water Company and the Morris Water Company?

A. Yes, sir.

MR. EVANS: I offer in evidence this statement as Exhibit No. 132.

BY MR. EVANS:

Q. Will you explain this, Mr. Keady, to the Committee?

A. The Citizens Water Service Company and the Morris Company will be discussed together, as the Citizens Water Company own all the stock of the Morris Water Company, and the water sold by the Morris Water Company is purchased from the Citizens Water Service Company. The Morris Water Company serves the following territory: Morrisdale and Hawk Run; and the Citizens Water Service Company serves the town of Philipsburg. Now the Morris Water Company was not refinanced although the fixed capital, not the depreciation, was written up during 1928 \$38,884. The fixed capital assets, exclusive, amounted to only \$22,506.16 on December 31st, 1928. Now, these journal entries covering the refinancing and the reorganization are taken from the certificates of notification to the Public Service Commission. The writeup of the Citizens was \$232,485.11. Now, the bonds covered by Entry No. 2 were not issued according to a letter on file with the certificate of notification, after the issuance of new common and new preferred stock, and also the annual report of 1928, that does not show this issue, therefore, this entry must be eliminated from consideration, but the exchange of the old common for the new common and preferred took place as outlined in the Entry No. 3. Entry No. 4 covering the reduction of 646 shares of new common stock for \$23,479 in cash, therefore, will require further explanation, inasmuch as this cash was to be received from the bond issue shown in journal Entry No. 2, which bonds were not issued. Now the balance sheet of this company at January 1st, 1927, shows an investment of \$20,000 representing the entire outstanding stock of the Morris Water Company. This stock was purchased from the Citizens Water Company for \$20,000 and dividends passed amount to \$6,058.93, and the company also carried reacquired bonds at that date of \$10,000, making a total of \$36,058.93. These assets were not shown at the end of 1927, but in accounts receivable for affiliated companies the amount of \$38,073.03 was shown on December 31, 1927. In other words, the comparison of these two balance sheets indicated that the Federal had these transactions charged on their accounts during 1928 when the reorganization took place and the original intention of issuing bonds was abandoned and bonds in the amount of \$26,300 were acquired and \$23,729 was charged to capital surplus as evidenced by the company's annual report and the credit on the other side of this case evidently was made to the affiliated companies instead of being cash, because the affiliated companies reports shows \$30,000 as of January 1, 1928 and at the end of 1928, the Citizens Company and the affiliated companies showed \$15,489.34 and the entry at the beginning of the year supports this as a very likely explanation of what occurred between



the two utilities. In any event the charge of the redemption of the common stock was not against surplus and not credited back to surplus, and so the Federal got the money or got the credit, which amounts to the same thing. The above explanation also covers entry number 5 which shows a reacquisition of \$25,900 worth of bonds. The amount actually acquired as shown by the actual report amount to \$26,300, as pointed out heretofore. Now, the Federal investment in the common stock which had a par value of \$125,000 was \$137,000, this item was reduced in the reorganization by the repeat of the preferred and \$23,079 cash and credited to the Federal's account as follows: The cash and credit received \$23,579. Preferred stock received \$100,000, taking the discount on the preferred stock of \$11,500 would leave a net amount \$88,500 or the total cash value received on the refinancing of \$112,079. This amount of \$112,079 deducted from the \$137,500, leaves the net cost to the Federal people of \$25,421. This is represented by common stock having stated value of \$33,500.

Q. Now, what was the dividend on this in 1928?

A. In 1928 7.47%.

Q. And what were the dividends in 1929?

A. In 1929, they were 15.73%.

Q. What was the capital stock of this company, before and after the refinancing?

A. They had \$250,000 outstanding or .67% of the total structure of the common stock having a par value of \$125,000, and after refinancing the structure the bonds totaled \$250,000, or 64.68% and the preferred stock was \$100,000 or 25.87% and the common stock was \$36,500 or 9.45%.

Q. So that the result here was about the same sort as in the other cases?

A. Only not such a great change.

Q. And again do you see any benefit to the investors or to the public from this refinancing?

A. No sir.

Q. Will you take up the Jersey Shore Water Company. Have you prepared an exhibit showing the general entries of the Jersey Shore Water Company, as shown on its certificate of notification to the Commission?

A. Yes, sir.

MR. EVANS: I wish to offer this statement as Exhibit No. 133.

BY MR. EVANS:

Q. Will you explain this exhibit briefly to the Committee?

A. These journal entries, covering the refinancing were secured from the certificates of notification.

The first step shows the usual writeup and, according to their annual report, it amounted to \$312,246.40.

The second entry covers the usual bond issue, the company receiving \$405,000 in cash, and Entry No. 3 is the retiring of the old common for the new common. Preferred stock was not issued in this refinancing.

Entry No. 4 shows cash of \$440,960 paid to the Federal, the holder of the new common, a part of which is now being retired.

Federal's investment in Jersey Shore was \$15,541.54, which includes the cost of retiring bonds and common stock.

The cost of retiring the preferred stock, shown on the photostat introduced as an exhibit is in agreement with the amount shown in the annual report. Now, this investment of common stock, \$170,000; preferred stock, \$126,035; bonds, \$206,506.54, or a total of \$502,541.54.

Federal received for retiring of 5,062 shares and 6,062 shares they received in exchange for the old common stock, \$404,960, leaving a net investment in the company of \$97,581.54, for which they held all of the common stock outstanding, having a stated value of \$80,000.

Now, this common stock was sold during 1928 to General Water Works and Electric Corporation. Of course, the subsequent profit or loss could not be determined, as the selling price was not available.

The dividends paid on the common stock during 1928 amounted to \$15,500, representing a return of 15.88 per cent. on the net investment, and 19.38 per cent. on the stated value of the common stock.

Now, the capital structure of the company before refinancing was all in common stock and represented 100 per cent., and after refinancing the bondholders had 84.91 per cent. of the total structure, amounting to \$450,000, and the common stockholder \$80,000 or 15.9 per cent. of the total structure.

#### IN RE PUNXSUTAWNEY WATER COMPANY

Q. The next company is the Punxsutawney Water Company. Will you take that up? You have prepared an exhibit covering the journal entries of this company, as shown on the certificate of notification filed with the Commission?

A. Yes, sir.

MR. EVANS: I offer this in evidence as Exhibit No. 134.

(Paper in question entitled "Pennsylvania Water Service Transactions—Punxsutawney Water Service Co." admitted in evidence and so marked.)

BY MR. EVANS:

Q. Will you explain this to the Committee?

A. This refinancing followed the usual procedure.

The writeup, shown by the annual report, was \$105,948.82.

Now, prior to 1926, there was a writeup of \$75,161.95, so that the total writeup at that point is \$181,110.77.

The bonds were issued, and cash of \$450,000 was received.

The old common stock was exchanged for the new common stock.

There was no preferred stock issued.

Journal entry No. 4 shows the retirement of 4506 shares issued in exchange for the old common stock, and this stock was retired for \$450,000 cash, which was the amount received from the sale of the bonds; Federal, being the holder of the common, received this money.

Federal's investment totalled \$826,535.97.

Q. How was that made up?

A. That was made up of the cost of the stocks and bonds, which are not separated on the photostat there, \$729,763.89; cost of the notes, \$36,772.08, making a total of \$826,535.97.

Now, in the reorganization they received \$450,000 in cash, leaving a net investment of \$376,535.97.

The bonds and notes were retired and donated to the company in 1927, so that the new bond issue could be floated.

Federal's investment was \$376,535.75, they receiving all of the common stock of this company, having a stated value of \$150,000. The return on this investment, by way of dividends, for 1928 was \$30,000 or 3.97 per cent.; for 1929, \$21,000 or 5.58 per cent., or a total amount of \$51,000 or 13.54 per cent. for the two-year period, or an average return of 6.77 per cent.

Q. So, this return was considerably lower than those received from the other companies?

A. Yes, sir. The capital structure of this company, before refinancing, consisted of common stock and represented 100 per cent., and after refinancing the bondholders had 76.92 per cent., of \$500,000 of the structure, and the common stock \$150,000 or 23.8 per cent. of the total.

Q. And the total capital had been increased from \$150,000 to \$600,000?

A. Yes, sir.

Q. What did the fixed capital assets of the company on December 31, 1928, amount to?

A. Including the writeups and net of depreciation, it amounted to \$817,210.79; and exclusive of writeups, \$636,100.02.

Of course, it can be readily seen that these assets can not stand any further bonds or preferred stock, and it is hard to understand how the amount floated was accomplished in this particular instance. This also explains why the Federal could not get any more money out of this company at this time and why the return on the investment, which was a fair return, is so much lower than the return received from the other companies previously discussed.

#### IN RE CLYMER WATER COMPANY

Q. Turning to the Clymer Water Service Company, have you prepared a similar exhibit giving the journal entries as shown on the certificate of notification filed with the Commission?

A. Yes; I have.

MR. EVANS: I offer this in evidence as Exhibit No. 135.

(Paper in question, entitled "Pennsylvania Water Service Transactions—Clymer Water Company of Indiana," admitted in evidence and so marked.)

BY MR. EVANS:

Q. Will you explain this briefly to the Committee?

A. This company is located in Indiana County, Pennsylvania.

There are the usual journal entries, and the procedure is the same as the preceding companies.

The writeup was \$239,830.17, and the bonds were sold for cash. In the amount of \$315,000, which was received for the issue of \$350,000, and the old common stock was exchanged for the new common and preferred stock.

Journal entry No. 4 covers the retirement of 10,677 shares of common stock, which had been received for Federal in exchange for the old common stock, for \$314,971.50, which took practically all of the \$315,000 in cash received in journal entry No. 2.

Federal's investment, represented by the cost of the old common stock, was \$360,000, and the cost of notes retired was \$50,000, making a total of \$410,000.

Now, according to the journal entries, Federal took out of this company: Cash, \$314,971.50; preferred stock, \$150,000, and the discount on preferred stock amounted to \$14,250, or a net of \$135,750; the total amount of cash received from the reorganization, \$450,751.50.

Now, the original investment was \$410,000, and deducted from the cash value or the cash securities received in the reorganization of \$450,751.50, exclusive of the common stock, which was not retired, resulted in Federal receiving \$40,751.50 more than their original investment, and control is still retained by Federal.

The entire outstanding common stock after reorganization, having a stated value of \$44,250, is owned by Federal and represents 1500 shares, or the difference between the 12,177 shares received, less the 10,677 shares retired in Journal Entry No. 4.

The original Federal investment was \$410,000 was not only shifted or unloaded on the public, but the public paid \$40,751.50 more than the Federal's investment, yet Federal's control is 100 per cent., the same as it was before the refinancing took place.

Q. That was a particularly juicy melon, was it not?

A. Yes. The common stock having a stated value of \$44,250 which was received in addition to the cash of \$40,721.50 over and above their original investment, paid the following dividends:

In 1928, \$18,000 or 40.7 per cent. of the stated value;

1929 \$20,000 or 45.2 per cent. of the stated value.

The total was \$38,000 or 85.9 per cent. of the stated value.

The above common stock did not cost Federal anything, yet they received in dividends 41.7 per cent. in 1928 and 45.2 per cent. in 1929, whereas the bondholders got 5 per cent. on the par value of their bonds, and the preferred stock holders six per cent. on the stated value of their bonds, and their money is running the company.

Q. What was the capital structure of this company before and after the refinancing?

A. With the exception of advances from affiliated companies of \$11,177.32, the balance sheet represented in common stock \$180,000 or 94.15 per cent. of the total.

The advances represented 5.85 per cent. of the total, and after the refinancing this was shifted over to bonds \$350,000 or 64.34 per cent.; preferred stock \$150,000 or 27.56 per cent.; and common \$44,250 or 8.13 per cent.

Before refinancing the total amount was \$191,174.32, and this was increased to \$544,250 after refinancing.

Q. What did the certificate of notification for the issue of these bonds show, as the purpose of the issue,

A. "To provide cash for corporate purposes (see journal entries attached)"

Q. Are these journal entries, that you have been referring to, self-explanatory?

A. Yes; they are very plain. They show what was to take place.

Q. And yet, so far as the records show, the Commission raised no objection to this method of financing?

A. No, sir; and yet they contain all the reasons given by the Public Service Commission itself in their original decision where these same companies are concerned.

Q. Are there any portions of the decision of the Commission in the Pennsylvania Water Service case, that you have already referred to, that you wish to call to the attention of the Committee?

A. Yes; there is a transcript of a paragraph here that I would like to read in connection with this:

"Furthermore, if the Commission should approve the acquisition of the properties involved by a Pennsylvania corpora-

tion, certain results would follow in reference to the issuance of securities (Act of April 13, 1927) which must be taken into consideration. Of course the Commission does not attempt to assume in any manner the duties and prerogatives under the law of other departments of the State government, but nevertheless it must give due weight to matters that may involve the protection of the public in connection with the issue of public utilities securities." Then some other paragraphs here that are also pointed out:

"The Commission can not, without reserve, accept estimates of value as a basis upon which to issue securities. The law contemplated that the books and accounts of a utility shall accurately represent the several elements of cost in the development of its property, and where for any reason such actual information is not revealed in the books, the practice of the Commission provides means for establishing estimates or original or historical cost.

"Engineering estimates are too variable and some of them are based upon too many theories of valuation (Particularly in reference to 'intangible elements') that are not recognized as proper or reasonable under the Public Service Commission Law, to be accepted without check, confirmation, or revision by the Commission. Furthermore, it must be obvious that high estimates of value made in periods of inflation or of abnormal or peak prices afford very unstable bases for security issues. Such securities would be subject to violent fluctuation and depression; not only would the investing public but also the utilities themselves and their ratepayers inevitably suffer from such instability."

The public utility or, rather, the holding company in this case has seen to it that they are not affected by fluctuations and depressions by getting theirs and still holding control. It is the investing public and the ratepayers who are footing the bills.

Q. As I understand it, this completes the Pennsylvania Water Service and Federal Water Service companies, with the exception of the Scranton-Spring Brook Company?

A. Yes, sir.

THE CHAIRMAN: This meeting will stand adjourned until next Wednesday at 2.00 p. m.

Adjourned until Wednesday, April 15, 1931, at 2.00 o'clock p. m.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION No. 10

Pursuant to adjournment, the Committee reconvened in the House Caucus Room, on Wednesday, April 15, 1931, at 2.00 o'clock p. m.

There were present:

Messrs. D. Glenn Moore, Chairman

Bart Richards,

Louis J. Hagmaier,

Martin Memolo,

Chester H. Rhodes,

Ellwood J. Turner,

Frank L. Bowers,

Rev. James R. Cox,

Morris L. Cooke,

Harry J. Crawford,

John M. Walker, Esq.

. HERBERT SNOW (Recalled)

BY MR. WALKER:

Q. Dr. Snow, you have already been sworn in this hearing, have you not?

A. Yes, I have.

Q. I believe that you have some data that was requested by Mr. Evans at a former hearing?

A. Yes; I have. That letter of transmittal goes with the chart and the report.

(Paper marked exhibit No. 136)

BY MR. WALKER:

Q. I show you exhibit number 136 and ask you if that is the data you are submitting?

A. Yes sir. May I make a brief explanatory statement?



Q. Certainly.

A. Gentlemen, the letter of transmittal explains somewhat the chart and the report. The report of the number of staff necessary in my bureau to handle the flow or work into it, as it has flowed in the past, in all its fullness and in contemplation of any people's counsel, making more demand on the bureau, is the best that I can do, not knowing just what the volume of work will be.

I have called attention in the letter of transmittal to the fact that the titles in my bureau do not mean anything, such as in some other bureaus of the State government. We may have an engineer under a certain title, and we may take him from his particular activities at the time and put him into some other activity.

If in this lay out, which I submit for your consideration, I have no valuation section, except a nucleus of three people to devote all their time to it, just as we have had to do in the last ten years, in drawing from any titled man of the staff to do that work, and not knowing how much valuation work if you please, might be put upon the bureau or how fast the work might flow in, I have provided a fund of \$100,000, an emergency fund, to take care of the uncertainties of the work.

Q. But, as I understand it, this exhibit 136 represents your idea of the proposed staff organization of your department?

A. To handle all work promptly and completely, in all its fullness, that may come into the bureau, as now constituted.

Q. And this represents your recommendations on the subject?

A. On that basis.

Q. On that basis?

A. Yes sir. I would like to add that this has not been submitted to the Commission, and it is the same lay out that I submitted to the Senate Committee.

#### IN RE HANOVER-McSHERRYSTOWN WATER COMPANY

EDWARD A. KRUGH (Recalled)

(Paper marked exhibit number 137).

BY MR. WALKER:

Q. Mr. Krugh, I understand that you have some data to submit, that was requested at a former hearing?

A. Yes sir.

Q. I show you here a bundle of papers, marked exhibit 137, and ask you if that is the data referred to?

A. Yes, sir.

Q. Do you have any comment you want to make on the exhibit?

A. Any comments?

Q. Yes; any comments that you care to make on that exhibit?

A. Well, I am not familiar with the analysis of the water.

Q. I understand you stated that at the previous hearing?

A. Yes; Mr. M. B. Litch is our chemist. He is here, and will be glad to explain everything.

MR. TURNER: Mr. Walker, we are not going back over this ground again, are we? We have given two solid days in going over this situation down there, and one man that knows nothing and the next man knows nothing, and what is the use of cross examining people that don't know anything? The net result is always the same; nothing.

MR. WALKER: I agree with you, Mr. Turner.

MR. TURNER: I am not going to sit here and waste my time on that kind of testimony.

MR. WALKER: The only question I asked of this witness was whether he had any comments he had to make on this exhibit.

MR. TURNER: We know that the witness has no comment to make from past experience.

#### PUBLIC SERVICE LAWS IN GENERAL

JOHN BAUER sworn.

BY MR. WALKER:

Q. Where do you live, Dr. Bauer?

A. Montclair, New Jersey. My office is in New York City, 280 Broadway.

Q. What is your business?

A. I am a public utility consultant, engaged by municipalities, and public groups and others in rate cases, especially surveys and studies relating to rates, and markets, and so forth—public utilities.

Q. Will you briefly outline some of the experience you have had in this work?

A. I am a graduate of Yale University with the degree of Doctor of Philosophy in Economics and Finances. I have lectured—I received this degree in 1908, and then I was instructor and assistant professor at Cornell University in Economics and Finance for six years. During that time I lectured on Corporation, Finance and Accounting and Public Utility Regulation and Finance.

In the spring of 1914, I went to the Public Service Commission of New York, the first district of New York City as statistician. During that time I was engaged in rate analysis, valuations, investigations of a financial character that were before this Commission; that is, the city of New York Commission.

In 1916, I went to Princeton as professor of Economics, and lectured there on Corporation Finance and Accounting, and gave special graduate courses in public utility regulation, rate making and finance.

After the United States entered the War, I took leave of absence from Princeton University and returned to the Public Service Commission in New York City as Chief of the Accounting Division, and had charge of the various financial matters, conducting investigations in the adjustment of war time rates.

After the War in 1919, I resigned from the Commission and also from Princeton University and have since been devoting my self to advisory and consulting work in the field of utility rates, and services, I have been engaged mostly in connection with municipalities. During the greater part of the time I have been engaged by the city of New York in its transit litigation, gas rates, telephone rates, and other matters; lectured at Columbia University during semester in the graduate school, giving lectures on public utility regulations and finances. Those lectures have since been worked up into a book entitled "The Effective Regulation of Public Utilities."

Two years ago I was engaged by the New York Revision Commission as an economic valuation rate expert, to make a report to help bring out the facts in regard to the effectiveness of regulation in the state of New York. I helped to draft bills, that were adopted by the minority, and have been supported by the Governor of the state of New York.

During the last year I was engaged by the St. Lawrence Power Development Commission to make a study and report on the marketing problems, especially in connection with distribution, if and when the St. Lawrence project is completed. That was a state commission, and its recommendations have since been embodied in legislation, which will result in a special body being organized for the purpose of taking up the St. Lawrence Hydro-Electric Development.

My interest has been in utilities—

MR. TURNER: I do not think we will go farther into that question. You are qualifying the witness, I presume, and as far as I am concerned, I am satisfied.

MR. WALKER: And I am satisfied.

BY MR. WALKER:

Q. Do you have any comments that you care to make on the set up of the present Pennsylvania Public Service Commission?

A. You mean—

MR. TURNER: What do you mean by that?

MR. WALKER: If he has any comments to make on the Commission as it is constituted.

MR. TURNER: Do you mean the law or the personnel of the Commission?

MR. WALKER: We are not dealing with the personnel, Mr. Turner.

THE WITNESS: I think the Pennsylvania system, as it has been developed under the law, is similar to New York state and to the systems that prevail generally throughout the different states.

BY MR. TURNER:

Q. Have you had any experience with the Pennsylvania Law in this work you have done?

A. I have had a limited experience, Mr. Turner, with the Pennsylvania law. Specifically I have appeared before the Public Service Commission. I have followed, generally the work of the Commission, but I have never given this Commission the special intensive study that I have given to the New York Commission.

Q. You have read the act?

A. I have read the act, and I have been acquainted with the work of the Commission, but as I say, as in a general way, I have never gone into the record of this Commission for the purpose of criticizing; I mean from a public standpoint, or to criticize or analyze the system.

Now, from that general approach, I think your Pennsylvania system is extremely faulty, just as is the New York system or the New Jersey system, and as systems generally are; with respect to the basis—the fundamental basis of rate making: (All A) With respect to the provision for personnel. That is as a sweeping, general indictment I think the commissions over the country are largely ineffectual in their work, because of the inadequate basis of doing their work, so far as the system is concerned; and, secondly—

Q. You mean by that an inadequate personnel?

A. Well—you mean as to a system?

Q. Yes.

A. No; I mean personnel distinct from the basis. I think the personnel—of course, it is connected with it, but I am looking at it from the standpoint of where I mean to say the system, I mean particularly with regard to rate making. And now, I don't want—unless you want me to—I will go wherever you want me to go.

Q. No; we have been through two days of this.

A. All right. In rate matters the Commission in this State and all other states, the Commission had not a factual basis on which to base its rates. If they attempt an adjustment in rates, it starts in motion a long dispute, a conflict of interests and there is no yard stick, and until there is a yard stick of rates, so that the rates to which a company is entitled can be definitely determined, on an exact basis, rate making is largely inadequate whatever the personnel or character of your Commission or staff may be.

Q. What is the actual basis?

A. The actual basis should be that the rate basis or the valuation in every instance is a definite figure that can be taken from the books and that can be administered systematically as the Commission goes along. As long as regulation is based on that vague thing, fair value, it is not clearly defined, and it can be established through only a reappraisal of any company's property, and whatever elements are to be considered; you have debate and guess work and a Commission—I presume that this Commission has a thousand companies to supervise—a Commission can't do that work.

Q. Thirty-five hundred?

A. How many?

Q. Thirty-five hundred.

A. Good night.

That is worse than I thought it was. They can't do it, but if the Commission has every company on a rate basis, that is shown as a definite fact—

Q. Don't they try to get a rate basis as a definite fact? What you mean, don't you, you feel that from the books—

A. From the books.

Q. The costs?

A. Exactly.

Q. Now, you are getting back to the theory of prudent investment, are you not?

A. Yes sir. I think that prudent investment, that is, the investment, assuming it to be prudent, is the only basis that can be administered, that can be made to work, and the only basis that, as a long run proposition is financially sound. It is the only basis on which a regulatory job can be carried out, and it is the only basis on which the investors, as a long run proposition, can be safeguarded and secured in their investments.

BY MR. COOKE:

Q. Sound from whose standpoint?

A. Sound from the standpoint of the ordinary investor, who actually put his money into the business, and it is the only basis under which as a long run proposition, such investor, the ordinary person could be secured in his investment, and, of

course, it is the only basis on which the rate payer, the consumer, can get job of rate regulation carried out.

Now, of course, the establishment of prudent investment, Mr. Turner, is a difficult—

BY MR. TURNER:

Q. Doesn't this result: if you take the theory of prudent investment and take the figures on the books under all circumstances, representing prudent investment, then, a lot of times, if the facts are true, as it is assumed that they are, and the claims are true, when you go into these companies, you find that it is not really the true investment, and then you get back to the controversial question, don't you, as to whether these figures represent actual investment, and then, after that, don't you get back to the question as to what is the amount of the rate base?

A. Not to be facetious at all, I will say yes and no. I don't believe, Mr. Turner, that it isn't possible, and I don't advocate, I don't think it would be both unfair and unworkable; I don't think it would stand a constitutional test to go now to the books of the companies and take their book accounts out of properties as they stand at the present time. That is my view, as I have worked it out, and all I can tell you is how I feel about it and why.

According to my view the way to get prudent investment is to distinguish definitely between the properties as they now exist and future extensions and improvements.

With respect to the properties that now exist, I think the only practical way under the circumstances, is to make present appraisal, and in that appraisal give an account of the reproduction cost to the extent that it is reasonable actual cost under present conditions of the properties. What should be done is an appraisal should be made under due legal provisions; the statute definitely providing that it will fix in each case a value that is going to stay fixed. Then, my idea is that every property could be taken on the books and maintained and not changed subsequently, whatever the change in price levels may be, upward or downward; and to that amount should be added thereafter the actual investment in extensions, improvements, and so forth.

MR. TURNER: Then, as I understand, Mr. Cooke's theory of putting in a plug, and going on from that place.

MR. TURNER: All right. I haven't your theory.

THE WITNESS: The adequacy and reasonableness and fairness by proposal would come into the initial valuation. Of course, that initial valuation would involve a certain amount of give and take. You could not follow absolutely any particular principle. You would have to make a compromise, but you would have to make a compromise only once. You can get a figure in each instance that is fair both to the consumers and the investors, and then nail that figure down, and then on for all future additions, as I said before, take the actual investment. Of course, the Commission ought to be in contact when future additions are made. It ought not to permit any costs or any charges to be included in the property account that should not be included. Then there ought to be a continuous contact between the Commission and the companies. That would be a regular administrative proposition. Now, that way I think that you can have a rate base that is shown by the books constantly, put through the accounts, and the rate base would be the costs as shown in the account less depreciation and operating reserve. Then, you could do that for any property in 15 minutes time, and the debate and the cross purposes would be eliminated.

BY MR. COOKE:

Q. Over what period of years would you expect to make these appraisals?

A. If such a system, Mr. Cooke, were adopted, and were under a comprehensive statute of the State, and if there were methods—practical methods used, as could be used, I think a period of three years would be sufficient to make the appraisals.

Q. That is taking in street railways and gas and water?

A. Now, as I look at it, I wouldn't take in street railways.

Q. Why not?

A. Because I believe street railways mostly are not worth valuing.

Q. You are not going to pick the most profitable?

A. No. I would, however, intend it to be reasonably successful. The problem of regulation lies primarily in the field of



electricity and in the field of gas; that is, so far as ordinary utilities are concerned; and in telephones. It doesn't run in street railways.

BY MR. TURNER:

Q. What about water?

A. Water? I am thinking of water as mostly municipally owned. When they are privately owned, then, of course, put in water, to be sure.

BY MR. COOKE:

Q. There are a few privately owned water companies?

A. Yes; I would include water companies.

Q. You say three years. That seems to me a very quick job. How many millions of dollars would it take, do you think?

A. I made an estimate for New York, I made an estimate for the state part of it, the Public Service Commission part of it, that the cost should be \$5,000,000 or \$7,500,000 for the job.

Q. In one rate case that I know intimately we spent \$400,000 for one company's.

A. Yes; I know that. I said, practical methods and with the intention of getting the job done. I know that is bound to happen. I know that the New York Edison company spent over \$5,000,000.

Q. You and I, of course, if we had to do it, as engineers, we would use practical methods, but you recognize that those might be contested in court and you would lose it?

A. No; I don't think we would lose it. I think if the object is to be sensible and to get results that would be sensible, you would not lose it. I don't think it is necessary to itemize and appraise every bolt and every nut and every little part. You can take a power house and value it, and you can take a transmission system in the same way. So, if you are going to spread out every spike and every bolt and so forth, you defeat the whole job.

Q. That would be the normal procedure under the so called "law of the land." If the company—

A. If the company wanted to play horse with it, I think it could play horse.

MR. COOKE: Mr. Chairman, I think we are right at the heart of the problem, and I would like to ask your indulgence to read here a short statement of what I believe to be the only way out for us, and I would like to read it now, and get criticism on it. Is that agreeable?

THE CHAIRMAN: Yes.

MR. COOKE: I will read this paper, it is very short:

# 1. PRUDENT OR NET INVESTMENT SHOULD BE FORMALLY ANNOUNCED AS THE PENNSYLVANIA STANDARD FOR RATE BASE DETERMINATIONS.

Fundamental to the re-establishment of public confidence in regulation are measures through which prudent or net investment depreciated can ultimately be enforced as the Pennsylvania standard in determining the base upon which return is to be computed in valuation cases. Valuations arrived at through the reproduction-cost-new method are so indefinite as to render regulation futile.

The question of doing justice as between the utility companies and the community is not involved. Because under either of the two methods of determining value for rate making purposes any proper return can be allowed. Prudent investment is an amount exact within reasonably narrow limits, stable and one which can very largely be obtained "from the books." Reproduction-cost-new valuation depends upon the use of intangibles, is largely imaginative in its conception and constantly fluctuates with the price level.

The rising price level following the War led our higher courts to give increasing weight to the reproduction-cost-new method but the lowering price level of recent months has somewhat modified the enthusiasm of its advocates. The moment therefore seems ripe for the adoption by the Commonwealth of valuation techniques without which regulation as a means of controlling monopoly prices seems doomed to failure. The breakdown of regulation would mean only one thing, i. e. widespread public ownership. These are the only thinkable options.

In shifting from the reproduction-cost-new to the net cost or net investment basis the one most effective step that can

be taken is to provide that the new base shall control operations after a certain date allowing the adjudication of the rate base for property acquired before that time to be settled as occasion offers according to "the law of the land." Because of court rulings it will be necessary to effect this modest start toward the complete adoption of the new policy through contracts with the individual utility companies.

Because there is no existing property interest involved, a charter for a new company can provide, as one of the considerations for the grant, that fair return be computed upon the basis of its actual legitimate capital prudently invested. Mergers can be refused to those who will not accept the new basis on all future operations. It is believed that many of the companies already in existence will voluntarily accept the proposal. To those who do not there must be refused material increases in their charter rights unless and until they contract with the Commonwealth to effect this reform.

There remains the problem of bringing to the prudent investment standard those book values and rate basis representing property which was acquired previous to the adoption of the new rule. If original cost is definitely established for all new operations some time—say a decade—may well be allowed for the completion of the task of adjusting all rate basis to the single standard.

The current downward drift in the price level, obsolescence, the rapidly increasing volume of new construction which is inherent in expanding industries and a saner interpretation of the reproduction-cost-new method that has been practiced in Pennsylvania in recent years are all causes which may be depended upon to minimize the differences between current depreciated reproduction-cost-new valuations and those which will result from net investment as defined in the federal water power act of January 10, 1920. Under the procedures to be provided for validating security issues it should be stipulated that statements be given the public showing the relation between outstanding securities and the net investment.

These procedures for putting valuations in Pennsylvania on a factual basis are admitted to be far from drastic. But under the plan there will be avoided endless litigation as well as the necessity for immediate, extensive and costly valuations made under "the law of the land" with all the possibility of "freezing" rate bases at high and indefinite levels. To pass too rapidly from the present basis to the new even if there were no legal hurdles has serious operating difficulties. The new system will require novel and adequate accounting and management mechanisms, the orderly development of which will be facilitated by the somewhat gradual transition to the prudent investment basis. Further, if the change is made too rapidly one utility industry, or one company, may be affected quite differently from another depending on the prices obtaining during the period of most active construction.

This is obviously a situation where to take only a first step, and one to which no interest can reasonably object, will give the most satisfactory long run results.

THE WITNESS: You want to make comments on it?

MR. COOKE: Cut it to pieces. What is the difference in your opinion—what are the relative advantages and disadvantages of the procedure you have just outlined and this?

THE WITNESS: To do that, there ought to be more strength in me. Of course, Mr. Cooke, so far as the objective is concerned, I think you and I have the same purpose in mind. I think we are absolutely agreed on everything you say, as to the basis and reproduction cost and the present fair value standard that is referred to, under the law of the land. We all agree on that. There is no doubt about that. The only question is how to get there. We all agree that what we need is a fixed rate basis—the whole question is how to get to that destination.

There are two ways; yours is the more gradual. It takes a much longer time.

BY MR. COOKE:

Q. What makes you say that it takes a much longer time?

A. In this whole discussion, naturally there has to be a great deal of guessing, for instance, as to what Courts will do and what they don't do, and a number of other things.

Q. On the other side, there is the opening for indefinite litigation with thousands of companies?

MR. TURNER: Where are you going to get enough Courts to try these cases?



THE WITNESS: I don't think you would have this trouble. I don't agree on that—

MR. COOKE: Have you ever tried a rate case in your life when the company behaved in what you considered a reasonable manner—one case where you were received in that fashion—have you been familiar with a single case?

THE WITNESS: I think in every case that I have been connected with, the company has attempted to get all that it could, just exactly as the opponents have tried to get all they could. The one side wanted a high valuation and as a high a rate of return as possible; the other side wanted as low a valuation and as low a rate of return as they could get established. I have never blamed the companies for that position. That is the inherent difficulty with the system of regulation. That is why we want a fixed rate basis. The question is, how are we going to get that?

MR. COOKE: Then, in your judgment, will we get the ten years prudent investment standard in a more orderly fashion and more rapidly by the method that you have outlined?

THE WITNESS: I frankly believe so, in my judgment, as I look at it. That is the most expeditious and most practicable way. On the other hand, there are a lot of people, high-minded, intelligent and fair people, who do not agree with me.

MR. COOKE: No criticism of your suggestion—you have had a large majority of people on the New York Investigating Committee that did not consider that a workable plan?

THE WITNESS: That is true, but most of the people who criticized that course were people who were interested in not having that course pursued. For the other thing, even among those who were not interested to have an effective system introduced, and among those who were intelligent and fair spirited, there were comparatively few who have gone through the processes of what is involved, and think it through. Of course, you have had at least as great experience in those matters as I have, and I am shaken somewhat in my confidence by the fact that you think that the method could not be worked out, but mostly I have not been terribly bothered, so far as the essential soundness and workability is concerned by those who have opposed it. Of course, if the full legal basis would fall down—if those people should say that constitutionally you cannot fix or establish a fixed rate basis through legislative policy, if that should be right, of course, what I am suggesting is not any good. But, I do not agree with that. I think a fixed rate basis introduced with the desire really to be fair to the investors and to get somewhere, to get this whole big question out of politics and field of contention; to get a regulation to protect the consumers and investors—I think it would get the approval of the Supreme Court of the United States.

Conversely I do not think your contract system—I mean the contract proposal, if it is opposed by powerful utility interests, will be able to just march along without legal attack. As I read over your bill—

MR. COOKE: The bill, No. 1275, which we have had in front of us, is more drastic than this. It says prudent investment practically immediately for all properties.

MR. TURNER: The one thought I cannot get over in the prudent investment theory, is that you do not give the man, or the company, or the stockholders any benefit of any future increase in values or valuations which they acquire. Every individual, every corporation, every business, has the right to buy today at a cheap price, if they can, and tomorrow receive a larger return because of the increase in the value, take advantage of the changing value of the day.

BY MR. RHODES:

Q. Why should they have that? They are protected in their 7% return.

MR. TURNER: That is one of the things that has bothered me. Whether it is just exactly fair—suppose thirty years ago you built a water company in some community. Just because thirty years ago you were fortunate enough to build at that time when prices were low and you have grown up with the community and the business has been wisely and competently managed, you are to say to them that you cannot have any more than the money you originally put into it.

MR. COOKE: You don't state that correctly.

MR. TURNER: I mean under the theory you are putting forward now.

MR. COOKE: If they put their money into a water company thirty or forty years ago and the company has slept on its rights in the meantime, the values of that property will be adjusted according to the law of the land.

DR. BAUER: Assuming that we had known what the fixed rate base would be; however, it might be adjusted for the past profits that would have been produced there on that fixed rate basis adding any additional investment.

BY MR. TURNER:

I am speaking of prudent investment. For instance, a man in my home town some years ago bought four properties for \$60,000 and later on sold each one of these properties at an individual price of \$60,000. A change in conditions that came about enabled him to do that.

DR. BAUER: There are several other distinct points that I want to call attention to, and the one I want to make is that we all recognize there is a distinct question of reasonableness and fairness. You might take a water company that was built away before the war and take now the actual investment, then as Mr. Cooke suggests, that community has slept on its rights in the meanwhile, to take now the actual investment it does not raise the question whether we are fair with them, but if the policy has once been clearly and definitely announced so that the investors will know what their rights are and they are protected in their rights, I don't think there is much question arises. Assuming that the policy is announced, and investors know, you have the first point, that the investors have due notice that when they put money in a public utility they are differentiated by the law from the ordinary investor, and they know where they stand and that they will be limited, but on the other hand that they are protected, so I come to point two.

With the elimination there goes protection. On the other hand your money may be doubled or you may lose half of it or you may lose all of it, but if a public utility decides to purchase \$100,000 worth of real estate, and no matter what happens afterwards, that would evermore be the value of the real estate, the \$100,000 is protected; there is that protection that goes with the limitation.

Third, a long time ago it became recognized that utilities are in a different position from ordinary business, they are vested with public interest.

MR. TURNER: Let us block that out right here. If that is true, take those who invested in traction companies. They had a monopoly; they invested their money in something that was protected, but it was not protected when the automobile came along, and they went busted, and in the same way some of the present utilities may go busted with the use of the air.

DR. BAUER: That is one of the indictments against our system that the investors in street railways securities lost so much money. The street railway system should have been so regulated as a public utility that investors would not have lost their money. If back in 1890 we had had a prudent investment theory on our books and regulated it in a sane, sensible, efficient way, there would not have been (a) the very obvious and conscienceless disregard of public rights over the two decades that followed.

Second, all the retirements and obsolescence and supersessions would not have been thrown into securities outstanding. There would have been proper, systematic depreciation of the property as they took place, and second, there would have been proper amortization of the investment as time goes on, and it appears that another agency is going to crowd in. The automobile and the bus didn't come over right. There was ample time for depreciation and amortization. The greatest indictment I think against our present system of non-regulation is that investors can and will lose their money, millions and billions of it have been lost by investors because of the idiotic way we have of dealing with an industry which is a utility upon which the public interest, both as investors and as consumers, depend. We think that is the answer. We have got here an industry that is a utility. It is an industry that is fundamental in our social and industrial life, and it is a monopoly. Dealing with that kind of a public proposition, I don't believe really that your standards of normal competitive business apply. You have different forms that you have to apply and then there comes the question (a) what are we going to do about it, and (b) how can we get this accomplished? It is a fact that if you safeguard the investment and the return on the investment, you can get as much capital as



you want to safeguard that investment, so as I said earlier, when we started this—whatever it is—I think that the prudent investment basis is essential as a matter of sound public policy whether you look at the matter from the standpoint of the consumer or of the investor, the fellow who puts his money into it and not the fellow who is promoting something, but the real bona fide investor.

BY MR. WALKER:

Q. Do you have any further comment, Dr. Bauer, that you want to make on Mr. Cooke's statement?

A. I imagine Mr. Cooke and I would probably take several hours of give and take on that. I think our differences in point of view are perfectly clear. I think my proposal is more expeditious and more prompt. Mr. Cooke doubts it. Perhaps he is right, I don't know. We may both be wrong as far as that is concerned.

MR. COOKE: I think it would take ten years under either system. There will be less progress made under mine in the first few years and more in the last few years, while I think there will be more progress made under Dr. Bauer's plan in the first few years, but I am not certain but that it will be more chaotic in the last few years.

DR. BAUER: I agree in the first five years, but I disagree in the second five.

MR. TURNER: Let us count it a tie and get on.

BY MR. WALKER:

Q. Dr. Bauer, do you have any comment to make on the depreciation theory?

A. Of course this depreciation is involved in this rate basis question. I think as a systematic fact, a systematic basis of regulation rate making, I think depreciation ought to be included systematically in the operating expenses. I think the Commission should not only have the right, it should have the duty to see that proper depreciation is charged to the expenses. On the other hand, I think there should be depreciation reserves created so that provisions in operating expenses for depreciation are safeguarded, if they need the depreciation reserve, so that will serve as a deduction from gross costs of operation, but cannot be diverted to other purposes of the corporation. I think there should be included obsolescence, and that it should be liberally included.

BY MR. WALKER:

Q. Dr. Bauer, do you have any comments to make on the recapture theory, as contained in these bills?

A. As I went over the bill with regard to the recapture, three points occurred to me. The first point is just with regard to the mechanics as the bill is set up now. I think I can handle it from memory without taking the time to refer back to the bill. As I recall it, the net earnings will be recaptured after 7% has been realized on the capital value of the company but in computing the return there is included not only the operating expense and taxes and depreciation but also interest on the indebtedness. Now this is a technical point that probably someone overlooked or probably a little point that mechanics should clear up. If you are going to allow 7% on the capital value before you recapture any earnings, you surely ought not to include interest on the indebtedness in the operating expenses so-called, or if you do you should deduct from the total of the value of the property the amount of the bonds outstanding.

BY MR. TURNER:

Q. Why?

A. Because if you don't deduct the amount of the bonds outstanding, you are making a double allowance.

BY MR. RHODES:

Q. You are paying 4½% for your money and you are making 7%?

A. Exactly. Another point; if you decide to include interest on the operating expenses why not on preferred dividends also, and then compute your recapture on the fair value, the net return value, less the bonded indebtedness and preferred stock outstanding, and then you would predicate outright your recapture provisions on the net value applicable to the common stock, that is the common stock capital available. It seems to me you would want to indicate that capital value is not capital value applicable only to common stock in the company.

The second point that occurred to me is that under the present conditions and you have got a prudent investment basis or a fixed rate basis established, you will have a lot of trouble administering the regulatory or the recapture provision. The Interstate Commerce Commission under the transportation act of 1921, has had a recapture provision. It actually yet I think has not recaptured anything in a single instance. The job is an unmanageable job unless you have a fixed rate base to work with; then it would be easy. Without it, it is extremely difficult.

Third, I have and have had some doubt as to the desirability of the recapture policy as a whole in so far as such ordinary utilities are concerned as electricity, gas, water and light. I thought it was a sound policy and I have been awful sorry that the policy has been defeated so far as the railroads are concerned. For railroads it is plain that you have to have a continuous network of rates spread out over wide territories, hence, if you fix your rates in general on a level that will give to the poorer carriers a chance to live, you will by the same rate give to the other carriers in dense territory extensive returns, hence the provisions in the transportation act for recapture were designed and made to govern the situation. You don't have that in gas and electricity and water. If there are excessive earnings you can determine that readily. Here in Harrisburg you can readily readjust and let the people get the benefit. I think there ought to be in the cases that I have quoted a rate classification reserve. I think any systematic provision for effective rate-making ought to have a substantial reserve which will accrue during good business, that can be drawn on during periods like the present time without a rate advance. I think that the mechanism should be supplied. Apart from that I don't see why you should permit the continuance of excessive returns and recapture them. I do not see why rate provisions should not be made.

BY MR. WALKER:

Q. Do you have any comments to make on municipal ownership or municipal competition?

A. Did I understand there was a time limit here?

Q. Absolutely not.

A. Let me say just to make it clear to the committee that I personally am not a proponent particularly of public ownership and operation. I have not as yet reached that view although the last year or two I have been rather tending that way, that public ownership is really the ultimate remedy. I think that if regulation can be worked out effectively along the lines that Mr. Cooke and I have been talking, on prudent investments, and you get an effective commission going, I don't see why regulation should not work pretty well. I think in every city, every municipality should have the informal right to institute public ownership and operation. Why should not Harrisburg, for instance, have the right to acquire and establish its own system of electric distribution? Whether it does or not is another question, but why it should not have the customary legal right as a legal proposition I don't see. I think furthermore that if you had in this State, and if you had in New York, three or four or half a dozen of signally successful municipal distribution systems, I think it would be about as good a yardstick to go by to get a general rate adjustment and permit the economics and retrenchments as otherwise. I have gone over this situation extensively in New York recently. I was astounded when I came to compare the distribution expenses of the municipal plant in New York with the expenses of distribution from a private plant. There are fifty-one municipal distribution systems in New York State. As a major proposition—I am giving this to you for what it is worth—it is a challenging figure and I cannot be given the go-by very easily. I made an analysis of the operating expenses, that is, distribution operating expenses alone, no taxes and no return on depreciation of property, just operating expenses; I found for the fifty-one systems an average rate per kilowatt hour for electricity sold for the ordinary consumers purpose was 5.2 mills per kilowatt hour for the state at large, excluding the Niagara Hudson System, which deals very largely in industrial power and therefore hardly belongs in the same class as those for little distribution. I found that the cost of local distribution for the state at large, that the average was little over 11 mills, the average of the private distribution over the public distribution is a little over two to one. It indicates that a few successful municipal systems might be worth while. The city of Jamestown



has its own distribution system, and also it has its own generating system. In the generating part I cannot see much advantage to Jamestown. I don't believe anybody can figure out a more striking example and is the result of the municipal distribution in the city of Jamestown, and their expense per kilowatt hour comparable with previous figures I mentioned was something like 2½ mills per kilowatt hour. Jamestown has had the lowest rate in New York, 4 cents per kilowatt hour for domestic customers in the highest bracket, and that has since been reduced as of March 1st, 1931, to 3½ cents; and yet with these low rates the city of Jamestown has financed most of its recent additions and extensions out of earnings. It has amortized most of its investment and has a whale of a renewal reserve. I think that is something like ten to fifteen per cent, I am talking from memory, but its total prime investment today is covered by outstanding obligations. The rest has been either amortized and built out of reserves or out of earnings. It has the lowest rate by far of any city in the State of New York. You may have there just a case of exceptional municipal industrial ability and efficiency, but a few instances of this kind in New York and Pennsylvania and elsewhere throughout the country I think would have a tremendous influence in promoting efficiency on the part of the private companies and bring about a general revision of rates.

MR. TURNER: I have not been quite able to see where the big difference comes in. Certainly these utilities comprise what are supposed to be experts in their line. They are business men, they are trying to run a business, and what I cannot understand is why their costs run up so much greater than that of the municipalities.

DR. BAUER: I do not want to push the figures further than they go. My purpose is not to compare anything. I don't know whether in a particular instance where a close comparison might be made, I cannot say that the municipal figures would work out better than the private figures. I can indicate to you I think two or three lines that would give an explanation. First, the supervising and administrative superintendents of the private companies as against the municipality. The municipality is pretty well held in check on these matters. I happen to know the Jamestown situation very well. One of their big gains is just along that line of a supervisory nature and an administrative nature of their line.

Second: Where the private companies distribute they have no competition. Whenever anybody has plenty of money and is without competition there is not a great deal of inducement to keep down overhead and supervisory. I think one of the big things is right there. With the plentiful revenues the private companies have had, I think that they have allowed the overhead and supervisory and administrative to creep up on them and I think it is inefficient. I mean that is my impression.

Third: The municipality has an opportunity to carry out a good many points of co-ordination. Let us take the electrical distribution with other municipal departments. If they are serving both water and electricity, there will be two meters that can be handled by the same meter reader, and there will be two accounts that can be handled by the same accounting system, and there will be economy of that kind all along the line there. In the maintenance, there will have to be recourse to the streets, and street openings, and there will be a more ready and equal co-ordination where the company has a distribution system than if the company is furnishing the service. When you come to the returns on property of course then you have the further fact that the municipality has a constant extensive credit and that it would be able to get the money at 4 or 4½ or 5%, and when you take that low rate as against 7½ and 8% that the companies demand they have to have a higher rate of return and there may be still other margins that work tremendously in favor of the municipality. I do not say that the private companies can be as economical and cheap in their public distribution as the municipalities can themselves; my impression is, however, that they have not done it and I think if you gave the municipalities in this State a greater freedom to go out and establish their own systems if they wanted to, I think it would be a tremendous urge upon the companies to cut down their overhead and supervisory, and to use more economic methods and cut down the cost of electricity all along the line.

MR. TURNER: I have often wondered whether or not in these municipal plants in charging up their costs whether they don't get a lot of it into other branches of the municipality.

DR. BAUER: Sometimes they do.

MR. TURNER: Mr. Crawford has suggested that they have no taxes to pay.

DR. BAUER: That is a serious problem. I think the tax problem, that may very well be handled, but the figures I quoted to you were exclusive of taxes in any case. Now in Jamestown I have not audited their accounts specifically but I have gone over their policies and methods and my judgment is that practically all of the costs that belong to the electric distribution plant are charged to the electric plant. There is another thing, take now the legal department. The city of Jamestown has corporation counsel, and mighty good, and incidental to the rest of the works this corporation counsel also handles such legal questions as come in connection with the municipal system.

BY MR. TURNER:

Q. He doesn't have to go before a Public Service Commission?

A. No. Now there is a board of public utilities which consists of fine, high-grade men, and there is very little additional cost to the municipality for that board. There is a superintendent, a young fellow about thirty to thirty-five years of age, a good engineer, who believes in his job and he handles that job, and that is pretty near the extent of the supervisory.

BY MR. COOKE:

Q. There are no holding companies to get their share, or no managing companies whatever to be paid fees.

There is where the economy comes in. If you had for instance in the city of Jamestown a private company and they didn't have any municipal competition you would have there a vice-president, a general manager and a controller, legal fees and the whole thing would be covered up to the extent 5 mills per kilowatt hour or whatever may be customary for that kind of supervisory administration.

Now here is a small town, the name of which I will not give you, that I struck which the ordinary utility could not serve properly because of its condition. It had its own distribution system this is the way they manage to get away with low distribution costs. It simply shows what adjustments can be made and are made, if the people want to make them. I do not say that they always do make them.

In this little town the general plant manager, the general superintendent and manager, was the agent of the Erie Railroad Company. The Erie had a station there. It had to have an agent, and the agent was not fully occupied for the two trains that stopped there a day, or something like that. So, he was plant manager of the electric system. He had an office. The office was not altogether occupied, so the general headquarters of the electrical plant was in the Erie station. He had to have a stenographer for his Erie work, and the stenographer was the secretary and did the stenographic work—was the stenographic staff for the electric plant. I think that the agent got for this additional job \$650.00 or \$750.00 a year. There was a bank in that town. The bank wanted the money. So, the bank undertook to handle the collections and do handle the collections free of cost, so that it would have the money that came in. It cost them nothing for collections.

The town got along; it had light; it probably didn't have as good service as we would want here in Harrisburg, as we would want in New York, but it had service, the means can be more readily, and more likely to be adjusted to the ends in the municipal system. What should be done as to policy, I do not know.

MR. TURNER: Between the bank and the railroad company they paid the overhead involved.

THE WITNESS: Yes, it wasn't a burden on the bank; it wasn't a burden on the railroad. I believe that the railroad would have had to pay a bigger salary for its agent if it had not been for the electric people, and the bank would probably have closed its doors along time ago if it had not been for the depositing of the money of the electric company.

BY MR. WALKER:

Q. What is your opinion as to the primary functions of the Public Service Commission?



A. First, in your question, what you have in mind is whether the Commission should be regarded primarily as a body representing the public at large, or as a quasi-judicial body or court.

Q. That is the idea.

A. Of course, primarily, the Public Service Commission, that is a representative body. There is no doubt that here and in New York—wherever a public service commission is created, it was established for the purpose of protecting the public, and more particularly the consumers. I think if they have been established, the small investors as a group have come to be almost as important as the consumers. I think that it is the function primarily of the Commission to protect consumers and investors. It ought to be on the job constantly for that purpose, to get for the consumers the best service at the lowest possible rate, consistent with sound financial policy. It ought to safeguard the investment mass of people in bonds and stock.

Of course, under our present system of fair value, where we have a shuffling rate basis, a commission cannot help but be converted to a large extent into a court. Its job of rate adjustments is primarily, I think, a representative and administrative one—you can call it a legislative one—but the Legislature is in the same broad sense a representative one for the people, to do a job for the people that ought to be done, but when rates are adjusted, and the claims that the value of its property is \$50,000,000, and the consumers claim it is only \$20,000,000 willy-nilly, then the Commission, whether it desires or not, is converged into a Court. It must give the hearings; it must take evidence of value; it must give the company its day in Court, to prove its value. Then, it becomes pretty difficult for a body to sit at the same time as judge on evidence presented by a company; and at the same time be a potent, a real vigorous exponent or representative or attorney for the public at large, so far as the consumers are concerned. It is a difficult job. I have watched it often and long, and with varying emotions, depending on how the job was done.

MR. TURNER: In other words, you cannot be both a prosecutor and a judge too?

THE WITNESS: Yes sir; it is a hard thing to do. If you get, and as you get a fixed rate basis, prudent investment, so that that is fixed, then I think the judicial function just naturally sloughs off. I think the matter largely takes care of itself; I think the Commission can act as a representative of the public at large, but as long as you have the fair value basis, without any yardstick, and with every rate adjustment carrying conflicts of interest that require judicial determination, it is useless, I think, to say that the Commission is the representative of the public, when it just cannot avoid but being the judge in the case. Under those circumstances I think it is just a little bit hard for the Commission to really exercise its representative functions. I think every municipality should have the right to appear before the Commission in every rate case and in every public utility matter, and I think it would be a pretty good idea under those circumstances to have a separate office of public defenders, or people's counsel, to appear without the quasi responsibility, but I don't believe that even such a special organization will really protect the public. Why—because in any given instance the company will have the inside records; it will have a trained personnel.

MR. TURNER: Couldn't the department develop that—

THE WITNESS: It would be handicapped. Suppose you were put into the Attorney General's Office as people's counsel under the present system, it is almost inconceivable to me that the Legislature will give you money enough to cope with the numerous cases—

MR. TURNER: Might that not be done in this way? If the case is lost by the utilities, the costs are allocated by the Commission. It pays into that department the amount of money that the Commission sets aside as costs. If the case is lost by the complainants, then the amount of money is amortized and is paid back into that fund.

THE WITNESS: I think that something of that sort could be done. My own thought has been that there is a lot of merit to that—

MR. TURNER: The people have to pay it in the end.

THE WITNESS. The people have to pay it in the end, yes sir. If the people's counsel had a staff large enough and expert enough to handle systematically and satisfactorily the

people's interests, comparable to the company's interests, I think it would be a step forward.

MR. TURNER: Don't you think that a department of that kind, properly constituted, would more than likely do away with a great many cases—they might be dismissed—

A. I think so.

Q. The large cases are not so much of a bugaboo, as the smaller cases. The small borough cannot afford \$15,000 or \$20,000 to go into a case. They will likely not go into it. They will likely be subject to making adjustments.

A. I think that is so. My experience has been, if in large communities, large territories, rate adjustments have been headed off over and over again because of the prohibitive expense that was involved. I have in mind three instances—I am not going to name them—where, as it looked to me, the rates were obviously away out of line of what they should be. There ought to be a radical revision and adjustment. The public authorities were headed off because of the representation to them that it would cost \$200,000 or \$250,000 to carry the case through.

The people's counsel would face that same situation.

BY MR. RHODES:

Q. Don't you think the people's counsel would have a tendency to make the commission feel more than ever they were a judicial body?

A. I think so, as long as you have the present rate basis. I think it is a distinct step in advance to have the people's counsel, that is, with a representative role, who does not have to bother with that judicial poise and careful regard for justice.

Q. Do I understand that you approve of this people's counsel, as recommended by the State Senate?

A. I have not seen the thing, I am talking in general.

BY MR. COOKE:

Q. Assuming we were on a reproduction cost new basis.

A. Yes sir; if we were on a prudent investment, if we can get on that basis reasonably soon, my opinion is altogether different. Then I think the Commission itself could be that administrative arm of Governor and Legislature of the State at large to protect both the investors and the consumers.

BY MR. RHODES:

Q. If the Public Service Commission fulfilled its function of taking care of the public, it would not need any people's counsel in connection with it?

A. Without regard to personnel or the personnel quality of the Commission—I haven't any criticism to make against the personnel of your Commission, but if you had the ablest Commission obtainable in the State, you would still have the system that is unworkable and which would transform the Commission into a quasi-judicial body, and you would face inevitably the question that Mr. Turner mentioned awhile ago, whether the same body can be a judge and prosecuting attorney at the same time. In the meantime, my own judgment is that a separate representative by people's counsel would be a desirable adjunct to fight the people's cause.

Q. Under the present circumstances?

A. Yes sir.

MR. RHODES: Under the present circumstances?

THE WITNESS: Yes sir, under the present circumstances.

FATHER COX: I think the Public Service Commission ought to be accountable to somebody. This advocate is a joke. How is any one man going to take care of all the complaints over a state like Pennsylvania? He is going to be the eighth Commissioner, and will decide with the other members in favor of the companies, just the same as in the past.

MR. TURNER: I don't think that is a fair statement.

FATHER COX: It is my opinion, whether it is fair or not.

THE WITNESS: I do not know how good your Commissioners or otherwise, as individuals are or have been. My whole contention is, and I admit I may be wrong in it—we are in an economic field, where we are practically experimenting. Suppose you had Mr. Cooke and me as a Commission; suppose you trusted us, that we are both intelligent, fair-spirited. Still the case comes before us; we believe there should be reasonable rates; we believe the consumers ought to have the lowest possible rate; yet we have to give the company a hearing, and in giving them a hearing, we would have to take tes-

timony; we have got to swear the witnesses; we have to go through the judicial process; our decisions are judicial in character, since a question at issue arises. Then we must face this inevitable question—how we can take care of this judicial responsibility, and at the same time carry a fight against the company as a corporate counsel might do, who does not have that judicial responsibility. This has been, I think, the experience of a good many hundred years of judicial experience in practice. It may be you can have in the same body both responsibilities.

FATHER COX: Don't you think they ought to be accountable to some agency? Here in Pennsylvania they go on year after year and nobody can dismiss them. I think there should be a better system, where they can be accountable to some sort of body or committee that represents the people.

THE WITNESS: The same thing would be true—you would have the same question of accountability if you had the people's counsel. We want our judges accountable. If any particular judge goes into a case and is manifestly one-sided, there is a procedure by which he can be brought to account. If your Commission has not lived up to its public trusts, of course, it ought to be accountable to the Legislature and the Governor, or both, but, granting that under the present system, you cannot escape the fact that a Commission has to act as a judge in every rate case, and since it does, the question arises, can it at the same time act really effectively as a representative of the people, to push for better service and lower rates.

MR. TURNER: It seems to me that Father Cox is mistaken on that. While the Commission may be said to be the representatives of the people, the utilities likewise have interests and rights under the law.

FATHER COX: I am not very much afraid that their interests will not be protected. The only body that I believe will give the people something, and not just ice is a legislative body. These men have to go back and depend on the votes of the people. Whether school keeps or not, they have their job. I believe more in you people than I do in the Public Service Commission.

O. M. RAU (recalled)

BY MR. WALKER:

Q. Now, have you made a study of rural electrification?

A. Yes sir, I have. In 1925 I made an extensive study for the Giant Power Survey of rural electrification in Pennsylvania, and this was followed up by a similar study for the Public Service Commission. In 1929 I made a report on rural electrification for the New York Board of Revision of Public Service Law, which has just recently been completed.

Q. In your studies of electric service to farmers in Pennsylvania, what did you find?

A. In the original study there was very little attempt made to furnish farmers with service. There were no regulations under which a farmer could obtain service without either paying an exorbitant price for line extensions—then if the company did not care to make them, then there were no conditions under which he could make the company make the extensions. The outcome of the inquiry that brought about the investigation by the Public Service Commission, who made on their own order an investigation as to the proper rules and regulations, so that the farmers could get service, and that resulted in the well known order No. 27.

Q. What did Order No. 27 cover?

A. Order No. 27 required the companies to make extensions to farmers, free of cost, when there were three or more farmers requiring service, and where there were less than three farmers, the cost was not to be in excess of \$300 per customer per mile.

Q. When you say three farmers contracting for service, you mean three farmers per mile?

A. Yes sir.

Q. Was Order No. 27 helpful to the farmers in obtaining electric service from the utilities?

A. No, it was not. Order No. 27 was objectionable to the utilities, and, therefore, no action was forthcoming under that order. They finally succeeded in having it superceded by a draft of an order that was prepared by the Pennsylvania Electric Association, which was practically controlled by the utilities.

BY MR. COOKE:

Q. The companies resisted the order—

A. Yes, practically no action was taken under it at all.

BY MR. WALKER:

Q. Was this new order that superceded Order No. 27, that was prepared by the Pennsylvania Electric Association, adopted by the Commission?

A. Yes sir; that is known as Order No. 28.

Q. What is the difference between Order No. 27 and Order No. 28?

A. In Order No. 28 the companies are allowed to make any charge—that they base a charge on any amount that they see fit as a minimum guarantee. In other words, every farmer had to guarantee a minimum revenue to the company for any extensions that they made.

Q. Under this Order No. 28 did the farmers obtain service at a reasonable cost?

A. The minimum charge was unreasonable. It was based on the line costs.

BY MR. RICHARDS:

Q. You mean they are not now getting it?

A. They are not and they did not.

Q. Do you know what the construction cost per mile of line was on which the minimum is based?

A. There is no stipulated amount, but it appears from the basis on which they have a minimum guarantee is arrived at, that the cost approximately is \$2,000 per mile, that is the standard with most of the companies.

BY MR. COOKE:

Q. What are these minimums? Can you give us some representative minimums in the different parts of the State?

A. The amount of the minimum is in the filed rates. That varies from 21 to 24%.

Q. What does that mean in dollars per month?

A. It depends upon the number of consumers. The minimum, \$2,000 if it is 21%—

Q. Do they get the low \$5.00 or above that?

A. On four to the mile, the minimum will run from \$5.00 to \$5.50 per month.

BY MR. RICHARDS:

Q. You don't mean that they do not now get down to the minimum—

A. Not of the four to the mile.

Q. What you are saying about the cost per mile being \$2,000, the cost is divided,—I am not sure whether I understand it. If the fact is that this cost is divided to the farmer on the basis of 1%.

A. A month.

Q. Per mile of construction?

A. That is correct.

Q. That doesn't mean \$17.50 per month, divided among the consumers, per mile.

A. Yes sir.

Q. Don't they get the minimum down to as low as \$3.50 to \$4.00 a month?

A. If there is enough consumers.

Q. Even in sparsely settled communities that would be true?

A. This is based on \$2,000 a mile.

Q. You wouldn't want to say that \$2,000 was the standard price per mile. I am not holding a brief for the utilities, but I want to be fair, knowing some of the conditions surrounding the territory in rural electrification.

A. As far as I can find \$2,000 is the average price throughout the State.

BY MR. COOKE:

Q. You don't mean to say that that is the average cost—it is the average assumed cost price?

A. On which they base 1%.

BY MR. RICHARDS:

Q. Would you be surprised to find out that they build them for less than \$1,000 a mile and charge the rate?

A. I haven't any evidence of that fact. Every bill in the State was not examined. I took the general conditions as they existed.

Q. They are doing it in some localities. That may be peculiar to some parts of the State?

MR. COOKE: I believe it would be interesting to get a case or two of that on the record.



MR. RICHARDS: I would be glad to give that to you after the witness is finished.

BY MR. WALKER:

Q. In constructing line extensions, is it likely that the company would make such an extension with ample capacity to take care of additional customers to those paying the minimum guarantee or so that the line could be extended to serve additional consumers in the future?

A. They are constructed in excess of capacity that the immediate consumers would require, to take care of any reasonable requirements for the future.

Q. Is there any allowance made in the construction cost for such future business?

A. There has been no instance that I could find where the cost was less than \$2,000. I have an instance where it is considerably over \$2,000.

Q. What is the minimum guarantee on the line costs of \$2000 per mile?

A. As I stated before the present rate is one and three-quarter per cent. by most of the companies. Prior to the latter part of last year these minimums were on a basis of from twenty-four to thirty-one per cent. When the agitation for lower costs of service was started some months ago, it appears that a general reduction has been made. In other words, in the filed rates of the tariff bureau, from October on, there has been any number of new rates filed in which the cost is based on one and three-quarter per cent. or twenty-one per cent. instead of the higher figure.

Q. Is there any justification for that \$2,000 a mile?

A. Not that I can see. It is evidently an arbitrary figure that is used as a basis for arriving at what the minimum guarantee should be.

BY MR. TURNER:

Q. What should it cost?

A. The cost of that line—I have some data that would indicate what lines cost. This is a tabulation obtained through the sub-committee of rural electrification.

BY MR. COOKE:

Q. I think that is the Pennsylvania Committee on the relation of electricity to Agriculture, is it not?

A. This is the joint committee on rural electrification; the chairman of that committee. I believe all complaints are handed to him and he adjusts them, instead of going to the Commission, and the cost of line extension for three years, that were made by different companies, were submitted by him.

Those costs run—during 1927 to 1929, the minimum average cost of any one company extended line was \$800 a mile, and the maximum was \$3000 a mile. The average construction during the three years, which amounted to 430 miles, was \$1401 a mile. In other words these are the companies' own statements of what it costs to construct lines and it is evidently obtained from each of the companies.

Q. Based on \$3000 and 21%?

A. The minimum guarantee would be \$420, would it not?

A. Yes.

BY MR. COOKE:

Q. What is your own judgment of a proper cost of a mile of rural line in Pennsylvania, built for the service of those people wanting service?

A. In a very elaborate investigation of the costs of line extensions, made both for the Giant Power Survey at that time, and made for the New York Committee Report, the result of 8 or 10 different companies' figures, in other words, that each of them supplied, the figure of what their own cost would be for line extensions—the average results of that study indicate the \$1100 was a reasonable cost for extending a mile of line, including transformers for 4 customers. In other words, a line of sufficient capacity to carry the normal use of 4 customers, including transformers, is \$1100.

(Paper entitled "Data on Rural Line Extensions Tabulated from Information on File" marked exhibit 138)

BY MR. WALKER:

Q. I show you here a mimeograph sheet, marked exhibit number 138, and ask you if that is a set up on the cost of rural electrification?

A. Yes; furnished by that committee.

Q. As furnished by that committee?

A. Yes.

Q. Is the maximum guarantee adjusted so that the annual demand does not exceed one and three-quarters per cent. per month?

A. Your maximum will possibly run over the guarantee. In other words, it has that same objection that the building in Philadelphia had; over runs. In other words, if you used more than your one and three-quarters per cent. in one month and you used less than one and three-quarters per cent. in the next month it is not an average of the 12 months. You have paid more in one month and less in the next month.

Q. It is, therefore, possible that on an annual basis, the total payments would exceed the minimum guarantee; is it not?

A. Yes; it is.

Q. What are the rates under which the farmers are held for electrical service?

A. There are approximately thirty-two different rural or agricultural rates filed with the Public Service Commission. They vary from a maximum of thirty kilowatt hours at fifteen cents to a minimum of five cents for the high step in the rate.

A. Typical average rate is that of the Metropolitan Edison Company which is nine cents per kilowatt hour for the first thirty kilowatt hours used; twenty cents per kilowatt hour for the next twenty kilowatt hours used; six cents per kilowatt hour for the next twenty used, and four cents for all over 70. To this is added 20 kilowatt hours to the second and third steps on each horsepower in excess of three horsepower in the farmer's installation. The minimum guarantee is 1¼% of the line extension cost.

Q. With four farms per mile at this rate, what would it cost a farmer for electric service?

A. To give an idea of what the cost is—some kind of an idea of what the cost is, taking a typical farming area, which is likely to be spaced for two a mile, a farm having lights and a little number of electrical appliances, a water system, and milking machines, the average use would be 45 kilowatts in the summer time, and 75 kilowatts in the winter time. A similar farm, more extensively equipped, including a 5 horse-power motor, would average 75 kilowatts in the summer and 125 in the winter. And the average agricultural rate of the Metropolitan Edison Company, the cost per kilowatt hour would be 19½ cents per kilowatt in the summer time and 11 cents in the winter time. The small farm, and for the large farm it would be 11½ cents in the summer time and 7 cents in the winter. In other words, under this rate, these two farms would hardly use the minimum guarantee on a basis of four farms to the mile. In other words, the minimum guarantee is in excess of what the rate figures. The amount of service they use, and that is the case practically in all farm electrification in the State.

Q. How long do they have to pay this minimum guarantee?

A. The minimum guarantee is indefinite. It is paid just as long as they take service. In most of the rates, its stipulates that the period must be not less than three years. In other words, they must take service for three years. So, of course, if you don't take service after that time, you don't pay the minimum, but if you do, you do pay it.

Q. Does that have any effect on the service end?

A. That rate has very little effect on what it costs the farmer to use electric service. The minimum charge, usually, is in excess of what the rate would earn him, if the rate is applied to his bill.

BY MR. COOKE:

Q. In other words, the minimum controls the amount of current that the farmer uses in Pennsylvania?

A. No, the minimum controls the amount that he has to pay for service. His normal use is below the amount that he would pay under the rate. So, of course, that cost for service is his minimum charge for practically any use under normal conditions.

Q. Do you mean that the rates, being what they are, that the quality of current that he uses is limited in that way? Is the quantity of current that the farmer uses limited by the rates that he has to pay at the present time?

A. I should say that the rate or the amount of cost per kilowatt limits his use on account of the expenses; that he is up against it.

Q. That is what I mean?

A. It is too expensive for him to use more.

BY MR. TURNER:

Q. If he would use less than the minimum it would not cost him any more to use it?

A. If he could use it. The idea is that the cost is not an inducement for him to use more, because he can't get up there unless he does go into a considerable equipment, in excess of what is the normal equipment.

BY MR. RHODES:

Q. If he uses 50 kilowatt hours per month?

A. It is rather surprising in the surveys in both New York and Pennsylvania that the normal use of a farmer is about as stated in these two typical farms. If you get a farmer who uses 1200 kilowatts per year he is the exceptional one. The average will run away below that.

Q. He is not using much more than a few lights in his house at 50 kilowatts?

A. Yes; that is the trouble, and, of course, the reason he does not get into other equipment is that the cost of the service appears too high. There is no inducement in the rate for him to use more. He seems to be satisfied to have a little installation, and he goes along that way; no inducement for him to increase that rate, due to a lower rate, or something of that kind. In other words, the minimum is hardly reached, and third steps or each horsepower in excess of three horsepower.

Q. Do you happen to know what the typical farmer uses in Canada and Ontario?

A. I do not. It runs considerably higher there than it does here.

Q. And that you attribute to the lower rate?

A. The lower rate.

BY MR. WALKER:

Q. What, in your judgment, should be the proper rate on which the farmer should obtain service?

A. A basis of rates that would rapidly decrease the cost per kilowatt hour. The effect of a rapid decrease in the kilowatt hour cost is best indicated by the conditions in the domestic consumers in cities or suburban towns.

In Sullivan county the electric company in 1928, had a revenue per domestic consumer of 16.9 cents per kilowatt and the average use was 223 kilowatt hours per year. The Duquesne Electric Company have an average revenue per domestic consumer of 4.88 cents, and the average use is 674 kilowatt hours. The increased use would be a great deal more pronounced in the rural farming areas, because the economic advantage of electric service would easily be more than it is in the summer home.

Q. Would a rate structure, having a charge in the form of a fixed or demand charge help the farmer in his service?

A. A rate structure containing a charge in the form of a fixed or demand charge, that would assure a fair return on line extension costs, based on efficient construction of the necessary capacity of the immediate requirements of the consumer, and an energy charge with a top rate not exceeding 6 cents, would give a fair return to a company, and it would be a rate that would induce the use—would encourage use to the farmer.

BY MR. RHODES:

Q. You say that Sullivan county is your one extreme there?

A. Yes.

Q. Sullivan county could hardly be taken as a fair example. Is it not a summer resort which is more in use from about June 1st to October 1st, because of Eagles Mere and a lot of small transient cottages? They do not have many people there in the winter time; isn't that true?

A. It is the highest average of any company in the State and the other is the lowest.

Q. Sullivan county is also the wildest county in the State?

A. Yes.

Q. That is, I mean not in moral living, but the physical condition of it?

A. But I believe that if the rate was around ten cents, instead of sixteen, you would see them taking current around 400, instead of 200; they would use more if they could get a lower rate.

BY MR. WALKER:

Q. Have you made a study of the comparative costs of electric service to farmers in various localities?

A. Yes.

(Paper entitled "COMPARATIVE COST OF ELECTRIC SERVICE TO FARMERS IN VARIOUS LOCALITIES" marked exhibit number 139.)

BY MR. WALKER:

Q. I show you a mimeograph sheet, marked exhibit number 139, and ask you if that is the study you mentioned?

A. Yes. It shows the rates in various states as compared with Pennsylvania.

Q. Will you take exhibit number 139 there, and explain it briefly to the committee?

A. The first column shows the number of kilowatt hours used per month.

The second, third and fourth columns are the maximums, and minimums, averages of costs in Pennsylvania.

The next column is the cost under the Adirondack plan in New York.

The next is the average cost of all the farmers under the Alabama rate, which is given below.

The next is the Wisconsin rate. The next is the Michigan rate.

The last is the proposed rate by the New England Farm Council, I believe it is called.

BY MR. TURNER:

Q. It is more than Pennsylvania; the New England rate is more than Pennsylvania?

A. Yes; it is a better rate when it gets down to larger consumptions.

BY MR. WALKER:

Q. Then in your statement Example 1, your Pennsylvania minimum for 45 kilowatt hours was 16¼ cents? Is that right?

A. That is right.

Q. In the year 1928 that jumps to 19½; is that right? These are under the order of 1928?

A. It is under the minimum rate filed under that order 16½ cents.

Q. And what is the maximum rate?

A. That is 28 cents.

BY MR. COOKE:

Q. In what company or territory do you find that 28 cents?

A. I think that is the Renovo Edison Company. There is a rate, they have a guarantee of 2½ per cent. on line extension cost, which has not been changed recently. They still maintain the 2½ per cent.

BY MR. WALKER:

Q. Are there any other comments you care to make on Exhibit 139, Mr. Rau?

A. There are no particular comments to make except that the permitted rates throughout the country are too high. They are all based on these various minimum guarantees, and it makes very high rates for the farmers on the cost per kilowatt hour.

Q. Now Mr. Rau, from your study of the records of the Public Service Commission and the fact that you have kept yourself in touch with the attitude and the acts of the Public Service Commission, you have done this in connection with the rural electrification for the past four years?

A. Yes sir.

Q. Can you tell the committee of any single acts of the Commission that have been to the benefit of the users of rural electrification?

A. That Order No. 28.

Q. And what percentage of the dirt farmers of Pennsylvania have an opportunity to use electricity from the service station?

A. I would say not to exceed 16 to 17% of the rural dirt farmers, as you call them, have electrical service.



Q. If this service was under proper regulation, would that percentage increase?

A. With a reasonable rate and a proper basis for line-extension costs and a proper basis for extending lines so that the extension would not be made for an individual farmer but for a territory covering a certain territory indicated, there would be no question but what 50% would be reached very quickly.

Q. Now Mr. Rau, are there any other comments you wish to make on this rural electrification system?

A. Nothing but to perhaps comment further on the fact that extensions as they are made today are dependent upon the desirability of the farmer getting service rather than upon the company desiring to furnish him service, and he has to go to considerable trouble before a line is extended. If the lines were extended into rural districts and a real effort was made to get the farmer as a customer, there would be a great many more farms electrified and the cost reduced immediately.

BY MR. COOKE:

Q. Have you looked into the rural electrifications abroad?

A. I have, yes.

Q. In what countries?

A. I went to Sweden and Germany and through France and England.

Q. Now, in any of the countries of Europe did you find rather complete electrification in the rural areas?

A. In Bavaria and in Sweden they were very complete. I do not know of any farmer without electric service in either of these two districts. The extensions are very liberally made, and the costs are very low.

Q. Are there differences in the conditions in Pennsylvania and the conditions you found in Sweden and in Bavaria that would preclude our having fairly complete electrification here?

A. If the same methods were applied in this country, there would be no reason why the same conditions would not result.

BY MR. HAGMAIER:

Q. Doesn't the government help in some of these countries in some of that work?

A. Not to any material extent. The companies themselves extend their lines with what might be called sub-stations into central farming districts and they have this service available there and from there local companies extend the lines to farmers so they get the current at the sub-station at a very low price, and then the local extensions are made by the farmer organization, and I found that it is a very effective way to electrify the rural districts.

BY MR. COOKE:

Q. What is your attitude toward polimutual companies?

A. If the same plan was adopted in this country that was adopted in Europe, they would be very effective. The trouble particularly in Pennsylvania, is that the distributing company, the smaller company, has to go too far to get to the transmission line. Now, if the transmission lines, or the sub-stations, were placed locally near the farming district, from where the distributing company could take the current.

BY FATHER COX:

Q. What is the reason there has not more of that been done in this country?

A. Principally, the high cost of extensions. As soon as the farmer starts to use service he is discouraged. He has an eight or ten-dollar bill and it is too high for him to start in. If he would start in with about a two-dollar bill or a three-dollar bill he would soon get up to the eight. It could be done easily on the basis of \$1100 for a mile of extension and on that basis the cost should not exceed three dollars as the guaranteed minimum per month.

BY MR. COOKE:

Q. That is the price you think the farmers would pay?

A. Absolutely, yes sir.

BY MR. WALKER:

Q. Mr. Richards, do you have that data that you wanted to put into the record?

A. (BY MR. RICHARDS) I have the data that Mr. Cooke wanted—

MR. MOORE: The entire committee wants it.

MR. RICHARDS: This particular case is one of rural electrification by the Pennsylvania Electric Power Company in Slippery Rock Township, Lawrence County. The line I think is four or four and a half miles long, and was completed and finished within the last six or eight weeks, I would say, at a cost not exceeding \$975 per mile, which included to the best of my knowledge 30-foot poles spaced about 300 feet apart, and using six transformers to the mile. This case is compared with the Aspinwall Company which I think use about four transformers to the mile. This was six to the mile and the minimum to the farmers in the district for service I believe is \$3.50 per month with an average of about 50 to 60 kilowatt hours per month. This is only one of several projects in that county by this same company. Another project in the country is a line about two and one-half to three miles long and the cost of this electrification in this district seldom run over \$1100 to \$1200 a mile. In this particular case this low cost was brought about by the co-operation of the farmers with the company permitting the poles to be set on their property as against setting them on the highway, and they also agreed not to use anchors in the fields but to permit the farmers to get around the poles for farming activities; and to my mind this particular piece of work is evidence of co-operation between the people of the community and the utility. I am not using this in a boasting way.

MR. COOKE: I would like to ask, is the Pennsylvania Power Company an operating company?

MR. RICHARDS: It is now a subsidiary of the Commonwealth and Southern. The rates to the consumer in the city of New Castle I think are shown in a report by Professor Roushenbush as being the lowest rates in the State. Whether they are particularly a beneficent corporation or not I do not know, but I do know that the cost in these districts has not been \$2000 and \$3000 a mile, and the farmers are getting their service at a nominal rate, as low as any in the State.

MR. COOKE: Does the Pennsylvania Power Company operate throughout Lawrence County?

A. Yes sir, throughout Lawrence County and a part of Butler.

Q. There are no other companies in there?

A. No. There was another company in there, the Harmony Company, operated in part of Lawrence County, but was taken over by the Pennsylvania Power Company some time ago.

Q. That is the county that has shown 5.7, the lowest average in the State?

A. Yes sir.

MR. WALKER: I offer in evidence a letter from the Mack International Motor Truck Corporation with regard to W. F. Menke. The committee will recall some testimony on the part of Mr. Menke and Commissioner Benn in regard to his financial transactions with the Mack Motor Truck Company, and this is a statement from the Mack Motor Truck Company showing that at the time that Menke lost his buses, his financial transactions were satisfactory to them.

We are offering in evidence Exhibit No. 140, being a statement from the Mack International Motor Truck Company, in re Wilbur F. Menke's account.

MR. RHODES: I think you refer to the transactions of the White Truck Company.

MR. WALKER: We sent a similar letter to the White Truck Company and we expect to have a reply from them.

I also have a number of complaints which it will be necessary to just briefly enter on the record, and which we received from borough in Pennsylvania. With the Chairman's permission, I will just briefly read them into the record:

Muncy Valley, Pennsylvania. A telegram protesting against the Associated Gas and Electric System rate.

Bethlehem. A letter which was not entered at the time they made their appearance and protest.

MR. COOKE: What did they protest about?

MR. WALKER: They were protesting the contracts with their utilities which had been divested by the Public Service Commission and their testimony is already in the record on that protest.

Upland. A protest in regard to the services of the Chester Water Service Company, which has also been placed on the record.

Coatesville. We have a letter from Greenwood and Greenwood, borough solicitors, protesting the excessive rates of the

water company and the Atlantic Public Utilities which serve that borough.

Manor. We have a protest from the borough solicitor from the borough of Manor protesting the excessive rates of the water company serving them and I might state that that case is now before the Commission.

Fallston. This protest is signed by the president of council and the burgess protesting the excessive rates of the Beaver Valley Water Company.

MR. MOORE: That was referred to by Mr. Elliott.

MR. WALKER: Yes sir.

Kittanning. We have a protest from the borough of Kittanning, in which they protest the rates of the Columbia Natural Gas Company, the rates of the West Penn Power, and the rates of the water company. The Armstrong Water Company.

Sykesville. They are protesting the excessive water rates but don't mention the company.

Cooperstown. We have a protest from the borough of Cooperstown, protesting the rates and the service of the Sugar Creek Telephone Company.

Lebanon. We have a protest from the city of Lebanon, protesting the rate of the Consolidated Water Company, and in conjunction with the protest of the city of Lebanon, there is also a petition signed by quite a number of the citizens of Lebanon protesting the rate.

West Conshohocken. We have a brief filed by the borough of West Conshohocken, protesting against the rates charged by the Philadelphia Suburban Water Company for public fire hydrants.

MR. HAGMAIER: Mr. Walker, do they give the price there?

MR. WALKER: Yes they do. \$60 a year.

Arnold. We have a protest from the borough of Arnold, protesting the rates of the West Penn Power Company and the Phillips Gas and Oil Company, and also protesting the action of the Commission in cancelling their free light and gas contract with the utilities.

Crafton. We have a protest from the borough of Crafton, protesting the high rate of the gas company. They don't state what company was serving the borough, and they also state that it cost them \$5000 to contest their last rate case.

MR. RHODES: Who makes the protest?

MR. WALKER: It is signed by the Council of the Borough of Crafton, J. O. Schreiber, Secretary.

Beaver County Federation of Boroughs. We have a protest in the form of a resolution from the Beaver Valley Federation of Boroughs, in which they are protesting against the action and rulings of the Public Service Commission of Pennsylvania. This is a blanket indictment.

Danville. We have a protest from the borough solicitor of the Borough of Danville against the rights charged by the Pennsylvania Power and Light Company, also protesting the readiness to serve charge.

Orbisonia. We have a protest from the borough of Orbisonia, protesting against the excessive light charges.

Tatamy. We have a protest from the borough of Tatamy, protesting against the rates of the Penna. Power and Light Company, and further stating that when these new rates went into effect in 1930, they could not protest the increase in rates because they did not have the money, and is signed by Harry M. Johnson, President of Council.

Palmyra. We have a protest from borough of Palmyra, protesting the rates of the North Annville and Gravel Hill Water Company.

Leechburg. We have a protest from the borough of Leechburg, protesting the excessive rates of the Vandergrift Water Company. I might state here, by the way, that the charges per hydrant in this borough are \$99 per year a plug.

South Renovo. We have a protest from the borough of South Renovo in which they protest the rate charged by the Renovo Edison Light, Heat and Power Company, and it is signed by the chief burgess of South Renovo and the chief burgess of Renovo.

MR. COOKE: What is the holding company for Renovo?

MR. WALKER: I don't know, Mr. Cooke.

Pinchot Lehigh County Club. We have a protest from the Lehigh County Pinchot for Governor club in which they are protesting the high rates of utilities and which is signed by Mrs. Mary E. Dootson, Secretary.

MR. COOKE: That is the Penna. Power and Light Company again?

MR. WALKER: Yes sir.

MR. WALKER: I have here a number of exhibits that have already been introduced. We promised to have them photostated for the Committee. I would like to get these distributed. They are numbered 84, 85 and 86.

We also promised to have some supporting data on some of the charts that went in the reproduction estimates on gas, water and light cases, which will go in as Exhibit 141.

Also the balance of the charts, which was asked for, which will go in as Exhibit No. 142.

Adjourned until 7 o'clock P. M.

P. J. KEADY recalled

BY MR. WALKER:

Q. Mr. Keady, you have been sworn and testified previously have you not?

A. Yes sir.

Q. In your testimony last Friday you placed certain exhibits and testimony in the record that covered the Pennsylvania Water Service and Federal Service Water Company, with the exception of the Scranton-Springbrook Company, did you not?

A. Yes.

Q. Now, have you made similar studies of the Scranton-Springbrook Water Company?

A. I did.

BY MR. TURNER:

Q. From what reports?

A. Why, from the annual reports of the respective companies before consolidation and after consolidation, also in connection with the issuance of the securities and certificates of notification, which were inspected.

BY MR. WALKER:

Q. Where did you obtain those reports?

A. Those reports were all obtained from the Public Service Commission files.

Pennsylvania Water Service Transactions—Scranton-Springbrook Water Service Co., Journal entries, produced and marked Exhibit No. 143.

BY MR. WALKER:

Q. I show you some mimeographed sheets, marked Exhibit No. 143, and ask you whether that is one of the exhibits that you prepared of the Scranton-Springbrook Water Company?

A. Yes.

Q. Now, Mr. Keady, will you please take Exhibit No. 143 and explain the journal entries there on that merger?

A. These journal entries were secured from the certificates of notification with the Public Service Commission, and they reflect the cost of the Scranton Gas and Water Company and the assets of the Pennsylvania Water Service Company, and the financing incident thereto, these companies forming the Scranton-Springbrook Water Company. Before the journal entries are gone into, I would like to make a brief outline of the merger. The Dunmore Gas and Electric Company, a non-operating company was purchased by the Pennsylvania Water Service Company for \$34,000, the name of which company was changed to Scranton-Springbrook Water Service Company. The Pennsylvania Water Service Company after releasing these various non-contiguous properties that we went into on Friday, they had certain assets and liabilities left. Now, the Pennsylvania Company sold its entire assets, which included the stock of the Springbrook Water Supply Company, and the \$10,666,300 in cash, which was deposited with the trustee by the Federal, to relieve these non-contiguous properties. This cash was one of the assets which was turned over to the new company. This new company—

BY MR. TURNER:

Q. Where did this cash come from?

A. It was paid in by the Federal Water Service Corporation; they had to deposit that with the trustee in order to release the properties. Now, that cash and various other assets, including the stock of the Scranton-Springbrook Water Supply Company, and all other liabilities, which also included \$9,200,000 worth of bonds, which were out—which were in the hands



of the public, were assumed by the Scranton-Springbrook Water Service Company. That will convey to the new company the right of this cash in the hands of the trustee, and that covers in substance the acquisition of the one division of this company, namely, the Springbrook Division.

Now, the Scranton Division comprises four main companies and a number of subsidiaries. The main companies are the Scranton Gas and Water Company, the Olyphant Water Company, the Consolidated Water Supply Company and Hyde Park Gas Company. All of the common stock of the three latter companies was held by the Scranton Gas and Water Company. The Hyde Park Gas Company was sold to the Scranton Gas and Water Company, and the Scranton Gas and Water Company thus enlarged was in turn sold to the Scranton-Springbrook Water Service Company. The Federal had a contract by the majority, or as much of the capital stock of the Scranton Gas and Water Company as could be obtained. That contract was in effect transferred to the new company as the money to buy the stock was paid to Federal by the Scranton-Springbrook Water Service Company and Federal agreed to cause to be retired all such stock acquired with this money. The actual amount acquired was 80,197 at \$295 per share or \$25,658,115. There were 84,000 shares outstanding. A proposition was made to the remaining stockholders whereby they could either accept \$5.00 Preferred Stock or \$295 cash per share. There were 12,075 shares of preferred stock given for 5,785 of Scranton Gas and Water Company common. This left 18 shares still outstanding in the hands of the public and these were acquired by cash. Through the various acquisitions of stock the Scranton-Springbrook Water Service Company comes into control of the companies previously known as the Scranton companies, and as the Scranton Gas and Water had no control, Hyde Park Gas was now merged with the Consolidated Water Supply Company and the Olyphant Water Company. This outline therefore covers the acquisitions of the second and final division known as the Scranton Division of this new company, namely the Scranton-Springbrook Water Service Company.

Q. Now, Mr. Keady, did this merger directly influence the rates?

A. This merger—the rate case that followed this merger was a natural result, it could not help but be otherwise. These companies before demanding had \$11,725,000 worth of bonds outstanding. The annual interest charges amounted to \$586,250. After this re-financing the bonds and preferred stock of these various companies amounted to \$40,780,000, requiring \$2,016,927 in annual interest charges.

BY MR. COOKE:

Q. What did that raise from and to, and what were these two figures, interest charges?

A. The interest charges before re-financing amounted to \$586,250.

BY MR. TURNER:

Q. That was the interest alone on bonds?

A. Yes, all on bonds.

BY MR. MEMOLO:

Q. There was no preferred stock outstanding at that time?

A. Not before re-financing. After re-financing there was \$7,000,000 worth of preferred stock, which is included in this \$2,016,925. Now, the difference between these two amounts is \$1,430,675, which is almost identical with the amount that the Scranton-Springbrook Water Service Company requested or estimated that they would receive from the new tariff that was published two months and a half afterwards.

BY MR. COOKE:

Q. Where did you get that estimate, that estimate of their increased earnings under the new rates?

A. It is in the decision of the Commission.

MR. COOKE: All right, that is all I wanted to know.

THE WITNESS: That was the original estimate furnished by the company; they estimated that their new tariff would result in an increase in revenue of \$1,500,000.

BY MR. WALKER:

Q. Mr. Keady, will you take your Exhibit No. 143 and explain journal entries 1 and 2 that you have shown on the first page?

A. Journal entries 1 and 2 will be taken up together as they cover the acquisition of the Scranton-Springbrook Water Service Company. The fixed capital assets shown as plant and property account in journal entry No. 2 is \$29,744,456.55 less depreciation reserve of \$1,639,965.97 or a value of \$28,104,491.48.

The fixed assets that were carried in the annual reports of the former companies in this division \$14,826,768.04.

Now, in that is included \$2,038,155.54, representing the book value of non-operating subsidiaries previously carried as investment but shown in the balance sheet of the new company as fixed assets.

I want to make it clear at this point that these journal entries with particular reference to fixed assets are not as of March 31, 1928. These journal entries were prepared previous thereto in accordance with the refinancing, and there will be some slight changes, but the changes will be slight in comparison to the total involved. That is due to additions as of March 31, 1928, and also in the reserve for depreciation for subsequent accruals to March 31, 1928. Of course, the journal entry does not include these subsequent transactions. However the net write-up shown on an exhibit which will be introduced as at March 31, 1928, and on the opening balance sheet April 1, 1928, are however comparable. The purpose of this comparison is to bring out the effect of these journal entries, therefore as stated heretofore this journal entry shows the fixed capital as \$28,104,491.48, whereas the annual reports at March 31, 1928 shows the fixed capital at \$14,828,768.04 or a net write-up of \$13,277,723.44. The reason given for this write-up is that it represents cost of acquiring the properties. Why not enter all of the other companies at cost? That is the companies that we discussed the other day here, on Friday? In the decision of the Public Service Commission in respect to Pennsylvania Water Service Company, they stated as follows in respect to the financing of Pennsylvania Water Service Company:

The net result of these financial changes is three-fold:

1st, the amount of securities which the consolidated company purposes to issue seems to be entirely dependent upon the proceeds necessary to acquire and cancel the common stock and other securities of the four vendor companies; in other words the consolidated company is so financed as to purchase its own property in part.

BY MR. WALKER:

Q. The quotation that you read, as I understand it, is in application docket numbers 17125 to 17134, inclusive as reported in the Pennsylvania Public Service Commission Reports, volume 8, at page 710; is that not correct?

A. Yes sir. Now, in this case they are not purchasing the property in part, but purchasing the entire Scranton division by issuing securities that are to be unloaded on the public. According to this \$495 a share could have been paid for this stock, which was entered at \$25,200,000 higher and it would have represented more.

Q. Is this a proper method of recording the value of the book assets of this company, when such assets are entirely purchased by mortgaging its own property and using its own credit?

A. Absolutely not.

BY MR. TURNER:

Q. That is what it costs the companies?

A. And the Commission's own decision bears this out. If it was wrong then, it surely must be wrong now.

BY MR. WALKER:

Q. In other words, what they allowed or what they did not allow this quotation that you read from volume 8 of the Public Service Commission Report they now allow in this Scranton-Springbrook Case; is that right?

A. Yes sir.

Q. Go ahead.

A. If Federal had paid this money for the stock, they would have some argument for the write-up but this company is purchasing its own property by obtaining money cheaply from the public.

Q. Does that make that purchase of the property more valuable?

A. No.

Q. Would you say that this write-up was justified?

A. Absolutely no.

BY MR. TURNER:

Q. On what do you base that?

A. This company is buying its own property their own assets are being put up as security to secure this money to buy this property.

Q. There is nothing in the value to permit this write-up.

A. The company doesn't get a cent of this money. The money all goes to the former stockholders and there is no further value to go into the company, and this write of \$13,-000,000, does not add one cent to the value of the property.

Q. I mean, there is nothing else in the cost but that?

A. This is one division; the Scranton division.

Q. I say nothing else in that particular case; I mean, to show the value of the write-up?

A. No; they do not mention anything in connection with the write-up. They just acquiesce in the line up as furnished by the respondents in the application for the merger.

BY MR. WALKER:

Q. In other words, they accept this valuation as placed upon it by the company in the merger?

A. Yes sir.

MR. TURNER: Who sat in that case, Mr. Walker?

MR. COOKE: Who was the Commissioner?

THE WITNESS: Commissioner Brown sat in the merger valuations, and according to the testimony there wasn't any witness against the merger present at the time it was before the Commission.

BY MR. WALKER:

Q. You have an uncompleted answer there.

A. The book value of the fixed assets is one of the important elements in arriving at fair value for rate making purposes. As you all know rate case was instigated, and the decision of the Commission appealed to the Superior Court, and this, therefore is important because the Commission had an opportunity to stop this merger when the applications were before it.

Q. Would a merger that would mean a write-up of \$7,325,-514.96 appear to be justified, when such a write-up did not contribute one cent more in the value to these properties?

A. Absolutely no. Now, higher rates are being fought for, and I contend that it has placed the blame where it belongs because if the first merger was wrong, this merger should be thrown out.

Q. When you say the first merger, you mean the merger referred to in Volume 8?

A. Yes sir.

A. There would not have been any justification for a rate case, as these companies all were running along smoothly before Federal got hold of it. At this point I want to show how this company purchased its Scranton Division of its own property. At the bottom of the sheet of Exhibit 143, the last page—it is right under the double line there—there is a summary of the cash transactions in these journal entries. Now, on the first column there, the amount shown there represents the cash received. The first one is \$10,375,000, representing the proceeds of \$11,000,000 bond issue; the company's own property is the security in back of these bonds. Line two, covering entry 4, showing receipt of the cash of \$10,666,300 from the trustee; in order to get this money some of the property of this company had to be substituted, and was substituted as security. In other words, the trustee under the \$9,200,000 bond issue of Pennsylvania had to get something to put up there to take the place of this cash, and this company's property was put up as security.

The proceeds from the sale of the preferred stock and the serial notes, shown on lines 3 and 4, are further liabilities of this company, and this company has to pay the interest, and eventually pay off, at least the serial notes must be paid off, and the credit of the company is their own, to get this money.

The advance from Federal Water Service Corporation is a loan made to this company and must eventually be paid, so that the entire amount necessary has been secured by mortgaging the company's property and using this credit.

BY MR. TURNER:

Q. Where does the \$25,689,100 worth of advance in Federal come in?

A. That \$25,000,000 has nothing to do with Federal. That advance from Federal Water Service Company is \$1,981,800. You see, there was \$2,975,000 worth of bonds there that had to be retired. Some of the bonds of the old company were retired, and in order to float these bond issues, there were certain bonds that had to be wiped out in order to clean the slates for these new issues. Of course, they really needed \$28,698,100 there, instead of the amount of the \$25,689,100, which went to the stockholders of the Scranton Gas and Water Company.

BY MR. WALKER:

Q. That item, advanced from the Federal Water Service Corporation of \$1,981,000, how was that carried on the books?

A. It was carried as an account payable. In other words, the new company owed that much money to the Federal Water Service Company. It eventually would need to be paid back to them. It was not put in as additional money, into the capital structure.

BY MR. TURNER:

Q. I do not understand whether these proceeds of the \$11,000,000 of bonds—was that a sale made after the merger of these companies?

A. Yes sir, that \$11,000,000 worth of bonds was put out in connection with the financing, in connection with this whole merger.

Q. The merger of these four companies?

A. Yes.

Q. The money on deposit with the trustee, would that remain in the picture or come out?

A. The new company had to put up their own property, and these mortgages would go to the trustee in this \$10,-666,300,—would then be taken down from the trustee and would go into the new company, but they didn't stay in. It is part of this \$25,000,000 that goes out to the old stockholders.

BY MR. RHODES:

Q. In other words according to this set up, there wasn't any actual money put into the equity of the company.

A. Nosir, the money was put in, but it was taken right out. In other words, it wasn't left in. The old stockholders got all of the money, with the exception of some expenses there. You will notice in general entry No. 1, it cost them \$9,100 for commissions and expense in connection with the purchase of this stock.

BY MR. TURNER:

Q. Is this \$11,000,000, I don't get that picture in my head yet, was that a general mortgage on their property?

A. Yes sir, I think I have a notation on that that may straighten it out. This here is a description of the \$11,000,000, first mortgage placed on physical property of the Scranton Gas and the former Hyde Park Gas properties, excluding the office building. The Consolidated and Olyphant properties were pledged under the \$9,200,000 bond issue, which was assumed from the Pennsylvania, and the office building of the Scranton Water and Hyde Park Gas was pledged under the same \$9,000,000 in order to take the cash down from the trustee that had been deposited with him under the \$9,200,000 bond issue.

Q. Is that the \$10,666,000 we are talking about?

A. No sir, the first one is a new issue, \$11,000,000. The mortgage was placed upon the physical property of the Scranton Gas and Water Company and the former Hyde Park Gas properties, but it excluded the office building, and also the Consolidated and the Olyphant properties. Now, these excluded properties were placed under the \$9,200,000 bond issue—assumed from the Pennsylvania Water Service Company.

Q. Does that represent the \$10,666,300

A. Yes sir. They excluded certain properties there. There were four companies all involved in this division. Under this \$11,000,000 they put in the physical property of the Scranton Gas and Water Company and the former Hyde Park Gas Company and excluded an office building which they had there. In addition to that, they had left the Olyphant and Consolidated companies, which, together with the office building, were put under the \$9,200,000 bond issue.



BY MR. WALKER:

Q. Do you have any other comments to make on Journal Entries 1 and 2 in your Exhibit No. 143

A. No.

Q. Will you take Journal Entry No. 3 and explain that?

A. You have seen write-ups as the result of appraisal, write-ups as the result of the purchase price paid for by a company buying its own property, but this is still another plan. In this entry they record the plant and property account as \$25,232,783.53, and the depreciation reserve as \$1,330,170.00, or a net amount of \$23,902,613.53. Now, this \$25,232,783.53 was arrived at as follows.

Purchase of Spring Brook Water Supply Company common stock by Federal of 100,000 @ \$150 a share .....	\$15,000,000.00
Expense in connection with above purchases ....	322,613.53
Indebtedness assumed:	
Spring Brook Water Supply Co. 5's .....	7,800,000.00
North Mountain Water Company 5's .....	780,000.00
Depreciation reserves assumed .....	1,330,170.00
Total .....	\$25,232,783.53

We have the element of cost of the common stock, but we have also the additional element of indebtedness assumed by this company, including the depreciation reserve. If one company owns a plant valued at \$10,000,000, having a \$5,000,000 bond issue against this plant, and \$5,000,000 in common stock, and another company wants to buy this plant and they pay \$5,000,000 for the common stock and assume the bond issue of \$5,000,000, you could arrive at the plant valuation by adding the purchase price of the common stock and the bond issue, and get a total valuation of \$10,000,000. In other words, the value of the plant did not change, as the common stock was purchased for the same price as it was carried on the original company's books. However, here the stock cost over \$5,000,000 more than the par value, and this par value included two stock dividends of \$2,500,000 each, one of which was declared in 1920 and the other in 1926. Now, with this information in mind—

MR. TURNER: I thought I saw what you were getting to, but I don't see because of the space of time that elapsed between the two stock dividends. All right, I get it now.

MR. KEADY: The stock they purchased at a par value of \$10,000,000 but they paid \$15,000,000. That included two stock dividends. In other words, there was \$5,000,000 represented in money in that \$10,000,000 of par value, because the other five million dollars was given to the stockholders as stock dividends. It was taken out of surplus, one in 1920 and the other in 1926.

MR. TURNER: What would be wrong with that? That was all in the stock.

MR. KEADY: They paid \$15,000,000 for that stock.

MR. TURNER: I understand they paid \$5,000,000 more, but why the criticism of it?

MR. KEADY: I wanted to let you know what was included in this par value.

MR. TURNER: If it came out of the reserve, it was money just the same.

MR. KEADY: There was nothing wrong with the stock dividend, but what I want to bring out is how much of that the stockholders had actually put in there. In other words, there is a profit there of \$10,000,000 including what they put in and what the Federal paid for it when they got control.

MR. RHODES: Would not that \$5,000,00 represent what was put in by the rate-payers?

MR. KEADY: Certainly. The rate-payers put it in and it was taken out in the way of stock dividends. Now with this information in mind let us go back and see what the book value of the fixed assets of this company were at March 31st, 1928. The annual report shows that these assets were valued at \$19,716,071.43. This Journal Entry shows a net valuation of \$23,902,613.53 or a write-up of \$4,186,542.10. Could this plant serve the people in this community any better on the morning of April 1st, 1928, than it could on the night of March 31st, 1928? There is approximately \$4,000,000 increase in value here in this short space of time according to the records. This appreciation in this instance is the result of the price Federal had to pay to get control, and I do not see how the Public Service Commission was justified in allowing this merger after

reviewing these facts, as the people in these communities are the ones who are and will, according to the present line-up, shoulder these additional values.

MR. WALKER: In these mergers, is it not customary and do not the companies state that as a result of these mergers there would be economies and savings to the consumer?

MR. KEADY: These companies were to get the benefit of the expert advice and experience of the holding company. It would result in substantial reduction in operating cost.

Q. Did they get the reduction?

Q. Did they get that?

MR. TURNER: They got a lot of experience.

THE WITNESS: The answer is the present rate case.

MR. RHODES: The holding company showed them some new methods of financing.

THE WITNESS: And another important phase in connection with the contention with reference to the holding company's management of these companies, as brought out in the rate case testimony, is that the Federal Water gets 3% of the gross income as management fees from this company.

BY MR. COOKE:

Q. 3%?

A. 3% of the gross revenue as management fees of all these companies.

BY MR. TURNER:

Q. What is the gross revenue?

A. I don't have the figures here.

Q. I thought you did.

MR. COOKE: P. R. T. only got 2%.

MR. WALKER: Bigger and better management fees.

THE WITNESS: The balance of these journal entries covers mostly the issue of the new securities, and these have already been discussed in connection with the explanation of the journal entries Nos. 1 and 2, and the purchase money obligation shown as the last item on these sheets. I will add another explanation of journal entry No. 9. In my outline or this merger I stated that Federal paid \$34,000 for the old common stock of Dunmore. This old common stock is being exchanged in journal entry No. 9 for new common stock, and you will notice in journal entry No. 3 that \$34,000 is being paid to Pennsylvania, and they also receive 99,600 shares of common stock of this company. Now, this \$34,000, is to be paid to Federal for 3,400 shares of stock, giving Pennsylvania the entire outstanding common of 100,000 shares, and Federal gets back their \$34,000.

BY MR. WALKER:

Q. Now, Mr. Keady, did you also prepare an exhibit showing the Federal Water Service transaction?

A. Yes.

Federal Water Service transactions, produced and marked Exhibit No. 144.

BY MR. WALKER:

Q. I show you these mimeographed sheets, marked Exhibit No. 144, and ask you if that is the exhibit that you prepared?

A. Yes.

Q. Will you just take Exhibit 144, please, Mr. Keady, and explain the various columns, starting with the first column on the left.

A. Before we go into the explanation of this here, and while all of these other remarks are still fresh in our minds, I would like to call attention to Federal's net investment as shown on this exhibit, it is on page 4 of the exhibit, \$11,614,436, for which they now own through Pennsylvania \$6,000,000 of preferred stock, which approximately owns the \$6,000,000 of Pennsylvania's own preferred stock, which was sold to the public in 1929, and they own all the common stock of this company, having a stated value of \$5,000,000 from Pennsylvania. Now, the dividends they received in 1928 and 1929 are shown on this exhibit, and in 1928—

Q. What page?

A. Page No. 4. The rate of return on the stated value is 14.89%, and in 1928 it is 17%.

BY MR. TURNER:

Q. There is a difference there between 14.89 and 17, is that right?

A. The amount of dividend in 1928 was \$744,738.37, and in 1929 it was \$850,000. In the photostat which was introduced on Friday night Federal received \$14,369 from the sale of securities of Pennsylvania back in 1927, and which according to this photostat went to reduce Federal's investment in these properties. Now, it may be contended that there probably would be some basis for such a contention, that this \$14,369 should be applied as a reduction against all of the properties, and therefore I want to go on record and give my reason for handling it the way it is shown on this exhibit. You will notice on this exhibit there is originally an investment of Federal in Springbrook Water Supply Company of \$15,317,136. Now, from that is deducted—

Q. What page is that on?

A. On page 2. On page 3 there is \$14,369, deducted from that amount, and these are my reasons for deducting it from the investment in the Scranton-Springbrook Water Service Company, rather than applying it over all of the companies. This amount of money represents the proceeds from the sale of Pennsylvania's bonds, having a par value of \$19,200,000, and Pennsylvania's preferred stock having a par value of \$6,000,000, and inasmuch as these bonds are eventually assumed by Springbrook Water Service Company and Pennsylvania receives this company's preferred stock for a par value of \$6,000,000, therefore the final stopping place of this transaction is in the Scranton-Springbrook Water Service Company, and was therefore considered as a reduction of Federal's investment in this company.

BY MR. WALKER:

Q. Just a minute, Mr. Keady. When you say this amount of money, which amount are you referring to?

A. This \$14,369,000. Now, on the next page there is \$10,666,300 added back to Federal's investment in the Scranton-Springbrook Water Service Company.

The \$10,666,300.00 added back to Federal's investment although Federal paid this money to release non-contiguous properties, this money eventually went into Scranton Springbrook when they put up their own property as security for the mortgage of \$9,200,000.00, therefore this amount was considered as an addition to Federal's investment in this company.

This exhibit shows what Federal put in, what Federal took out and what is left. In two instances you will note that they took out more than they put in.

BY MR. WALKER:

Q. Perhaps you had better explain the column, so that the Committee will understand.

A. The first column shows the name of the various water companies that are included in this group.

The second column is the investment of the Federal Water Service Company in the Pennsylvania Water Service Company, representing the cost of acquiring properties, less subsequent receipts and additional payments. Before reorganization and refinancing of March 19, 1928. These costs are shown on the photostat which was submitted on Friday as an exhibit.

Column three is the cash and cash value of the securities received by Federal Water Service Corporation in the refinancing of March 19, 1928, exclusive of the stated value of the common stock left in the company.

The next column is the net investment of Federal Water Service Company or corporation after refinancing.

The next column is the stated value of the common stock of the respective companies held by Federal Water Service Company.

The next two columns cover the dividends paid; the first column representing the amount received during 1928 and the next column the amount received in 1929, and the next two columns cover the per cent. of return by way of dividends, based on the stated value of the common stock during 1928, 1929.

Q. And these columns you are reading from are from exhibit 144, are they not?

A. Yes sir.

Q. All right, go ahead?

A. Now, the two companies in which the Federal Water Service Company got out more than they actually invested are marked with a number mark there (indicating).

The first one on the sheet is the Clear Springs Water Company. The amount taken out in excess of the investment was

\$178,518.25; and on page 2, the Climers Water Service Company, they got out \$40,721.50 more than they put in, and in both these companies they still own one hundred per cent. of the common stock.

Q. In order to get this money out, they still hold the stock, but who supplied the money that enabled the Federal Water Company to do this?

A. The public supplied the difference through the purchase of bonds and the preferred stock.

Q. And this would be another instance where the public was holding the bag and the Federal holding the companies; is that right?

A. Absolutely.

MR. TURNER: A water bag.

MR. COOKE: A water bottle.

THE WITNESS: In this particular group; that is, the first group here (indicating), the companies, excluding the Scranton Spring Brook Water Service Company, the Federal's original investment was \$8,563,031.72. This was reduced to \$1,003,750, and their control was and still is one hundred per cent.

Q. And was all the information regarding this set up in the Public Service Commission files?

A. Everything with the exception of what Federal paid to acquire these properties, and that was secured from the bureau of securities, and the information was submitted on the photostat which was introduced as an exhibit.

BY MR. TURNER:

Q. This is what I have been wondering about, in reference to these securities, and this has happened two or three times in these cases—where do they come into the picture on the issuance of these securities?

A. Well—

Q. Every time I have been before the securities bureau, I have had an awful time. It may be my companies were not big enough.

A. Well, in the next exhibit that will be explained. The net investment was \$1,543,571.22.

BY MR. WALKER:

Q. And that figure is given in the place of the \$1,300,750.

A. The \$1,300,750, which represents the stated value of the common stocks of the respective companies.

Q. And all of these figures you have given us so far were available to the Commission, were they not?

A. Yes; with the exception of the cost of acquiring the properties.

Q. And that was in the files of the bureau of securities, was it not?

A. Yes.

Q. And those files were available to the Accountants of the Commission, were they not?

A. I imagine they would be. I don't see why they shouldn't be. If they would call up on the telephone, I am pretty certain they would get the information.

BY MR. TURNER:

Q. Can you tell us whether in this particular case the securities bureau had any control?

A. This next exhibit, I think, Mr. Turner, will explain why the bureau of securities were put out of action in connection with the issuance of these securities.

MR. TURNER: All right.

MR. WALKER: Mr. Turner, in reference to that question, I don't know what the practice is, but I think it will be interesting to the Committee to have somebody from the bureau to tell us what the practice is.

MR. TURNER: Not the practice; but the law.

MR. COOKE: Yes. Hasn't it been testified here that the cases that come under the Public Service Commission are laid off somewhere?

MR. WALKER: Mr. Evans, I think made the statement that where the question came before the Public Service Commission, they just accepted the statement.

MR. COOKE: In other words, the securities bureau was depending on the Commission?

MR. WALKER: That is what we understand.

MR. BOWERS: I had a case before the securities bureau and they depended on the Commission.

MR. TURNER: I think we had better amend our resolution so as to investigate the Public Securities Bureau.



(Paper entitled "Federal Water Service Transactions" marked exhibit 145)

Q. Mr. Keady, I now show you here a mimeograph sheet No. 145, and ask you if that is a further exhibit you prepared of the Federal Water service transaction?

A. Yes sir.

Q. Would you take this Exhibit and explain the different columns to the Committee?

A. This exhibit covers the same companies that were also shown on the previous exhibit. The first column, covers the fixed capital assets, not of depreciation December 31, 1928, including the write-up. The second column is the net amount of the write-up. The third column is the fixed capital assets, not of depreciation, exclusive of the write-up. The column after that is the total bonds and preferred stock issued by these respective companies, and the last column is the percentage of the write-up.

Now, the important column of this exhibit is the total bonds and preferred stock issued by those companies. Take the first case, the Clear Springs Water Service Company. The amount of the preferred stock and bonds after refinancing was \$870,000. The fixed capital assets before the write-up was only \$665,-563.52. In other words, without these write-ups, these companies would never get by the Bureau of Securities. Now the Public Service Commission has jurisdiction over the write-ups.

Q. Did they check these and approve them?

A. In connection with the certificates of notification, there was a summary appraisal submitted by these various companies, showing in summary form the amounts, broken down of the various descriptive headings of fixed capital assets. It would be impossible to make any check of these write-ups from that summary sheet that was submitted with the certificates of notification.

BY MR. COOKE:

Q. Were the names of the valuation engineers who made these various valuations in there.

A. No sir.

BY MR. WALKER:

Q. Were there any marks upon the appraisals to show how they arrived at these figures?

A. No sir, there are no marks which would indicate that the appraisals were ever checked, of course, whenever you take into consideration that the Scranton Springbrook Company, although their write-up is different from the rest of them, you know of your own knowledge that it would be impossible to check the appraisals or make any test of the appraisals in the space of time during which the application or the certificate of notification was presented to the Public Service Commission, and up to the time that the securities were actually issued.

BY MR. COOKE:

Q. Is that a matter of weeks.

A. Some of these companies submitted original certificate of notification in January, 1928—I think the latter part of January—January 7th—there was some of the companies submitted.

Now, the appraisals were not submitted at that time. There was a letter written to the companies of March 1st, or February 1st, I don't recall which, requesting these various appraisals, and the securities were issued on March 15th, 1928—the most of them.

BY MR. HAGMAIER:

Q. Were they allowed to write-up before they received the reports from the engineers.

A. Apparently they did. It is still on the books of the Company, according to the annual reports.

BY MR. WALKER:

Q. Do these summary appraisals show in detail the various amounts.

A. No details whatever. There was no price, unit of price, or anything else, that would enable anybody to make a check of the appraisals. Unless the Public Service Commission had previous work papers on all of these companies, the appraisals could not have been checked from these summary sheets.

In connection with these appraisals, I want to read from Volume 8 Public Service Commission decisions, in respect to the Pennsylvania Water Service Company, a decision in which the Commission disapproved of the applications at that time.

Q. What time is that?

A. September 15, 1927. This was the original set up of the Pennsylvania Water Service Company. I want to read a paragraph in here in connection with these write-ups, which were being brought on the books at that time, in the original set up:

"The Commission cannot, without reserve, accept estimates of value as a basis upon which to issue securities. The law contemplates that the books and accounts of a utility shall accurately represent the several elements of cost in the development of its property, and where for any reason such actual information is not revealed in the books, the practice of the Commission provides means for establishing estimates of original or historical cost.

Engineering estimates are at times too variable, and some of them are based upon too many theories of valuation (particularly in reference to "intangible elements") that are not recognized as proper or reasonable under the Public Service Company Law, to be accepted without check, confirmation, or revision by the Commission. Furthermore, it must be obvious that high estimates of value made in periods of inflation or of abnormal or peak prices, afford very unstable bases for security issues. Such securities would be subject to violent fluctuation and depression; not only would the investing public but also the utilities themselves and their rate-payers inevitably suffer from such instability."

MR. TURNER: It sounds like a very sound theory.

MR. HAGMAIER: They did not practice what they preached, however.

BY MR. WALKER:

Q. Were these ideas carried out? Did any one of these various set-ups appearing here now?

A. These were the same companies that I am noting here that were included in this original set-up and this is one of the reasons the Public Service Commission gave for disapproving.

BY MR. TURNER:

Q. Does it show who wrote that opinion? So it is clear on the record, that is the decision they handed down in regard to the merger of these companies?

A. Yes sir, that is right; the only other companies that are included in the subsequent set-up are the Scranton division of the Scranton-Spring Brook Water Company. At that time they didn't have control and my testimony showed you that they secured control of that division in this merger application which we discussed tonight.

Q. What was the date of filing this second merger which included the Scranton group?

MR. TURNER: The Commission had no control of the Federal issuance of securities?

A. The Federal securities are not involved. I don't have the date the application was filed, but I can get it. The numbers are 18029 to 18033, inclusive, and the report of the Commission approving the application is dated February 21st, 1928.

MR. WALKER: Within about six months after refusing the merger they turned around and granted practically the same thing?

A. Yes sir.

Q. And were practically the same conditions existing then that existed before?

A. The only difference was that these properties did not include the blanket mortgage that was placed on the other properties. In other words, each company was set up as a separate company. The Commission also objected to that, and that is the only difference that I could find in the subsequent line-up.

MR. HAGMAIER: Then practically in 1927 they refused the proposition and in 1928 they did that which they said they would not do before?

MR. TURNER: It would seem to me to be very valuable if we could find out the reason of the Commission for granting the application in 1928 and their reasons for the refusal in 1929.

MR. KEADY: The reason as given for refusing in 1927 and the companies turned around and made a new set-up containing the same elements including the Scranton division, and the Commission granted the merger in February, 1928, after refusing it in September, 1927.

MR. TURNER: Q. Have you that decision there?

A. This decision here covers only the Scranton-Spring Brook merger. The only companies, there was no reason for

filing application because the company was just being refinanced. There was no merger involved but certificates of notification in connection with this refinancing were filed with the Public Service Commission.

MR. TURNER: Q. Did the Commission have jurisdiction or anything to do with this refinancing in 1928?

A. The certificates could not be issued without the writeups. I think that exhibit covers that very plainly, the fixed value of the capital assets would not sustain the additional securities.

Q. Would there not be some report from the Commission on that?

A. The certificate of notification they submitted to the Commission and apparently they didn't object to it because the refinancing went through.

Q. That is what I want to know, whether they sanctioned it or refused it, or whether they didn't know anything about it?

FATHER COX: He wants to know if they gave as beautiful reason for doing it as they gave for refusing it.

MR. TURNER: That is right. I think it is very important because it seems to me very vital to these questions we have here.

MR. WALKER: I think when the Commission appears before the Committee they should be given an opportunity to explain the two distinctions.

MR. MOORE: Also add to it, whether the same commissioner heard both cases.

MR. HAGMAIER: Mr. Walker, make a note of that so we are sure it comes up.

MR. KEADY: The Commission I contend cannot pass the buck in connection with the issuance of these securities to the Bureau of Securities without proving conclusively that these values are proper and doesn't it seem strange that all these properties that were so ably managed should have these remarkable changes in their values just at the time that the Federal wanted to get their money out.

BY FATHER COX:

Q. How do you figure the mess is going to be untangled?

MR. WALKER: I don't think that is a fair question to ask Mr. Keady.

R. HUSSELMAN recalled.

BY MR. WALKER:

Q. You have been sworn in this case, have you not?

A. Yes.

Q. Have you made an investigation of the records and files of the Public Service Commission with respect to the rate case of the Borough of Clearfield versus the Clearfield Water Company?

A. Yes.

Q. Will you please give a brief outline of this case to the Committee?

A. Yes. The Clearfield Water Company filed new rates effective August 21, 1926, which became effective October 1, 1926. Complaints were filed September 17, 1926, and the burden of sustaining them was on the company. The hearings were held in the early part of 1927; the case was argued on October 10, 1927, and decided January 23, 1928. I selected this case for the reason that it is a clean cut rate case involving a company that is locally owned, no holding company connections, no management corporation involved, and no writeups in the capital account of the company.

BY MR. RHODES:

Q. Would you not call that a rather exceptional case?

A. No sir.

Q. I just want to know whether it is typical or whether it is exceptional?

A. It is typical up until the last year or two, before the mergers.

Q. Up until the holding companies came into the picture?

A. Yes.

BY MR. WALKER:

Q. Now, will you give a brief financial history of this company?

A. The company was organized in 1882 with an original capital consisting of 1,500 shares, with a par value of \$20, or a total of \$30,000. The plant was put in operation in January of 1883. At the time of the investigation there were outstanding

17,400 shares with a par value of \$348,000. Evidently 2,800 shares, or \$56,000 of this capital stock was issued in stock dividends, leaving \$292,000 paid in by stockholders, and there was no funded debt, nor other outstanding capitalization. Compared with this capitalization the company's books showed an investment of \$397,133, which included some non-used property. They laid a pipe line in 1927, during the progress of the case, which brought the investment up to \$403,133, which included \$22,183 of property which was not used or useful, and leaving \$380,950 as the original or book cost of the property. This was determined by the Bureau of Engineering, which added to that figure \$3,000 for working capital, giving a total of \$383,950. The books of this company showed \$403,133—\$403,600, and as I stated before, the outstanding capitalization was \$348,000. The books showed a surplus of \$22,000, which was invested in property, or a total of \$370,000, of which \$292,000 was paid in by the stockholders, and \$33,345 of the depreciation reserve was also invested in the property, which makes up the total of \$403,000. Now, this company paid dividends in the first year of its operation, and in each year from 1883 down to the time of this investigation, a total of dividends paid of \$497,087. Those were the cash dividends. The consumers of this company contributed those dividends, the depreciation reserve and the surplus, and \$56,000, which was paid in the form of stock dividends. The total they contributed in addition to the cash dividends was \$111,345, or the consumers paid a total of \$608,432 in that period of the \$292,000 paid into this company by the stockholders.

BY MR. TURNER:

Q. What rate of dividend did they pay?

A. Anywhere from 6 to 10 per cent, varying with different years. The company made some additions to its fixed property in 1926, about the time it started this rate case, which cost about \$55,000, and by these additions increased the number of customers from 2,482 to 2,744, and borrowed money on temporary notes, but notwithstanding paid dividends throughout the entire period. In the year 1924 the company increased the general officers' salaries and expenses from \$5,878 in 1923 to \$9,157 in 1925, and \$9,410 in 1926. This was about the time the rates were increased. Also just prior to the increased rate schedule, there was a big jump in the maintenance of the distribution system, which was increased from \$903 in 1923 to \$1,715 in 1924, and \$3,988 in 1926, which was the year that the increase in rates was filed. After the rate case was decided the minimum charges were dropped back to the level that prevailed prior to the bringing of the rate case.

BY MR. WALKER:

Q. How was the presentation of this case to the Commission handled?

A. This case was presented to the Commission in a very thorough manner by both the company and the complainants. The appraisal of the property for the company was made by the firm of Morris Knowles, represented by Mr. Jacobs.

BY MR. COOKE:

Q. That is, Morris Knowles, Inc., of Pittsburgh?

A. Yes, they were represented by Mr. Jacobs who had two or three assistants, but he did the testifying. The complainants employed two engineering experts, who also made appraisals on the basis of cost of reproduction new, and cost less depreciation. The principal of those witnesses was John M. Rice, and the record shows that Mr. Rice was engaged in engineering work 15 years or more before Mr. Jacobs was graduated from college—and that he had fifteen years, at least, of practical experience in the designing and constructing of dams and reservoirs and other similar engineering works. The complainant—

BY MR. TURNER:

Q. Do you mean to note by that that Mr. Rice was better qualified than Mr. Jacobs?

A. I say that to indicate as the basis of something that I expect to say later. I think, probably, that Mr. Jacobs was qualified, but not to the extent by experience and training, that Mr. Rice was qualified, because of his long years of experience in the actual design and construction of that class of work, which in this case he was employed to appraise. I am not casting any aspersions, however, on Mr. Jacobs or the firm of Morris Knowles, Inc.



MR. TURNER: I just wanted to know, because the attorney general of Pennsylvania was graduated from law school after I was.

THE WITNESS: Being an engineer, I cannot criticize either of them, but I am just merely saying what the record states as to their experience.

The complainant also employed an engineer, Mr. Kendig, and the records show that he and his associate had been acting as engineers for the borough of Clearfield for many years, and his experience also included the construction of dams, pipe lines and sewers in the territory involved in this case.

The companies' engineers in this case showed a reproduction cost new including all over head and intangibles that is, including going costs of \$67,000 and cost of obtaining money of \$17,000; in the total sum of \$925,476, and \$803,378, as the cost of this property depreciated.

The engineers for the complainant showed a cost of reproduction new of \$583,576, as compared with \$925,476, and \$413,344 depreciated, as compared with \$803,000, just about half.

BY MR. WALKER:

Q. What did the Commission's engineers show?

A. This work of analyzing the record and the exhibits are assigned to Engineer Parmley of the Public Service Commission. The report shows that he and Mr. Curry, and an assistant engineer of the Commission's office—

BY MR. COOKE:

Q. Is Parmley the water engineer? What was his title?

A. Just Engineer, so far as I know. I don't know what his specialty is.

MR. WALKER: I think, if I recall Dr. Snow's testimony correctly, he stated that Mr. Curry was one of their engineers. I don't recall Mr. Parmley.

MR. TURNER: Is he the mysterious man that Father Cox has been talking about?

FATHER COX: No; you will hear about him later.

THE WITNESS: I never met either of these engineers; no, I don't know, Mr. Cooke. They made up the figures of the cost of reproduction new, and these two engineers first drafted the Commission's order or opinion in the case.

BY MR. WALKER:

Q. What valuation did they place on the property?

A. They found, on their first effort, a reproduction cost new of \$842,443, and \$751,492 for that element depreciated. Their figure of cost new is 91% of the company's and almost one and one-half times that of the complainant's. For the depreciation amount the Commission's engineers figure is 94% of the company's and one and three-quarter times the complainant's.

A few of the details where the methods used by these engineers show up is in the item of two reservoirs. The company claimed \$189,600, and \$178,170 depreciated. The complainant's engineers, who were as I pointed out, experienced in this class of work, claimed \$115,300, and \$97,000 as the depreciated figures. The Commission's engineers allowed \$165,265, cost and \$161,695 depreciated.

The Commission's report states that "The Bureau accepts respondent's unit prices as reasonable," and then makes a deduction of \$24,370 for a quantity of embankment. In other words, they took the unit prices used by the respondent's engineers in the face of the unit prices submitted by Messrs. Rice and Kendig, who were engaged in that work in the vicinity at the time. On one large item of supply line, totaling \$124,000, the Commission used the company's identical cost figure, and approximately the same figures for the depreciation; their allowance in this instance exceeded the complainant's by \$41,000.

The largest item of property was the distribution system, for which the company claimed \$258,000 cost and \$211,800 depreciated. The complainants' engineers claimed \$210,000 cost and \$134,200 depreciated. The Commission's engineers allowed \$255,476 cost and \$221,052 depreciated, or \$9,200 more than the company claimed. In other words they increased the complainants' figure by \$86,000.

BY MR. COOKE:

Q. Have you any explanation of that?

A. Have I any explanation?

Q. Well, was there any made?

A. No sir.

BY MR. RHODES:

Q. Was that before the intangibles were allowed?

A. It was before the intangibles. That was just the physical items of the property without over heads and intangibles.

The cost figures on that property were company engineers \$729,476; complainants' \$512,860; and Commission's \$642,715.

The books of the company do not show any overhead costs had been incurred, but the company added to the physical property figure \$108,000 for overhead; complainants' added \$46,316; and the Commission added \$104,768; almost as large in dollars in their lesser value as the company claimed.

For a going cost the company claimed \$67,000; the complainants, for some reason conceded \$17,400; and the Commission's engineers allowed \$60,000, regardless of the fact that no such item appeared on the books as a cost, that any such item had ever been incurred. The same is true of the cost of obtaining money, which the company claimed, in the amount of \$17,000. The complainant though conceded \$5,000, and the commission engineers allowed \$15,500. The company claimed \$4,000 for working capital. The complainants claimed \$2,000. The Commission split the difference at \$5,000. The Company claimed \$7,000 for materials and supplies, and the complainants \$5,000. The engineers of the Commission allowed \$7,000 claimed by the company.

Q. What have you to say in respect to the work of the Commission engineers.

A. In my opinion, the Commission engineers in this case went a long way to find a high value of this property. I believe this reflects the attitude and the policies of the chief of the bureau of engineering, Dr. Snow, who has been chief of that bureau for a great many years.

BY FATHER COX:

Q. Did the Commission engineers make a thorough investigation in this case, or was it just one of their flying visits, and then accept the reports of the engineers of the company.

A. In the Clearfield case?

Q. Yes.

A. They didn't make an inventory and appraisal of the property at all. These are figures that they compiled from the testimony, submitted by the engineers of the complainants and the respondent. These engineers did not make any inventory and appraisal of this property, but this work was done in drafting the opinion and order of the Commission.

BY MR. RHODES:

Q. Do you have any reason for coming to the conclusion relative to Dr. Snow's attitude.

A. Yes sir, I have. I have known Dr. Snow,—I have worked for him on committees; I have examined more of the records of the Public Service Commission than there are incorporated in this Clearfield Water case, which I hope to explain later, and I have a very definite opinion with respect to Dr. Snow's policies and theories with respect to the valuation of a public utility property.

Q. That opinion has been formed by virtue of your contact and association with him.

A. It has been formed out of that, and partly out of the results that have been secured out of the Bureau of Engineering of the Public Service Commission.

Q. Has this attitude been reflected in these various cases you have examined?

A. Yes sir.

Q. What is his attitude on this?

A. His attitude in my opinion, is that he is merely theoretical; that he is very technical, that he has drafted the element of value,—so called value,—or purported value, that is coming in before this Commission, in order to secure large valuations for utility properties.

Q. You think that he has a propensity for creating large values in these cases?

A. I do, in this case,—in the cases that I have been connected with, and in the cases that I have examined.

Q. Do you think there is any other reason for his inclination along that line, other than his frame of mind, which is technical.

A. No, I do not.

Q. You think that this inclination is due to his mental make-up?

A. Probably his mental make-up and his training. I don't know.—I cannot answer what causes that. It may be his experience.

Q. The examination of these cases indicates to you that Dr. Snow is very technical to allow every possible claim in connection with these rate cases.

A. It strikes me that way.

MR. RHODES: Q. That figures the case with the benefits to the company?

A. It does.

BY FATHER COX:

Q. It affects a great many other people the same way, not only in Harrisburg but throughout the State?

A. I cannot speak of how it affects other people.

BY MR. COOKE:

Q. Take the element there of this reservoir, how far apart on actual cost would you expect engineers who were right-minded to be? What would be the percentage of difference that you would expect in ordinary engineering judgment?

A. On a thing of that kind I would not expect over 5%.

Q. You were one of the engineers back in 1916 that valued the Philadelphia Electric Company, am I right?

A. That is right.

Q. You represented the complainants?

A. Yes sir.

Q. And you joined the representatives of the company in planning a unanimous report?

A. On the actual cost of that property.

MR. HAGMAIER: Q. The Commission engineers are higher than the Morris-Knowles all the way through?

A. No sir. They were in a couple of items.

BY MR. RHODES:

Q. But they were not in the aggregate?

A. No sir.

BY MR. COOKE:

Q. They were about 90%.

A. 94%.

Q. What overheads could there be, and what intangibles could there be in building a reservoir?

A. This thing, Mr. Cooke and gentlemen of the Committee, we have not got the intangibles and overhead yet except what they call the structural overhead, such as compensation insurance and expediting the structure, but we have not come yet to all the overhead and intangibles that are added on to this.

Q. You mean there is more to this story?

A. A little more. We are simply talking about the things that go to make up the actual physical construction of a reservoir, such as the excavation and the concrete, and on that phase I would not expect anybody to differ very widely. Any right-minded engineers who wanted to get themselves to agree on the facts of a piece of work as far as the actual concerned, they could agree on that, but when it comes to the application of overhead in construction, it is a new theory. Then the difference comes. I made in 1913 an appraisal of all of the properties in the city of New Orleans in conjunction with the engineers of the companies, and we agreed all of the way through on some thirty-four million dollars worth of property so far as the physical property was concerned, but we could not agree on some of the overhead, and I have done the same thing in Toledo, Ohio, and in Elmira, New York, and in other places. I am discussing the going value and intangibles.

In this appraisal they have an item of going costs. I am frank to admit that in more than a good many years of practice as an engineer I do not yet know what going cost is. I know what going value is purported to be but I don't know what going cost is.

MR. MOORE: That is an intangible?

MR. HUSSELMAN: That is an intangible. I know what going value is purported to be but I don't know where you can get the going cost. They have called it sometimes in the Commission "the cost to get going" but when you analyze the operating expenses of any utility the cost of developing the business has been charged to operating expenses as the years go on.

When you make an inventory for rate making purposes, you go out and appraise the property and inventory it as it is,

every meter and service connection every customer connected up ready to do business. There is some element of value in some properties over and above their cost and when you make an appraisal to include every item of property going to make up that property the engineering and the cost of organization and administration to build that property up to the very day that it will go into operation, all this is theoretical and hypothetical.

BY MR. COOKE:

Q. Your theory is that the physical value includes going cost?

A. Yes. If you are operating on this reproduction cost new theory when you make an appraisal you include everything in there because you cannot go and put a meter in a man's house unless you have an application and a contract with him and that has to be included in the cost of organization.

However the company in this case claimed \$67,000 going cost and the Commission allowed them \$60,000. These gentlemen, Mr. Parmley and Mr. Curry, allowed \$60,000 in their set up. The complainants stated \$17,000 for going cost, but the counsel or attorney for the complainants argued in his brief that there their evidence didn't support any allowance whatsoever.

BY MR. WALKER:

Q. Did you find anything new and startling in the way of rules for the ascertainment for fair value in the engineers notes in this case?

A. Yes I did. Engineer Parmley's report I find the formula by which the fair value is determined. The formula is as follows: "Fair value. From the foregoing the bureau suggests the fair value of \$628,978 derived by using the bureau estimate of fair book cost figure of \$383,950.03, and the reproduction new less accrued depreciation figure of \$751,491.54 and giving double weight to the latter." That seems that they took the reproduction new figure less accrued depreciation that they found and made in the way I have explained, and multiplied that by two and added the book figure and dividing the answer by three that gives the identical figure that they suggest as the fair value of the property.

BY MR. COOKE:

Q. Is there any legal, economic explanation of that on an engineering basis?

A. Don't make me laugh.

BY MR. BOWERS:

Q. Those engineers have graduated from college since you have?

A. Well, I think I have read pretty nearly all the decisions of the Courts, and I never found any rule, and I was never so surprised at anything in my life as when I found that rule for the ascertaining of fair value. Now, I took it up in some of these other cases that I have investigated here, and I assure you in the Springbrook Water Case they did not use that rule, because it would have brought a very much lower figure than the \$43,600,000 they found in that case.

BY MR. COOKE:

Q. Did you find any other cases where they used this ingenious rule?

A. I have not been able to find any, but I did not investigate so many simple cases.

In this report of Mr. Parmley's, he discusses the cost of cast iron pipe, which was rather high at the time this rate case was filed. He said in this connection, "If consideration be given to the decrease in the price of cast iron pipe since date of inventory and appraisal, October 1, 1926, and October 1, 1927, there would be a reduction of about \$144,600 in the reproduction cost new figures—decreasing the Bureau's figures by this amount—a figure of \$697,581.69 is obtained, which is comparable to \$751,491.54, figure shown in tables." That I referred to above. Using this same rule for the determination of fair value, the amount would have been \$593,038. In other words, the cost of bare pipe actually decreased in that year \$44,600, and by the use of this rule the result was only \$35,940. It is interesting to note too in this connection that pipe was very much higher at the time this appraisal was made and this order issued in this case than it is at the present time, and for that reason the valuation established by the Commission at that time on this property is about 25% in excess of what it would be if



that property were appraised now, and that means a considerable amount for return and depreciation that must be paid, and is being paid at the present time by the consumers of water in this community due to the weight that was given to this cost of reproduction now under this appraisalment.

BY MR. WALKER:

Q. Did the engineers make any suggestions to the Commission?

A. Yes. This is quoted from the report of Engineer Parmley, "If, from the foregoing, the Commission finds that the new tariffs shall be sustained, the Bureau offers the following figures for basis of the Commission's findings, 'Fair Value, \$604,000; annual allowance for depreciation, \$6,200.'"

BY MR. COOKE:

Q. How do you suppose he figures the \$6,000 depreciation on a \$600,000 basis?

A. About 1%.

Q. What would you expect that to be?

A. I should think that would be about right, probably, if anything, a little bit low. Of course, this was a gravity system, and consisted largely of mains and reservoirs that are quite permanent. Also in order to show allowable revenue, for instance, the information given to the Commission at a rate of 7% would be \$42,280; operating expenses, \$13,215; taxes, \$7,800; annual depreciation allowance, \$6,200, a total of \$69,495, which amount is \$5 less than the respondent's anticipated annual revenue under the new tariffs.

On the valuation first determined the engineer found that the allowable earnings were \$1,905 in excess of the anticipated revenue from the new tariff. After he deducted for the difference in the cast iron pipe, he found earnings were \$839 less than the anticipated revenue. With his last effort after juggling, he got this worked down to \$5.

BY MR. TURNER:

Q. How are they going to make that up?

A. That was quite enough. It appears that the method used by the Commission's engineer was that they did quite a bit of juggling until they got the desired end.

BY MR. WALKER:

Q. Do you know who prepared the Commission's opinion?

A. In the files of the Commission requested by the Committee, I find the report of the Bureau of Engineering in the form of a proposed Commission report, with the sticker attached thereto, stating that the same was prepared by Messrs. Parmley and Curry. There were certain pencil memoranda on this report, one which is, "Corrected by Snow, January 17, 1927." Comparing this report with the final printed draft, I find that Dr. Snow changed the wording slightly in places without changing the meaning, and in other places that he cut and eliminated various paragraphs of description contained in this original report. He or someone also reduced the allowance for going concern value from \$60,000 to \$35,000, the basis for which does not appear.

In drafting this report the engineers evidently did not include the allowance for cost of obtaining money as made in their first setup, for they used the round figures, \$837,000 for cost new and \$740,000 depreciated. Dr. Snow's reduction of \$25,000 in going value brought these figures down to \$792,000 and \$717,000 respectively. Using the rule above set forth, of giving double weight to the cost of reproduction new after these changes, the answer would have become \$605,783. Since the sum of \$600,000 for the rate base was ample to sustain the rates filed by the company, this engineer's report, which when changed by Dr. Snow became the report and opinion of the Commission, found the fair value of respondent's property to be in the sum of \$600,000.

The final order of the Commission allowed 7 per cent return on that base, or \$42,000 annually. It allowed the company's claim for operating expenses and for taxes, which are set up in Engineer Parmley's first report, and increased his allowance for depreciation \$100.

BY MR. WALKER:

Q. What did the Commission do about the Company's expenses in this rate case?

A. The company made a claim of \$2,500 for amortization of the rate case expenses, but to have allowed this would have meant that the allowable revenues would have been increased and the rates increased; so that the Commission did not allow that; but in its operating expenses for the year the company increased or includes \$9,000 for general office salaries, and in 1928 this item jumped to \$11,012; and in 1929 to \$11,228, which just about makes up for the amortization of the rate case expenses.

In the years 1928, '29 and '30 the maintenance expenses decreased from those for the years 1925, '26 and '27, when the rate case was pending.

Q. What has been the result of operations in this company since this case was decided?

A. In 1928, under the new rates, the company paid all its operating expenses, including the increased general office salaries; set up the depreciation reserve; paid its taxes, including \$5,759 of income taxes, which is 1.65 per cent on the outstanding capital stock; paid 10 per cent in cash dividends, or \$38,280, and carried \$2854 to surplus.

In 1929, the company paid all its operating expenses and taxes; set up a depreciation reserve; paid 9 per cent cash dividends, or \$34,552, and carried \$5,171 to surplus.

In 1930, the company paid 8 per cent stock dividend on \$30,620 par, and 8 per cent cash dividend in the amount of \$31,236, and carried \$5,672 to surplus.

In other words, in 1930, it paid 16 per cent in stock and cash dividends, and carried a substantial amount to surplus. In the other years it paid 9 and 10 per cent dividends and carried a substantial amount to surplus.

Q. What, in your opinion, would have been a reasonable finding in this case.

A. I think, after a study of the records in this case, the appraisals and so forth, that a reasonable, fair value on this property would have been \$400,000. There was \$252,000 paid in. There was a record of dividends and so forth throughout the entire history of the property. The book figures show a cost of less than \$400,000, and it strikes me that a fair sum would have been \$400,000, and allowing taxes, the expenses and the depreciation and so forth. Seven per cent on that sum would have involved an increase of \$5,777 over the 1925 operating revenues. In other words, the company was entitled to an increase over the old rates, but I should say somewhere between five or six thousand dollars. The operating revenues in 1927, the first year when the new rates were effective, provided \$20,872 increase; and in 1928 \$22,675 of an increase.

I think the Commission, in justice to the company and in fairness to the company and to the consumers, could have in this case granted that company an increase of 5 or 6 or 7 or 7500 dollars, which would have been just and fair to the company and to the consumers at the same time.

Q. Does that case tend to show the importance of the engineering bureau of the Commission?

A. It certainly does; and so with other cases that I have investigated. The first drafts of the orders and opinions of the Commission in every case that I have investigated so far have been drafted in the engineering bureau of the Commission. The valuations and so forth of the property, in the first instance, have been set up in the engineering bureau, and in this case the opinion and order—the opinion of the Commission at least, was written by the engineering bureau as shown by the records on files.

MR. WALKER: Now, Mr. Chairman, Mr. Evans issued strict orders that I was not to abuse the Committee during his absence. We have one more case that we would like to take up, if the Committee is willing to hear it. It not, that is all we have for this evening.

THE CHAIRMAN: This hearing will stand adjourned until ten o'clock tomorrow morning.  
(Adjourned until Thursday, April 16, 1931, at ten o'clock A. M.)

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Thursday, April 16, 1931, at 10.00 o'clock A. M.

There were present:

Messrs. D. Glenn Moore, Chairman  
Bart Richards  
Chester H. Rhodes  
Martin Memolo  
Frank L. Bowers  
Ellwood J. Turner  
Louis W. Hagmaier  
Harry J. Crawford  
Rev. James R. Cox  
Morris L. Cooke  
Harold Evans, Esq.  
John M. Walker, Esq.

THE CHAIRMAN: Before the hearing is resumed, the Chair wishes to make this brief announcement.

The impression seems to have gone out that the utility side of this controversy would not be heard. In other words, that we were putting in the Public side and leaving them out in the cold. There is no intention of doing that, and announcement was made at the beginning that all sides would be heard. This is not a whitewash, absolutely a fair investigation. We followed what we considered was the most expeditious way of getting at the situation. We have an orderly program for putting in the complaints, and we have a program that will carry us through the next two weeks. Invitations have already gone out, or will be sent out to the heads of all the large utilities operating in this state, whose operations have been called in question, and they are invited to appear here in person or to appear by representative to answer any testimony that may be prejudicial to their own interests. They will be heard just as the public has been heard.

R. HUSSELMAN recalled.

BY MR. WALKER:

Q. Mr. Husselman, have you made any examination and study of the work of the Commission in connection with the Scranton Electric Rate Case?

A. Yes.

Q. What records have you examined?

A. I first examined the file and the motion of the Commission on March 11, 1930, making certain averments in complaint form and requiring the company to file its answer, the testimony taken in the case, the appraisals filed by the Company and the Commission's Bureau of Engineering, and the report of the Bureau of Accounts and Statistics. Afterwards I examined the reports, the annual reports filed by this company with the Public Service Commission. Later I was furnished with the field sheets, the working data, reports and papers in connection with this case, and have examined them.

Q. Will you give a brief description of the procedure in this case?

A. The Commission instituted a rate case on its own motion on March 11, 1930. It assigned its engineers and auditors the job of making reports on the property. The engineers began the field work on March 17, completed the same on May 10, and filed their report on June 30, 1930. The report of the Bureau of Accounts and Statistics was filed May 22, 1930. The first hearing was held by Commissioner Benn on July 15th, the second hearing by Commissioner Young on August 12, and the third and last hearing in August 26, 1930. The record consisted of 158 pages of transcript. The Commission called its engineer and its accountant as witnesses, and the company had five or six witnesses. On September 30, 1930, the company filed a further answer advising that it had filed a further answer advising that it had filed a new schedule of rates to take effect as of November 1, 1930, and in that answer averred that the new rates, "Will result in annual savings of over \$750,000 to the customers of the company, over half of which goes to the domestic consumers." These rates became effective as of November 1st, and without further hearing, on November 25th, 25 days after the new rate became effective, and before new bills were sent out under this new rate, the Commission adopted the following motion:

"It appearing from the records in Complaint Docket No. 8273, the Public Service Commission v. Scranton Electric Company, that since the filing of the inquiry and investigation by the Commission, and the hearings had thereon, the respondent filed a new tariff, being P. S. C. Pa. No. 9, becoming effective November 1, 1930, making reductions in estimated revenue of approximately \$750,000 and it further appearing that this

tariff has met with public approval and that no protests or complaints have been filed against the tariff and that the objections lodged against the old tariff have been met and satisfied, the Electric Rate Committee recommends that the inquiry and investigation instituted by the Commission at the above number be terminated and the record marked closed. The Commission may subsequently institute a new inquiry if the reports of the Company show that the new tariff will produce more than a fair rate of return or will result in any other features inequitable to the rate payers."

The above motion was presented by Commissioner Young, and is an excerpt from the minutes of an executive meeting of the Commission held in Harrisburg, November 25, 1930.

Q. Have you in the investigation of the records come across any reports or data indicating that the Commission, or any of its Bureaus, made any check upon the figure of \$750,000 which the Company gave as its estimate of the amount by which its revenue would be reduced annually under the revised schedule of rates?

A. No sir, I have found no such data.

Q. I will ask you whether it would have been possible for the Commission to have made an estimate of the amount of reduction that it would sustain by reason of these new rates?

A. Yes, it would have been possible to apply these new tariffs to the customer data for the preceding year and make an accurate estimate of the effect of those rates on the revenue of the company at the quantity of energy consumed in the preceding twelve months, or any other preceding period.

BY MR. COOKE:

Q. You would not expect that estimate to be accurate, within what per cent?

A. Well, on the preceding twelve months. It could be made accurate, wholly accurate.

Q. But what I am talking about, how accurate will that be as effective subsequent years?

A. Oh—

Q. That question has frequently come here.

A. That is something one cannot tell exactly, because a reduction in rates generally produces an increase in the consumption of electricity by the consumers, and of course, it is impossible to estimate for a future period just how much the reduction in rates will increase the sales of electricity.

Q. When a company indicates that it has made a reduction in rates, I mean a reduction in income, what does it mean, a reduction based on the years that have passed, or what they expect the deduction to amount to in the future?

A. I have checked this up, in expectation of the future reduction for a coming period, and I have found a computation, and in fact, from the statement in this case, found out that it would reduce this revenue \$750,000 annually. I might say in a case that I just investigated down in Indiana, where a company made a reduction the tenth day of March, 1930, and stated that its revenues would be reduced by such a reduction \$48,300 the actual result in the next twelve months was a reduction of \$15,000. In the Cambridge Electric Light case, a few years ago, where the Commission reduced the resident's rate from 8c to 5½c, the year following the reduction, which was a material reduction, the revenues from the sale of energy to that class of consumers, exceeded those of the preceding year under the higher rates, so that it is difficult to estimate exactly the effect of a rate reduction for a future time, because you cannot tell just where the increase in consumption is going to run, but you can compute it accurately on the basis of the energy sold in the preceding twelve months.

Q. In the light of your information, Mr. Husselman, is there anything about the order of the Commission in this case, that strikes you as being strange.

A. Yes.

Q. What is it?

A. May I correct you in saying, that I understand it is not an order of the Commission, but a motion passed in executive session of the Commission dismissing the complaint brought on its own motion, and that motion is just as I have read. It states that there were no protests or complaints filed against the operation of the rates that became effective 25 days before this motion was passed. Now, it is my judgment that no bills having been rendered under these new rates, the only way the consumers have of knowing of a rate reduction is to see its application in the bills. In fact, no complaints or protests will probably be filed until after the time has elapsed sufficient to



permit customers to get their bills and see the effect of those rates on their pocketbooks.

Q. Mr. Husselman, do you consider that the rates now in effect, that these rates that became effective on November 1, 1930, are reasonable and fair rates for electric service in a community the size of Scranton and under the conditions up there with respect to the cost of generating and distributing electricity, disclosed in the annual reports of the company filed with the Commission?

A. No, I believe those rates that are now in effect are excessive for electricity, especially to the domestic consumers under the conditions that prevail in Scranton and in that territory, taking into consideration the size of the community and the accessibility of fuel, the cost of fuel and all of the things that enter into the rendering of electric service.

Q. On what else do you base statement?

A. On my knowledge of the rates for electricity in a great many other communities, of my knowledge of the cost of generating electricity and distributing it, and on an examination of the operating costs and expenses of the Scranton Electric Company, which is involved in this case. It was testified in that case, that the company had its coal consumption per KWH generated from 5.65 pounds in 1920 to 2.8 pounds in 1926; to 1.62 pounds in 1928 and 1.32 pounds in May, 1930. The coal consumption per KWH generated is less than one quarter of what it was in 1920, but the sale price of the product is still eight-ninths of what it was.

It was brought out in the Federal Trade Commission hearings that the operating revenue of the Scranton Electric Company increased from \$4,896,000 in 1923 to \$6,911,948 in 1929, a growth of 41.17 per cent. It was also brought out that the net operating revenue increased in the same time 104.5. The witness before the Federal Trade Commission said this "must mean that operating expenses did not increase as rapidly as operating revenues.

The cost of producing energy in the last ten or thirteen years has decreased by reason of increased efficiency in the design of turbo-generator units and boilers, and because of the higher steam pressures that are now used, because of the inter-connection of utilities, of better load and power factors and the greater diversities of loads, and the increased uses and consumption of electricity. These increases in efficiency, of course, require the investment of considerable sums of money, but at the same time the economies that have been effected have not been passed on to the consumers.

The Scranton Electric Company built a generating plant in 1927 in conjunction with the Pennsylvania Power and Light Company. This is called the Stanton Station. This plant is owned half by the Scranton Electric Company and half by the Pennsylvania Power & Light Company. It is operated by the Stanton Operating Company. This Company does not file an annual report to the Public Service Commission. However, I find that the company generated and purchased 244½ million kilowatt hours in 1929 of which it generated 226 million. I find that the total production cost of the 244 million four hundred and six thousand kilowatt hours generated and purchased was \$783,826, or 3.2 mills per kilowatt hour. The cost of generating current in that Stanton Station in 1929 was 2.366 mills per kilowatt hour; that is without fixed costs. If the depreciation, taxes and return on the generating plant property the total cost should not exceed 6 mills; 3/5ths of a cent. The transmission expense including maintenance, was .005 of a mill. The distribution operating expenses including maintenance in 1929 was 1.45 mills per kilowatt hour. As charged on the books of the company 2.55 cents per kilowatt hour or practically a cent and a quarter a kilowatt hour.

BY MR. COOKE:

Q. That is for all current used for all purposes?

A. Yes; that is all current sold. That is the full and complete cost as charged on the books of the company, due to operating expenses, production, transmission, utilization and everything and includes the general and miscellaneous expenses, which were very heavy. That includes a sum for depreciation, and includes officer's salaries and everything of that kind.

The rates under which this company is now operating; one schedule is first 250 kilowatt hours per month, or less, the charge is eight cents per kilowatt hour. They have a rate in effect which is a service charge of one dollar plus a five cent energy charge per kilowatt hour. A consumer who uses 40

kilowatt hours at these optional rates of one dollar service and five cents a kilowatt hour, based on an average of four and one-half cents per kilowatt hour; 40 kilowatt hours to 50 kilowatt hours is about the average residence consumption of electricity.

Under these conditions, the cost of one cent and a quarter, I think the spread between that and seven and one-half cents or eight cents, which are the domestic rates of the Scranton Electric Company, are excessive.

I believe that a rate not to exceed five cents a kilowatt hour on the average, including a service charge or full cost to the consumer would be sufficient to provide for all operating costs, taxes, depreciation, and a reasonable return on the fair value of the property.

Q. A five cent top rate?

A. A five cent top rate.

Q. They are charging—

A. They have two schedules, one of which is 250 kilowatt hours at eight cents with the five per cent penalty to be added for non-payment in 30 days, and then they have another rate, which is a service charge of one dollar plus five cents per kilowatt hour for energy consumed.

Q. There is no discount in paying that bill, is there?

A. No; on the other hand a penalty for not paying it within certain time.

BY MR. WALKER:

Q. Mr. Husselman have you made an investigation of the records in the files of the Public Service Commission with respect to the rate case of various parties in Luzerne County against the Luzerne Gas and Electric Company?

A. I have.

Q. Please give to the Committee a brief outline of this case?

A. This is a case in which the complaints were filed against the gas rate and the Luzerne County Gas and Electric Company in December, 1917. This case continued, the company filed a revised schedule on April 1st, 1918, increasing the then effective rate, and on June 10, 1918, filed a revised rate on gas. There were about 45 separate complaints filed by various boroughs and consumers against the new rate schedule and these complaints were consolidated and heard as one case. The opinion and order of the Public Service Commission of Pennsylvania in the matter of the complaints was issued March 27, 1923.

Q. How long a time elapsed between the filing of the complaints and the filing of the decision?

A. Between the time of filing the first complaint and the filing of the Commission's decision was five years and three months.

Q. How was this case presented?

A. In the presentation of this case the parties arranged for a conference of engineers to make a valuation of the property; one engineer representing the company and one representing the complainant, and one representing the Public Service Commission. There were other engineers in consultation with these principal men of the committee from time to time and also assistants. It was necessary to make an inventory of the property which was done largely by the forces of the company and then prices were applied to the various items of property after agreement between the engineers representing the parties. You might say that in this case substantial agreement was reached by the engineers on practically all of the items particularly going to make up the physical property. There was some question about the use and usefulness of certain items of the property and of some of the overhead, but the report as submitted to the Commission was pretty well an agreement of all the engineers involved in the matter as to the physical property and so-called construction overhead. There was of course no agreement as to certain items of intangible property. These items were presented to the Commission separately by the engineers of the different parties. Also in this case the first part of the program was ascertained and there was presented to the Commission all of the evidence with respect to the fair value of the property, that is original cost, actual cost, cost of reproduction new on the basis of five year average prices, together with the cost of reproduction new as of the time of the investigation. This was submitted to the Commission for the purpose of securing the rate base of the fair value of the properties involved, the amount of depreciation to be allowed annually, and the rate of return, and then after that decision came down from the Commission,

further testimony and evidence was presented with respect to the operating expenses, revenues, and so forth, of the company, and provide the element of operating cost and estimated revenues on which the Commission could fix and determine the schedule of rates to become effective. On the first phase of the proceeding, which was the determination of the fair value of the property, the oral argument was heard on April 19, 1921.

BY MR. EVANS:

Q. What do the records show with respect to the work of the Commission?

A. The docket sheets in the file indicate that the record was referred to Commissioner Brecht on April 19, 1921. It also discloses that Commissioner Brecht referred the reports to Assistant Commissioner Ehlers for the preparation of the report, and that Mr. Ehlers received this instruction on April 20th. Mr. Ehlers submitted to the Commission a report on July 25, 1921. This proposed form of order prepared by the Bureau of Engineering was considered by the Commission at an executive session on the 15th of August and referred to Commissioner Brecht for consideration and advice to the Commission. This proposed order was under consideration from August 15th to October 11th, when the opinion of the Commission fixing the rate bases for electric and gas properties, the rate of return to be allowed on the bases so fixed, and an annual allowance for depreciation handed down. In the way that the case was decided, the order of the Commission dismissed the complaint as to the reasonableness and legality of the Commission's electric and gas rates, which were effective from April 18th and from July 1st respectively, which they increased in 1920, and retained jurisdiction as to the rates which were filed by the company and which were to become effective on July 1, 1920, and on June 12, 1920.

Q. Did the engineer's bureau prepare and submit a tentative report to the Commission?

A. Yes. Mr. Ehlers submitted to Commissioner Brecht, a letter on July 19, 1921, in which he made the following statement: "The Bureau has prepared and submits herewith a draft of a Commission Report in the above matter. I have incorporated my suggestions as to the value of the properties. It will be noted that there is a wide difference between the relation of the values suggested to the respective cost estimates, and this merits explanation. The electric property has been and is growing very rapidly. It is a very promising property."

Comparison of this original draft of a Commission report as prepared by Mr. Ehlers with the final printed report and order of the Commission discloses very few changes in the text of Mr. Ehler's report. There were a few revisions in the wording and some few additions and eliminations made.

Q. What were the material points of difference between the bureau's draft and the final report of the Commission?

A. The greatest difference is in the fact that Mr. Ehlers found a value of electric property in the amount of \$4,000,000 and for the gas property of \$700,000, whereas the final opinion of the Commission fixed these at \$4,900,000 and \$725,000 respectively. Also Mr. Ehler's report shows a return from earning in the electric department of 8.4% which was reduced in the Commission's final report to an even 7%.

Both Ehlers' draft and the Commission's final opinion state that "the complainants do not question the reasonableness of respondent's operating expenses except with respect to 'gas unaccounted for' and the possible inclusion of Federal income taxes which should be set forth separately in the exhibits to be filed."

In the manner in which this case was presented was misstatement of the fact. There was no evidence before the Commission with respect to the operating expenses except such as was necessary for the determination of the fair value of the property. The complainants in their brief state, with respect to operating expenses, "but the fixing of rates for the future involves a more elaborate and careful study of operating expenses to be allowed than the data now before your Commission will permit." The complainants requested the Commission to fix the fair value of the properties and determine the rate of return and the amount of annual depreciation to be allowed. The complainants further requested the Commission that before fixing or determining the amount to be allowed as a reasonable and necessary operating expense, to be provided in the rates to be fixed, the Commission requests the company to submit a full and detailed statement of

operating expenses and revenues and further, that upon the submission of this data by the respondent, the complainants would ask for a further hearing.

Q. Then what have you to say about the Commission's determination of fair value?

A. Mr. Ehlers in his preliminary draft determined the value of the electric property to be \$4,000,000, and the gas property \$700,000. Insofar as the electric property was concerned, this showed that the company was earning considerably more than 7% on his determination of fair value, and this, of course, would require a finding by the Commission that the rates complained against were excessive. It seems from various papers filed in this case that the Commission was desirous of sustaining the company's rates, and to that end finally increased Mr. Ehlers' figure by \$800,000 for the electric property and \$25,000 for the gas property.

Q. Now, with regard to Mr. Ehlers' \$4,000,000 value, was that in your opinion a fair value?

A. I believe it was a very generous value on this property.

Q. What was the original cost of the property?

A. As shown by the company's records, the original cost was \$3,994,000. The historical cost was \$3,528,000. The reproduction cost new on a 5 year average price basis was \$3,490,000, and on this basis less accrued depreciation, \$3,144,000.

BY MR. COOKE:

Q. That is the reproduction cost new less depreciation, was the last figure?

A. Yes, on a basis of 5 years average prices. On the company's figure as of June 1, 1920, which was the peak of prices, their reproduction cost was \$4,486,000, which are all less than the \$4,880,000 finally determined by the Commission.

BY MR. EVANS:

Q. In other words, the Commission fixed a fair value for the property which was in excess of the amount claimed by the company on any basis?

A. Well, they later claimed a higher figure based on the addition of certain overheads and intangibles. The complaint showed the actual cost of this property to be \$3,128,000, and that the actual cost depreciated was \$2,815,000. The complainants claimed that the fair value of the electric property, including all overheads and intangibles was \$2,815,000, and the company's final claim was \$5,816,000. I find that the Commission sustained practically all of the company's claims on the items in dispute, and allowed the company's claims mostly in full. On one item of land, coal storage lands, Mr. Ehlers states that, "Respondent's claim the \$43,650 is supported by the actual cost in 1916, but it is not supported by the agreed value of the neighboring power station site or by the testimony as to the present value of the parcel. On the weight of the evidence the Commission determines the present value of this item is \$13,500. Later on, in the final report of the Commission, this estimate was increased to \$43,650, which was claimed by the company. Mr. Ehlers allowed \$36,000 for development costs, which was later increased to \$52,000."

Q. Were there any notes in the file to indicate how much their value was determined by the Commission?

A. In this paper of the Commission the \$4,800,000 figure as the value of the electric property is disclosed in part in the date requested of the Commission by the Chairman of this Committee. It is stated above that the Engineering Bureau's first draft of the report was submitted to Commissioner Brecht on August 17, 1921. I find a memorandum among those notes dated September 6th, 1927, which was evidently made by Mr. Ehlers for it bears the inscription "Ehlers Memo after 1st interview Com. Benn."

BY MR. RHODES:

Q. That memo was attached to the working sheet?

A. It was in the work sheets. As found in the first column—

MR. EVANS: We have the original here, Mr. Rhodes, but these are photostatic copies, because we did not want to put the original in evidence.

BY MR. EVANS:

Q. I show you a photostatic copy headed Bureau of Engineering, Public Service Commission, and ask you whether that is the sheet to which you refer, or a copy of the sheet to which you refer?

A. Yes.



Q. This bears a notation at the top, which seems to read, "Ehlers memo after 1st interview Com. Benn" and on this sheet also appears the date September 6th, 1921, does it not?

A. Yes.

Q. Now will you explain this to the Committee?

A. Well, these figures that are set down on this sheet represent items No. 1 as the respondent's original cost—I will simply explain the electric figures—\$3,994,000, under which is a little note that reads, "includes to certain extent going value as of 1908."

The next item is respondent's historical cost, \$3,528,000, under which is the property value, almost entirely, no going value.

The next item, 3, is "Comps" or complainant's actual cost, which is \$3,128,000, and there is a note under that, "Could be increased by our conclusions" (\$59,000).

The next item 4, is RCN. Which stand for reproduction new 5 year averages \$3,490,000, and under that is a bracket and out on the side "Could be increased item D, \$20,150." Item H \$17,000; total is \$47,150, and development costs \$486,000.

BY MR. COOKE:

Q. Where they use "our" there, what does that refer to; our conclusion?

A. I don't know, Mr. Cooke, I suppose it refers to Mr. Ehlers and probably whoever was in conference with him.

BY MR. RHODES:

Q. That would probably refer to the engineering department, would it not?

A. I doubt that, because Mr. Ehlers had already submitted his conclusions in the form of a report, and for that one item or two items he had set forth that figure; so, I doubt whether that is Mr. Ehlers' conclusion.

Q. It is rather uncertain as to who "our" represents, is it not?

A. Yes sir; I don't know.

BY MR. COOKE:

Q. Do you identify in whose handwriting this document is?

A. I believe that is Mr. Ehlers' handwriting.

BY MR. EVANS:

Q. In subsequent sheets, is there any letter or notation?

A. Yes; in subsequent sheets it bears the notation "j", then to go on here there is computation down below here which says, top figure \$5,000,000 I don't know where that top figure came from, but it is \$5,000,000, bottom figure original cost depreciated \$2,875,000, and the computation indicates that those two figures were added and divided by two to get the \$3,943,000 and rounded out into \$4,000,000 which appeared in Mr. Ehlers' original report as prepared before the Commission.

Under the gas property there also appears the \$700,000 as appeared in his report as his recommendation for the value of the gas property.

MR. EVANS: I offer this sheet in evidence as exhibit number 146.

(Paper in question so marked.)

BY MR. EVANS:

Q. What other sheets have you had photostatic copies made of?

A. This is the next (indicating).

Q. This is also a photostat copy of one of the work sheets as appearing in the reports of the Bureau of Engineering?

A. Yes.

Q. And this sheet is headed "Bureau of Engineering form EB 18," with 2 headed "Electric Propy." I ask you whether that is the correct copy of the sheet to which you referred?

A. Yes, this is a photostatic copy.

MR. EVANS: I offer this in evidence as exhibit number 147. (Paper in question so marked.)

BY MR. EVANS:

Q. And this sheet in the original volume immediately follows exhibit number 146, which has just been offered in evidence?

Q. Will you explain the sheet to the Committee?

A. This is a working sheet, and there appears in the corner here a little note which I interpret to be, "Conference with Mr. Snow about 9.15 P. M." It is headed here "Electric Property" in abbreviated form. Then, there is a formula presented here.

Q. It is a formula for arriving at a rate basis, is it not?

A. I don't know. It is a formula. It says "Base equals A." It says, after that, "Plus 10% brokerage etc. equals 110 A." Then it says, "Plus 20% going value equals 132 A," and that equals \$4,500,000, and then A by the process of division becomes \$3,400,000 and that equals the base.

A. They are.

Q. In other words, the total valuations of the property, as I interpret it, is \$4,500,000, the base or the value of the physical property less the overheads of brokerage and going value will have to be \$3,400,000.

A. Exactly. That is what I interpret this thing to be.

Q. What do these figures indicate to you?

A. I can't escape that thought that this indicates that somebody was working to a predeterminate figure. Evidently ten per cent. was to be included for brokerage in the electric base and twenty per cent for going value.

BY MR. RHODES:

Q. Whose work sheet is this; Ehlers'?

A. Yes sir. Using \$4,500,000, which is required to give a property base \$3,400,000. Following this in the data that appeared in other sheets, there are 2 sheets of figures, bearing date 10-10-21 with a "9" over the "10" in red figures.

Q. I show you volume entitled "Borough of Wyoming v. The Luzerne County Gas and Electric Co. list of volumes submitted by the Bureau of Engineering to House Investigating Committee, Thursday, April 12, 1931; volume 1, containing Ehlers' notes and conference and first study of records; B Snow's notes on complaints, organizations; C Ehlers' notes, preparation of first Commission reports; D Ehlers' notes discount study." Now, these sheets, to which you are referring, are included in that volume, are they not?

A. They are.

Q. Now, will you briefly explain the first of these sheets?

A. Yes; there are only a few figures on these sheets. One of them is a computation that starts off with a base of \$3,400,000, and ten per cent. is added for financing, and 20% for going value. There are some other computations on the sheet indicating that there was an intent to figure out in some way a rate and arrive at a desired answer. On the second of these sheets, is a computation of where the figures set down—

Q. Have you referred to the note at the top of this sheet, "Conference—"

A. No; that is a short note "Conference Commissioner Benn, Mr. Snow, Ehlers."

In the second sheet it shows the computation where they set down the respondent's original cost as \$3,933,649, and the complainant's actual cost \$3,128,164, reproduction cost new five year average \$3,489,706. Respondent's estimated reproduction cost new 1920 prices, \$4,485,613, adding these four figures together and obviously divided it by four, getting \$3,774,000 from which was deducted \$377,000, leaving \$3,398,000 and this was changed to a round a figure of \$3,400,000 which the formula heretofore explained provided for.

BY MR. RHODES:

Q. Which formula was that?

A. That was Formula A, that was shown as Exhibit No. 147. This you understand is for the electrical property. There is also some computation on this sheet which shows the figure of \$3,600,000 to which \$360,000 was added, and also added \$540,000, and that seems to be the derivation of \$4,500,000.

Q. Was there another page to which you desired to call the Committee's attention?

A. Yes sir.

Q. I show you photostat, the same sort as this preceding, bearing Number, page 3, and dated 9-17-21 and ask you whether that is a photostat of the page to which you refer?

A. Yes sir.

(Photostat of Page 3 dated September 17, 1921, offered in Evidence as Exhibit No. 148.)

BY MR. RHODES:

Q. Mr. Husselman, can you tell me any reason from an engineering standpoint why the going concern cost on gas is 5% and the going concern value on electricity was 20%?

A. No sir, I cannot.

Q. Is there no explanation for this difference between these two going concern values?

A. The gas property is that community up there was having a hard time of it. They had a great many miles of main to

serve these different communities, these different boroughs, in a manner in which gas mains were constructed at that time before the development of the weldless joint, and they lost unaccounted for gas very materially, and the consumption per mile of main by the consumers was very low, and it was very difficult for the company to make a reasonable, or anything like a reasonable return on their investment on almost any value on that gas property.

Q. And that is probably more or less correct as far as these differences are concerned?

A. Under the circumstances of a losing venture, I question whether the gas property had any going concern value whatever.

BY MR. EVANS:

Q. Will you continue to explain this third sheet which has been offered as Exhibit No. 148?

A. The abbreviated "Invest't" analysis, Item 2, \$3,528,000, and the five-year reproduction new was \$3,490,000, and the 1920 was \$4,485,000. In the figures I cannot see what the processes were here, but there is a figure set down there at the side which shows cost base \$3,600,000, and to that is added \$360,000 which evidently is for the cost of financing.

BY MR. COOKE:

Q. Does that cost base bear any arithmetical relation to the other three figures you have given before?

A. I don't know what the process of arriving at that is. Then there is this going value of evidently 13½ per cent. to which is added \$540,000, which gives the \$5,490,000. Pasted on that sheet is a sheet on another kind of paper showing electricity \$4,500,000, gas, \$725,000. Now the \$725,000 is the value that the Commission finally placed on the gas property and to get the \$4,800,000 for the electric property.

There are some notations on the bottom of this sheet that say, "Told by Mr. Benn to make values as per above—that Mr. B. was agreed—then interrupted. After conf. Mr. S. on next day, got revised sheets ready but am waiting to hear from Com. Brecht. Not heard up to 8-23-20."

Q. Who is Mr. S.?

A. I don't know.

Q. Who do you assume it is?

A. Mr. Snow.

Q. And who is Mr. B.?

A. I assume that was Mr. Brecht who was absent. You will note the sheet reading "waiting to hear from Commissioner Brecht."

BY MR. EVANS:

Q. What is the next sheet of notice, to which you wish to call the Committee's attention?

A. That is in the same set of notes, dates 9-25-21, and there is a note "Revision of per cent. earned as set forth on page 12." This is a computation, using the \$4,500,000 in connection with the amounts available for return showing that the return to be 7½%. It also shows that with a value of \$582,000 the return would be 7.7%. It refers to a page of notes made on July 16, 1921, whereon Mr. Ehlers found returns of 8.65% by using a value of the electric property of \$3,880,000.

Q. What inference do you draw from these calculations?

A. I draw the inference that they were fixing a value on the property to fit the earnings, and not fixing value of property to be used as the basis for determining rates. In other words, the earnings were so much,—they were going to allow a certain per cent. return,—how much is this property going to worth,—not how much is the property worth from an inventory and appraisal and from the evidence before this Commission. That is the only inference that I can draw.

Q. This seems to be a case of regulating the fair value, rather than regulating rates. Do you find, or did you find, any correspondence between any member of the Commission and Mr. Ehlers on the subject of fair value?

A. Yes sir. I find that Mr. Brecht was evidently away, because he wrote a letter to Mr. Ehlers from Lancaster, Pa. under date of August 20, 1921, as follows:

BY MR. TURNER:

Q. Where was this company located?

A. Kingston, the office was in Kingston, Pennsylvania.

Q. Is this part of the Scranton—

A. It is the Luzerne County Gas and Electric Company.

BY MR. EVANS:

Q. What other letter have you?

A. Attached to this letter of August 20, was another sheet, which contained some suggestion from Commissioner Brecht as to the change,—various bright changes in the wording of the Ehlers' report, which was a draft of the Commission's report. There was also a letter from Commissioner Brecht, which was written under date of August 30, 1921, which throws a little light on the attitude that he took towards the determination of fair value in this case.

Q. I show you a photostat composed of two sheets, setting forth these letters, and ask you whether those are the letters to which you refer?

A. Those are the two letters, and the suggestions that he made for changes in the order.

Q. The original of these letters are in the correspondence files of the Commission?

A. They are in a file of the Commission.

MR. EVANS: I offer this in evidence as Exhibit No. 149.

BY MR. EVANS:

Q. Will you just read the letter of August 20, 1921 to the Committee?

"Lancaster, Pa.,

"August 20, 1921.

"My dear Ehlers:

"The suggested changes enclosed will shorten the spread of the report and at the same time get rid of the 'flaming' sub-heads. I have written them in capitals so as to preserve their identity which will be of some advantage in carrying the underlying train of thought with respect to the line of discussion. If perchance you should find that the change will not jibe at every point with the language following, make such change as will appear to be necessary. I would also suggest that all tabulations and summaries set forth in figures be typed in half space and thus cut down the space length of the report. I trust you will get this in time to save extra labor beyond the first change that must be made. Assuring you that this is, and shall be, the tall of the comet now about raising its head over the good citizens of Luzerne, I remain

"Very truly yours,

"Signed) M. J. Brecht."

Q. Attached to this letter was a list of suggestions contained in the photostat, the same sheet.

A. Yes sir.

BY MR. RHODES:

Q. What do you think that astronomical reference means?

MR. EVANS: He is an engineer, not an astronomer.

BY MR. RICHARDS:

Q. Who is Mr. Brecht,—A Commissioner?

A. Yes sir. I might say that the changes suggested on this memorandum were made as they appear in the final report.

BY MR. EVANS:

Q. Will you read the letter of August 30, from Mr. Brecht to Mr. Ehlers?

A. There is a stamp of the Bureau of Engineering, P. S. Com. August 21, 1921 received.

"My dear Ehlers:

"I do not know what your method will be of increasing the figures of Fair Value but it occurred to me that you might be able to justify a higher estimate on a few of the items on physical property upon which the engineers did not agree. For instance: Is there no way of escape in eliminating all of item C in Fair Value? Were there not some conditions perhaps involved which slightly differentiate it from other cases upon which the Commission has rules? Could not item D be lifted eight or ten thousand? How about item H, might that not allow a little stretching of ten thousand? In J is your position correct that the claim is substantially comprehended in Going Concern, etc.?

"These questions are asked not in the way of criticism but with a view of helping you or rather of making me feel that I did not desert you and make you carry the whole burden without giving the case any further thought. You may have discovered a better line of approach and found some line of cleavage that will help you through the mire. I think the



report as drawn up by you is a splendid piece of work. Let me suggest that on page 12 first copy you take out the word "Net" before Earnings making the heading read "Earnings from Operations."

"(Signed) Brecht."

BY MR. COOKE:

Q. It is a fair question to an engineer,—What does "Help through the mire" mean?

MR. EVANS: He is not a geologist, either.

THE WITNESS: I think the letter speaks for itself.  
(Remarks by Mr. Evans at his request off the record.)

BY MR. EVANS:

Q. Now, will you explain what these items C. D. J. in Commissioner Brecht's letter referred to?

A. Item C refers to paving over mains, over gas mains.

BY MR. COOKE:

Q. What would be his object in eliminating all of item "C"?

A. Under the rule of the Supreme Court in the Des Moines Gas Case, paving over mains which was not cut at the time the mains were laid, is not allowable in the cost of reproduction new valuation, and there was a considerable item of paving over mains in this case where the paving had been laid after the mains were laid, and we in the Engineering Conference eliminated the cost of that paving over mains, and Mr. Ehlers so excluded it in his report.

BY MR. EVANS:

Q. And Commissioner Brecht asked if there was not some way of escaping that elimination?

A. That is what he asks. There was nothing to my knowledge added in for paving over mains, because on the side here there are some pencil memoranda which says, "C paving no."

Q. Is that in Mr. Ehlers' handwriting?

A. I don't know.

Q. Now, on the side of this same letter, with respect to "D" which was an item of coal storage land which Mr. Ehlers has included in his report as \$13,500, is the note, "could raise," as I can read that figure, "\$42,500," from which the \$13,500 is subtracted, leaving an amount indicated by the arrow of \$29,000. Now, in the final workup of the thing, this was actually increased to \$43,600 which was the amount claimed by the company, so that it was raised \$30,150. Now, the next item which is marked and referred to in there is, "H," is abbreviated here on the side, and the abbreviation stands for preliminary organization and development, and I cannot read all of that note, it says, "Could raise, but" and something, "not on,"—

BY MR. COOKE:

Q. Logic, is it?

A. I cannot read it, Mr. Cooke, I don't know. With respect to item "J", that refers to development cost, and says there, "My position that early losses are up to Commission." Now, this item is "H", which Mr. Ehlers included \$36,000 in the final order of the Commission was \$52,000, and so it was stretched \$16,000. Concerning the item "J", that is a rather important item which the Commission in its final order says, "The Commission will not make any specific allowance for this item, but in its determination of the fair value of the property as a going concern, it has given it consideration in connection with the other factors presented and therein made such an allowance as in its opinion is warranted." In the beginning of the discussion in the opinion of the Commission on this item, the Commission points out that the respondent presented exhibits purporting to show it failed to earn reasonable and adequate return, 7½% return and 4% on depreciable property for reserve, by an amount of \$486,000. Notes on a sheet made on October 9, 1921, two days before the order was issued, indicate that the full amount of \$486,000 was allowed by the Commission in its final figure of \$4,800,000. On this sheet there is a computation starting with \$3,600,000, to which is added \$450,000, evidently for cost of financing, and this development cost, and to the sum of \$4,050,000 is added \$750,000, evidently for going concern value, and thus the grand total of \$4,800,000 value of the electric property was arrived at by the Commission, and this figure showed that the net earnings would provide exactly a 7% return, and that therefore, it would be proper for the Commission to deny the complaints, and permit the company to continue to charge its excessive and unreason-

able rates for electricity, which were complained against by these 45 complaints. I might add that throughout his draft of the Commissioner's report Mr. Ehlers used \$150,000 as the annual charge for depreciation, and in its final order the Commission set up \$180,000, that is a deduction from operating expenses, so that the Commission by this means decreased the amount of net earnings available for return in the amount of \$30,000.

BY MR. EVANS:

Q. Now, this letter to which you refer is contained in the volume furnished to this Committee in this case, marked Volume 2?

A. Yes.

Q. Containing various drafts of the first Commission report?

A. Yes.

Q. Now, the net result of all this then is, as I understand it, to increase the Bureau's original valuation of \$4,000,000 to \$4,800,000, and thus to justify the existing rates of the company?

A. And also to increase the allowance for depreciation by an amount of \$30,000, which, of course, was a direct charge from the revenue and to increase this valuation to get this down to 7%.

BY MR. TURNER:

Q. How near did this come to the company's valuation?

A. Well, it was higher than the company's valuation, except for one valuation that was put in at the last hearing, which did exceed this figure.

Q. Did this base then justify the rates as asked by the company, or where the rates lowered or raised?

A. No; the complaints were dismissed and they justified the rates that were then effective.

Q. That, on the basis of this figure, the rates were justified?

A. Yes, sir.

BY MR. COOKE:

Q. This was before the Commission, through what period of time, you say this one valuation, that was high, was put in in the latter days?

A. I think that last valuation I mentioned. Now, that is my recollection, that that was the figure set up in the respondent's brief. That was a figure of \$5,000,000. That, as I recollect, was the figure that was set up in the respondent's brief and filed with the Commission. I know that the figure contended for the electric property by the complainants was \$2,816,000—for this electric company.

BY MR. TURNER:

Q. That was the complainants' valuation?

A. Yes, sir.

BY MR. RHODES:

Q. Just referring to that exhibit 148, where that notation is on the bottom of the page as I gather from your testimony, Mr. Ehlers according to the exhibit was told by Commissioner Benn to make the values as stated above; that is, the electric property \$4,500,000 and the gas property \$725,000; is that correct?

A. That is my inference, sir.

Q. If a Commission is going to tell the Engineering Department how much to fix the value, what good is the Engineering Department?

A. I expressed that a moment ago, when I said I thought they were attempting to make a value on the basis of earnings, and not a valuation on which to determine the reasonable rates.

If you are going to fix the values of a property on the basis of earnings, you don't need an engineer, because all you need to do it to make your figure of income, capitalize it, and divide it by the proper percentage that you want, and you have got the answer.

Q. Are we justified in concluding from these figures, that were submitted, that the Commissioners told the Engineering Department what their answer was to be, and the Engineering Department was only utilized in justifying that figure?

A. I don't want to answer that question, sir. I think, with the evidence that is before you, it is really up to everybody to make their own conclusions.

MR. RHODES: I was merely asking you that as an expert, because you made an examination of these papers and are more familiar with them than we are.

MR. EVANS: Would the Committee like Dr. Snow to go on the stand and give his interpretation of this sheet?

THE WITNESS: Will you read the question?

The question read as follows:

("Q. Are we justified in concluding from these figures, that were submitted, that the Commissioners told the Engineering Department what their answer was to be, and the Engineering Department was only utilized in justifying that figure?")

THE WITNESS: I do not hesitate to say that is my opinion; that is just what happens.

BY MR. COOKE:

Q. At the beginning here you said there was a set of engineers who had practically agreed on the base value?

A. Yes, sir.

Q. What is that figure? Have you got it?

A. That was this figure of \$3,490,000, to which—

BY MR. HAGMAIER:

Q. That was agreed to by the Commission, the company and the complainants?

A. The Engineers.

Q. The Engineers?

A. That did not include intangibles and so forth, they were to be added to that.

Q. There was a fair agreement between the three people?

A. Oh, yes. The actual cost that the complainants submitted was \$3,128,000.

BY MR. COOKE:

Q. If you take that figure, which excludes as you say, certain intangibles, and subtract that from the figure finally used by the Commission, what do you get?

A. You would get a difference of about \$1,310,000.

Q. And that is what percentage of the figure that the engineers arrived at? I am just trying to get an idea of what percentage the Commission allowed for intangibles?

A. That wouldn't give it to you Mr. Cooke,

Q. Wouldn't it?

A. No.

BY MR. HAGMAIER:

Q. It is evident that all these people got together and then the Commission dropped that part of the case, didn't they?

A. Oh, they used it here in various ways, as I explained.

BY MR. EVANS:

Q. You were an engineer for the complainant in this case, so that you have personal knowledge of the engineering problems, have you not?

A. Yes; I was.

Q. Now, what happened after the first order of the Commission in this case?

A. The case was continued after this first order, and after the Commission fixed the rate base, and the rate of return, and the annual allowance for depreciation, further testimony was offered with respect to operating expenses and revenues, briefs again were filed, and in the briefs of the complainants considerable exception was taken to the value fixed by the Commission, especially for the electric property, but no reference was made to this in the next decision of the Commission.

Q. When was that dated?

A. That was on March 27, 1923, and in that final order of the Commission, the Commission again dismissed the complaint as to the electric rates, which were established in 1920, and fixed a rate of \$2.50 a thousand cubic feet.

Q. For the gas?

A. Yes. Those rates fixed for gas by the Commission, were so unreasonable that even the company realized the fact, and after about six weeks, or on May 10, 1923, wrote the Commission, that "There is still considerable dissatisfaction on the part of our consumers, both over the rates we have charged in the past and the rates which your order fixes for the future."

In this letter the company asked authority to adjust the charges paid for gas since June 13, 1920, and to refund the

money in excess of certain rates which had been collected from consumers during that period, and to file on one day's notice, a schedule which would reduce the rates to \$2.10 per thousand cubic feet, with a minimum charge of \$1 a month. This reduction was a material reduction below the rates established by the Commission.

BY MR. EVANS:

Q. Was there any decision with a dissenting opinion filed in this case?

A. Yes, the final order bears a notation that Commissioner Rilling dissenting for the reason that in his opinion the rates determined in the report for respondent's services are excessive. That is one of the few opinions of the Pennsylvania Commission where I have seen that there is a dissenting opinion.

BY MR. TURNER:

Q. That makes one of the three?

A. I think that is four.

MR. EVANS: We have asked the Commission for a report showing the cases in which there were dissenting opinions filed.

DR. J. HERBERT SNOW recalled.

BY MR. EVANS:

Q. Dr. Snow, I show you the original of the Exhibit No. 148, which has been offered in evidence in this case and which is a sheet from Dr. Ehlers' work sheet in the Luzerne County Gas and Electric case. You are familiar with Dr. Ehlers' handwriting, are you not?

A. Yes, sir.

Q. Is the notation at the bottom of that sheet in his handwriting?

A. I believe it to be.

Q. Are you familiar with Commissioner Benn's handwriting?

A. No, I am not.

Q. Then you don't know whether the memorandum pasted in the middle of that sheet is in Commissioner Benn's handwriting?

A. No, I could not testify to that.

Q. Do you have any idea of whose handwriting that is?

A. No sir.

Q. What does Dr. Ehlers' notation on the bottom of this sheet indicate to you?

A. I believe it is a correct one.

Q. In other words, that Commissioner Benn directed Dr. Ehlers to decrease the valuation he made?

A. The note says, "Told by Mr. Benn to make valuations as above, that Mr. B. was agreed. After conference Mr. S. on next day got revised sheets ready but I am waiting to hear from Commissioner Brecht." and that is dated September 23, 1920.

Q. Now, Dr. Snow, as Chief of the Bureau of Engineering is it in your opinion practicable for the bureau to function effectively when it is directed by the Commissioners to the valuations it is to find?

A. No and yes. In this instance an engineering conference was provided I believe by agreement of all the parties and they functioned as such conferences should and it works I believe where considered and compiled, and then the duty of the engineering bureau ceases until further order. It seems that from time to time Commissioner Brecht, while the matter was in committee or before the entire Commission, that Mr. Benn and Mr. Brecht had something to do with it. That is the ordinary practice. Then Mr. Ehlers was told to prepare a report for the Commission. That was an added duty. And he did it. And then there were several revisions to it. I have no doubt that while the notes in my bureau will show that we had contact with Mr. Benn and Mr. Brecht, I had little or nothing to do with this case. I would presume that to be the fact because usually in those days the aim of the Commission was to reach an agreement and avoid a dissenting opinion if possible. Now therefore, I don't know—I think that Br. Brecht and Mr. Benn were probably working with Mr. Ehlers toward that conclusion. That would be my view and explanation.

BY MR. TURNER:

Q. Dr. Snow, why would the Commissioners tell the engineering department to raise these figures?



A. Well, I cannot justify why men do things. A commissioner might come to the office and say, "I sat in this case," or "I sat in a part of the hearing. I formed a conclusion of my own and unless my ideas are incorporated in this report I shall not vote for it but I will make a dissenting opinion."

Q. Doesn't it seem to you that the engineering department could make its report, and then what the Commission wanted to do with it afterwards was something for the Commission, and not to have the Commission seek to justify its stand by getting the engineering department to change its figures?

A. We cast up figures of all kinds for the Commission and for different commissioners, but in this instance—

BY MR. COOKE:

Q. Are these engineering figures you refer to?

A. Not as a conclusion. If the commissioner thinks 4% instead of 3½% should be allowed, they will instruct us to cast up figures on that basis.

Q. Are there any engineering items that would not be open to change by order of the Commission?

A. I don't know of any change on inventory of properties or appraisal of them, but on various items of overhead there is shown quite a difference of opinion, and there is no set rule as to what is to be done with them.

Q. These figures go all the way to the bottom?

A. They go all the way to the bottom and make up the fair value including, if any, their going concern value.

BY MR. RICHARDS:

Q. These work sheets would later on be made up into a report as given to the Commission?

A. No, they stay in the engineering bureau.

Q. Would not a report be made and given to the Commission?

A. Yes sir. In this case an engineering conference was provided. If that had not been done and we had been sent out in the field to do the work ourselves, there would be an engineering report.

Q. Is it not the practice to make a report from your work sheet? And give it to the Commission, and from that they make their conclusions and hand down their findings?

A. Yes. A report direct from the bureau, a report of engineering conferences, or perhaps we have not been called in at all. That is often done, and until after the testimony is on the record and the record is closed and the arguments are put in, then sometimes the matter is referred to the Bureau and then our work is to transfer it to the record. In this case there were two reports, one of the engineering conference then there was a report prepared for the Commission.

Q. The thing I am getting at, Doctor, is this: If these figures that have been put down on the work sheet by the engineers were added to by the Commission and for some reason the Commission added \$700,000 to that report of the engineering bureau, the report would appear to be the work of the bureau while as a matter of fact it would not be?

A. Yes, in that matter I think it would be correct.

BY MR. HAGMAIER:

Q. Who was the engineer from your department in this conference?

A. Mr. Ehlers.

Q. They didn't take the conference report at all?

A. Evidently they had it and added to it to express the view of the Commission.

BY MR. TURNER:

Q. It seems to me the engineering department would make up its report on what it conceives to be the proper figures from an engineering standpoint, and the duty of the Commission would be after that to formulate its report from the report of the engineering department?

A. And the record and the argument in brief.

Q. Apparently it seems in this case that if it showed that the Commission didn't do that except to go back to the engineering department and ask them to make up figures that bore out what they thought should be the figures?

A. I think that is what happened in this case.

Q. Under that, the engineering department is more or less of a department to figure simply for the sake of the Commission?

A. Yes, your honor, if the engineering bureau were a statutory bureau and the Legislature fixed its duty and purposes, then it would be identified as a unit itself.

Q. It seems to me it is the duty of the Commission to maintain the integrity of the engineering department on which it would have to arrive at its own conclusions?

A. I think it is not well to overlook the fact that the Commission has to consider a complete circle. It must take into account the brief and arguments of the attorneys and of the law, and of accounting, and so forth, and the Bureau of Engineering exists simply for the broad scope of engineering.

BY MR. EVANS:

Q. This sheet is dated 9-19-21. It has been testified that on July 19, 1921, two months ago, Dr. Ehlers had submitted to Commissioner Brecht the form of Commission report, fixing the value of the electric properties at \$4,000,000. Subsequent to that he received a letter from Commissioner Brecht, dated August 30, in which Commissioner Brecht says: "I don't know what your method will be of increasing the figures of Fair Value, but it occurred to me that you might be able to justify a higher estimate on a few of the items on physical property, upon which the engineers did not agree. For instance, there no way of escape in eliminating all of item E which refers to the paving charge." In the margin of this letter, there is a pencil notation, do you recognize that handwriting?

A. I think it is the same as this writing here.

Q. In other words, that is Mr. Ehlers'.

A. Probably.

Q. He says "Paving no."

A. He says "No".

Q. No way of including the paving charge, which Commissioner Brecht asked him to include,—that is your interpretation of that?

A. Yes sir.

Q. Commissioner Brecht's letter continues: "Were there not some conditions perhaps involved which slightly differentiated from other cases upon which the Commission has ruled? Could not item D be lifted eight or ten thousand?" Now, item D refers to the coal storage lands. Isn't that a direct request to the Bureau of Engineering from a member of the Commission to raise its value on that item?

A. Yes sir.

Q. The letter continues: "How about item H might that not allow a little stretching of ten thousand?" Item H referred to preliminary organization and development. That originally would be an item which the engineering bureau would include in its appraisal, would it not, of fair value?

A. Yes sir.

Q. Don't you interpret that as a direct request to the Bureau of Engineers to stretch that item above what it thought was correct?

A. Yes sir.

Q. Commissioner Brecht's letter continues: "In J is your position correct that the claim is substantially comprehended in Going Concern, etc.?" The J referred to development cost. Is there in your opinion any question but what development cost and going concern comprehend the same item?

A. I don't think so. I think the effect is the same, but the going concern value is a value. In a great many of these cases there are a great many theories of development cost. They are put up as measures of a going concern value.

Q. You think Commissioner Brecht might have been correct in suggesting that both development cost and going concern value should be included as separate items?

A. I really don't know what he means in that. Certainly I have never known anything like 20% for going concern value,—when it sticks out where you can see it.

Q. It has to be hidden,—tucked away?

BY MR. RHODES:

Q. What is the contract? You said you never knew it where it stuck out like this.

A. In a going concern value, which is not a cost, when the going concern value is allowed, I think it ought to be set out so you can see what is allowed, because it is a value and wholly dependent upon judgment and the weight of testimony, and there is no formula for it.

Q. You have never seen such a going concern value as sticks out here—

A. I don't know what they have got for going concern. I heard something said about 20%. I never knew of any such

allowance. Personally I don't believe there is such a thing as 20% allowance.

Q. They have 13½% going concern value,—\$540,000.

A. The results of years of study of going concern value,—in my opinion the limits are not less than 5% and not over 15%. I think so far as I am informed, the Commissioners never allowed over 10%, and denominated it as going concern value.

BY MR. COOKE:

Q. On this Exhibit No. 147 it is put down at 20%.

BY MR. EVANS:

Q. I show you Exhibit No. 127, which is a photostatic copy of a prior sheet in Dr. Ehlers' book, which is headed "Conference with Mr. Snow 9-15-21." It is on that, is it not, that there is a reference to 20% going value?

A. Yes sir.

Q. That sheet, Dr. Snow, appears to be a calculation as to what will be necessary to justify a fair value of \$4,500,000, does it not?

A. That is the summation, \$4,500,000, in "A" right following it is "a" \$3,400,000, equal base.

Q. Now, it starts out with the base equals "a", and you add 10% for brokerage, and that will be 110A, then you add 20% to that, that will be 132 a, and 132a on this sheet must equal 4 million and a half, and on that basis if you divide four million and half by 132, you obtain approximately \$3,400,000 as your base, exclusive of brokerage and going value, is not that what the calculation indicates?

A. Those are the figures as he has given them here on this page.

Q. Then there comes this sheet introduced as Exhibit No. 148, in which as you state apparently Commissioner Benn directed Mr. Ehlers to make a valuation of \$4,500,000 for the electric property, and Mr. Ehlers adds in his notes, "After conference, Mr. Snow the next day got revised sheets ready." Now, does not that indicate to you that what happened was Mr. Ehlers after getting directions to find a valuation of four and a half million dollars for this property, he set about revising his work sheets to justify that value?

A. Well, I don't know. I have not seen anything here that he has given to justify it, just notes on what was going through his mind.

Q. What do you understand was meant by his notation, "After conference Mr. Snow on next day got revised sheets ready."

A. I think that relates to revised sheets of the Commission report.

Q. Then on the second page to this, Dr. Snow, this is headed, "Revision of percentage earned as set forth on page 12," and starts out with a valuation of the electric properties for four million and a half?

A. That is right.

Q. Now then, it then proceeds to have a series of calculations as to what percentage would be earned on these various figures, does it not?

A. I think so.

Q. In other words, does that not indicate to you that the attempt was to find a valuation which justified certain revenue?

A. It looks very much so, figuring backwards.

Q. Now, if the Bureau of Engineering figures backwards, does it in your opinion fulfill its functions for the Commission?

A. I have already said that when a Commissioner, or when the Commission or any member thereof asks us to make calculations, we do it.

Q. Now, it is true, is it not, Dr. Snow, that in a number of cases the Commission advised the Bureau of Engineering what results it wants to attain, and asks the Bureau to furnish figures which will justify that conclusion?

A. Yes, not quite as strong as you put it. The Commission working as a Sub-Committee, or as the Commission as a whole, in its meetings, may after discussing a matter perhaps all day, may decide, or conclude that the fair rate is so much money, and then it will, of course, have to have the proposed Commission report cast up to equal that answer; it is a finding of the Commission and not of any agent of the Commission.

BY MR. RHODES:

Q. Dr. Snow, in this case at least are we not justified in concluding that the Commissioners have interfered in the preparation of the engineering reports of your department?

A. No.

Q. We are not?

A. No sir. They are within their province. It would be different if we were a statutory bureau, but we are agents and have only the duties to perform that are given to us; it is our duty to cast up any figures that they ask us to.

Q. In other words, you are to be subservient to the Commissioners, regardless of whether or not what they want corresponds with good engineering practice?

A. No, don't say that. They don't interfere with us on our strictly engineering work.

BY MR. COOKE:

Q. You mean counting articles and measuring them; they don't tell you how to count them?

A. No, and they don't tell us what price to put on to them, what price to put on so much concrete, or anything of that kind, but when it comes into their province under the law, they cannot delegate their judgment to any bureau chief or any agent, they must determine that themselves.

BY MR. RHODES:

Q. Don't these reports that you have before you now indicate that the Commissioners have taken part in the preparation of these engineering reports which should be impartial and fair?

A. I see no difference in this report than might arise in many cases.

Q. In other words, we are to conclude that the Commissioners in all of these cases interfere in the impartial finding of your department?

A. No sir. I didn't say that, your Honor.

BY MR. COOKE:

Q. What is its routine. All the procedures that have been described in these papers and by this testimony, what you would say would be a fair example of the way in which—

A. No, I would not say it is an average; I would say it is not unusual, especially in cases where there is a division of opinion of the Commission.

BY MR. EVANS:

Q. Will you explain to me, Dr. Snow, how the value to be placed on lands to be used for coal storage is anything of an engineering problem?

A. I don't know the problem; I don't know what that coal storage land is. If they have vacant land, and instead of shipping their coal out, which I thought was the practice in the anthracite fields, and they store it up on the ground, why, that would not be an engineering matter at all; that would be for a real estate man.

Q. Don't you as a matter of fact fix land values in the Bureau of Engineering?

A. Never, unless there is a record complete.

Q. Would you have a record in this case?

A. If there is \$100 and \$10 per acre between the complainants and respondents, if we can do so, and are told to do so, we may say, or use the weight of the various witnesses upon it, and come to a suggested conclusion for the Commission; have the people do it—

Q. And that is part of your function?

A. Well, if they delegate it to us, we do that as they tell us.

Q. And in this case Mr. Ehlers found a value for this coal storage land of \$13,500?

A. Evidently the Commission did not agree with him, and told him to raise it up.

Q. Now, isn't that a matter that is within the province, in your opinion, of the Bureau of Engineering, to determine?

A. Only to suggest. The power is absolutely fixed, of determination, in the Commission, and nobody else can.

Q. I understand, Dr. Snow, that your position is that the Bureau of Engineering is there to do exactly what the Commission asks it to do—now, that is correct, is it not?

A. No.

Q. Here is a case, is it not, where on a matter of valuation of lands used for coal storage, the chief of the Bureau of Engineering submits a report in which he puts a value of



\$13,500 on it, and a member of the Commission writes to him and asks him to jack it up?

A. Yes.

Q. Is that not a plain case where the Bureau of Engineering has felt it its duty to do what the Commission wants in a matter within the province of the Engineering Bureau?

A. Yes.

Q. Therefore, it is your attitude as chief of the bureau of Engineering, that it is the duty of the bureau to find values requested by the members of the Commission?

A. No, we don't find the values.

Q. Didn't you in this case?

A. No. Evidently Mr. Ehlers—it is a very simple matter—Mr. Ehlers found and suggested to the Commission \$13,000.

Q. That was matter of valuation, was it not?

A. I don't know whether it was a record of real estate experts—there must have been real estate experts' testimony in the matter, and probably they were far apart. This may have been an agreement with the engineering conference.

Q. Then you say on all matters of real estate the Commission has nothing to do with finding the value?

A. No sir; after the record is complete, and we have not had any report, and then if they told us to cast up the figures, any single Commissioner's judgment has to be confirmed by the majority of the Commission, but they can have engineers to determine values of real estate. They can cast up the figures.

Q. Does the engineering bureau, then, determine the unit prices to be used as a basis of valuation?

A. Yes sir; in our report we do, but the Commission is not bound to accept it.

Q. It is within the power of the Engineering Bureau to set up an inventory of the property?

A. Yes.

Q. And that, again, is a matter for the Commission to determine?

A. Well, they can determine it if they want to, and they can put aside our work.

Q. Unit prices are matters of opinion?

A. They are matters of opinion.

Q. Then, in matters of opinion, does not the bureau of engineering bend it's opinion to meet the opinion of the Commission?

A. In unit prices, never.

Q. They do on matters of land values, do they not?

A. Yes.

Q. So, you distinguish between determination of land values and unit prices?

A. Certainly.

Q. Why do you distinguish between them?

A. Because there is a law of the Commonwealth of Pennsylvania that requires that the values of land given by licensed men, and there is a similar law for engineers that work in the State of Pennsylvania under a license. Under our engineering profession, no Commissioner or Commission, has any right and should not have it, to ask us to depart from our engineering opinion, but in real estate it is not engineering.

Q. And now, Dr. Snow, you don't mean to give this Committee the impression that the Bureau of Engineering has not in rate cases constantly passed upon the value of real estate, as shown by the record in the case?

A. Never fixes a value.

Q. I did not ask you that. I ask you—

A. But we do look up the record, and set up for the use of the Commission, as an aid to them, wholly and only in their determination, and what they will fix is the value, where the value is not in accord. That is absolutely so.

Q. You have spoken about the laws of the Commonwealth of Pennsylvania. What law of the Commonwealth of Pennsylvania is there that prevents an engineer from expressing a value on real estate?

A. He may express a value to his superiors. The Commission—

Q. That is what you do do.

A. When the testimony is of record.

Q. And you do the same thing with unit prices? You see the evidence, and express your opinion to the Commission on the matter of unit prices?

A. Yes; plus our knowledge, and so forth, which aids us in determining the record.

Q. You have just testified that you only prepared these valuations from the record. Do you want to change that, by saying that in some instances you can go outside of the record?

A. No; but in interpreting that record, we have to use the knowledge that God has given us and that is all cumulative. You can't be an engineer for 65 years and not accumulate experience. That is part of your work, the same as you see, as you see with your eyes and hear with your ears.

Q. And in determining your land values you also use the intelligence that God has give to you, do you not?

A. We don't fix values on land, but we do what our Masters tell us: Here is a case in which the Commission has the power to fix the value, and we don't.

BY MR. COOKE:

Q. Who are your masters?

A. The Public Service Commission who hired us.

Q. What would have happened in the valuation of that land if Ehlers had not obeyed the orders of the Commission, and raised the prices; jacked it up?

A. I don't know, sir.

Q. He fixed a value of \$13,500; was it not?

A. Yes.

Q. He was told by the Commission to jack them up, raise them up. What would have happened if he had refused to set this as a fair value for this land?

A. I don't know.

Q. You just said they were the masters.

A. Yes.

BY MR. EVANS:

Q. What would generally happen to a servant not do what his master tells him.

(No answer).

BY FATHER COX:

Q. You say you have a personnel?

A. Yes.

Q. What is the use of that personnel if you only do whatever the Commissioner you are to do? You do not need to send anybody out to work?

A. There is a great deal more. We are very useful to the Commission, in way judgment in engineering matters; absolutely indispensable. It would be better if there were real estate experts on the staff of the Commission, to value rights of way and so forth, but we do not have such experts.

BY MR. HAGMAIER:

Q. Would it not be better if you made your reports unbiased and unmolested?

A. If the report to the—

BY MR. EVANS:

Q. Answer that question of Mr. Hagmaier.

(No answer).

MR. EVANS: Read the question.

(Question read).

BY MR. HAGMAIER:

Q. What I asked you was, if your department would not be in a better position not to be under the jurisdiction of this Commission, and could make your reports unbiased and they could be used.

(No answer).

BY MR. EVANS:

Q. You answer that yes or no, if you will, then explain.

A. All right, sir, I think there would be advantages, and I think there would be disadvantages, and I want to explain now, because I have given you a serious answer. I think there is a peril for any Commissioner or any similar high officer in being tied down to a technical branch, from which he can take no exception. I think that the superior officer ought to be superior and not the subsidiary department of government superior to the master. On the other hand I think that the work, for a given number of staff could be done more expeditiously and probably economically if it was handled and could do this work without any orders from above.

BY FATHER COX:

Q. In the manner in which they have done it, they might just as well be accepting the reports of the company that made the surveys, and not to send out any men at all. What is the use of that engineering department whose opinion is not accepted?

A. Well—

FATHER COX: I would feel quite hurt if I were in your place, and was disregarded so frequently.

BY MR. HAGMAIER:

Q. That is what I am trying to get at. You take that Engineering Conference, you had some of the best in the country, and then the Commissioners sees fit not to use it. I feel that this organization, by itself, could go out in the field and do a man's job, and you would have some pride in making your report, and you would feel better in doing it?

A. Yes.

THE CHAIRMAN: Mr. Evans, may I ask, how much acreage was included in this real estate in question?

MR. EVANS: I don't know.

MR. TURNER: It is coal.

MR. EVANS: It is coal storage. I hope that is clear on the record.

BY MR. MOORE:

Q. That would necessarily be just vacant land on which coal was stored around the plant?

MR. EVANS: Mr. Husselman says that he can explain that.

MR. HUSSELMAN: My recollection is that coal storage land is a parcel of land that the company had purchased by reason of the fact that it was necessary to run a transmission line across the river and across that piece of land, and it was not in use for any purpose except this little strip that was occupied by this transmission line, and it was across the river from the power plant of the company. The company claims it is a possibility that sometime in the future it would be used for the purpose of the storage of coal. I don't remember the acreage. As Dr. Snow says, I don't appraise real estate either.

BY MR. TURNER:

Q. How near to the center of Wilkes-Barre was it?

A. It was out at Kingston.

Q. Was the plant at Kingston or at Wilkes-Barre?

A. The plant is at Kingston, so it must have been on the Wilkes-Barre side. It has been ten years or more ago, and I don't remember the details.

BY MR. CRAWFORD:

Q. The location of that land might have quite a bearing on the value of it?

MR. EVANS: I suppose, Mr. Crawford, it was worth \$200,000; if it was not used and usable, it would not be entitled to be included in these calculations.

MR. HUSSELMAN: As I recollect, the reason the engineers could not agree on it was because it was not in use, and there was no possibility that I could see myself how that land could economically be used for coal storage, and I seem to recollect I appraised the worth of that land for transmission purposes while the company claimed the entire tract to have a value of \$43,650, and I don't remember what the value placed on that land was by the real estate experts for the complainant. It was probably a less amount than the \$43,650, but anyway in his first draft of the report Mr. Ehler agreed with the complainants that this land was used and usable only to the extent of \$13,500, and that is the figure he incorporated in the report—and that was a right and proper figure to put in for the appraisal of this land.

MR. TURNER: I desire to make a few remarks which I would prefer to make in an executive session of this Committee, but as the matter to which I refer has been given wide publicity, I feel that this statement should be presented at a public hearing.

I should also prefer not to make this statement for the reasons that it may be interpreted by the public, in the first place, as an indication of dissension among us—the contrary being true, there having existed in this Committee a fine spirit of tolerance and good fellowship; and secondly, an attempt on my part at a defense.

However, whether my motives be misunderstood or not, I conceive my duty to be too plainly marked in this instance, by

reason of my office as a Representative in the General Assembly, because of my training as a lawyer, and by every dictate of fairness, which the Governor pledged in his statement to the people when he insisted upon a House investigating committee, and observers to be appointed by him.

The American people may at times be misled, but never for long. In these hearings we have, but with a few slight exceptions, heard but one side of the case. Only a few of the officials of the interests involved have as yet been called to give their testimony as to their version of the facts as produced by the experts employed by the Governor. The Committee has agreed that these interests shall be heard. But until we can have the answer of those parties, no one should publicly convict the "defendant" before his testimony is in. Even the lowest criminal under our law has the benefit of being believed to be innocent until he is proven guilty.

We should be the exemplars of orderly Government. Orderly procedure will produce confidence in us. Irrational methods will destroy the confidence of all thinking men and women and lessen the value of any recommendations we may make.

On two occasions statements have been made to the press which I believe to be detrimental to the best interests of this Committee and misleading to the public. Irresponsible statements are not in keeping with orderly procedure. They becloud the issues. We have no time to waste if we are to be fair to all parties. We must hear the testimony on the vital problems. We must stop hunting "ants" and go after the "elephants." Our program is set for May 1st, but fifteen days away. There is a tremendous amount to be accomplished in that time. To follow up irresponsible statements would take time. We are dealing with actualities not figments of imagination.

The Committee has demonstrated the proper procedure on those matters upon which legal action should be taken. When the evidence showed a situation that warranted legal action, as in the Gettysburg and Hanover cases, the Committee referred the matter to the Attorney General. Such action is the considered action of the Committee by and with the advice of its counsel. Any attempt to convict through the press rather than by such orderly processes, is embarrassing to this Committee, contrary to its policy, and unfair.

FATHER COX: The statements referred to were made by me, and I stand on what I said, and I think that there has been enough evidence produced here to warrant criminal action in many, many cases. I am only a member of this Committee by reason of my appointment by Governor Pinchot. At that time and in my opinion now I think there should be criminal procedure in many of these cases.

Another thing I said was that this evidence or a lot of it pointed to one man. I am not ready to give the name of that man until I have facts that will satisfy a gentleman like Mr. Turner and other legal minds. I am not irresponsible. I am very responsible and stand back of just what I said, and my opinion is just as good as the opinion of Mr. Turner, and I stand on my opinion and if the people believe these things it is not because of what I say but because of what they have known for a long, long time, but this is the first opportunity they have had to bring it out before the public in an official way. That is all I have to say.

MR. MOORE: The Committee will now adjourn, to reconvene at 2.30 o'clock this afternoon.

#### AFTER RECESS

The Committee reconvened at 2.30 P. M. Mr. Rhodes, presiding.

W. M. BLACK sworn

MR. EVANS: I might say to the Committee that Mr. Husselman this morning made some analysis of the case instituted by the Commission a year ago on its own motion, in regard to the rates of Scranton Electric Company. Mr. Black was the engineer for the Bureau of Engineering in that case, and we want to make some inquiry in regard to the valuation that was then made.

BY MR. EVANS:

Q. Mr. Black you were the engineer in charge of the valuation of the Scranton Electric Company a year ago, were you not?



A. I was.

Q. Before coming with the Pennsylvania Commission, what was your training and experience as an electrical engineer, particularly as to your experience in appraisal work in the design and construction of electro generator plants, transmission systems and distribution systems?

A. How far back do you want me to go?

Q. As far back as you want.

A. In college, I took a civil engineering course specializing hydraulic power development and electric transmission. Following graduation I went to work with a water power development on a stream emptying into the Delaware River, located at Columbia, New Jersey, just opposite Portland, Pennsylvania.

Q. Of what college were you graduated?

A. University of Maine. Later I went into general construction work. I was resident engineer on construction of the New York subway.

Q. Will you just confine your experience to electrical—

A. That was electrical railway. That involved the building of tracks, the subway structure, and the placing of systems for the distribution of the electric energy. Following that I went to the Public Utilities Commission of the State of Maine. That was in April of 1918,—primarily under the designation of bridge engineer, making and inspecting of railway bridges, and later went into the valuation work of the Commission there of electrical companies.—became chief engineer of the Commission for the Maine Utilities Commission, in October, 1919, my work being principally with the electric companies with a view of going over properties for the approval of issues of securities, for construction of lines on extension, and valuation of properties for rate making cases.

I came to the Pennsylvania Commission in May, 1924, where I have continued in a similar line of work.

Q. If I understand you correctly, before you came to the Pennsylvania Commission, your only experience in the design and construction of electric generator plants, has been that of the hydro plant opposite Portland—

A. That is the only plant that I have worked on specifically.

Q. That is your only experience in the design or construction of electric transmissions for distribution system,—the only experience you had in that regard was in the New York subway.

A. Except as I came in contact with that work in my position with the Maine Commission, where my work was primarily on electrical development.

Q. That was not in design or construction, but rather in work for the Commission? You are not engaged in the construction of any electric property?

A. I did not go out and build the electric properties.

Q. When were you appointed engineer of the Public Service Commission of Pennsylvania?

A. In May, I don't remember the exact date, 1924.

Q. When did you commence your field work in the Scranton Electric Case?

A. March 17, 1930.

Q. When did you conclude it?

A. I believe it was May 10th, I am depending upon my recollection, I have not seen the record for sometime.

Q. Do you remember, Mr. Black when you first started to commence this appraisal?

A. On March 10th; I received oral instructions to proceed on such valuation.

Q. Who gave you these instructions?

A. I don't recall whether they were given to me directly by Commissioner Benn or through Chief Snow.

Q. Did you receive any special instructions as to how you were to proceed?

A. I did.

Q. What was these instructions?

A. My instructions were to proceed with a valuation so thorough going that we could substantiate it right thru the Supreme Court, if necessary.

Q. Were you instructed to work with the Bureau of Accounts of the Commission in setting up your appraisal?

A. We were supposed to work together.

Q. Did you receive any instructions in regard to observing or regarding the books figures of the fixed capital of the property?

A. I received no instructions whatever, except those I have just told you.

Q. In your opinion, it is possible you did complete a thorough going appraisal of the property of this company in the period from March 17th to May 10th.

A. No sir.

Q. Where you not instructed so to do?

A. I was.

Q. Did you carry out your instructions?

A. I did as well as I could, in the time allowed for the work.

Q. Who put the time limit on you?

A. The Commission.

Q. Did they put this limit when you were instructed to make the appraisal.

A. No sir.

Q. When was that put on?

A. Sometime in the latter part of May, I believe.

Q. Who imposed that time limit?

A. The Commission.

Q. How was it imparted to you?

A. I believe in the presence of the Commission's Rate Committee.

Q. Consisting of Commissioners Young, Brown—

A. And Benn.

Q. In other words, as I understand you, after you started to make this appraisal, you were told by the Committee that the appraisal must be finished by a certain time and you were unable to complete your appraisal as originally planned?

A. That is a fact.

Q. Now, as a result of this limitation of time, did you consider in making your appraisal the figures of fixed capital, as set up in the books—

A. I don't think I understand you correctly. I did not if I understand you correctly.

Q. You never in any way in making your appraisal have any regard for the book value of the property of the company?

A. No; we never use book value. We did use construction ledger, however, on certain items of recent construction.

Q. Did you make any effort to make your cost of reproduction new figures correspond with the bond and security accounts entered in the books of this company after the consolidation on March 1, 1928?

A. None whatever.

Q. This amounted to \$29,564,178.86?

A. I don't know how much they amounted to even today.

Q. What figure did you arrive at, as to the value of the property of the Scranton Electric Company undepreciated, as of June 30, 1930?

A. The total undepreciated property and business \$29,508,598.

Q. As compared with the bond and security accounts entered in the books of this company after consolidation of March 1, 1928, in the amount of \$29,564,178.86?

A. I don't know what that amount is.

Q. Now, did you make any examination of the books of the company?

A. I didn't.

Q. Did you make any examination of the job orders, working orders of the company?

A. I did.

Q. For what purpose?

A. To determine the construction costs as they were actually carried in their construction ledgers.

Q. Who assisted you in making this appraisal?

A. Mr. Bierman, Mr. Palmer, H. R. Palmer, Mr. Haymer, Mr. Reagan, Mr. Bennedum and Mr. Parry.

Q. Which of these gentlemen has ever had any experience in the designing and constructing of transmission or distribution system?

A. Mr. Palmer and Mr. Bierman have been connected with that type of work for some time. I cannot tell you offhand their experience. Mr. Palmer was for many years engaged in the electric industry; he was at one time local manager of the Harrisburg company.

Q. Which of them have ever had any experience in the designing or construction of generating systems, or substations?

A. I don't know about Mr. Bierman; Mr. Palmer certainly has.

Q. What position did Mr. Palmer have with the Harrisburg company?

A. He was general manager.

Q. Did he come to the Commission directly from the Harrisburg Light and Power Company?

A. He did not.

Q. When was he general manager of the Harrisburg Light and Power Company?

A. Prior to its sale to the Pennsylvania Power and Light Company.

Q. And when was that?

A. 1927, I believe. The same holding company took control of it, it did not go into the Pennsylvania Power and Light Company until last year, I believe.

Q. When did Mr. Palmer come with the Commission?

A. I think it was about two years after he left the company; sometime in 1928, is my recollection.

Q. And he left them in 1927?

A. 1926 or '27.

I think there was a year and a half or two years intervening there.

Q. Do you know what he had done in the meantime?

A. I think he has done some appraisal work.

Q. Did you, or any of your assistants make a complete inventory of the Scranton Electric Company's property?

A. We made as complete an inventory as was possible in the time available to us.

Q. How complete was that; tell us what you inventoried?

A. We inventoried the entire property, if that is what you mean.

Q. You made an inventory of the entire property?

A. Yes.

Q. Then how did you proceed?

A. We figured unit prices and applied unit prices to the property found, and arrived at a total.

Did you go out and examine the property in the field?

A. Yes.

Q. And you counted all the poles?

A. No.

Q. How did you make an inventory?

A. The company had complete plans of all their pole lines, and all their systems, and of their transmission lines, and all of which plans were submitted to you and are in the record here, and from those plans, and they are a complete pole record of the property, showing their poles—every pole that they own, on a card index, and we took from that card index that information as to the character of poles. We checked those things of the company that they had there; we took a record of what their own inspectors found as to the condition of their poles, as they reported them for operating conditions. We checked those statements against their purchases of materials throughout the last few years as shown by their voucher records, and otherwise spot checked the plans made by the company.

Q. What check did you make of the number of poles and the transmission and distribution systems of this company?

A. As I said, the checking over of the plant in the time could not possibly cover some 60 or 70 miles of pole line. We checked them from the plans, and checked the plans against the lines.

Q. How did you check them against the lines, that is what I want to find out?

A. You find the beginning of the line, some point in the middle of the line and the end of the line, and you know there must be a line there, and if the plan is complete and agrees with the scale of your general maps, there cannot be any question but what the line is there, and as far as the standard of poles is concerned, we checked one record of the company made by one group against records made by another group. There was no other method possible in the time.

Q. I appreciate you were limited in time, and I am merely trying to find out how you proceeded. In other words, as I understand it, you practically relied on the data furnished you by the company in regard to its inventory, excepting the spot checks, such as you have described?

A. No, that is hardly a statement of fact. We relied on the company's own record of what their property consisted of. The company said, "Here are our records that we keep, our own operating records, they show exactly what we have here. Now mind you, these records are operating records, not complete for any valuation purpose at all, and you go ahead and use them in any way that you see fit." They turned their complete records over to us, and we took that property record as it had been compiled for their operating uses, and used that to compile our data as to what the property consisted of.

Q. Did you inspect the property to determine its condition with respect to depreciation?

A. Oh, yes, in part. Of course, with a distribution system of the magnitude of that system, it was not possible on the pole lines, and we depended in large measure on the report of their inspectors. The inspectors go around and make an inspection of those lines every two years, and they make a card index for each pole; show the condition, and we depended in large measure on that, and spot checked it in a few places.

Q. Who did the work in regard to the electric transmission and distribution systems and city systems?

A. Mr. Bierman.

Q. What assistance did he have?

A. Why, whatever assistance any of us could give him, when we were not busy on our own part of the work; no particular assistant assigned to him.

Q. Who did the work on the power plant?

A. Mr. Palmer.

Q. Did he make a separate estimate of the quantities of building material in the various power station structures of the Scranton Electric Company?

A. Not completely.

Q. Did he put a price on the structure?

A. Yes.

Q. When did he obtain these prices?

A. The prices were, in part, built up in our own office, and in part were adapted from a valuation which the company made in 1927. After checking the quantities and prices in that valuation which was made in great detail, if we found the price to be in line with our own information, we accepted that price.

Q. Is that what is commonly known as the Endress valuation?

A. I don't know how it is, commonly known. It was made by Mr. Endress of the American Gas and Electric Company.

Q. For what purpose was that appraisal made in 1927?

A. That appraisal was made for the purpose of merging the properties.

Q. On which the plant values were written up on the books, some four or five million dollars.

A. I believe the accounting report shows some such figure as that.

Q. Was this Endress inventory and appraisal ever submitted to the Public Service Commission of Pennsylvania?

A. It was.

Q. For what purpose?

A. In connection with the merger proceeding; merger or sale. I don't recall just the exact character of the case.

Q. Did you check it at that time?

A. I did not.

Q. Did any one in the Engineering Bureau so far as you know?

A. No.

Q. In other words, so far as you were informed, the Commission approved the merger without any check of this appraisal?

A. That is correct as far as I know.

Q. In working up your unit prices, did you use prices prevailing as of June 30, 1930, or were your prices of some other date?

A. We used the prices which had prevailed over a period of years, and some 1927.

Q. You have stated that you used prices running over a period of years. What did you mean by that? Did you use a five-year average price?

A. No.

Q. Did you use the prices in the Endress appraisal?

A. In some circumstances, and in some instances not.

Q. To what extent did you use the prices in the Endress appraisal?

A. I don't know just how I can apportion that. Half of the times, half of them perhaps, I don't know, I couldn't say off hand. I would have to go back over the record and refresh my memory. I made no—

Q. Did you use them in your appraisals of the generating stations?

A. In the generating stations, I would imagine that our prices are the same for equipment, because we both of us had the quotations from the manufacturers of that equipment.

Q. Your appraisal was made as of June 30, 1930; was it not?

A. Yes.

Q. Had there been any change of prices since 1927?



A. There had been a slight downward trend of prices, but the general run of prices remained fairly constant in those years. The quotations in 1927 agreed with the quotations on some of that equipment at the time it was put in. We actually took the contracts under which that equipment was put in, some of it back in 1921; the actual prices that that company paid to the contractor to put the equipment in place. We had, again, the contractor's statement of quotation of prices in 1927, and in many instances they were identical, and our comparison with the general level for similar equipment showed no great change at the time the appraisal was made. The principal change in price was in the price of copper.

Q. In other words, there was no marked change between 1927 and 1930?

A. On the electrical equipment of the type installed in those generating stations, that is true.

Q. Now, how about the sub-station equipment. Did you use the Endress prices there?

A. In some instances there we used—certain sub-stations had been under contract, and we took the actual contract and analyzed it as to the amount of material and prices paid, and we accepted certain of those figures. In other instances we put in prices which were less than Mr. Endress' prices, and there were cases where we even used prices higher than Mr. Endress' prices. In other words, we were not tied to Mr. Endress' prices. We used our own prices and only accepted those when they checked with our information rather than to take the time to recompute another set of units, when there was nothing to be gained by it.

Q. In other words, Mr. Black, what you practically did was to take the Endress appraisal and make certain checks of it and change the system of unit prices, and made your valuation on that basis?

A. Oh, no; you are absolutely incorrect in that assumption.

Q. Well, we will go through it then?

A. We made our figures, and accepted Mr. Endress' figures only when they checked with our information.

Q. You stated that in 50%, I think you said, probably of the cases you took the Endress prices. In the case of generating station equipment, you said you took them generally?

A. That is included in the 50%. Don't assume they are two separate items.

Q. In the sub-stations, to what extent did you take them?

A. I couldn't tell you. The basis here to determine a thing like that, and the only way to determine it, is to take Mr. Endress' valuation which contains the unit prices, and take our valuations item by item and count them up. I don't know of any other way to determine it.

Q. Have you a copy of the Endress appraisal?

A. Filed; made a part of the record in that case.

Q. It was made a part of the record of the case?

A. Of the Commission's record.

Q. This Committee has asked for a complete record in that case, and it has not been furnished with the Endress appraisal. When you return to the office, will you see if you can find that appraisal and furnish it to us?

A. The record that was furnished to you; didn't that include the merger proceedings? They were made a part of the record in this case.

Q. I don't think they were. You will furnish it to us upon your return to the office?

A. If that is a part of the Commission's record. Of course that is not in my possession.

Q. I think the Commission will be glad to follow your recommendation.

Q. Now how many men from your bureau altogether were engaged in the field work in this case?

A. Six, I believe.

Q. And how much of their time between March 17th and May 10th was spent on the case?

A. We left Harrisburg about six o'clock Sunday night and went to work about eight o'clock Monday morning and worked until eleven o'clock every night until Friday when we came back to take care of our week's work here in Harrisburg on Saturday and left again on Sunday night.

Q. That was true of all six?

A. No, I think Mr. Bierman, Mr. Reagan were only there one week, I believe. I have to depend on my recollection.

I think they were there a week or a week and a half, maybe, on this work.

There were only the four of us for the entire period in the field.

Q. Now continuing with the matter of the Endress appraisal, to what extent did you use the Endress unit prices in the transmission system?

A. I don't recall that we used the Endress until prices in the transmission system at all. The major portion of the transmission system had been built in 1927, and the construction ledger showed in detail exactly what had gone into the line down to the last bolt and nut, and we checked the unit prices carried on the construction ledger, and on each of them accepted the ledger figure. I think Mr. Endress in his valuation in August, 1927, also accepted on that construction the construction ledger figure.

Q. So you didn't use the Endress figures, but you used the same figures Mr. Endress used?

A. They were not his figures; we used them and so did he.

Q. And when you came to the distribution system to what extent did you use the Endress figures?

A. I don't know that we used the Endress figures at all on the distribution system.

Q. What figures did you use for unit prices?

A. I could not say for certain. I cannot recall, unless you have some specific items you refer to.

Q. I mean, did you get your unit prices as of June 30, 1930, and apply them, or take some other prices that you found on the books of the company or the Endress appraisal?

A. We built up our own figures on most of the distribution system.

Q. That would apply to transformers and meters and all such things?

A. Yes.

Q. What figures did you use for copper wire? Where did you get these?

A. Why, we have a record of the prices of copper wire clear back to 1899, month by month.

Q. Did you use the copper prices as of June 30th, 1930?

A. No.

Q. Why?

A. Because the figures were made somewhat in advance of that.

Q. Did you use copper prices as of the date of your field work?

A. The copper prices we actually used were the prices the Scranton Electric Company had actually paid as shown by the vouchers and bills of the companies from whom they purchased the wire.

Q. In other words, you were not taking reconstruction prices on copper wire, but what you found the company had paid?

A. Over a period of the last two or three years.

Q. If you had used the present market prices as of that date, would it have affected your estimate particularly?

A. If we had used the price of copper as it stood around June 30th, 1930, it would have made a difference of about \$250,000 to \$300,000 of a reduction.

Q. A reduction in your appraisal?

A. Yes.

Q. And you did not think it worth while to use them?

A. Copper had maintained a steady price right up to the end of 1929 for years, and then started on a down grade in the last months of 1930, and as anybody who knows the market knows, it went lower than it has been for twenty-three years without any expectation that it is forever going to remain there.

BY MR. RHODES:

Q. What price did you use?

A. You will find that copper wire prices are all on a base price. We used about 15.8 cents a pound for the price of copper. That was about 5 cents above the market price on June 30th.

Q. In other words, the market price was about 11 cents?

A. That is the base price of copper, not the price of wire.

BY MR. EVANS:

Q. Mr. Black, didn't your total appraisal of wire, copper wire, run about two million dollars?

A. I don't recall. There was some 184 or 185 miles off transmission and distribution lines. It made a difference of from \$250,000 to \$300,000 from what it would have been had a different base price been used.

Q. As I understand it, the base price that you used was something about 15 cents a pound?

A. Yes, a little above 15 cents a pound.

Q. And the current price as of June 30th, 1930 was about 10 cents?

A. Yes, but it dropped under 10 cents at one time; it was around ten to eleven cents.

Q. So in this item you added approximately fifty per cent. to the reproduction cost on your copper wire by using the higher prices?

A. Fifty per cent.?

Q. Fifty per cent. over the current price?

A. Well, yes, you can put it that way.

Q. Is that not a correct way to put it

A. Yes, that is all right.

BY MR. RHODES:

Q. I don't understand why you didn't take the current market price if you are figuring on reproduction cost?

A. The market prices on these materials are just like anything else. If in a valuation one attempted to follow the market up and down, we would never get done. We have to head in somewhere on about what the companies are paying?

Q. Don't that all depend on the condition of the market?

A. When you take reproduction prices, there are as many different theories as to how they should be made as there are different people, whether to take the average price over a period of years, the instantaneous price, or what someone may estimate.

Q. Can your engineering department give us any light on what reproduction cost means?

A. The foundation of values is a matter of opinion, and for the purposes of regulation, value is the consensus of opinion of men thoroughly informed of all the circumstances affecting these things, provided these men are qualified by law to make their opinion effective. That is what value is and is about the basis of determining reproduction cost, but it is frequently presented on several different bases of estimate. Sometimes they have used one-year average prices, three-year average prices, instantaneous prices, ten-year average prices, all depending on the policy to be established and followed.

Q. What is the policy of the Commission.

A. As far as I know, there is no fixed policy. It depends upon how the matters are presented to them.

Q. You mean the real presentation has something to do with it.

A. Yes sir.

Q. Why hasn't the Commission a definite policy to determine it without regard to the method of presentation.

A. My point is this: In determining value, value is opinion—nothing else but opinion.

Q. You mean it is guess—everybody's is as good as another one.

A. No sir, it is opinion; it must be based on knowledge of the circumstances.

BY MR. EVANS:

Q. Were you directed to prepare a statement of the fair value of this property for rate making purposes.

A. I was not.

Q. You were told to prepare a statement of the reproduction cost new, less depreciation of this property.

A. Yes sir.

Q. You stated, in answer to the question of Mr. Rhodes, that there are various methods of doing that; one is the spot reproduction prices—did you use that method.

A. No sir.

Q. The other is the five year average price, did you use that.

A. No sir.

Q. The other is the ten year average price, did you use that method.

A. No sir.

Q. What method did you use?

A. Taking the prices the company had paid for the equipment, as shown by the bills, over a period of three years—the last three years.

Q. You didn't get the reproduction cost of the property at all, but you took the actual book cost in places; you took reproduction cost in other places, and combined them into a valuation.

A. That is an absolute misinterpretation of my entire testimony.

Q. You stated you took the generating machinery, the generating equipment, the price paid by the company, 1921, found those were not substantially different from current prices, and used that.

A. Yes sir.

Q. You stated in the case of Copper you used prices paid by the companies is I understood you correctly.

A. Yes sir.

Q. That was not at all the reproduction cost, current prices of that copper, was it.

A. It was not instantaneous prices.

Q. Was it a five year average.

A. No sir, about a three year average.

Q. In other words, in this case you think you used a three year average.

A. Most of the figures would be based approximately on a three year average. As you ought to know, it is not possible in the time we put on that to develop unit costs, and build up one on the fine spun system. We had to use the most reasonable price we could determine at the time, by inspection of the prices; not as shown by the books of the company, but as shown by the bills of the people who furnished the equipment.

Q. Do you believe those were the same as the books of the company.

A. I don't know that.

Q. I agree with you that in the time allotted to you it was physically impossible to do that. I wanted to find out whether as a result of that it is not practically true that you accepted the Endress appraisal.

A. No sir.

BY MR. COOKE:

Q. You said one qualified by law, in your testimony, what did you mean by that.

A. The Commission, unless the court supersede it with its own opinion.

Q. What does that do to your engineering opinion?

A. It does nothing. My opinion is my own. I state what I think the value should be, and the report on that is my opinion from start to finish.

BY MR. RHODES:

Q. How do you know what method to utilize?

A. I used my own judgment, from experience in value.

Q. In other words, you did not follow any established method of the Commission.

A. No sir, they didn't give me any instructions as to method.

Q. Does the Commission have any established policy in the determination of reproduction cost.

A. They have never given me any rule of procedure.

Q. They send you out and you use your own judgment?

A. Yes sir.

Q. Supposing you had found that the price of copper in the market was 20 cents a pound would you still have used about a 15 cent average?

A. If the figures would have shown they were paying over that period of years 15 cents, we would have used it.

Q. In so far as the determination of the reproduction cost is concerned, what difference does it make what the company paid for this material?

A. It was only used as a device for finding what the market prices were.

Q. Why didn't you use the current market price of eleven cents?

A. At the time the figures were compiled, in the beginning of May, the prices were higher. The prices went down very rapidly. There was no reason at that particular moment why we should attempt to follow a rapid swing in the market, up or down. This reproduction field theory is not a device for accurately following the market.

Q. Don't you think the Commission should utilize some more or less definite policy in determining the reproduction cost.



A. It seems to me that would be attempting to coerce engineering judgment considerably.

BY MR. COOKE:

Q. What would be your reaction—you say you have your own opinion—what would have been your reaction to what was referred to this morning, where one of the Commissioners asked one of the engineers in the Bureau of Engineering, to stretch an item.

A. I have never been asked to do that. If I make up a report, which involves my engineering opinion, it is my opinion that I put in, if, however, the Commission has considered a case and has made up its mind, and brought that case to me and said, "You prepare a report, we are going to find so and so." I would prepare that report, in accordance with that finding. I might do that even though my report recommended something different. That wouldn't affect my report one iota, because my report is my opinion, and the Commission or nobody else can change, but the Commission has the authority by law to make the final decision, if they have made that decision, then it is no longer my problem. I might assist them in anyway that they desire in the preparation of their report I am in no way responsible for what they do. That doesn't affect or change my opinion one particle.

BY MR. RHODES:

Q. In other words, you make a report as an engineer, and if the Commission wants to change it, that is their responsibility; they are responsible for it?

A. Absolutely.

BY MR. COOKE:

Q. And you change not only the total, but you change the details—I don't mean to say that you—

A. I never have.

Q. You have never been asked to do any stretching?

A. I have never been asked to do any stretching, and I have never done any.

Q. What do you mean than by saying you put in your report and the Commission determines that they are going to reach an entirely different decision than that, and ask you to make a report based on that change of total, what does that mean?

A. I didn't say that they make any other report under that condition, but they may turn and ask me to help them in the preparation of their report, which is an entirely different matter. I think I have made it clear.

Q. It is done on the stationery of the Bureau of Engineering, isn't it?

A. I would not be surprised, we do not go around to fine the stationery of some other department to send it through, we use our own; it would be ridiculous to go to other offices and hunt for some other kind.

Q. My conception of engineering has been very decidedly widened.

A. You are not differentiating between the function of the engineer and the function of the Commission; they are two decidedly different functions.

BY MR. EVANS:

Q. Mr. Black, early in your testimony you stated that you had never seen the books of the Scranton Electric Company; that you know nothing about the book value of its property, is that correct?

A. That is correct.

Q. Did any of your assistants ever see the books?

A. Now, wait a minute. Will you please repeat that again.

(Last question read as follows: Mr. Black, early in your testimony you stated that you had never seen the books of the Scranton Electric Company; that you knew nothing about the book value of its property, is that correct?)

A. That is correct; I have never seen the books of the Company.

Q. But you did know the book value?

A. I didn't know at the time of our valuation what the book value was.

Q. You knew it before you made your report, didn't you.

A. Yes.

Q. Then why did you tell us earlier in your testimony that you didn't know anything about it?

A. You asked me if I had ever seen the books—

Q. No, I asked you if you had ever seen the books, the figure of \$29,564,178.86, and you said you had never seen that figure; didn't know anything about it?

A. You are referring to stocks and bonds, or were referring to stocks and bonds, and my reference was to stocks and bonds entirely.

Q. In other words then, it is true that you knew all about the book value of the property that had been written up between 4 and 5 million dollars on the books of the company, and you made your appraisal come out within a couple hundred thousand dollars of that written up book value, that is correct, isn't it?

A. The book value had nothing—

Q. Won't you answer the question, and then make any explanation you want?

(Last question read as follows) In other words, then it is true that you knew all about the book value of the property that had been written up between 4 and 5 million dollars on the books of the company, and you made your appraisal come out within a couple hundred thousand dollars of that written up book value, that is correct, isn't it?)

A. No, that is not correct. If you will separate that question into two items instead of involving it in one, why, I may be able to answer it intelligently.

Q. Now, we will try to divide it. When did you first know the book value of the Scranton Electric Company?

A. Oh, sometime the latter part of March, or April.

Q. And you knew then—

A. You mean the figure that they had written up on the books?

Q. What is that?

A. You mean the figure that they had written up on the books?

Q. Yes. You knew that that value included between 4 and 5 million dollars, based on the Endress Appraisal?

A. Yes.

Q. And your appraisal of June 30, 1930, came within a couple hundred thousand dollars of that book value that you had known ever since you had started?

A. I don't know the exact difference, whatever it was.

Q. What was the book value?

A. I have not the record of it here in front of me.

Q. Now, Mr. Black, let us get down to brass tacks. I show you volume 3 of your work sheets, do you recognize that?

A. Yes, surely.

Q. There is a tab marked "Adj.-Val. to books"?

A. Yes.

Q. What does that mean; what does that stand for?

A. That is adjusted value to books.

Q. Adjusted valuation to books?

A. Yes.

Q. That was used as part of your work sheets?

A. Yes.

Q. And that shows plant and securities, which was what I asked you for as being the value of \$29,564,178.86, is it not?

A. Yes.

Q. Now, what was the valuation you put on this plant?

A. \$29,308,598.

Q. And what was the amount of the Endress Appraisal?

A. The Endress Appraisal is a depreciated value of something like \$21,000,000, to which was added afterward some seven or eight million dollars for the construction of the Stanton Plant, which was not involved in the Endress valuation at all.

Q. Now, what was the purpose of this sheet which I showed you, which is adjusted value to books?

A. The purpose of this sheet—Mr. Endress made a valuation, and that is a record of the way in which his valuation was carried into the books.

Q. Why were you interested in that?

A. I was interested in everything relating to the value of the plant.

Q. But that had nothing to do with the reproduction cost valuation of the plant?

A. Not specifically, no.

Q. You just put that in as one of the early entries in this book of work sheets?

A. That is part of the information that came to me in the matter of investigating that property, and every bit of information that had any relation to their property that came to me, I made a record of it.

Q. And that sheet is in your handwriting?

A. Oh, yes, that is mine.

Q. Now, let us look at the following sheets?

A. Yes—that is May instead of April, that is all.

Q. This is headed transition from valuation on books; what is the purpose of this sheet? This shows valuation on the left, books on the right?

A. The company always maintained that their book figure as it was carried, the final figure was based on Mr. Endress' valuation, and I was attempting to find out how they got from his valuation to the figure they show.

Q. Then you considered that a very important item in your reproduction cost new valuation?

A. It had no bearing on the reproduction cost new valuation.

Q. What was the purpose of putting it in the book in which you were putting your work sheets on that valuation; is this all a waste of time?

A. No.

Q. What was the purpose of it?

A. So that we might have all the information possible about that company's property.

Q. But you didn't put information in here that had no bearing on what you were doing, did you, Mr. Black?

A. No, but this had no relation to our reproduction value.

Q. Then it had some bearing on what you were doing?

A. It might have a bearing on the carrying on of the case in future testimony, or whatever might have happened; we didn't know at the time we were making the investigation what would happen.

Q. Now, what bearing did the book value on the books of the company have on the reproduction cost valuation which you were making, will you explain that to the Committee?

A. None whatever.

Q. So you might just as well have written Mother Goose Rhymes in here?

A. As far as valuation was concerned, yes.

Q. That would have been interesting. Now, the next sheet also pertains to the adjustment of the book value—

A. This data given here is entirely a study of how Mr. Endress' valuation was carried into the books.

Q. So, you spent another page of figuring. How much time did this calculation take you?

A. Oh, I don't know. I couldn't tell you.

Q. It looks to me like there is a great deal of arithmetic involved in this calculation?

A. There is.

Q. How long did you spend on it?

A. Oh, perhaps a couple of days.

MR. RHODES: That did not have any relevancy to this case, according to the testimony?

MR. EVANS: He says that it is just as relevant as Mother Goose rhymes.

THE WITNESS: Just a minute. I didn't say it had no relevancy. I said it had no relevancy on the reproduction value of the property.

BY MR. RHODES:

Q. You were making a reproduction value, were you not?

A. Yes.

Q. And all of these things had no relevancy to that?

A. It had nothing to do with my figures in my valuations.

Q. What relevancy did it then have in the case, if it had no relevancy to what you were doing?

A. Here is the point: Some point in the carrying on of this case, it is necessary that our work ties in with the accounting bureau work; that was the instructions; and that was the point of tie in between the two; but it has no bearing whatever on the figure found for reproduction.

Q. You mean that it ties in with the work of the accounting bureau and of your bureau?

A. Exactly.

Q. In just what respect does it tie in?

A. You can proceed through these figures to the report and valuation made by Mr. Endress, which is also a valuation in this case, and tie the work back with our reproduction cost so you can tell what became of various items of property and how they were treated at various points.

BY MR. HAGMAIER:

Q. Mr. Black, about the third or fourth question you answered here today, you made the statement that you had

never heard of the amount or saw the figures of the book value?

A. As I recall the question, the question was not asked in that way, it was what was in my mind: my recollection was entirely of stocks and bonds which had been mentioned in that question or the previous question, and I said I knew nothing about the stocks or bonds of the company. They had no bearing.

Q. I did not hear the word "stock" or "bonds" being used at all. You said you had never seen or heard of the amounts.

A. Well, if I said that I had never heard of the amount of the book figures, then I want to correct that answer. But my answer was directed to stocks and bonds entirely.

BY MR. RHODES:

Q. Then, if I understand you correctly, you never heard of the book value of this property?

A. I knew the figures they carried on for fixed capital?

Q. Including the write-up?

A. Yes.

Q. Did you know the total figure carried on the books before you made your valuation?

A. No; I don't think I did.

BY MR. EVANS:

Q. You just said you knew it in March?

A. Oh, you mean before I made the report?

BY MR. RHODES:

Q. My question is that you said you didn't know?

A. I wanted to say this: That figure was in my possession, and no other man in my party knew that figure.

Q. When you spoke of that figure, you meant the book value of the property?

A. As shown up here in this record (indicating), and it may have been picked up in the statement. There was no man living—let me go back a moment. My report was submitted Monday morning, and no man, myself or anybody else knew what our total figure was to be until seven o'clock Sunday night of the 29th of June.

Q. Did you know what it was to be?

A. No. No man living knew it. We completed our work under pressure, working all day Sunday and no man knew what the final answer was to be.

BY MR. COOKE:

Q. Didn't you know it within \$200,000.

A. The trouble with you gentlemen is that you are talking about a write-up. You are assuming that is something different?

Q. Isn't it?

A. Oh, no.

Q. I think that is a right we have to assume in most of these cases?

A. You don't know without a proper investigation. Here is a property that is created and the write-up may or may not be a fact. It is easy to talk about it. It is not a fact if money has gone back into the property and the plant has been built up.

Q. The reports to the Public Service Commission do not show a cent going into the property and nothing tangible.

A. This property shows something tangible.

MR. TURNER: Mr. Rhodes, perhaps we ought to find out a little more about this matter.

MR. RHODES: I think the reports to your Commission certainly indicate the basis of these write-ups, and we have had a lot of these reports to your Commission submitted to us, and they show nothing except a recapitalization of the operating company.

THE WITNESS: The accounting may or may not reflect the actual condition of the investment.

Q. Why do these investments take on such a different aspect just as soon as the holding company goes over and buys the property of the operating company?

A. It wasn't so in this case, was it?

BY MR. EVANS:

Q. Just as soon as it was merged in 1928, the book value was written up between four and five million dollars, was it?

A. On the valuation, yes. They changed the book figures.



Q. It was done on the basis of the Endress appraisal which was unchecked by anybody?

A. Yes.

Q. And by using the prices in the Endress report and by using the prices which you got from the company, you set up a valuation which was within \$200,000 of the Endress appraisal—

MR. COOKE: In a total of how much?

BY MR. EVANS:

Q. In a total of how much?

A. You are neglecting entirely that we used our own prices and we checked everything that we could.

Q. You have been very vague as to what of those prices you did use. Will you point out a few of those prices that you did use, the books there?

A. Yes; get me the book on meters.

Q. Yes.

A. Or get me the details on meters.

Q. Now Mr. Black, let us hear the unit prices you worked up and applied for meters?

A. This is just a sample of one of the prices. G. E. Polyphase meter, type D, 110 volts, 5 ampere meter, the price used was \$21.528, inspection of meter, 52 cents, cartage 12 cents, labor 66½ cents, installation and material for setting 6.4 cents, breakage, loss and waste, 2 of a cent, storage and purchasing expenses 34.8 cents, freight 20.4 cents, total cost of meter in place \$23.451.

Q. What was the Endress appraisal on this type of meter?

A. I don't know, I have no idea. I never made that comparison.

Q. Did you get the same kind of unit prices for poles?

A. We used our own unit prices for poles. We had actual quotations from the pole supply houses.

Q. Will you turn to page 46 in your appraisal—first, what does this entry indicate, what does this entry in your book refer to, Mr. Black? Read it?

A. (Reading) "Suburban Station, Wheeler Condenser and Engineering Company, equipment, one cooling tower plate (there is a word there I cannot read; this is not my writing) in March 28, 1914, complete price \$189,100."

Q. And that was the price you used for that piece of equipment?

A. I could not say. I would have to go back over the details. That was a quotation from the Wheeler Condenser and Engineering Company to put the equipment in.

Q. What does the date 1914 indicate?

A. That was the date of that original contract, that is March 28, 1914.

Q. Don't you understand that the price shown there was the price in the contract.

A. I would say so.

Q. Wouldn't you suppose that that was the price you used in your appraisal for the reproduction of this engine.

A. It might be and it might not be. I don't know without comparing them. That is the 1914 price. I don't recall off hand how the market has changed.

Q. I show you page 46 of your appraisal, the Seventh item, 58½ poles,—

A. Yes sir.

Q. This sheet covers poles erected without cross arms, hardware or fixtures of any kind.

A. No, it does not.

Q. What does it include?

A. It includes poles, fixtures, and wire. It is the line complete.

Q. I show you the column marked "Poles, \$26,990.17,"—that is the figure, is it not, for the bare pole without any fixtures?

A. Yes sir.

Q. If you will take my word for it, that shows a value of \$46 per pole.

A. Yes sir, I will take your word for it; that looks about right.

Q. Will you explain how you can justify a price of \$46 for a bare pole set in the ground, without cross arms, hardware and fixtures.

A. It depends upon what the type of digging was, the conditions, under which the poles had to be set.

Q. Do you know what the type of digging was.

A. We did know at the time—suburban—Old Forge—Pittston line—my recollection is that that line if you are familiar with

Seranton, cuts off, I believe it is the north and the suburban plant away across the hills there, involves practically ledge work all the way.

BY MR. JOOKE:

Q. How many of these poles were there?

A. 584.

BY MR. EVANS:

Q. As a matter of fact, you took those pole figures, unit prices, from what source.

A. It depends upon what base that line is built. If there is any information there I can tell you. If it was built since 1927, it undoubtedly came out of the construction ledger, actual money paid by the company as shown by the vouchers for material and are a review of what was carried on for work done. I cannot tell you off hand.

Q. Mr. Black, in appraising power station equipment, did you use any prices prior to 1927?

A. Yes sir, some of the prices we used were the actual contract prices at time the equipment was put in—some of it back in 1921 and 1920, but the quotation obtained from the makers of the equipment in 1927 were identically the same price, and our information that we get at the present time indicates approximately the same price—no great change.

Q. How did you obtain those 1927 quotations?

A. Those are quotations submitted by the company in connection with the 1927 valuation, by Mr. Endress.

Q. You took those from Endress' appraisal.

A. No sir, those are not carried there.

Q. The company furnished you with them?

A. Yes sir.

Q. Do you know anything about the circumstances under which those quotations were requested.

A. Yes sir, we had the letter that went out in connection with the Endress appraisals to the manufacturing companies and the contractor who put those things in place, stating in detail what equipment he wanted prices on. We had the original letters of those manufacturers replying as to what the price was at that time.

Q. Don't you know as a matter of fact, Mr. Black, that where the manufacturers know that those requests are made for appraisal purposes, not on the basis of purchasing on a competitive basis, that they give very different figures from what they would on a competitive basis.

A. I have never had any such experience, no sir.

BY MR. RHODES:

Q. On those particular items, Mr. Black, that you got from the manufacturer, you took the current market price?

A. We took the price—that is mostly on large equipment.

Q. You took the prevailing market price?

A. Yes sir,—your price showed a constant price level since 1921.

Q. You did take the market price for these items, but you did not take it for copper?

A. What else can we do, if that equipment has been sold for years at a standard price, we cannot say that the manufacturer is wrong and don't know what the equipment costs and what he sells it for.

Q. It seems to me if you are going to take the current market price for one, you ought to take it for all of them, it isn't fair to give the company the benefit in one case and not in the other, or vice versa?

A. Am I supposed to discuss whether we are to use the original cost or some other basis?

Q. You are figuring the reproduction cost—not by any established method?

A. Whatever those established methods are.

Q. I guess the established method is everybody's opinion?

A. As long as you are talking value, it is opinion.

Q. Do I understand you that in making your reproduction valuation, you included brokerage?

A. No sir.

Q. Or going value?

A. Yes sir. I recommended that—

Q. Did you include real estate values?

A. Yes sir. I stated that we took those real estate values directly out of the Endress valuation, because we didn't have any time to go in and make a study ourselves, nor did we have made available to us a real estate man to go over these properties.

Q. Do you also include the brokerage, getting the capital together?

A. As far as overheads are concerned, we allowed about 2½%, as I recall it, for organization and general expense of bringing the company together.

Q. What did you allow for going concern?

A. \$2,000,000.

Q. Did you consider those items, matters of engineering judgment.

A. They may be.

Q. Is it the custom of your department to put a valuation upon those particular items in determining the reproduction value of the property.

A. We frequently make recommendations of that kind.

BY MR. COOKE:

Q. Did you think you were acting as an engineer when you arrived at that \$2,000,000?

A. Certainly, it was my opinion as an engineer, based on engineering judgment, certainly.

Q. Where did you get that, out of what engineering literature did you get that suggestion?

A. Why, I don't know. When you go into the question of going value you are getting into a rather involved discussion; there is no rule for going concern value.

Q. Why do you say that that is engineering; now, just let me get that?

A. Well, I don't know why you call anything engineering.

BY MR. RHODES:

Q. Going concern is something that you can utilize in producing any answer that you want, cannot you, and call it going value?

A. It could be done.

Q. Isn't it done?

A. No, not necessarily. Your question assumes that we are all crooks.

Q. No, it does not.

A. Yes, it does; it assumes that we are all crooks, and that there is no honesty in the engineering profession.

Q. I am not assuming anything. I am just trying to find out; that is what this Committee is here for, and that is what the Public Service Commission is here for, to try to tell us.

A. That is what we are trying to do.

BY MR. EVANS:

Q. Reading your definition of going concern value at page 12 in this volume, going concern value is the figure here recommended by you of \$2,000,000?

A. Yes, it is.

Q. That is made after observation of the territory, its prospects and growth and development?

A. Development and growth.

Q. It is the prospect of growth and development in the operation of the electric system and its development, it is a recognition of the economic worth whileness of this utility property and service in comparison with unregulated business undertaking in this area served. In other words, as I understand that, going concern value is the value which a property has through being regulated, which it would not have if it were not regulated, is that correct?

A. No. No.

Q. What is it?

A. There are in connection—

Q. Will you just explain what you mean; it is just a recognition of the economic worth whileness of this public utility service in comparison with unregulated business undertakings in the area served, will you just explain that to the Committee?

A. It is a consideration of this property as a property unit serving that community, and the general earning capacity of money or the general business conditions in which that property is situated.

Q. In other words, this was more profitable because it is an unregulated business, and therefore had a going concern value?

A. Oh, no, not necessarily so.

Q. If it had a less earning value than unregulated business that would not be an element of value, would it?

A. I will say not.

Q. If it had the same earning power as unregulated business, that would not be an element of value, would it?

A. No.

Q. Therefore, the only element of value it can possibly have is that it has a greater earning capacity than unregulated business, is that not true?

A. How?

Q. Now, just answer the question, will you please?

A. What was that question?

(Last question read as follows: Therefore the only element of value that it can possibly have is that it has a greater earning capacity than unregulated business, is that not true?)

A. No, that is not true at all; you are relating things that are unrelated.

Q. I am trying to find out what you mean by this definition of going concern value which you have put at \$2,000,000 for this property, and you say it is the recognition of the worthwhileness of this utility property to serve in comparison with unregulated business undertaking in the area served, and I understand that you said unregulated business had certain earnings, and by comparing this with these unregulated businesses, you determined its going concern value, is that not true?

A. I recommended that going concern value—

Q. Isn't that the way you got at it?

A. It is a matter of opinion, yes.

Q. I say, isn't that the way you got at it, you compared it with unregulated business?

A. It is compared with unregulated business, I compared it with the situation in which we found that company actually operating.

Q. You found that it was earning more than unregulated businesses in the community were earning, did you not?

A. If you are talking now of what the company was actually earning, I had not reviewed that specifically at the time. I was only aware of it through the general statements that had been made.

Q. You were making a comparison here you say of unregulated business in order to determine whether or not it had a going concern value?

A. Yes.

Q. And you were doing that on a basis of earning capacity?

A. Oh, no, if you had done it on a basis of earning capacity, it would have been much more than \$2,000,000.

Q. What other basis did you have to compare it with?

A. Pure judgment.

Q. Well now, that is the last resort of all engineers, pure judgment?

A. That is where the thing stands any way.

MR. COOKE: I ask you to be very careful in your distinction.

MR. EVANS: I will say valuation engineers.

MR. TURNER: I think you can leave it in as you originally had it.

MR. EVANS: All right, we will leave it.

BY MR. EVANS:

Q. Now, we want to get at this question, and I show you page 45 of your valuation under the heading of transmission and overhead conductors?

A. Yes.

Q. That was copper, was it not?

A. Ought to be.

Q. \$205,840.87. Will you take your pencil and write these figures down. I show you page 50 of your appraisal under the heading of wire, that was copper, was it not?

A. I assume so.

Q. Are you not sure so?

A. I don't know instantly—let me see, distribution system, yes.

Q. And on page 51 of your appraisal, the same heading, wire?

A. Yes, \$931,769.49.

Q. What then was the total of your appraisal of the total copper in this case, shown by these two items. Now, one-third of that value was due to the use of the unit price of 15 and a fraction cents as against 10 and a fraction cents, is it not?

A. Approximately.

Q. And that would approximate \$370,000, would it not?

A. Our estimates—



Q. Answer the question, will you please?

A. No; it would not.

Q. Will you divide three into that?

A. If you mean just the one-third then I will take your word for that one-third.

Q. You testified that you used a price of fifteen and one-half cents for copper?

A. Yes; and I also testified—

Q. Just a minute. That the current market price was ten and one-half cents per pound for copper, which is approximately two-thirds; is it not?

A. Yes; you are using "approximately." I testified that the change in the price of copper, made a difference of two hundred and fifty to three hundred thousand dollars. I don't know just where the one-third figures in.

Q. The difference in the price of copper was five cents a pound; isn't that what you said?

A. Approximately.

Q. Coming back to the question Mr. Rhodes asked you about the subject of overheads, I show you one of your work sheets. Will you explain to the Committee what percentage of overheads you used for these various items of property; for instance, real estate?

A. That is not our statement of overheads at all (indicating).

Q. What is that sheet.

A. As the case progressed, the company maintained we had made an insufficient allowance for overheads, and we made a study of the overheads actually carried into the Scranton Electric Company valuation in 1927, and that is a statement of the overheads that they carried into their valuations. It is not ours at all.

Q. What did those overheads amount to carried into their valuation?

A. On what?

A. Well, we will take the various classes of property.

A. In those reports that you asked for, they give a tabulated statement there as to what they are based on. I think they carried real estate—I think they carried in 24% on real estate.

Q. What per cent of the turbine room building?

A. Thirty-two per cent.

Q. The boiler rooms buildings.

(No answer.)

BY MR. COOKE:

Q. Do you mean thirty-two per cent over heads?

A. Yes. That is the value percentage in 1927 by the Scranton Electric Company.

Q. How nearly did you approximate that?

A. Our overhead allowance was less than that.

Q. How much?

A. I couldn't tell you off hand. We didn't do them in the same way. I would have to go back through our figures to get that.

In building up our valuation, the time element became a very important item for us to get through to an answer, and we didn't stop along the way to segregate every item, we have carried in, and it requires a study of the details. For instance, insurance, if you will remember, when we were talking about meters, there was an insurance item there. We applied that insurance item to the actual costs rather than making an over all allowance. We felt that we could come closer to the actual fact as to the actual cost of the insurance, if we allowed at that point where it was actually charged and not as an overall allowance at the end. We made very few overall allowances.

BY MR. EVANS:

Q. Going on with these overheads, except in the case of garage equipment and machine shop equipment, they vary between twenty per cent and thirty-three per cent do they not?

A. They do.

Q. And in the case of steam and electric plant equipment?

A. Twenty per cent is the figure (indicating).

Q. And that is correct there (indicating); twenty per cent?

A. They actually carried in thirty-two.

Q. They actually carried into the Endress appraisal thirty-two per cent.

A. Yes; on that one item. That was put in through error. That does not match up with their statement as to what they did.

Q. These overheads, do they include going concern value, and intangibles and things of that sort?

A. In the Endress appraisal of which we are speaking now, going concern value was carried in as a separate item afterwards.

Q. And so that the top of all these overheads ranging from twenty to thirty-three per cent, items of going concern value, what other intangibles were added in the Endress appraisal—

A. I believe—no; that is all he added.

Q. That is all?

A. I believe so, that is my recollection.

Q. How about the cost of financing?

A. He states in his testimony that they included that in his going concern value.

Q. And do you know what he included for going concern value?

A. At the rate of twelve and one-half per cent on his depreciated value found.

Q. And what approximately did that amount to?

A. On the basis of his twenty-one million dollars, \$2,300,000; just under \$2,300,000 is my recollection.

Q. As compared with your \$2,000,000 for that item?

A. Our \$2,000,000 for that item, however was based on about \$8,000,000 more property. That is the Stanton Plant brought in afterwards. This (indicating) by the way was not in that record.

Q. And now, the first sheet in this volume is what?

A. That was made up during the progress of the case, or attempted to, or to be prepared on cross examination, it just occurred to show where differences between our valuations and the Endress valuations actually occurred; made up in the process of being prepared for cross examination.

This particular set up was finally abandoned because there were errors found in it; it did not check out, and never was cast up in that form again. I believe the form was entirely abandoned. This is simply a work sheet that was built up for a purpose, and then found not to fit that purpose and it was not used.

Q. Why was it abandoned?

A. Because we couldn't make the differences check out; that is, one against the other; and pluses and minuses, wherever those occurred, we couldn't make any balance, and we didn't go ahead with it, because we didn't have to use it; didn't attempt to bring it into form.

Q. And it shows in parallel columns the Endress appraisal and your appraisal?

A. Yes, this was made out after the report was filed and was done in the progress of the case so that we might be fully prepared for cross-examination and know exactly where our differences were.

Q. The last hearing in this case was held on August 26, 1930. At any time prior to that date were you advised by any one connected with the Scranton Electric Company or any one connected with the Public Service Commission of Pennsylvania that it was the company's intention to file a revised schedule of rates?

A. There had been talk when the case started that the company intended to file such rates.

Q. After you started in 1930 to prepare this valuation you knew the company intended to file a schedule of reduced rates?

A. I knew they said they did.

Q. Didn't you believe them?

A. I didn't know what their intentions were. They stated they were, and they filed new schedules.

Q. From whom did you obtain this information?

A. I believe from Mr. Campbell, the General Manager of the Company.

Q. Where was that information given to you?

A. At Scranton, I think.

Q. Did Mr. Campbell tell you why they intended to file a schedule of reduced rates?

A. No, he did not.

Q. Were you or any of the engineers of the Commission assigned to make a study of the electric rates of the Scranton Electric Company?

A. No sir.

Q. Have you made any study or have you any knowledge of the effect on the revenue of this company under their revised schedule of rates which became effective April 1st, 1930?

A. Yes, I have some knowledge of the effect.

Q. Did you make a study of these rates to see what the reduction in revenue would produce?

A. We made a study of the rates as to the changes in the rates themselves, but not study as to the effect on revenue.

BY MR. COOKE:

Q. What would be the purpose of that?

A. Just simply to compare the effect of the new schedules as against the old schedules to see if they were in effect a reduction. Taking the assumed kilowatt hours used and compare the schedules just as you people have been doing here.

Q. Have you these comparisons as a part of this record?

A. No, they are not part of this record.

Q. Did you reach the conclusion that the new schedule would produce a reduction of \$750,000 in revenue?

A. I never was asked to reach a conclusion.

Q. You have no knowledge of that?

A. I do have some knowledge of it.

Q. Will you tell us what in connection with that your knowledge is?

A. An officer of the A. G. E. showed me personally the company's estimate of the effect of the change and I went over that simply sat down and reviewed it.

Q. That shows \$750,000?

A. Yes sir, but there was no check on it, it was just simply a review of it.

Q. So far as you know, is the Commission making any check of that?

A. I don't know.

Q. Would you consider such a check an engineering job?

A. Yes sir.

Q. Did any member of the Public Service Commission ever discuss with you the reduction in revenue that would be caused by these new schedules?

A. Not that I recall.

#### RECESS

MR. MOORE: This hearing will now stand adjourned until 7.15 o'clock this evening.

#### AFTER RECESS.

The Committee reconvened at 7.15 P. M. Chairman Moore, presiding.

P. J. KEADY recalled

BY MR. EVANS:

Q. Mr. Keady, you have already been sworn.

A. Yes sir.

Q. Have you made a study of the Duquesne Light Company with regard to any write-ups in its fixed capital and in regards to its earnings.

A. Yes sir.

Q. How much was the write-up?

A. In 1927 the fixed capital assets, according to the annual report filed with the Public Service Commission, was \$24,515,-326.95. Now, there was also a write-up in the reserve for renewal and replacements,\* amounting to \$9,782,747.89.

Q. What were the returns in percentages, with and without the write-ups.

A. The percentage of over all return, including the write-up, for 1927, amounted 8.9%; in 1928 10.13%; 1929, 9.66% 1930 10.08%. The percent of return, excluding the write-up for 1927 amounted to 10.08%; in 1928 1.5%; 1929 10.7% 1930 11.1%.

Q. Were these write-ups shown on the reports to the Public Service Commission?

A. Yes sir.

Q. What were the total earnings over 7% for the years 1927 to 1930, first, on the basis on including the write-ups.

A. The returns over 7% for 1927 including the write-ups amounted to \$2,606,531.; 1928, \$4,369,219. 1929, \$3,975,728; 1930, \$4,929,928. The total earnings for the four years, over and above the 7%, amounted to \$15,881,408.

Q. What were the total earnings over 7% for the same years, if the write-ups are excluded?

A. For 1927, \$3,623,811; 1928, \$5,386,499; 1929, \$4,992,565; 1930, \$5,946,765. The total for the four years is \$19,949,642.

Q. What dividends were paid on the common stock of the company during these years?

A. In 1927 the rate was 10%, the amount \$2,000,000; in 1928, 16%, \$7,666,666.67; 1929 16%, \$8,000,000; 1930 17.8% \$9,950,000. This amount includes a stock dividend \$1,050,000.

FATHER COX: I think a lot of these certified public accountants could let us know something about the salaries paid and the general wage scale for employees for these various companies. We never definitely know until we find out the high salaries being paid to the officials of the company, bonuses and all that kind of thing.

THE WITNESS: The annual report does not give that information. The only way you could get that is from the books of the company.

BY FATHER COX:

Q. Don't you think if you get some of the books of the company it would be well to supplement your reports?

A. I think it would be very useful information.

Q. Cannot you get it?

A. If we are instructed to do that by the Committee.

FATHER COX: I think it would be a good thing to help Mr. Turner to get the other side of the case.

MR. EVANS: I am afraid, Father Cox, if we get started on that, that we will not be able to finish up within our allotted time.

FATHER COX: Are we in a hurry to finish?

MR. TURNER: Maybe we are not so well and favorably situated as you are.

FATHER COX: I am not favorably situated. I think this is something that will be looked to for some years to come, when we are doing it, we ought to do it right, there will be a lot of people affected by this.

THE CHAIRMAN: I will take this opportunity of putting this letter in the record:

#### COMMONWEALTH OF PENNSYLVANIA

(Seal)

Department of Justice  
Harrisburg

April 15, 1931.

The Attorney General.

Honorable D. Glenn Moore,  
Chairman, House Committee Investigating  
Public Utilities,  
House of Representatives,  
Harrisburg, Pennsylvania.

Dear Mr. Moore:

Permit me to acknowledge your letter of April 13, referring to me for study and such action as is warranted the testimony relative to the financial manipulations of the Hanover-McSherrytown Water Company and the Gettysburg Water Company.

I shall study the testimony, and you may rest assured shall take any action which is warranted by the facts.

Sincerely yours,  
(Signed) Wm. A. Schnader,  
Attorney General.

MR. TURNER: It seems to me I might say that some of tonight's papers carry a couple of purported paragraphs from the report, the preliminary report of this Committee. I think it would be well to say that the reports from which that was evidently copied was simply the draft of something that was proposed to the Committee, by certain individuals. Their final and considerate action and report is still in drafting. It seems to me highly unfair to have stated that in the papers.

THE CHAIRMAN: I might say that the newspapers were informed this afternoon that the report would not be released, —it would be released Monday in confidence, but not to be published until after it was presented to the Legislature.

R. HUSSELMAN recalled

MR. EVANS: We propose now to take up some of the Scranton-Springbrook cases, and I am going first to offer in evidence copies of the minutes of the Commission relating to this case as furnished by Chairman Ainey in response to a request of this Committee.



Excerpt of Minutes of Public Service Commission, produced and marked Exhibit No. 150.

BY MR. EVANS:

Q. Mr. Husselman, have you made a study of the records of the Public Service Commission in the Scranton-Springbrook Water Case?

A. Yes.

Q. Dr. Snow was examined in regard to this case by the Senate Committee as follows: "Q. Didn't you give your opinion as to valuation to the Committee? A. None whatsoever. Now, have you examined the report of the Bureau of Engineering to the Commission signed by Dr. Snow under date of June 30, 1930? A. Yes."

Q. What does that report say?

A. In part: I have the honor to submit the following report by the Bureau of Engineering on its review, study and check of the record, together with the so-called fair value determined by the Bureau. The Bureau's appraisal based on the record and deduced from this study and check of the appraisal of the respondent and complainant, is set up and submitted for the Commission's consideration, totals \$52,621,064 new and \$50,684,378 depreciated.

Q. Now, what is his testimony before the Senate Committee in the Scranton-Springbrook Case Dr. Snow was asked: "Q. Did the Commission take your basis there? A. No sir. Q. Were your conclusions, or would your conclusions have made a less rate there? A. Well, I cannot answer that question in that way. There are 75 water works combined in one, and they are based on everyone of those 45 or more water companies." Was that question put to Dr. Snow capable of a direct answer?

A. I think so, yes.

Q. What was the rate basis fixed by the Commission?

A. \$43,650.

Q. And what was the original value stated by the Bureau of Engineering?

A. The depreciated figure was \$50,648,378.

Q. So that on a 7% basis, there would have been considerably more revenue allowed under that latter valuation?

A. Yes, there would.

Q. Now, among the papers and reports which were submitted to this Committee by the Public Service Commission, in conformity with Chairman Orr's letter of March 17, 1931, is a bound volume entitled: "Chief Snow's report," without date, in the form of a proposed general report, Scranton-Springbrook Water Service Company Rate Case, submitted to the Commission in July, 1930. What is the last sentence of the conclusion of Chief Snow's report?

A. "Since the actual revenue from the rates in temporary effect is \$4,324,005, which is \$148,383, less than the sum to which respondent is entitled, the Commission sustain the temporary rates and an order will accordingly issue."

Q. Will you compare this with the final order of the Commission dated December 9, 1930?

A. The wording is as follows: "The several complaints relative to the rates of domestic consumers will be sustained. Respondent company will be directed to file, post and publish effective January 1, 1931, a new tariff reducing the total gross annual revenue to be derived by the company to a sum not in excess of \$4,219,000. All the reductions to be accorded to domestic consumers. This reduction to be in addition to the reduction of \$245,000 ordered on December 21, 1928."

Q. In his testimony before the Senate Committee on this subject, Dr. Snow was asked this question: "Then the Commission fixed the rate?"

A. Yes sir.

Q. Can you tell whether that was fixed in accordance with the report or higher or lower?

A. No sir; I cannot.

Q. By comparing the concluding sentence of Dr. Snow's report, which you have just read, with the order of the Commission of December 9, 1930, can you tell whether the record was fixed in accordance with Dr. Snow's report or higher or lower?

A. It was not fixed in accordance with his report, but was fixed lower. The two figures in the concluding sentence of the report drafted by Dr. Snow total \$4,532,988, as compared with the \$4,219,000 finally determined by the Commission, a difference of \$313,000 in the annual allowable revenue.

BY MR. TURNER:

Q. Do I understand from this that the Commission refused the increase of rates in the Scranton Spring Brook Case?

A. They ordered the company to file rates lower than those which were in effect.

(Discussion of the Record)

BY MR. TURNER:

Q. Then, can you tell me how much that amount increased the revenue over the former rates before the company applied for its new rates?

A. The revenues for the proceeding fiscal year were \$2,000,000—

Q. I don't mean revenues, because there may be a difference between revenues and rates.

A. No; I have not studied the rate schedules, because there are meter rates, there are flat rates of various sorts and I have never made an off set of one against another; I don't know.

Q. All right. Tell me what the revenues were?

A. The revenues were \$2,295,172 in the preceding period before this rate increase took place. It was increased by the Commission's order to \$4,219,000.

Q. \$1,300,000.

BY MR. EVANS:

Q. In order that we may get this chronologically straight, in the absence of the exhibits, which we had hoped to have, this case was argued before the Commission, was it not, in April, 1930?

A. Yes sir.

Q. Would you read into the record the minute of the Commission dated April 15, 1930, at the bottom of page 7 of exhibit 150.

A. An excerpt from the minutes of an executive meeting of the Public Service Commission held April 15, 1930: Argument was resumed and presented on behalf of the respondent, by Mr. Evans and on behalf of the complainants by Mr. Geyer;

Excerpt from minutes of an executive meeting of the Public Service Commission of April 15, 1930:

Argument was resumed and was presented on behalf of the complainants by Messrs. Atchison, Little, Morgan, Gunster and MacDonald and on behalf of the respondent by Mr. Ballard. The Commission reserved decision.

Q. Then, as of June 30, 1930, the Bureau of Engineering presented a report showing the reproduction cost new and the reproduction new less depreciation of this property, did they not?

A. They did.

Q. And what values did they arrive at in this original report?

A. The grand total figures you want?

Q. Suppose you give us the total physical property with over head totals and then the tangibles, and then the grand total.

A. The total physical property, including additions and betterments, between the time of the inventory and the date of the appraisal, cost of reproduction new was in the amount of \$34,453,659. That figure depreciated \$32,602,876. The total construction over heads added to this physical property, item was \$6,418,113; depreciated \$6,096,210. The physical property for overhead with construction overhead totalled \$40,671,772 and depreciated \$38,699,086. To these figures were added other allowances for working capital, cost of financing, going concern value as water company rights, totalling \$11,949,392 in both cases of reproduction new and depreciated, giving a grand total of cost of reproduction new totalling \$52,621,064 and depreciated \$50,648,378.

BY MR. EVANS:

Q. The bureau of engineering then early in July presented the report in the form of a Commission report, did they not?

A. Yes sir.

Q. And what was the total reproduction cost new of the physical property in this report?

A. \$34,423,052.

Q. And depreciated?

A. \$32,774,817.

Q. And have you added the additions and betterments to that, and after they were added, what was the total physical property depreciated?

A. \$34,115,075.

Q. What were the construction overheads added to this report?

A. The figures totalled up \$5,962,347.

Q. And what were the intangibles added to this?

A. \$6,988,008, making a grand total of \$47,065,430.

Q. That compared with the grand total depreciated of what amount?

A. \$50,648,378, as compared with \$47,065,430.

Q. Then I will read into the record an extract from the minutes of the executive meeting of the Commission held July 15, 1930:

"A proposed Commission report, prepared by the chief of the bureau of engineering, was read and discussed, and on motion of Commissioner Benn, seconded by Commissioner Walker, action was deferred and the report referred to Chairman Ainey, Commissioners Brown and Young for revision and resubmission to the Commission at its next executive session."

And on July 29th: "A discussion was had of the progress being made in the preparation of the proposed Commission report, and on motion of Commissioner Shelby, seconded by Commissioner Young, the committee having the matter in charge was directed, in conjunction with the law and engineering bureaus of the Commission, to have prepared and distributed to the members of the Commission, prior to its next executive session, a proposed final report, which report was made a special order of business for Tuesday, August 12th, at 9:30 A. M."

I show you a draft headed "Scranton and Spring Brook Water Company Case. Report of Commission, dated August 6th, 1930," and submitted by the Commission as the report prepared in accordance with the minutes of July 29th. This is referred to in the Commission's letter of transmittal to this Committee as Appendix I.

Q. What was the value then of the property in this report?

A. \$46,982,636.

Q. And how much of this was physical property?

A. \$34,928,459.

Q. That included the additions and betterments since the date of the inventory?

A. Yes sir.

Q. And what engineering overheads were added to this?

A. \$5,920,884.

Q. And what intangibles were added?

A. \$6,132,293, and that figure includes working capital, by the way, which is not intangible.

Q. What I have referred to here is included working capital, cost of financing, going concern in the report to the Commission of June 30th, and water rights of \$4,000,000?

BY MR. TURNER:

Q. You don't want to include working capital?

A. It is included here. There is \$849,340 in that figure for working capital and supplies.

BY MR. EVANS:

Q. Now then, the minutes of the Commission at a meeting held August 12, 1930, read:

"A proposed report by the committee having the matter in charge in conjunction with the bureaus of law and engineering of the Commission, was read and duly considered, and certain statements, facts and conclusions therein agreed to. On motion, final actions were deferred until the Commission's next executive session to permit of further opportunity and study of the questions involved."

That was the report according to the Commission's letter of transmittal which was considered at the meeting of the Commission on August 12th.

MR. EVANS: In order to keep the record clear, I will offer this so-called appendix I being the Commission's report of August 6, 1930, in evidence as Exhibit No. 151.

Continuing with the minutes of the Commission, under date of August 26, a tentative Commission report prepared by the special committee having the matter in charge, in conjunction with the bureaus of the Commission, sustaining the complaints, in so far as they relate to the rates to the domestic consumers, and directly the respondent company to file, post and publish on or before October 1, 1930, effective upon one day's notice to the public and this Commission, a new tariff reducing the gross annual revenue, was submitted and read. The report was on motion agreed to and adopted, and subject various proposed

revisions, which the Chairman was authorized to prepare in connection with the chief engineering and accounting bureaus."

That report has been marked appendix J, and I offer that in evidence as Exhibit No. 152.

I might say so far as the valuation goes, this report did not differ in any way from the report of August 6, 1930. It bears date of August 16, 1930. It has some changes in the phraseology but not in the valuation.

BY MR. EVANS:

Q. This final report, Mr. Husselman, was as you have testified, adopted on the December 9, 1930.

A. Yes sir.

Q. Would you compare the valuations in the report of the Bureau of Engineering, dated June 30, 1930, with those of the report of July, 1930.

A. You mean item by item?

Q. Pointing out where there were charges. Before you take that up, let me ask you, what percentage did the construction overheads and the working capital and cost of financing, going concern value and so forth bear approximately to the value of the physical plant in the valuation of June 30, 1930.

A. A percentage of 53.5% on the physical property including real estate, right of way, water rights, and additions; and a percentage of 56% exclusive of the additions, and betterments.

Q. Now, would you take up the changes which were made from this valuation to that of July 1930.

A. The first change is in the item of real estate, rights of way, and water rights. In the June 20th report that figure was \$3,881,456. In the July report it was \$5,393,653.

Q. Can you make any explanation of that change.

A. Well, I can say that in the June 20th report there was included a separate item under intangibles of water rights in the amount of \$4,000,000, which was excluded from the July 1930 report, and I recall that there was a notation in the report to the effect that \$1,500,000 was included in the real estate, rights of way, and so forth for water rights; so that evidently the \$4,000,000 allowed in the June 30th report was eliminated and the \$2,500,000 for water rights was included with the real estate and rights of way.

Q. Will you read that portion of the July report which refers to this item, and read it into the record. There is first, a discussion, is there not, of the inclusion of these water rights in the amount of \$4,000,000 on the testimony of Professor Fuller.

A. Yes sir.

Q. What does the report seem to say after discussing that matter.

A. "Whatever economies and efficiencies there may be due to these things, have been enjoyed by the public. The Pennsylvania Public Service Company Law provides that it shall be lawful for every public service company, to participate to such an extent as may be permitted by the Commission and deemed by the Commission wise for the purpose of encouraging economies, efficiencies or improvements in methods of service in the additional profits which will be offered by such economies and efficiencies or improvements in methods of service." The Commission recognized the force of respondent's contention based on the calculations and testimony of Professor Fuller, and it made in its judgement sufficient allowance in real estate, rights of way and water rights in the sum of \$1,500,000."

Q. Now, Mr. Husselman, Professor Fuller had according to the report in effect testified that owing to the interconnection of the Scranton System and the Spring Brook System there were certain advantages to the entire system which he thought were worth \$8,000,000, of which he thought half the benefit should go to the public and half to the company, and that was what was referred to in the June 30 report as water rights, was it not?

A. Yes, and he gave other reasons for his testimony of \$4,000,000 besides the mere interconnection of the two systems.

Q. I was summarizing it very briefly. Then the effect of this gauge was to take the item of \$4,000,000 out of the intangibles in the June 30 report and to transfer \$1,500,000 of this item into the real estate, rights of way, and so forth, account?

A. Yes.

Q. Now, what was the next change that was made in the July report as compared with the June 30 report?



A. The next change was in the matter of the construction overheads, in which a total of \$5,962,347 was included in the July report as compared with \$6,069,210 in the June 30 report. There was also a change in the item of cost of financing in the June 30 report, that item was \$2,811,943, whereas in the July report it had been reduced to \$1,993,189. There was also a slight reduction in the item of going concern value, comparing \$2,498,255 to \$4,155,725. Those were all the changes there were between the June report and the July report.

Q. And the total effect of these, in regard to the percentage of construction overheads and intangibles, if we may so call them, and the physical property, was the considerably reduced that percentage, was it not?

A. Yes.

Q. Now, will you take up next the August 6th report, which is introduced in evidence as Exhibit 151, and referred to also as Appendix "I", and compare that with the July valuation?

A. Yes. In this report of August 6th, the item of real estate, right of way and water rights was again changed to \$4,181,456, which figure was used in place of \$5,393,653. That was a change, a subtraction in the amount of \$1,212,197. There was an addition to the item of impounding reservoirs in the amount of \$874,953. Now, that sum just mentioned was added to both the cost of reproduction new and to the depreciated figures in exactly the same amount.

BY MR. COOKE:

Q. What is the logic back of that?

A. I don't know. The next item was collecting reservoir and intake wells, there was an addition of \$100,000 flat to both the reproduction cost new and the reproduction cost new depreciated, \$100,000 added to each of the figures. There was an addition of \$100,000 flat to both the reproduction cost new and the depreciated cost. In the item of aqueducts and supply mains, there was an addition of \$50,000 to both reproduction new and depreciated cost. For their collecting conduits, there was an addition of \$300,000 to those figures for tanks and standpipes. There was an addition of \$500,000 to both figures for distribution mains. There was an addition of \$100,000 to both figures for service pipes and stops. The total net addition, July report being in the amount of \$812,756 to both reproduction cost new and depreciated figures.

Q. Was any change made in the construction overheads, or in the working capital, cost of financing or going concern value?

A. Not in that report, no sir.

MR. COOKE: Mr. Evans, have you told us where these changes were made?

THE WITNESS: I am sorry, I am looking at the wrong column. There was a change in the total construction overheads in the item of cost during construction, the total being \$5,920,884 in the August 6th report as compared with \$5,962,347 in the July 30 report. There was also a change in the item of going concern value, in this August 6th report, that was reduced to \$3,300,000, so that the total of intangibles including working capital, \$6,132,293 as compared with \$6,988,008.

BY MR. EVANS:

Q. And this has been accomplished by increasing the valuation of the physical property both new and depreciated by the sum of \$812,756, and somewhat decreasing certain items of overheads?

A. Yes.

BY MR. COOKE:

Q. Have you ever seen valuations changed that way before?

A. No sir; this is the first time I have seen lump sums in even dollars added to the cost of reproduction new and the depreciation column.

Q. That is considerably of an arithmetical way of getting a result, is it not?

A. I can't account for it, Mr. Cooke, because it seems to me that if the property, to which those things were added depreciated, in the first place by the engineering department, that there must have been some depreciation if those various amounts were added for some specific item of property or some increase in unit costs or something of that kind. Naturally one would assume that the addition would bear some portion of depreciation, and would be reduced in accordance, I should say, with the relative condition percent of the property as found in the first instance.

Q. Is it in the record that these changes were made in the engineering department, or were they made up—

A. No; I couldn't say that they were made in the engineering department.

MR. EVANS: These were made between the engineering bureau's report of July, 1930, which was submitted to the Commission on July 15, 1930, and the taking up of this report with the bureau of engineering and the bureau of law by the special committee of the Commission consisting of Chairman Ainey, and Commissioners Brown and Young.

MR. COOKE: Is it possible for lawyers to make those changes?

MR. TURNER: Oh, no. No lawyer can figure that way. They have a slide rule to make those.

FATHER COX: They handle millions so carelessly in these reports, that I can't think in dollars and cents any more.

BY MR. EVANS:

Q. Now, will you next compare the report of August 6, which is identical with the report of August 15, so far as these values were concerned and which the Committee well remember was acted on by the Commission on August 26, the minute stating that the Commission's report was prepared by the special committee having the matter in charge in conjunction with the bureaus of the Commission, and sustaining the complaints in so far as they related to the rates to domestic consumers and so forth, was submitted and read. The report was on motion, agreed to and adopted subject to various proposed revisions, which the Chairman was authorized to prepare within connection with the law, engineering and accounting bureaus. Now, what changes were made from that time until the final report was issued by the Commission on December 9, 1930.

A. There was another change made in the item of real estate rights of way and water rights, a further deduction of \$400,000; the final figure being \$3,781,456. That was the only change made in the physical property.

The item of omissions and contingencies was reduced \$79,697;

The item of engineering, superintendency and inspection \$442,131;

The item of promotion and organization was reduced \$18,446;

Administration and legal \$15,000;

Insurance and taxes, \$9,748;

Interest during construction \$433,155. Total for the construction overheads of \$797,884.

Q. Reductions?

A. Reductions. The working capital was reduced \$339,094.

Cost of financing was reduced \$193,199.

Going concern value was reduced \$700,000.

The total reductions therefore between the August 6 report and the final report to the Commission in the grand total property was \$2,330,177.

I might say that the grand total in depreciated figure set up in the Commission's report is \$44,651,459.

If the summary tables in that report total to that many dollars and the Commission finds a fair value of \$43,650,000, which is just slightly over a million dollars less than the sum total of the detailed items going to make up the total figure of \$44,659,059.

Q. There evidently was a stock market crash in overheads and intangibles between August 26, 1930, the date of the final report, was there not?

A. There was a fall off. I don't know what the reason was for it.

Q. Now, Mr. Husselman, would you turn for a moment to some of the questions discussed in the reports taking up the question of real estate rights of way and water rights, and will you tell the Committee what the bureau of engineering's report has to say about this, in regard to fluctuation of values, and so on.

A. Yes. In discussing the value of real estate, rights of way and water rights of the Scranton division of this company, for which the company set up a claim of \$3,776,460; the complainants of \$786,639, for which the bureau allowed \$2,439,088; under a heading of "The principles of value determination" Dr. Snow says that in these days of fluctuating and rumors of slumps of property values, it has been discovered that well selected real estate maintains a value over a period of years despite the fluctuating conditions and that an appraisal of such real estate based on sound principles, and not a matter of guess based upon rumor, will bring this fact to light. In utility profits practice, even if property be acquired for a song this does not



obviate its value in an inventory of property used and useful in the public service for a fair value. Elsewhere in this report it is shown that the earning value is a factor in determining the fair value of real estate.

Q. Do you happen to remember whether that was in the June 30th report or in the July report?

A. That is in the June 30th report. It may be in both: I don't know.

Q. What have you to say in regard to that discussion.

A. Well, I think that this man has somewhat of a different viewpoint from Dr. Snow as to the effect of the inflation of real estate and also the effect of slumps and depressions on property values, especially as applied to real estate. I know of a good many conditions in various cities in this country where real estate was very much inflated some few years ago and where real estate has come into a very bad way. That situation prevails in Cleveland, and I am sure the slump and depression had a further effect of bringing real estate values down below their former level. I do believe that slumps and depressions have an effect on real estate regardless of whether or not they are owned by and used for public service by a public utility, or whether they are near property and owned by private individuals or unregulated concerns.

MR. TURNER:

Q. Then for a utility in rate-making cases, you believe that with a slump that properties should be valued at the price at the time that valuation is being made?

A. I do. If you are going to give way to the reproduction cost new theory, and use that as the predominating element in determining value, my understanding is that the value has to be determined as of the time of the investigation, and if that should be when real estate values are down, they should be put in at the fair market value.

Q. Mr. Black this afternoon testified that for commodities they took a range over about three or five years period; that he did. Is that the proper way to arrive at valuations?

A. Well, on a valuation, it is not the proper way, in my opinion to arrive at a cost of reproduction new?

Q. That is, you think you ought to take it on the day you take the inventory?

A. Yes. A great many commissions do that. For instance, in the Public Service Commission of Indiana, which has a staff of engineers which makes appraisals and inventories of property, it takes a certain day and attempts to determine the proper cost of commodities as of that time. It doesn't spread it over a two or three year period.

Q. Does that appeal to you as fair?

A. Well, I am not a strong advocate of the reproduction cost new theory in the determining of the value of property.

Q. It appears to me wrong when just because of the action of a rate case coming at a time when commodities are off-take the case today as we had it here today, in this case the price of copper was down four or five cents, but in a few months it might be up again?

A. Mr. Turner, I am not in favor of it of course, but I want to give you my opinion on it.

Q. I am not asking you this to cross-examine you. I am asking for information?

A. I want to give you what information if I can. I think that the cost of reproduction new theory is a theory. It has been necessary to use it at times and give weight to it, and the Supreme Court and the law of the land requires that it be considered as an element to be used in the determination of fair value. The Public Service Law of the State of Pennsylvania requires that it be given consideration in determining fair value. The law does not say what weight it shall be given, nor as far as I know has the Supreme Court of the United States ever said what weight it was to be given in determining fair value. It is a theory for the determination of an element to be considered in the determination of fair value, but I cannot conceive of making a cost of reproduction new appraisal and picking out here and there some prices of a few years ago for one class of property and selecting a five-year average for some other item or class of property and probably using the actual cost of some real estate in place of its fair market value and throwing various unit prices and data of that kind together and calling it a cost of reproduction new on that property. I believe if you are going to make an appraisal on the basis of cost of reproduction new, you have to choose some time before, probably a month or so, and settle on the price

of the commodities and labor as of that time, and use those prices.

BY MR. RHODES:

Q. Doesn't the theory presuppose a formula for the determination of a proposition?

A. What are you asking me?

Q. I am asking you if a theory doesn't presuppose a formula for the determination of the proposition? How can you have a theory unless you have a formula for the determination of the proposition?

A. I think the man who first conceived this theory of cost of reproduction new didn't have any idea of what it would lead to, or he would have gone out and shot himself.

Q. Mr. Husselman, you speak of a cost of reproduction of new theory?

A. Yes sir.

Q. Now, if there is a theory, there must be some kind of a formula to work out that theory in a given case?

A. There should be and I believe there is.

Q. Mr. Black, when on the stand today, said there was no formula for working out the cost of reproduction new theory, and if there is no formula there is no theory?

A. I don't agree with Mr. Black. I think that there is a formula to be followed. I have done so and other engineers have done so, and very many of them have, and properly too. I don't think that it is the right and proper method of determining value to place a value on a property on the basis of cost of reproduction new less depreciation and not give any weight to any other element that might be involved in that property, and you have got several elements in the law of the land that have to be considered, original cost, if known, actual cost, the Smythe versus Ames case of which the Public Service Law of Pennsylvania is almost an exact duplicate, mentions other elements, and it mentions reproduction cost new less depreciation.

Q. I have been interested in trying to find out what formula the Public Service Commission of Pennsylvania utilized in arriving at the cost of reproduction new, and I have not been able to learn that. Mr. Black was frank enough to say there is no formula, and that each engineer works it out on some formula he devises himself?

A. From Mr. Black's testimony this afternoon, a part of which I heard, and such examination as I was able to make of the work they did in the Scranton Electric case, I doubt very much if that is what could be termed really and truly and strictly a cost of reproduction new appraisal, for this reason, that he has not applied, according to his testimony, prices—he said he used some prices as of 1921 for a power station equipment on the assumption that these prices had not changed materially down to 1927 and perhaps to 1930. Now there may be some classes of equipment of which that is true, but I know of other equipment that the prices have receded from 1921 to 1930. Certainly copper is down, and he said he used a five-year average price.

BY MR. RHODES:

Q. What do you say as to that—

A. The law of Ohio states that the Commission must value the property as of a day certain. Those are the words used in the law of the Public Utilities Law of Ohio. I do know from my experience with other commissions that they choose some day which is designated as the appraisal, to be made as of June 30, 1928, or 1929, or whatever it may be.

Q. If the Public Service Commission is going to utilize the reproduction cost new theory, shouldn't they apply that theory to all the cases, through some recognized formula?

A. I think so, yes sir.

Q. Without doing so, it is rather a haphazard way of determining reproduction cost new, isn't that the idea?

A. If they do not use a price as of the time of the investigation, I do not think it is a reproduction cost new.

MR. TURNER: It doesn't seem to me to be quite fair to the owner of a property for rate making purposes during the slump period, as we have had—when it has been almost impossible to give real estate way. Your rates may be in existence for a considerable space of time. In case as large as this 7,000 pages of testimony, I don't think anybody would want to tackle it in a short period of time.

MR. EVANS: Is it fair to the owner of the property to use it as of the very high period?



MR. TURNER: I don't think it would under those conditions. I don't think it would be fair to take real estate values in that way.

MR. COOKE: We have been making prices during the peak periods.

MR. TURNER: The trouble is all of the witnesses we have had have been in favor of the reproduction cost new. I would like to get some fellow who dislikes and is in favor of something else and let us hear what he has to say about the argument on the other side.

THE WITNESS: I have never been very strong for reproduction cost.

FATHER COX: In a company serving the people and serving the public, what is the idea of all this inflation at all? Why do they have to have such high values?

MR. TURNER: Father do you own any property?

FATHER COX: That is all right about owning property. If I own property I only want a fair return and if I am getting a fair return I am satisfied. I may say to Mr. Turner, here is a nickel, it is \$5,000,000—it is about the same principle. In my opinion it is an excuse for inflation to bleed the people. I listen here until I get dizzy, and it all goes back to the original thing, they are trying to gouge the people.

BY MR. MEMOLO:

Q. Do you know what method was used in this case, whether it was a five-year period, or what was the average?

A. I believe in the Scranton Springbrook case they followed pretty close—I really don't know what they did do, whether it was a five-year average or not. I have an idea that they stuck pretty close, that is, the men who appraised the property for the respondent and for the complainant—stuck pretty close to the prices as of the time of the investigation. They may have spread it over some period—I don't know.

Q. How long has this law in Ohio, fixing the rate been in effect?

A. Since 1913.

BY THE CHAIRMAN:

Q. What has been the general reaction to it?

A. We do not have many rate cases in Ohio, except for some few telephone and natural gas cases. We hardly ever have an electric rate case, because the cities of Ohio have home rule. The Constitution of the State of Ohio provides that every municipality may own and operate a municipal plant. The municipal councils of the cities of Ohio are the fundamental rate making bodies. They can pass an ordinance, fixing and establishing the rates, that any utility company may charge for service. If the company accepts that rate, it becomes a contract and a binding contract for the period of the ordinance. If they choose not to accept it they can appeal to the public utilities commission. Then they have a rate case. Very seldom is there a case going to the federal court out of the utilities commission. We haven't had a large electric rate case to my knowledge for a good many years, because—I am saying this with knowledge, the municipalities have found that competition was a better regulation than the commission, and the threat of competition is as good a regulation as they need, and if the municipal officials find that they are paying too high a rate, in place of making a rate case before the commission, they propose to build a municipal plant, and by the way, the Constitution of Ohio, also provides that this plant may be financed by the sale of mortgage bonds, which are not a liability upon the taxpayers, which are over and above the limit of indebtedness prescribed by law. So that our public utilities commission is not a very strong functioning body in the regulation of rates in Ohio, but where they do make an investigation on the valuation of the property, the law does provide that the appraisal must be made as of a day certain.

BY MR. RHODES:

Q. If you utilize the five-year average it is not a reproduction cost new.

A. No, sir, sometimes, the thought is handed out that you cannot build a property in a day. Of course, you cannot, so that they say we will take the price that prevailed over a period back, projecting the price into future, which I don't believe anyone has the right to do, to attempt to prophesy what the price of copper, for instance, is going to be a year from today, or machinery or anything of that kind because it would

take five years or four years or two years to build a property from the day of investigation. I do not think it is a proper part of the theory of reproduction cost new that you should take this price, based upon the past two years or five years, because it is going to take five years to build up, because you wouldn't build the plant away in the way it is build. It is very theoretical and hypothetical. Sometimes it is the only way you can get at a figure, if the books are not available. You have got to have some means of finding out as to the cost of reproduction new. There is this to say about it, as prices have repeated, I think it is a fact that reproduction new is more nearly approaching prudent investment, because a lot of property has been installed from 1918 to 1929 that the materials and labor is high, and many utility properties have made considerable additions during that period, and the probable before-the-war prices came to end, and probably if we have a recession in prices, it will even it out, so that the reproduction cost new and depreciation will be about the same thing.

MR. TURNER: That would be a great blessing, both on the same basis.

BY MR. EVANS:

Q. Now, Mr. Husselman, coming down to earth again, Dr. Snow in his report says that the earnings value is a factor in determining fair value of real estate. What have you to say about that idea as applied, I mean, to a utility valuation?

A. Well, a utility valuation for rate making purposes?

Q. Yes.

A. Well, earning value is the figure you are seeking, and if you take earnings as they are and seek to make the value of the property correspond to those, why, you get into a vicious circle, the higher the value the higher the earnings, and the higher the earnings the higher the value, and you just go around in a circle, and if you increase rates, your property would be worth more, and then you would have to increase the rates again, and your property would be worth more, and that would not bear any relation either to the reproduction cost new, prudent investment or anything else. The earning value of property is not the thing that you are seeking to ascertain when you are attempting to fix rates. Lots of properties have been bought for their earning values, and the value for purchase and sale is fixed in the minds of a lot of bankers and people who have purchased those properties almost wholly on the basis of what will they earn, and that is an answer to Father Cox's question a little bit ago as to why this cost of reproduction new theory, because when they bought and buy a property on the basis of earnings, then it becomes necessary if somebody brings a rate case against that company to establish or attempt to establish it according to what we call the law of the land. The law of the land being established by various decisions of the Supreme Court of the United States, which requires Commissions to give consideration to cost of reproduction new and the other elements of value, and an effort has been made—there is no question in my mind but what a great many utility properties have been purchased at excessive prices, and that the effort has been made to sustain those prices, because of the higher reproduction cost of those properties at the time they were purchased as compared with either the prudent investment of the value of the property from the standpoint of rate making, or for rate making purposes.

BY MR. TURNER:

Q. Mr. Husselman, you take a property we have up in the upper part of the State, a place known as Wallenpaupack, large dams built, and I suppose the property was worth possibly a dollar or two dollars an acre before the dam went in. What would you say about the valuation there; how would you evaluate that dollar or two dollars an acre?

A. What is it; does it take water rights with it?

Q. Of course, it has water over it now.

A. Water over it—well, you have chosen a very hard thing to value.

Q. Some of these things are hard to value?

A. A fellow has to think about some of those things a little bit. As I understand the valuation of real estate, and I don't purport to be an expert in the valuation of real estate, but as I understand the law, the proper thing to do is to include real estate at all times at its fair market value. I think that is one of the things that has been definitely decided by the Supreme

Court of the United States, and under the law, as I understand it, it is required that you include real estate at its fair market value. Now, this type of real estate people who are familiar with real estate values and who place those figures on land, they usually do that by comparison with recent sales in the neighborhood, and they take it out of their knowledge and experience of what land is worth in that vicinity as of the time they make the investigation.

Q. Well, let us take another example of it—

A. Now—

Q. Pardon me—

A. The—

Q. Go ahead. This power dam has to have a power house, and there is one down the gorge about two miles, we will say, the land on which the power house is installed, I suppose was worth one dollar or two dollars an acre before the power house was put there, but it was possibly the only location for a power house. Is it worth today a dollar or two dollars?

MR. EVANS: Mr. Turner, if you will read the decision of the Supreme Court of Pennsylvania in the Lehigh Water Case, the report of that in 85 or 86—I am not sure of the number—but the decision was handed down in July, 1930, you will, I think, find a discussion of the valuation of land in these water cases, which perhaps would be more authoritative than expressions of opinion from Mr. Husselman.

MR. TURNER: You say about 1930?

MR. EVANS: Yes. I think the decision was handed down in 1930, in the Lehigh Water Company Case against the Public Service Commission, and there is also another decision in the Matamoras Water Company against the Public Service Commission which discusses the question.

BY MR. EVANS:

Q. I want to refer you, Mr. Husselman, to another statement in the report in regard to land valuations, where Dr. Snow says, "In finding valuation—referring to valuation of land—this one used from the operator's standpoint the complainant's realtors erred, there is another positive value, and it is used, the very use which respondent is making of these lands, as a source of water supply, the market value is much greater per acre than for agricultural or residential purposes. What is your view in regard to that theory of valuing land.

A. My idea of that is that companies are not entitled to a separate allowance in view of the special use to which the land may be put by the company; that if you are going to attempt to value real estate on the possibilities to which that land might be put or is put at the time you would get into such a realm of theory that there would be no limit to what imagination might produce.

Q. In certain cases, the bureau took not the reproduction cost of the land but the original cost didn't they?

A. Yes sir.

Q. Will you just briefly refer to that?

A. Yes; in one place the report states, "While the acquiring of the lands that the respondent now owns was a necessary expedient in the control and preservation of the purity of the waters, to a certain extent there were menaces still existing, that now exist and will continue to exist, and the only remedy as a last resort is the erection and operation of a filtration plant for the treatment and purification at all times and under all circumstances of the water taken from the source supplied to the public."

In this instance, in which this statement occurred, the company claimed \$40,258; the complainants \$581,274, and the chief of the bureau states in determining the fair values of these lands they take with few exceptions, the original cost of the land. Here there was an example wherein a reproduction cost new appraisal—the theory of a reproduction new as a reversion made to original cost.

Q. On page 52 of this report Dr. Snow, again states, "The true investment value is based in practice almost entirely upon the earning power of the company." That, is covered by what you have already said. You have already referred to the fact, also, that the bureau of engineering in its report of July increased the land, rights of way and so forth from the \$3,881,454, shown in the June 30th report by adding in \$1,500,000 for water rights.

A. Yes sir.

Q. Now, the ultimate finding of the Commission on real estate rights of way and water rights was \$1,000,000.

A. \$3,781,456.

Q. Just \$100,000 below that originally shown by Dr. Snow.

A. Yes.

Q. Have you any knowledge of the reason for that change in the value of real estate, other than what you have already explained.

A. No.

Q. Now, in regard to unit prices, what criticisms did Dr. Snow make in the complainants' evidence in regards to the reproduction costs of the Gouldsboro dam.

A. He said, "Complainants' cut the Gouldsboro dam and reservoir entirely out of the property used and useful in the public service. The bureau does not agree with this proposition."

Q. I meant, first, with regard to the unit prices?

A. He has said in regard to the Gouldsboro dam and reservoir "that the complainants' engineering expert was too low in unit prices as applied to excavation, concrete and riprapping. He made no special estimate whatever for building or for form work where lumber was used twice."

Q. For "Hauling"

A. For hauling or other form work where lumber was used twice. These items of cost were included in his unit prices for concrete and rip rap.

Q. And now, as an engineer, who has had experience in designing and constructing plans, what have you now to say with regard to this criticism? What basis as a matter of fact, do contractors use in making their bids on work of this sort?

A. Why, they make up their bids for work of this sort—I never knew of a contractor making up a detailed estimate in the way of a separate allowance for hauling or for reclaiming form lumber that is used twice. They generally make a figure based largely on experience, considering the accessibility of the job, and so forth, but it is not necessary at all in making a competitive price to quote a price including every item to set up the separate estimate for hauling rough form work where lumber is used twice.

Q. Well, then will you go on about the Gouldsboro dam and comment on the statement made by Dr. Snow, which reads as follows:

"Complainants cut the Gouldsboro dam and reservoir entirely out of the property used and useful in the public service. The bureau does not agree to this proposition. The right to take from the Lehigh Water to the extent of 2,000,000 gallons at this point is an emergency right, and not to be lightly cut out or dispensed, with. This source of supply is capable of being developed to several times its present capacity. The source of supply in the respondent's property in the Lackawanna and Wyoming Valleys of about the same capacity as the Gouldsboro Reservoir was in daily service, and no one would think it advisable to throw out of commission at this time all supply and in the judgment of the bureau which coincides with respondent, there is no justifiable reason for the Gouldsboro Reservoir Supply to be dispensed with, but to the contrary it has a decided use when necessity requires a capacity capable of further development. In the hands of a competitor, and in the bureau's judgment if the respondent were to give up this property, some enterprising citizen or citizen could acquire the properties and possibly develop a public water works, to which in emergencies or perhaps ultimately for a daily supply, the respondent would have ultimate access."

BY MR. EVANS:

Q. What have you to say in regard to that?

A. It appears from this that a substantial item of property is not in use or service and is held against the possibility of some enterprising citizen getting it and developing it to a competitive water supply, it becomes valuable to the property and is included in the rate base on which the Commission is forced to put rates. In other words, in making a valuation of a property you are supposed to use the property that is used and useful and being used in the service of the public, and I don't believe it would be proper at any time to include a property held against the possibility of a competitor securing that and so including it in the rate basis and requiring the consumers to pay rates to provide a return on that property.

BY MR. TURNER:

Q. How much was the valuation?

A. I don't recall the figure.



BY MR. EVANS:

Q. Have you anything further to add in regard to what you have already said in regard to the subject of overhead?

A. Well, I made a computation of the construction overhead and other overheads added to physical property figures, the respondent's cost of reproduction new overheads, construction overheads, were 17.1% of their physical property, less real estate. The complainants added 14% and the Bureau added 22.1%. The other overhead such as working capital, cost of financing, going concern values, brought this total down to the depreciated value of the property for the respondent of 48%, the complainants 14.5%, and for the bureau on the final figure to a figure of 63% for all overheads and intangible values added in the June 30 report.

Q. These are based on the physical property less real estate?

A. Yes, that is the reason for the difference between that figure I gave you a while ago and the present figure, because in my opinion overheads are not applicable to real estate.

Q. Did Dr. Snow apply them to real estate?

A. Yes.

BY MR. COOKE:

Q. Give us a few of these overheads, so that we can see what we think of them?

A. Omissions and contingencies.

Q. That is for failure to count?

A. Yes sir, and contingencies of a general nature that may arise, generally considered to be failure to count. As a matter of fact, you may list something twice and get it in twice as easily as you may omit something. In my opinion.

Q. But you could not fail to count real estate?

A. I don't think so. Engineering superintendence, inspection, promotion and organization, administration and legal expenses, insurance and taxes, and interest during construction.

MR. EVANS: Just before concluding this part of the picture of the Scranton-Spring Brook Water Company case, I want to read into the record an excerpt from the minutes of the executive meeting of the Public Service Commission of December 9, 1930, which has been offered as Exhibit No. 150:

"A proposed revised report, fixing the fair value of the respondent's property at \$43,650,000 was read and duly considered. After discussion over various items entering into the factors of reproduction cost, including various figures proposed as findings in the matters of real estate and rights of way, cost of financing, working capital and various percentages of overheads and contingencies, the Commission proceeded to vote in detail upon the amount of the fair value to be determined. Commissioner Benn moved, and Commissioner Shelby seconded, that the fair value be fixed at \$42,750,000. This motion was defeated, 4 to 3, Commissioners Shelby, Benn and Collins voting in the affirmative. Commissioner Benn then moved that the fair value be fixed at \$43,321,000. This motion was defeated, only Commissioner Benn voting in favor of it. Commissioner Benn then moved that the fair value be fixed at \$43,521,000. This motion was defeated, only Commissioner Benn voting in favor. Commissioner Young moved that the fair value be fixed at the figure proposed in the revised report, namely, \$43,650,000. The question being put, the motion was carried, 5 to 2, Commissioners Shelby and Collins voting in the negative. In the revision of the items upon the reproduction cost of the property, Commissioner Young further moved that the cost of financing be fixed at \$1,900,000. This question being put, the motion was carried, 5 to 2, Commissioners Shelby and Collins voting in the negative. On further motion of Commissioner Young, carried unanimously, the item of working capital was fixed at \$500,000. Commissioner Young further moved that the item of real estate, rights and way and water rights be fixed at \$3,781,456. This question being put, the motion was carried, 5 to 2, Commissioners Shelby and Collins voting in the negative. Commissioner Benn then moved that the operating expenses be fixed at \$778,800, and that the allowance of \$133,594 for federal income tax to be deducted from the allowance for taxes. Said questions being put the motion lost, 3 to 4, Commissioners Shelby, Benn and Collins voting in the affirmative. On further motion of Commissioner Benn, seconded by Commissioner Young, and duly carried, the report with the revised figures as above stated, with further allowances of 7% return on the fair value, operating expenses of \$750,000, taxes of \$213,833 and annual depreciation of \$200,000, sustaining the complaints in so far as they relate to the rates to domestic consumers, ordering the Scranton-Spring

Brook Water Service Company to file, post and publish, effective January 1, 1931, upon one day's notice to the public and this Commission, a new tariff schedule reducing the gross annual revenue of said company to an amount not in excess of \$4,219,000. Such reduction to be applicable to the rates to domestic consumers; further ordering the company to file with this Commission at the time of filing such tariff schedule certified statements showing its annual revenues under the temporary rates for the entire period beginning July 1, 1928, and further ordering the company to rebate to all consumers whose rates are reduced under this order all amounts charged or paid at higher rates since July 1, 1928, and directing that where payments have actually been made at such higher rates the amount rebated shall carry interest at the rate of 6% per annum, was adopted by a vote of 5 to 2, Commissioners Shelby and Collins voting in the negative, and directed to issue."

MR. TURNER: Was that an increase over and above the agreement that was made between all the parties?

MR. EVANS: It was a reduction, Mr. Turner, from the temporary rates which the Commission had fixed, as I remember it, was—I don't think the agreement covered that phase of it. The Commission ordered a reduction in the temporary rates.

MR. TURNER: As I understand it, there was agreement to go on under the old rates.

MR. EVANS: That is covered by a paper attached to Exhibit No. 150, which you will find on the first page of it. It is not a part of the minutes, but, as the Commission explained, they included it so as to complete the record.

THE CHAIRMAN: This hearing will stand adjourned until tomorrow morning at 10.00 o'clock.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Friday, April 17, 1931, at 10.00 o'clock. A. M.

There were present:

Messrs. D. Glenn Moore, Chairman  
Martin Memolo  
Chester A. Rhodes  
Ellwood J. Turner  
H. J. Crawford  
Rev. James R. Cox  
Morris L. Cooke  
Harold Evans, Esq.  
John M. Walker, Esq.

MR. WALKER: Mr. Chairman, I will offer here from the United Gas Improvement Company of Philadelphia, a letter addressed to Harold Evans, Esq., which reads as follows:

UNITED GAS IMPROVEMENT COMPANY  
1401 ARCH STREET  
PHILADELPHIA

April 17, 1931.

Harold Evans, Esq.,  
1935 Commercial Trust Building,  
Philadelphia, Pa.

My Dear Mr. Evans:

In going over the transcript of my testimony before the House Committee on Investigation on Resolution No. 10, I note that the stenographer has made some mistakes in recording some of my answers.

On page 1263, the word profit should appear instead of fee, where the transcript now reads: "The fee of the United Engineers & Constructors," etc.

On page 1265, the word do should be inserted between the words "nevertheless" and "they," so that the testimony shall read: "they nevertheless do."

On page 1267, where the testimony reads "and 60% of the work it does is on open orders," the word open should be changed to repeat.

On page 1280, where the testimony reads: "That is simply a mathematical problem, depending upon the proportion you take of the cost of each security," the word cost should be changed to class.

On page 1299, beginning with "but I think full and reasonable powers should be given them to control the bond issue

of securities," I think the word bond should be left out as I have no recollection of using it.

On page 1205, where it reads: "and that is the reason for this par value established by the Supreme Court, I think," the word fair should be substituted for par.

While the above are more or less minor mistakes, there is on page 1616 quite a serious one, since the transcript reports that in answering your questions as to whether, from the standpoint of effective regulation, I do not think it desirable that management and purchasing contracts between affiliated utilities should be made subject to regulation, I replied that I did not think that management contracts should be. I think you will recollect that my answer was just to the contrary; therefore the evidence should read that I do think that management contracts should be, etc., etc.

On page 1627, where the testimony reads: "Operating ratios that have been taken out of there—the total operating ratios." the word "are" should be inserted between "there" and "the;" and the second line further down, where the testimony now reads "where you have operating ratios that really is an appropriation account," this should read: "where you have renewal and replacement charges, that really is an appropriation account."

On page 1629, where the transcript says: "That is an improvement of very nearly ten millions, and yet the operating expenses only increased \$10,000, the \$10,000 should be changed to \$100,000.

On page 1603, where I am reported as saying "I think scientifically the discount is better than the penalty," the words that I really used were that psychologically the discount is better.

You will recollect that I promised to furnish you with a copy of the annual report of The United Gas Improvement Company, as on the day of the hearing I only had a galley proof before me. I now take pleasure in enclosing this.

Very truly yours,  
(Signed) John E. Zimmerman,  
President.

W. M. Dietrick recalled

MR. EVANS: If the Committee please, a matter has come up in connection with the present issuance of the Pennsylvania Power and Light Company of \$100,000,000 of first mortgage gold 4½% bonds, due 1981, which according to the circulars of the Investment Banking House provides that temporary bonds or interim or trust receipts will be ready for delivery on or about April 25th, 1931. The Pennsylvania Public Service Company Law provides that before the issuance of any securities, certificates of notification shall be filed with the Public Service Commission setting forth the issue and other matters.

MR. TURNER: Is that true of all issues?

MR. EVANS: All issues except those maturing in twelve months or less.

This situation involves matters which the Committee may desire to call to the attention of the Public Service Commission, or possibly to the Securities Commission, and in order to get prompt action I have asked Mr. Dietrick to make a statement of what he has found from the examination of the records in the Public Service Commission's office and in the office of the Securities Commission bearing on this issue. I may say to the Committee that there is involved in this situation the Lehigh Power Securities Company, which as the Committee may remember refused to open its books to the Federal Trade Commission in the course of its investigation.

MR. COOKE: Is there anything on the record to show the attitude of the Pennsylvania Power and Light Company toward opening their books to the Federal Trade Commission; was that an issue?

MR. EVANS: I cannot answer that, Mr. Cooke, I am sorry.

BY MR. EVANS:

Q. Will you proceed, Mr. Dietrick?

A. In the year 1928, in Application Docket Nos. 19199 to 19237 the Pennsylvania Power and Light Company petitioned to acquire the entire assets and capital stock and assume the entire liabilities of the following companies. Now, there are 36 companies, so I will read them if you wish me to.

MR. EVANS: I think they ought to be in the record.

A. Ariel L. H. & P.  
Benton Hydro-Elec.  
Big Spring L. & P.  
Dennison Elec.  
East Penn Elec.  
East Penn Traction Co.  
Franklin Twp. Carbon Elec.  
Honesdale Cons'd L. H. & P.  
Hummelstown W. & P.  
Jamestown Elec.  
Juniata Pub. Serv.  
Middleburg L. H. & P.  
Middlesex L. H. & P.  
Milleville Elec. L.  
Montgomery & Muncy L. H. & P.  
Montoursville Elec. L.  
Mt. Pocono L. & Imp.  
Orangeville-Columbia P. & L.  
Panther Valley Elec.  
Parryville Elec.  
Panpack Elec.  
Prompton Elec.  
Prospect Rock Elec. H. & P.  
Ringtown L. H. & P.  
Schuylkill Elec.  
Stockertown L. H. & P.  
Tatamy L. H. & P.  
The Beach Lake Elec. L.  
The Citizens Elec. L. & P.  
The Clymer Power.  
The Coopersburg Elec. L. H. & P.  
Macungie Elec. L. H. & P.  
United Electric.  
Varden & Lake Ariel L. H. & P.  
Weissport Elec.

In application Docket No. 19238, the Pennsylvania Power & Light Company was also to acquire the capital stock of the following companies:

East Penn Traction Company,  
Juniata River Water Power Company,  
Lehigh Electric Light, Heat & Power Company,  
Mauch Chunk Gas Company,  
New Kingston Light, Heat & Power Company,  
New Perryville Consolidated Gas Company,  
Pine Grove Electric Light, Heat & Power Company,  
Watts Water & Power Company,  
Harrisburg Light and Power Company,  
Carlisle Gas & Water Company,  
Hummelstown Water Supply Company.

On April 1, 1928, the Pennsylvania Power and Light Company brought on the books of their company the fixed assets of the companies shown in Exhibit No. 1, and in addition thereto, the assets of the Harrisburg Light and Power Company at 8-31-28. From the reports filed by the companies merged with the Pennsylvania Power and Light Company during the year 1928, the book value of the fixed capital and assets and the reserve for replacements and renewals were compiled as follows:

Total book value of capital assets purchased .....	\$28,505,742.86
Reserve for R. & R. ....	3,962,137.46

BY MR. EVANS:

Q. What does the R. and R. stand for?	
A. Reserve for replacement and renewals.	
Net book value of capital assets purchased.	24,543,612.43
The total of the fixed capital assets purchased as shown by the 1928 report of the Pennsylvania Power & Light Company was .....	59,036,626.32
Reserve for R. & R. for companies acquired during 1928 was .....	4,742,722.79
Net book value of assets purchased .....	54,293,903.53
Excess over net book value of assets purchased .....	29,750,291.10

We will now see who owns the companies merged with the Pennsylvania Power and Light Company. I am not going into that in detail, but with the exception of four companies, all



were owned by the Lehigh Power Securities Corporation. The companies which the Lehigh Power Securities Corporation did not own were owned by the Harrisburg Light & Power Company, which in turn was owned by Lehigh Power Securities Company. Another Company was owned by the Valley Railways which in turn was owned by the Pennsylvania Power & Light and two of the companies were owned by the Pennsylvania Power & Light themselves.

BY MR. COOKE:

Q. How many did you say were owned by the Lehigh Securities Corporation?

A. All but three of them, the Lehigh Power Securities Corporation has control through the ownership of the companies owning those companies, and I wish to add here that the Pennsylvania Power & Light Company itself is owned by the Lehigh Power Securities Corporation through 100% common stock ownership.

According to the testimony attached to Docket 19199, the 1928 transaction is to be as follows:

Pennsylvania Power and Light Company will receive Retirement of its bonds, including under-	
liers .....	\$52,878,776.00
Current assets .....	3,360,925.00
Fixed assets .....	56,951,479.00
Or a total of .....	113,461,180.00
Pennsylvania Power & Light will pay 4½% —50 year bonds .....	100,000,000.00
Cash already expended for securities .....	9,168,199.00
Liabilities of acquired properties assumed ..	2,542,981.00
Preferred stock .....	1,250,000.00
Cash .....	500,000.00
Or a total of .....	113,461,180.00

In an agreement between Louis F. Mentz—and later I will show you that Mr. Mentz is the Lehigh Power Securities Corporation—in an agreement between him and the Pennsylvania Power and Light Company—which agreement the employees of the Public Service Commission had a very, a very hard time finding—Mr. Mentz very agreeably consents to retire \$66,956,513 of bonds for the \$100,000,000 of the fifty-year four and one-half per cent. bonds of the Pennsylvania Power and Light Company, leaving an excess of \$33,033,450 for Mr. Mentz or the holding company.

Q. Will you just tell the Committee the difficulty you had in obtaining from the Commission a copy of the Mentz agreement?

A. I was inquiring for this Mentz agreement for a week, and they have searched the files, they have searched the records in all these cases, and they couldn't find it in any of their files, and yesterday, as a last attempt, I went to the acting Secretary, Mr. Tevell and told him I absolutely had to have this agreement, and he sent out the order that the agreement must be found and everybody that you met over there yesterday was hunting for the Mentz agreement, and at 4 o'clock they found it. I asked him where they found it, and he said he would rather not tell me.

BY MR. COOKE:

Q. He did not explain that remark any further?

A. No sir.

BY MR. EVANS:

Q. That is Mr. Tevell who said that?

A. Mr. Tevell.

BY THE CHAIRMAN:

Q. Was there only one copy of that agreement in the office?

A. That is all he could find; unless they could dig up one in the cellar or somewhere. Adding to this the preferred stock of \$1,250,000 (the cash of \$500,000 apparently having been paid) we have the sum of \$34,283,450, and the report of Pennsylvania Power and Light Co. at December 31, 1928, shows a liability for securities to be issued in accordance with the Mentz agreement of \$34,021,113.62.

We will now see what Pennsylvania Power and Light Co. really purchased:

Total capital stock of acquired companies.	\$7,894,562.36
Less: Deficits of certain companies .....	112,948.67
Net value of capital stock acquired: .....	\$7,681,613.69

The surplus of these companies acquired according to the Mentz agreement reverted to the old owners of the capital stock or the Lehigh Power Securities Corporation. So, the Pennsylvania Power and Light Company did not get the surplus of the companies which they acquired.

MR. TURNER: Mr. Evans, haven't you any set-up of any kind. This is terribly hard to follow.

MR. EVANS: I am sorry, Mr. Turner, this was done over night.

MR. TURNER: That is not by way of criticism.

MR. EVANS: I know. I wish I could do it.

BY MR. COOKE:

Q. I wish you would clarify your last statement in making these purchases, that these surpluses did not follow the purchases.

A. That was in the agreement with Mr. Mentz, that any surplus on the books of the underlying companies at the time of acquisition reverted to the old owners of the capital stock, which at that time was the Lehigh Power Securities Corporation.

In 1930, Pennsylvania Power and Light Company makes another agreement with Mr. Mentz. They acquired the following companies, and again I have a big list of the companies, which are as follows:

Citizens Elec.  
Conestoga Valley Elec.  
Donegal Gas.  
Farmers Elec.  
Farmers Elec., Conestoga Twp.  
Farmers Elec., Manor Twp.  
Farmers Elec., Martin Twp.  
Farmers Elec., Pequea Twp.  
Farmers Elec., W. Hempfield.  
Gas Co. of Northumberland.  
Halfpenny and Grove, Inc.  
Hazleton Power & Light Co.  
Hubley Electric.  
Intercourse Electric.  
Lancaster Electric L. H. & P.  
Lancaster Gas, Light and Fuel.  
Laurel Park Power and Light.  
Lititz Gas.  
Mr. Lebo Electric Light.  
New Perryville Consolidated Gas.  
Nacmi Pines Electric.  
New Kingston Elec. L. H. & P.  
Penns Creek Hydro Electric.  
Pequea Electric.  
Pioneer Electric Light.  
Shermans Valley Elec. L. H. & P.  
Wrightsville Light and Power.

BY MR. COOKE:

Q. Can you identify Mr. Mentz. Who does he work for?

A. A letter with this merger shows who Mr. Mentz is. There are twenty-seven companies taken in in this merger.

The net book value of the capital assets of the companies acquired according to the 1930 report is .....	\$11,833,467.65
Net value of capital assets purchased 1930 report of Pennsylvania Power and Light Co. is .....	25,549,628.18

Write-up above book value ..... \$13,716,260.53

Again let us find out who owns the companies purchased.

According to the reports filed by the companies merged on April 1, 1930, or the companies except one, are shown as being owned by the Pennsylvania Power and Light Company. That one was owned by the Lehigh Power Securities Corporation. But to go back further the report of December 31, 1929, of these companies shows that all of these companies were either owned directly or indirectly by the Lehigh Power Securities Corporation, which, in turn, owns the Pennsylvania Power and Light Company.

The total of the capital stock acquired from these companies, which were merged, was \$4,919,550, less deficits of certain companies, \$72,233.68.

Mr. Mentz again agrees to keep the surplus of the underlying companies. To this he had a write-up of fixed capital \$13,-

716,260.53, and we have a total of \$18,560,546.85. Mr. Mentz agrees to take only \$16,200,000 of the Pennsylvania Power and Light Company in six per cent. debenture bonds for these companies.

In Docket record No. 23,201 Mr. A. C. Ray, who signs himself as treasurer of the Lehigh Power Securities Corporation informs the Pennsylvania Power and Light, that the Lehigh Power Securities Corporation has an agreement with Mr. Mentz whereby this company is to receive the \$16,200,000 or 6% debentures; that is, the Lehigh Power Securities Corporation is to receive it.

He, Mr. Ray, further ventures the information that neither Louis F. Mentz or any other person whatsoever is making any profit in connection with this reorganization—he says nothing of corporations. At the present time the Pennsylvania Power and Light Company has placed on the market one hundred million dollars of 4½% fifty-year bonds. You will remember the first Mentz agreement, these bonds were to be paid in the first Mentz agreement. These bonds are now being quoted on the market when, if and as issued. Yesterday, April 16th, I received a quotation of 96½ bid and 96% asked. The bond circulars of this issue state that temporary bonds or uniform trust receipts will be ready for delivery on or about April 22nd, 1931, just five days away, and to date—Yesterday I inquired of Mr. Dunlap, an employee of the Public Service Commission, and he informed me that—the Public Service Commission has not as yet received a certificate of notification as to this bond issue. Surely the Penna. Power and Light Company would want the members of the Commission at least to get a notice to the effect that these securities are to be issued. Further inquiry was made of the securities commission regarding this issue, and the Chairman, Mr. Paul W. Leitch could see no reason why the Security Commission should question the issue.

BY MR. COOKE:

Q. How do you explain that?

MR. EVANS: Their power are quite limited in these matters. They provide for licensing of dealers as one of their functions, and another of their functions is where securities that are fraudulent are sold, to take that matter up, but their powers are quite limited in matters of this sort.

Q. Am I right that it was the Lehigh Power Securities Company that was testified to as having been moved up from one dollar to \$31,000,000 on the books of the Lehigh Coal and Navigation Company?

A. My remembrance of that is that the Lehigh Coal and Navigation Company had held a large block of stock of the Lehigh Power Securities Company which it carried on its books at one dollar, and that several years ago that stock was exchanged for stock of the National Power and Light Company, which is a holding company above the Lehigh Power Securities Company. But that was also carried at one dollar, but at the end of the year 1930 was written up to \$31,000,000, or some such figure.

Q. In other words, it was an enhancement in the value of the securities of the company now being discussed that permitted the Lehigh Coal and Navigation Company to change the entry of one dollar to \$30,000,000 at the end of ten years?

A. If my memory serves me right, the Lehigh Coal and Navigation Company acquired this stock of the Lehigh Power Securities Company through the sale of certain operating utilities which the Lehigh Coal and Navigation Company owned in Pennsylvania, among them being the Harwood Electric Company, and it sold this company first the Lehigh Power Securities Company had carried it on its books at one dollar.

MR. TURNER: In regard to the power of the securities Bureau, I would like to have an opinion from the Attorney General on that.

MR. EVANS: May we take that up at the same time we ask for action on this matter?

MR. TURNER: Yes, except that the opinion is something that we would like to have right away and the other matter may not be acted on so promptly.

MR. EVANS: I don't consider that the Committee would want to refer to the Attorney General this matter, but rather to the Public Service Commission and perhaps to the Securities Commission.

MR. DIETRICK: On September 31st, 1930, the balance sheet of the Pennsylvania Power and Light Company submitted to the Public Service Commission shows a liability of \$33,807,563.62

for the issuance of securities in accordance with the net agreement they still held over from 1928. The circular in connection with the new bond issue states that bonds totaling \$69,218,650 are to be retired by the \$100,000,000 bond issue, leaving a balance of \$30,781,350, supposed for the Lehigh Power Securities Corporation.

In order to present a calculation of the actual investment in plant property upon which bonds and preferred stock should be based, let me analyze the facts of this issue. In an additional bond circular of the Pennsylvania Power and Light Company there is shown total bonds outstanding after re-financing of \$131,000,000. And the liability on this balance sheet, the liability of Mr. Mentz disappears from the liability side of the balance sheet. This circular shows plant and investment \$208,605,328.38, less a reserve of \$17,069,917.30, or a net value of plant and investment of \$191,344,411.08. So far this setup shows the plant and investment in the figure which I just read of which \$43,466,541.63 is write-up over the original book value, leaving actual book investment in plant and investment of \$147,877,959.

Now against this is already outstanding and unchanged by the new financing \$45,578,604 in preferred stock. That leaves \$102,399,355 as security for the total bond issue of \$131,000,000. So either the equity of the bonds or the equity of the preferred stock is seriously impaired. The bonds apparently cannot be touched as they are a prior lien on the physical assets of the company. The obvious conclusion is then that the equity of the preferred stock will be lowered by \$28,660,645. This preferred stock is apparently held in the hands of the public. And I wish you to keep in mind that I refer only to mergers in 1928 and 1930. I have a long list of applications for mergers of other years. I can read them if you wish, but they are longer than the others.

The Pennsylvania Power and Light Company is an operating Pennsylvania corporation; it is not a holding company. It is asking the public to buy bonds behind which the actual investment in property runs into a minus quantity.

BY MR. EVANS:

Q. That is, as shown by its books?

A. Yes sir. There may be possibly some financing in explanation, but I could not find it in any of the reports, circulars and agreements to which the Public Service Commission gave me access. Only the data on the books of the companies involved would reveal that.

Q. Certainly \$43,466,451.65 write-up, above original book values, accumulated in speculating periods by companies holding each others hands, should put the government on guard to look into the matter.

The Lehigh Power Securities Corporation has refused the Federal Trade Commission to examine its books,—I quote from Volume 22 of this hearing, on the ground that it was not engaged in interstate commerce. Examination of the books must be done by the authorization of the Legislature.

MR. EVANS: Does the Committee wish to call this to the attention of either the Public Service Commission or the Securities Bureau Commission, or both, or wish to wait action on that for an executive session?

THE CHAIRMAN: We will take it up at an executive session.

FATHER COX: Don't you think it would be a good idea to have at least the books of one company at hand? Why should we pass them over without the serious consideration? Why pass it up?

MR. COOKE: The witness said he will tell us who Mr. Mentz was.

THE WITNESS: During my testimony I stated in a letter from Mr. A. C. Ray, Mr. Ray that the \$16,200,000 in bonds which Mr. Mentz was to receive, belonged in reality to the Lehigh Power Securities Corporation, through an agreement which the Lehigh Power Securities Corporation had with Mr. Mentz.

MR. COOKE: That shows, according to Mr. Ray's opinion, Mr. Mentz was not to get anything out of it, but it does not tell us who Mr. Mentz was.

THE WITNESS: As to his identity I am just as much at a loss as you are.

LOUIS TEVELL recalled

BY MR. EVANS:

Q. Mr. Tevell, Mr. Dietrick has just testified in regard to the difficulty in locating certain agreements, between Louis



F. Mentz, Pennsylvania Power and Light Company; another agreement between Mentz and the East Penn Traction Company; and another agreement between Mentz and the Valley Railways; another between Mentz and the Lehigh Power Securities Corporation, each dated April 1, 1928, in the files of the Commission. He testified that yesterday afternoon you were able to find these and deliver them to him. Would you be good enough to tell us where you were able to find these in the files of the Commission?

A. Yes, Mr. Evans, may I say a few words preliminary to that, and sort of tie it together. I did not know that these papers were missing or being searched for until yesterday morning, when Mr. Walker called me up and said Mr. Dietrick was having difficulty in finding them in the Commission's files. Of course, I immediately issued orders that all of the files of the Commission be searched. We could not find them. I read the transcript of the testimony of the hearing held in Philadelphia in 1928, where these papers apparently were at hand, and I noticed that the reporter, the reporting stenographer rather, had a notation in his transcript that the papers in question were turned over to the custody of Major Vale. The hearing in Philadelphia was held by two Commissioners, and examiner Vale, and as I say, the record showed the reporter, the stenographer rather, turned them over to Major Vale. There was no trace at all in the Commission's office of the papers having been received from Major Vale. I talked to Major Vale yesterday and asked him if he had any recollection of it. He said, he did not, that he presumed if he did have the papers, that he handed them into the filing department in the usual way. Then I discovered in Major Vale's office that there was a filing cabinet full of papers, and, by the way, I think I should say to the Committee, that Major Vale left the employ of the Commission on January 1st, of this year. I found out that there was a filing cabinet full of papers in Major Vale's office. I myself searched in that cabinet and found these papers. I don't know of any other more complete disappearance of papers. I have been with the Commission for thirteen years. This is the first time in my experience that no trace of the papers is to be found in the Commission's office,—nothing on the docket, or any other records. It seems that Major Vale when he came back from Philadelphia, did not file the papers in the regular way. I talked to Major Vale and he said he had no recollection of it at all. I think I said to Mr. Dietrick, when he asked me,—I think I would rather not say,—it might reflect on someone who is no longer in the employ of the Commission. Later in the afternoon I think I told Mr. Walker that I had found the papers in Major Vale's office. I think I added a few words, which might reflect on someone who is no longer an employee of the Commission. I think I put it that way, and subsequently I told Mr. Walker I had found them.

FATHER COX: Maybe they didn't want to destroy them,—just hide them.

BY MR. WALKER:

Q. There was no attempt to conceal the papers or take Mr. Dietrick sleigh ride?

A. No sir; I didn't know that the papers were being searched for until Mr. Walker called me up. Mrs. Bacon, our chief file clerk, told me that they had been overturning everything for two days, trying to find them.

MR. EVANS: I think in order to complete our records on this matter, I will offer in evidence these letters, agreement between Louis Bentz and the Pennsylvania Power and Light Company evidenced by a seven-page letter from Mentz, dated April 1, 1928, together with schedule A, B, and C referred to therein, as Exhibit No. 153.

MR. EVANS: A similar agreement between Mentz and the East Penn Traction Company, dated April 1, 1923, consisting of two sheets, and marked as Exhibit 154.

A similar agreement with the Valley Railways dated April 1, 1923, Exhibit No. 155.

A similar agreement consisting of five sheets with the Lehigh Power Securities Corporation, dated in 1928, as Exhibit No. 156.

The latter also refers to the schedules, C, and D, attached hereto, but these schedules do not seem to be attached—probably these are the schedules A, B, C, D, that are here physically attached to the letter to the Pennsylvania Power and Light Company.

W. D. B. AINEY sworn

BY MR. EVANS:

Q. Mr. Ainey, you have been a member of the Public Service Commission since 1915, have you not?

A. Yes.

Q. How long of that time have you been Chairman?

A. I was acting Chairman from the beginning of my appointment until the following fall, when I was made Chairman. I was acting Chairman under the provisions of the Act, which you will no doubt recall, Mr. Evans.

Q. Among others, the duties of the Chairman are to preside at the meetings of the Commission to fix the time and place for hearings; the assignment of cases to Commissioners, or to Examiners, and to direct and designate officers and employees of the Commission to make investigations, inspections, inquiries and studies and other like assignments for report to the Commission?

A. That is the present duty of the Chairman; it was not so initially.

Q. And what were the original duties of the Chairman of the Commission?

A. Well, you will recall that the Chairman's duties originally were to preside at the meetings and participate in the conduct of the cases, as did other members of the Commission.

Q. Mr. Ainey, attention of the Committee has been called to a number of cases where according to the reports of utilities filed with the Commission, these companies have largely written up the book values of their property, and have established securities on the basis thereof. In what cases that you remember has the Commission taken steps to prevent this?

A. Well, I don't know, Mr. Evans, over a period of 16 years, that I would be able to state or give you a list of those. If that inquiry was left in abeyance so far as an answer is concerned, why, I could ascertain very definitely and inform you.

Q. Now, Mr. Ainey, a number of these cases have been within the past three or four years, and do you remember any case?

A. Suppose you call my attention to those cases.

Q. Do I understand then your answer is that you don't at the present time remember any case where the Commission has taken steps?

A. Well, that is a little bit broad. I have an indistinct recollection of cases, but I could not recall the names of them other than I would refresh my recollection.

Q. So at the present time you don't remember the name of any case where such an attempt was made by the Commission?

A. Well, I recall the fact that there were attempts made by the Commission, but I cannot, without an examination of our records, designate the particular companies at this present time.

BY MR. TURNER:

Q. What about the Federal Water Company; does that suggest anything to you?

A. The Federal Water Company?

MR. MEMOLO: Scranton-Spring Brook?

THE WITNESS: Scranton-Spring Brook—well, I recall that in my absence there was action taken by the Commission with respect to the proposal on the part of the Federal Water Company and the Commission's decision, which I acquiesced in, after my return from a trip abroad, we struck down, or refused to file for the particular reason that there was an adherence clause, or adherence mortgage provision, which we thought was inimical to public policy.

Q. You are referring, are you not, Mr. Ainey, to the application of the Pennsylvania Water Service Company in September, 1927, involving the proposed merger of the Jersey Shore Water Company, the Clymer Water Company and others?

A. Yes.

Q. The Committee has had laid before it the action of the Gettysburg Water Company in issuing—I think in 1928—\$200,000 of bonds, and using the entire proceeds to pay dividends on the common stock, as shown by the reports of the company to the Public Service Commission. So far as you remember, did the Commission take any action in regard to that?

A. I do not recall any action that the Commission took, and the particular reason, in the matter of the issuance of securities under advice from the then Attorney General (Mr.



Woodruff) and by the advice of Mr. Phillip Wells, the Deputy Attorney General, we were held to have no jurisdiction over the issuance of securities.

I can furnish you a copy of these opinions of Attorney General Woodruff and of Deputy Attorney General Philip Wells, if you so desire them. I think they were submitted to the Senate, but I do not know that they appear in your records.

MR. TURNER: I should like to have copies of those opinions.

BY MR. EVANS:

Q. Will you be good enough to furnish us with a copy of the opinion which will be marked exhibit 157.

A. Now, if Mr. Tevell will be kind enough to look through my files, I think I have a copy that I may be able to leave with you now.

Q. Very good. Thank you.

A. Unfortunately, gentlemen, I am somewhat a little crippled in my hands, and so forth, but I hope that I am able to function outside of that.

Q. While Mr. Tevell is hunting for that, Mr. Ainey, the reports of utilities to the Commission also show a large number of cases, where returns very much in excess of seven per cent. on the book value of the capital assets the companies have been earning. Do you remember any case, prior to 1930, when the Commission has taken action in regard to these matters on its own initiative?

A. Now, you are referring to book value?

Q. I am, sir.

A. Well—

Q. If you will just answer the question, and then make any explanation that you wish.

A. I am trying to do that, Mr. Evans. I am sure that you and I will get along. I think we followed exactly the same practice up to the latter date when we were honored by having you sit at the table with us. I do not recall any difference at all in your practice at one time or another.

Q. Do you remember any time when the Commission has acted on its own initiative in these matters, prior to 1930?

A. I do not. I want that to go down as a negative, however. May I interrupt you, Mr. Evans?

Q. Yes, indeed.

(Discussion off the record).

MR. EVANS: This letter, if the Committee pleases, from Attorney General Woodruff, is dated October 2, 1925, pertaining to the Conowingo Power development and consists of eight pages. I would suggest that it be put in as an exhibit together with the other material attached to it, which is a summary of data in re jurisdiction over securities issues involved in the Conowingo project, and is in the form of a paper containing 22 pages.

THE WITNESS: If that is the desire of the Chairman and the members of the Committee, I would just like to make this as a preliminary statement to this exhibit:

Mr. Merrill, executive secretary of the Federal Power Commission, addressed a letter to Governor Pinchot, asking to be advised as to the power which the Public Service Commission had, not only over the issuance of securities, but several other matters. It came up, as Mr. Evans has suggested, in conjunction with the Conowingo case.

That matter was referred by Governor Pinchot to me, and a suggestion that the Attorney General's opinion be obtained. In connection therewith, however, there was the opinion of Mr. Wells, then Deputy Attorney General, in which he stated, in his opinion that the Public Service Commission had no authority whatever over security issues.

BY MR. TURNER:

Q. May we have that opinion also?

A. I have a copy of it right here.

MR. EVANS: That is not a part of the exhibit.

THE CHAIRMAN: I am not interrupting?

THE WITNESS: Not at all, sir.

THE CHAIRMAN: You said that that would be made exhibit?

MR. EVANS: Yes; exhibit 157.

BY MR. EVANS:

Q. Mr. Ainey, it seems that this has been multigraphed or mimeographed, could additional copies of this be furnished?

A. We will furnish you with additional copies. Mr. Tevell is now—

MR. TEVELL: I have sent for some now.

MR. EVANS: All right then.

BY MR. EVANS:

Q. Then under Article 3, Section 14, the Commission is given power to investigate security issues and to certify to the Attorney General in cases where the law has been violated by public utilities in regard to security issues, has it not?

A. Yes; that, however, refers to the illegality of the issue, other than as to a question of the reasonableness or the justice of it.

It is not broad enough to protect the public and there ought to be in the minds of the Commission, broader power lodged somewhere.

Q. Just to get this correct, Mr. Ainey, the Act provides that every utility shall before it issues securities file a certification of notification with the Commission; does it not?

A. Yes.

Q. And among other things that the certificate must state the purpose for which the issue is to be used?

A. Yes.

Q. And the act also provides that no utility shall use any such securities for any purpose other than those stated in the certificate of notification?

A. That is my recollection of the act.

Q. And it further provides in Section 5, Article 14, that every violation of the law in regard to securities may be certified by the Commission to the Attorney General so that in view of that fact it is within the power of the Commission where the proceeds of securities issued are wrongfully used to certify the matter of the Attorney General, is it not?

A. To the extent you mention, yes.

Q. Now, who appoints the chiefs of bureaus of the Commission?

A. The chiefs of bureaus are appointed by the Commission.

Q. And who appoints subordinates? In those bureaus, as for instance, the engineers?

A. Likewise they are employed by the action of the Commission but not by the Chairman.

Q. In the employment of engineers and accountants in the Commission, has it ever been the practice of the Commission, as I see is now the practice in the Maryland Commission, to hold competitive examinations for these positions?

A. No, it is not, but it has been the practice of the Commission in picking its technical staff to require information as to the qualification of those whom we propose to employ. That was followed in a case I have in mind, because he was on the stand yesterday, Mr. Black, who came to us from Maine, and he was appointed as an electrical engineer with the approval of Governor Pinchot in the former administration.

Q. Now among others you have as engineers in the Bureau of Engineering a Mr. C. P. Russell who is listed as a railroad engineer at \$4,000 a year?

A. Yes.

Q. What is your idea of a railroad engineer, Mr. Ainey, not a locomotive engineer?

A. I should assume not.

Q. What is meant by that designation?

A. Well I would assume that it meant one that was familiar with railroad proposition as well as transportation problems by rail.

Q. Now, do you happen to know Mr. Russell's qualifications on that score?

A. I think I do. I think I know that we went into it very carefully before he was employed and I thought he was a very competent man.

Q. As a matter of fact, Mr. Ainey, Mr. Russell I think testified that his work was in the Philadelphia office supervising motor bus and taxicab transportation chiefly. Would you consider that as railroad engineering?

A. Not entirely so, but with the limited staff we have we have been obliged to call upon, well, members of the law department considered examiners we were short-handed; we have been called upon to call upon all our engineers to make studies even along lines that they do not specialize in.

Q. I think you have also as an engineer in the bureau of accounts a Mr. Krick, have you not?

A. I don't recall the name, it is quite doubtful.

Q. You don't happen to know that he was the son of the vice-president of the Pennsylvania Railroad?



A. I do not. In fact I overlooked the fact that we had any one by that name.

Q. You also had at one time in your employ an engineer by the name of William Finley Downs, did you not?

A. Yes sir.

Q. Do you happen to remebber about when he was appointed?

A. I could not give you the date, no sir.

Q. It was prior to 1917?

A. I would think so.

Q. And at that time Mr. Francis Shunk Brown was the Attorney General of Pennsylvania, was he not?

A. I am not sure.

Q. You were appointed, were you not, by Governor Brumbaugh?

A. Yes sir.

Q. Mr. Brown was Governor Brumbaugh's Attorney General?

A. Yes sir.

Q. And Mr. Downs was appointed while you were a member of the Commission, was he not?

A. Yes sir.

Q. And he was appointed prior to 1917?

A. You are giving the dates, sir, I cannot recall them. It would be very easy to ascertain. I can get it for you or Mr. Walker by telephone in fifteen minutes after I get back to my office.

Q. Do you happen to remember whether Mr. Francis Shunk Brown had anything to do with his appointment?

A. I know he never had anything to do with it as far as I was concerned, he never mentioned it to me.

Q. One of the handicaps of the Commission has been its lack of funds, has it not, Mr. Ainey?

A. Yes sir.

Q. And it has been unable to pay adequate salaries to some of its more highly skilled employees?

A. That is unquestionably true, and with the result that when we had gotten these technicians up to a point of very great serviceability to us, these other interests took them away from us at a very much higher salary.

Q. And that generally means that they were taken away by the utilities or the railroads?

A. Not necessarily that. That has been so in a number of instances.

Q. That is true of Mr. C. J. Joyce, who left a \$5000 position with the Commission to receive \$40,000 with the public utility company in Philadelphia?

A. There is quite an hiatus between those two points. In the meantime, as I recall, Mr. Joyce became an attorney.

Q. That increased his earning power by that extent in addition to making it desirable to pay him \$225,000 in one year for his services?

A. I don't know whether that is addressed to me as an inquiry or whether you are making a statement. But if I was the chairman of the Committee, I would ask to have it stricken from the record.

Q. Mr. A. B. Millar was another one?

A. Yes sir.

Q. What salary did he get?

A. Five or six thousand dollars. He was secretary for a number of years.

Q. He went to the Philadelphia Electric Company?

A. I don't think he went directly to the Rapid Transit, but I am not sure.

Q. He is now secretary of the Pennsylvania Electric Association?

A. Yes sir.

Q. Dr. Ehlers, chief of the bureau of engineers, is now vice-president of Day and Zimmerman?

A. Yes sir, but before that he served as director of city transit in Philadelphia during the Kendrick administration.

Q. And Mr. W. F. Downs is now president of Day and Zimmerman?

A. I think that is so, but I do not know. I have not seen him for a long time.

Q. Do you remember a Mr. Schmunk? Whom I understand was with the Commission?

A. I remember him very well, he was a very able accountant.

Q. He also went to Philadelphia Rapid Transit?

A. I am not sure of that. I understand that he was connected with a bank down there but I might be in error in regard to that.

Q. Do you remember any other case, Mr. Ainey, where employees of the Commission have been taken from the Commission either directly or indirectly by utility interests or by those connected with those interests?

A. I know that there are some, but I do not want to depend upon memory.

MR. TURNER: Are we to infer that there was something wrong in that sort of procedure? I think I said yesterday, that Mr. Cameron complained to me all the time I had been a member of the Legislature that all of his good men were taken by the banks of the state. Are we to infer that the banks had some insidious purpose in employing them?

MR. EVANS: No sir, I am trying to draw the picture as to the lack of adequate appropriation, the Commission cannot pay salaries in competition to utilities.

THE WITNESS: There is no doubt that that is a serious handicap, so far as the Commission is concerned, but it is handicap that practically all of the Commission throughout the United States have.

BY MR. TURNER:

Q. And always will have?

A. I presume so, unless we can secure a much larger appropriation than we have heretofore obtained.

Q. The Government never pays for service of that kind very highly?

A. I am afraid not.

BY MR. EVANS:

A. In the same way, the Commission has been handicapped by a lack of sufficient personnel, has it not?

A. Yes; at times more than at other times.

Q. At what period did it have sufficient personnel in your opinion.

A. I don't think it ever had sufficient personnel but that has been accentuated on one or two occasions. During the Pinchot administration, both in conference with Governor Pinchot and also by communication, he directed that in the preparation of our budget that we cut down our appropriation, which was already small, by 25%, which meant that we had to discharge quite a number of employees, and I addressed a letter to him, calling his attention to what would be the result of that, which letter I have, if the Committee desires it.

Q. Prior to 1923 did the Commission have adequate personnel?

A. Never; never since I have been a member of the Commission have we had an adequate staff, to do all the things that I as chairman think it would be very helpful that we should undertake to do.

Q. Was this one of the reasons, Mr. Ainey, why the Commission did not act on its own initiative to protect the interests of consumers.

A. You mean in taking up rate cases?

Q. Yes; matters of that sort.

A. That was involved. Now, take the Scranton-Springbrook case. It was mentioned in the Senate hearings that the complainants,—it cost the complainants something like \$240,000 to carry on that litigation. I don't know whether that is true or not, but I assume it was true. That would have taken up nearly a third of our appropriation for all purposes, had we borne that expense. Of course, it was impossible. The more statement of it would be sufficient.

Q. In what cases, has the Commission, so far as you remember, issued certificates of valuation?

A. There have been a very limited number, and none of late years that I can recall. Mr. Tevell called my attention to the fact that it is his recollection that the last one was the Springbrook Water Company.

Q. You also issued a similar certificate a year or so prior to the Downs' report in the Springbrook case for the Springfield Water Company.

A. I think so.

Q. Do you remember any other certificates of valuation?

A. I know there were, Mr. Evans, but I am not able to tell you from memory. I will be very glad to supply it, if you so desire.

Q. I don't think that will be necessary. A large amount of time is required for the Commission to prepare a certificate of valuation, is it not?

A. We found it so.

Q. Do you happen to know the time, the approximate time, that was spent in the preparation of the so-called Downs' report in the Springbrook case.

A. I couldn't tell you; it was over quite a long period of time.

MR. TURNER: You have referred a number of times to the Downs' report. I think it might be a little bit helpful to place something on the record now in connection with the Downs' report.

MR. EVANS: Probably the witness knows more about that than I do.

THE WITNESS: Mr. Downs had much to do and in connection with Professor Ehlers, but chiefly Downs in the preparation of the Commission's report for the certificate of valuation which the Commission issued in the Springbrook Water Company case.

BY MR. TURNER:

Q. Downs was an employe of the Commission at that time?

A. Yes, sir.

Q. Holding a similar position to Mr. Black?

MR. EVANS: He was an engineer in the Bureau of Engineering. Mr. Black is primarily an electrical engineer.

THE WITNESS: Mr. Downs was a valuation engineer. We have several kinds of engineers, you understand. Mr. Downs was a valuation engineer.

BY MR. EVANS:

Q. Do you remember what experience Mr. Downs had as an engineer prior to his coming with the Commission?

A. I couldn't tell you now. I investigated that but that takes me back sometime.

Q. Who paid for the Downs' report,—the Public Service Commission?

A. I don't understand what you mean.

Q. I mean, did the Commission pay for the services and expenses involved in the preparation of the certificate of valuation in the Springbrook Water case.

A. There was no other way out of it, for to be paid, and the Commission would not, for a moment, have permitted its employes to be paid by the interests that were being investigated.

Q. Do you happen to have any idea at all as to the approximate cost of preparing this valuation?

A. I couldn't tell you; I have never seen the papers segregated. Mr. Downs was on a salary, and, of course, the expense accounts came in monthly, and so with the others that were assisting.

Q. Was this valuation made on the application of the Springbrook Water Company?

A. Yes sir.

Q. And a large amount of time was consumed in its preparation?

A. Yes.

Q. Would it in your opinion have been more worth while for the same amount of time and money to have been spent in investigating rates or other matters in which the consumers had an interest?

A. Well now, you are trying to make a comparison, or suggest that I make a comparison, where there is no basis for a comparison. The certificates of valuation have to be made where there is an application made, and we have no opportunity to refuse or neglect it, we have to do it.

Q. Mr. Ainey, this Committee is considering possible changes in the law, and it may be desirable to revise the law in that respect, and that is what I want to get at. Would it in your opinion be desirable that the amount of time taken, for instance, in the Downs' Report, should be spent on this sort of thing, or could it better be spent in the interest of the consumers?

A. I think there are two entirely different questions there. I think that there ought to be some provision whereby certificates of notification call for a larger payment by the utility company demanding it, and that our law—

Q. Do you mean notification or valuation?

A. Certificate of valuation. My recollection is that the statute has prescribed, under the wisdom of the Legislative fathers, that the utilities shall pay for a certificate of valuation the sum of \$25 into the State Treasury, and that is all that they do pay, because that is the sum total. I think that here

ought to be some means whereby they would pay into the State, or to the State Treasurer, a larger sum, commensurate with the value of the work that is required.

Q. Now, copies of the Downs Report were furnished to the Springbrook Water Company, were they not?

A. That would be my recollection.

Q. And the Commission has always refused to furnish copies of this to anyone else except the Springbrook Water Company, has it not?

A. I don't think so. It may be so, but I don't recall it.

Q. Do you think that is a desirable policy, if it is the policy of the Commission?

A. I would think that where a certificate of valuation has been reached by the Public Service Commission, that there is no good reason why that should not be available for anybody that might desire to inspect it, and I don't recall that in any instance have we ever refused to acquiesce.

Q. And you are not aware of the fact that until recently at least those applying for copies of the Downs Report have been told that they would be furnished only upon order of the Springbrook Water Company?

A. No, I am not. Of course, we have this, Mr. Evans, and I think the Committee ought to bear it in mind, that if someone desired to prepare a copy of the Downs Report, or certificate of valuation, or the basis upon which that valuation was made, covering how many pages, Mr. Evans, will you be kind enough—you have it right before you there—

Q. 577.

A. Covering 577 pages, why, our clerical staff would not permit us to undertake that, and we could not do it, that is all.

Q. But you did furnish a copy of it to the Springbrook Water Company, did you not?

A. Of course, we had to do that, that is what they applied for, and that is what they paid their \$25 for.

Q. They applied for a certificate of notification, that did not include the Downs Report?

A. I thought that was what you were referring to.

Q. I am referring to the Downs Report, on which our certificate was based.

A. Oh, yes. I catch your point.

Q. Now, that you have caught my point, is it your remembrance that copies of the Downs Report have been refused to applicants except on the written permission of the Springbrook Water Company?

A. I could not tell you as to that, but I don't think so.

Q. And your answer still holds good that you don't think that should be the policy?

A. No, I don't.

Q. How about other engineering reports of the Commission, Mr. Ainey, on which decisions have been made. In your opinion ought they to be granted to the parties interested for inspection?

A. Now, I think that they should not in the main, bearing in mind that the conscience of the Commission is advised by its technical staff; on the other hand the engineers of the Commission are sometimes assigned to the duties of making a field examination, and that field examination is the kind of work when gathered in a report, there is no reason why the public should not have the benefit of that, but those reports which are calculated merely to advise the conscience of the Commission in the performance of its duties are confidential. We may agree or disagree. I think you should bear that in mind, that there is a distinction and a very vital one.

Q. Now, Mr. Ainey, the Downs Report and all other reports for the purposes of certificates of valuation are ex-parte, are they not. In other words, the public is not represented in any way in the making of these valuations?

A. Not usually, and I don't recall a single instance where the public has been so represented. Our method of procedure used to be that a certificate of valuation was applied for; the matter was set down for hearing and the company presented its testimony as it so desired and then the Chairman, if he presided, or the sitting Commissioner, would say that we would take the record and submit it to our Bureau of Engineering, and they would make a field examination and reach a conclusion with respect to it. That was the method of procedure, and I know of no other method by which you could accomplish what the Legislature had in mind under the provisions of the Public Service Company law.

Q. I have before me the Commission's Folder in the case of the application of the Springbrook Water Supply Company



for the approval of the determination of the value of the property and assets of the said company, Application Docket No. 1639-1927.

Attached to this is, a report of the bureau of engineering signed by Mr. H. E. Ehlers, assistant chief of bureau, in which he says:

"In response to your request for a suggestion as to the fair value to be fixed by the Commission, I submit for your consideration the amount of \$16,000,000, which figure I believe gives ample recognition to the reproduction estimate, the water rights and the going concern values, and recognizes the cost of the property as carried on the books. The probable original cost of the physical property, the market value of the securities, the condition of the property and the character of service rendered, the prospect of a continued and increased demand for water, and recognizes to some extent, the present and prospective earning power of the property under the rates it is proposed to continue in effect, and can be presented to the petitioners and the investing public as a safe basis for credit for future undertakings."

According to the minutes of the Commission, attached to the file, Harrisburg, March 11, 1919:

"A report was presented from the Bureau of Engineering, being a review of the testimony in the application of the Spring Brook Water Supply Company for a determination of the value of the property and assets of said company, which report was read and discussed. Commissioner Rilling moved that the record be set down for agreement, which was seconded by Commissioner Alcorn, but failed of adoption as less than a quorum voted in the affirmative. Commissioner Alcorn moved that the Commission determine the valuation of the property and assets of the Spring Brook Water Company of \$16,000,000, and a certificate of valuation issue, which certificate shall contain the stipulation that the value is not made nor to be considered as a basis for rate making purposes. That motion was seconded by Commissioner Clement. Prior to a vote being taken, Commissioner Rilling moved to adjourn until one thirty o'clock P. M. Tuesday, 1919, which was seconded and carried."

Continued, the minutes provide:

"The discussion of the motion before the Commission, fixing the valuation of the Spring Brook Water Supply Company at \$16,000,000, was resumed and Commissioner Clement, moved to amend the motion by striking out the word 'sixteen' and substituting the word 'seventeen' so that the motion would read that 'the Commission determine the value of the property and the assets of the Spring Brook Water Supply Company to be \$17,000,000 and a certificate of value issue which certificate shall contain the stipulation that the valuation is not made nor to be considered as a basis for rate making purposes.' This motion was seconded by Commissioner Brecht, and adopted. Commissioner Rilling did not vote on the motion and reserved the right to file his dissent on the record and to file reasons for such dissent. The Chairman did not participate in the vote fixing the valuation."

Q. Why did you not participate in that vote, Mr. Chairman?

A. I did not know that I did not until you called it to my attention. Probably I was not in sympathy with it, I do not know. There is no reason why I should not if I was in sympathy with the motion.

Q. At all events, before lunch Commissioner Alcorn and Commissioner Rilling asked that the valuation be placed at \$16,000,000, and after lunch the Commission adopted a valuation of \$17,000,000.

A. Well, probably they had—

Q. A good lunch?

A. They had a good lunch, probably.

FATHER COX: A million dollar lunch.

THE WITNESS: Probably that is it, Father.

BY MR. EVANS:

Q. Do you know of any other reason that affected that result?

A. I do not, but I would not in these times, where there is a little change in the statutory law, assume that that would have anything to do with it.

BY MR. TURNER:

Q. It might change it to the jurisdiction of the Public Service Commission?

A. It might.

BY MR. MEMOLO:

Q. In that case you did not follow out the advice of the technical experts in the field?

A. Well, in that case I cannot, after this flight of years recall what was the discussion around the table. Practically all of those who participated, at that time, have passed over. Mr. Brecht has gone, Mr. Clement has gone, Mr. Rilling has gone. Mr. Alcorn is still living as I understand, but not a member of the Commission.

Q. Mr. Ehlers made the physical valuation and recommended \$16,000,000?

A. Yes.

Q. And after lunch it was \$17,000,000.

A. There was no particular change that I can recall, except somebody refused to vote for it, and the Chairman did not vote for the increase.

BY MR. EVANS:

Q. I want to call your attention to the provision in the motion which was adopted by the Commission, that the certificate shall contain the stipulation that "the valuation is not made nor to be considered as a basis for rate making purposes." That was in accordance with the public service company law, was it not?

A. I think so.

Q. And if in any rate case the certificate or the report on which it was based, was used for or considered as a basis for rate making purposes, the action of the Commission based thereon, would be invalid, would it not?

A. No; I do not so understand.

Q. Will you explain that to the Committee?

A. I think I may be able to do so.

Q. The provision is that the certificate shall contain the stipulation that the valuation is not made nor to be considered as a basis for rate making purposes.

A. I think that that is correct, and I think that is a wise procedure, and one we follow at the present time.

Q. But don't you think it was binding on the Commission?

A. Yes; I think it was binding on the Commission so far as the conclusion was concerned, but so far as the facts that were developed in the field, would come under the examination of the physical property, the inventory that was taken, the application of unit costs to the different elements—that is a fact, but that is not the same as what you are now referring to, and I think that that might be considered as some evidence and it might not be considered as some evidence by the Commission in any later rate proceedings.

Q. In other words, the valuation placed by Mr. Downs on individual items of property may properly be considered, but the total valuation placed by the Commission cannot be considered? Is that your position?

A. That is not quite my position, Mr. Evans.

Q. That is what I understood. Now, will you explain why it is not your position.

A. That is not my position for the reason that we have attempted by inserting that provision in certificates of application to state that we had not made a judicial or a quasi-judicial determination of the value of the property, but thereafter should be used as a basis for determining rates, but that if there were any facts involved in this, that were pertinent in a rate case, that would be perfectly legitimate for the Commission to take into consideration as a fact.

Q. Well now Mr. Ainey, let me ask you this question, in view of this action of the Commission in a subsequent rate case is it or is it not proper for the Commission to consider valuation of individual items of property made in the Downs report?

A. Subject to such check as the Commission may make at the time the proceedings are going on.

Q. And it is not proper for you to consider the total valuation?

A. It is not proper for us to consider the fact that we have reached a judicial determination of the merits of the case.

Q. Is it proper for you to consider the total valuation?

A. I think it is proper for us to consider the different elements that go to make up the conclusion that the engineers submitted and which the engineers pass on.

Q. It is proper for you to consider the total valuation, Mr. Ainey?

A. You may reach that total valuation or you may not. I am not able to answer that in the way your inquiry is presented.

Q. I will present it again; is it or is it not proper in a subsequent rate case to consider the total valuation which you place on that property in the certificate of valuation?

A. I think it is perfectly proper—

Q. Won't you answer that, yes or no?

A. No, because I cannot, and I don't think it is fairly capable of being answered yes or no.

Q. I don't see how any question could be any plainer?

A. I think your question is plain and my answer is plain; evidently we are not travelling in the same pathway.

Q. Mr. Ainey, is it or is it not proper in your opinion in subsequent rate cases for the Commission to consider the total valuation placed by the Commission on a property in a prior certificate of valuation? I think that can be answered yes or no, and any explanation that you may want to make?

A. I do not think that we can accept any valuation as a stated figure as binding on the Commission in a subsequent rate case. I do think, however, that the bases upon which the conclusion is reached by the engineers and the Commission including the same point which you mention is very properly to be considered by the Commission in a rate case.

Q. Then what did this action of the Commission mean when it said, "The valuation is not made or to be considered as a basis for rate making purposes"?

A. That is just exactly what I have been trying to explain to you. That means, in my judgment, that there is no adjudication on the part of the Commission, that that sixteen or seventeen million dollars has been determined by the Commission so as to foreclose the public from having an opportunity to raise a question when the rate case comes up.

Q. Then there is no difference in your opinion in saying that a valuation shall not be considered and saying it shall not be considered binding?

A. I would rather leave it as my answer indicated.

Q. Will you answer that question?

A. I have already answered that?

Q. Do you consider there is no distinction between saying, it is not to be considered, and saying, it is not to be considered binding?

A. I think the language as contained in the certificate is clear and I accept every word of it without deletion. On the other hand, I do not think that it follows that in a subsequent rate case the Commission should not take any evidence of fact. Let us say it was a pair of shoes Mr. Downs evaluated, assuming there were shoes in the water company, I know of no reason why that pair of shoes if it still continues to exist, should not be considered in a rate case.

Q. Will you now answer the question, whether in your opinion there is any difference between saying, that it shall not be considered, and saying that it shall not be considered binding? Will you answer that question?

A. I do not think that there is any difference that I am willing to accept along the line of your interpretation, and I stand squarely upon the language of the limitation as it is carried in the certificate of valuation, Mr. Evans.

Q. Won't you explain the fact that when the action of the Commission was that the stipulation will be inserted in the certificate "That valuation is not made or to be considered as the basis in rate making cases," you issued a certificate in a different form?

A. Did I issue one in a different form? I would like to know how.

Q. The certificate you issued said, "Nor shall this certificate of valuation be deemed to require the Commission in subsequent determining of rates that can be charged by the applicant company to provide a rate which shall be sufficient to yield a return on its securities." That complied with the action of the Commission in your opinion, did it?

A. I don't recall whether it did or not.

Q. Does it seem to now?

A. I don't recall that now. I would like to read it.

(Mr. Evans handed to Chairman of the Commission, Mr. Ainey, the paper from which he has been reading.)

BY MR. EVANS:

While Mr. Ainey is reading this, I wish to formally offer the following:

# SUMMARY OF DATA IN RE JURISDICTION OVER SECURITY ISSUES INVOLVED IN THE CONOWINGO PROJECT, AS EXHIBIT NO. 157.

MR. AINEY: I am frank to admit that I would have preferred a different verbage in the certificate of valuation than appears before me in this that you submit, Mr. Evans.

BY MR. EVANS:

Q. That is signed by you.

A. That is my signature, but the Chairman signs because he is chairman, and that doesn't mean that he approved this to start with, because he did not approve it, according to the minutes that you have submitted.

Q. The certificate does accord with the action of the Commission—who else besides yourself is responsible for the certificate.

A. I think I am responsible in part—

Q. There is no other member of the Commission that is responsible for the form of the certificate.

A. Yes sir; we have our law department; we have—

Q. I say, member of the Commission.

A. To the extent that that rests upon the shoulders of the Chair, the chairman is willing to assume it. I understand from what Mr. Tevell says that the certificate follows the language of the act.

Q. But it did not follow the action of the Committee.

A. It did not follow the language of the act of the Commission, but I still feel that the action of the Commission is binding upon the Commission.

Q. Mr. Ainey, I would like to call your attention to the fact, as appears from page 223 of the Downs report that Mr. Downs estimated the reproduction cost new of the Spring Brook Water Supply Company as of October 1, 1918 at \$11,-849,879.—

A. That is the physical property, is it?

Q. Yes, and that if the office furniture, road equipment, in the amount of \$51,125 is added to that, and miscellaneous tools and supplies as shown by the appraisal at \$69,800, you arrive at a total valuation of the physical assets without the addition of the overheads at \$11,970,804.

A. That would appear to be what appears on page 225, but additionally to that—

Q. Then if you add to that the items of contingencies, engineering, general expenses, interest and going value, these items of overheads total \$5,196,792.

A. I am assuming your arithmetic is all right.

Q. I am hoping it is.

A. I am accepting it.

Q. So that, in round figures, the valuation shows reproduction costs new of the physical property in the neighborhood of \$18,000,000, including \$2,075,337 of going concern, and \$1,505,027 of interest during construction.

A. That would appear there on page 223.

Q. And that the depreciated value of this property, after deducting secured depreciation in the amount of \$1,252,496, was \$16,819,914.

A. Yes sir, that appears correct. Will you take the next clause or next paragraph of the Downs report, right here, the total cost new.

Q. That is a deduction.

A. The \$18,000,000 is not a deduction. The total reproduction cost new, reproduction cost new of the property depreciated,—it is the same figures, but that you didn't refer to, \$18,072,410.

Q. Mr. Ainey in 1921 the metered rates of the larger consumers of the Spring Brook Water Supply Company were increased, and a complaint was filed by a man named McDade, was it not?

A. I would like to see the record of that.

Q. We will get that after lunch, Mr. Ainey. When did the Pennsylvania Water Service Company acquire the Spring Brook Water Supply Company?

A. I wouldn't be able to tell you, Mr. Evans. Our records will show it. There would be others, that could answer that question much more easily than I could.

Q. Don't you remember that it was in September of 1927?

A. I do not, but I would assume that it was about that time.

Q. Do you remember that immediately following the acquisition a complaint was filed against the existing rates by Gillis and Tobias?



A. That may be.

Q. Mr. Ainey, Mr. Loveland testified that he intervened in the Gillis-Tobias Complaint in October, 1927, that is correct, is it not?

A. I have no reason to dispute that.

Q. And he further testified that on December 6th he testified: We have called upon to come to Harrisburg and appear before Mr. Ainey about the 6th of December, and there we met the attorneys for Mr. Tobias and Mr. Gillis, and my attorney and myself, and Mr. Ainey, constructed—or the construction of an engineering conference, and turned us over to Dr. Snow, and we went—let me see—before we were turned over to Dr. Snow in the hearing before Mr. Ainey, the Downs Report was submitted as the basis for finding the value." And then he describes what the Downs Report was. That corresponds with your recollection, does it not?

A. It does not, Mr. Evans.

Q. Will you state your recollection, Mr. Ainey?

A. The proceeding referred to by Mr. Loveland in his conversation with me, is in Gillis and Tobias versus the Springbrook Water Supply Company. The complaint was filed on September 17th, the rates which were the subject of complaint, were those which had been in force for many years, and at the hearing on November 2nd, Mr. Loveland asked permission to intervene as a party complainant, and with the consent of all the parties this intervention was permitted. At that hearing the complainants said that they had made arrangements for engineering assistance in the proceedings and requested the Commission to organize an engineering conference. At the Executive Session of the Commission held November 14, 1927, the Engineering Bureau, upon recommendation of Commissioner Benn, the sitting Commissioner, was directed to organize an engineering conference for report and subsequent hearings.

Q. Now, Mr. Ainey, did you not have a conference in your office on or about December 6th, with Mr. Loveland, as he testified?

A. I think it was about that time.

Q. And as a result of that conference was not an engineering conference constituted?

A. I don't think it was as a result of that conference.

Q. Didn't you turn Mr. Loveland over to Dr. Snow?

A. I don't recall that I turned him over to Dr. Snow—I was trying to give you the action of the Commission which created an engineering conference.

Q. Your memorandum makes no reference to the conference with Mr. Loveland of December 6th, does it?

A. I don't recall that it does.

Q. Mr. Loveland testified that when he was before Mr. Ainey the Downs Report was submitted as the basis for finding the value, is that not correct?

A. I don't recall that I presided or sat in that hearing at all.

Q. This was a private hearing in your office?

A. Well, I don't recall that there was any private hearing in my office in which the Downs Report was presented.

Q. You would not say that Mr. Loveland was wrong in so testifying?

A. Well, I think he was wrong in some other things, maybe not intentionally so.

Q. You would not say he was wrong in that particular?

A. I don't want to say anything about that, because I don't want to characterize anyone.

Q. You say you don't remember, but you would not go so far as to say that no such conference took place?

A. I would go so far as to say that no Downs Report was discussed in my office at any time I ever talked with Mr. Loveland, very definitely and very positively.

Q. Now, are you familiar with a man by the name of Parry, who was formerly an engineer of the Commission?

A. I remember Mr. Parry.

Q. Do you happen to know whether he was in the employ of the Commission during the latter part of 1927?

A. I don't, but I think he was. But before you get rid of this Loveland matter, I desire—

Q. I am coming back to that, Mr. Ainey. Was Mr. Parry loaned to Mr. Gillis and Dr. Tobias as their engineer in this proceeding?

A. Well, I could only tell that from the records, Mr. Evans; I don't recall; probably he was, if Mr. Loveland says so—

Q. Mr. Loveland did not say that he was employed by the Commission at the time or not.

A. I think he was, but I am not quite sure as to dates.

Q. Then on or about January 5th you called Mr. Loveland to your office and requested him to withdraw his complaint, did you not?

A. No. In my conversation with Mr. Loveland in my office, I called his attention to the fact that the complaint he had filed was against the rates that had been long in effect; that here had been no increase at that time, and I suggested to him the advisability of his considering whether he wanted to inaugurate a rate case against these old and long established rates on the mere rumor that they were going to file an increase, when if they did have an increase he would have a 30 day period and could preserve the status of the case—

Q. At that time you knew that the company intended to file increased rates?

A. No, I did not. In fact the company in former proceedings had intimated it was not going to.

Q. Now, you refer to the Gillis and Tobias complaints as being against the Scranton-Spring Brook Company?

A. Yes.

Q. And I think you meant against the Spring Brook Company, did you not?

A. Yes, against the Spring Brook Water Supply Company, and that is the one that Mr. Loveland intervened in.

Q. I merely wanted to get the record straight?

A. Yes.

Q. The Scranton-Springbrook Company was not brought into existence until later through the merger of the Springbrook Water Supply Company and the Scranton Water Company?

A. That is correct. But if I may complete now, Mr. Evans—

Q. May I ask you whether Mr. Loveland was wrong in saying that he was called to your office on January 5th?

A. I think he is in error in regard to that.

Q. Would you say he was asked to go to your office by you or anyone else having connection with the Commission?

A. No, I had no occasion to ask him. On January 6, 1928, the complainants, Gillis and Tobias, filed a petition to withdraw their complaint, and alleged the following reasons:

If the Chairman and the Committee will permit Mr. Tevell to read this, it will aid me somewhat.

Mr. Tevell then read the paper in question as follows:

"PETITION TO WITHDRAW COMPLAINT

TO THE HONORABLE THE MEMBERS OF THE PUBLIC SERVICE COMMISSION OF PENNSYLVANIA:

The petition of J. F. Gillis and J. B. Tobias, Complainants above-named by their Counsel, B. W. Davis and W. A. Valentine, respectfully represents:

1. That on September 16, 1927, your petitioners filed with your Honorable Body their complaint against the above-named respondent.
2. That at the time of filing the same your Petitioners were under the impression that the Respondent Company had filed with your body a new schedule of rates, and that in filing said complaint it was their purpose and intent to protest against and, if possible, present any increase in the existing rates then prevailing.
3. That said respondent filed an answer averring, inter alia, 'That a schedule of rates changing and amending its old schedule of rates, eliminating discrimination and producing sufficient revenues to give the company a fair return on the present fair value of its properties and to fairly measure the value of the services rendered by it should be substituted for the existing schedule.'
4. That since the filing of said answer the respondent company, in paid advertisements appearing in local papers of general circulation and published in the city of Wilkes-Barre, have asserted, inter alia, 'Neither the Spring Brook Water Supply Company nor the Pennsylvania Water Service Company which now controls it, have taken any step to increase rates—
- 'Should the inquiry thus precipitated develop facts justifying a revision upward of rates charged for water, the responsibility of an increase at this time must rest with those beginning and prosecuting the proceedings.'
5. That the respondent having thus publicly asserted that it has taken no steps to increase rates, and thus recognized that the present prevailing rate is reasonable and proper and

will be allowed to remain, your petitioners do not desire to further prosecute their complaint.

WHEREFORE, they respectfully pray:

That your Honorable Body may permit the withdrawal of the complaint filed without prejudice however, on the part of your petitioners to renew the same should the service company file a new schedule of rates increasing the charges now made for service rendered."

That is signed by J. F. Gillis and J. B. Tobias, with the certification of W. A. Valentine and F. B. Davis attached.

THE WITNESS: This is the proceeding in which Mr. Loveland intervened, and it was a complaint against the rates as then in existence, and Mr. Dando, attorney for Mr. Loveland, withdrew his intervention, and the whole point of it was that under a misapprehension they did not care to file a complaint and prosecute it against an old established rate, but what they did want to do was to file a complaint against any new or increased rates, should such increased rate be filed by the Water Service Company, and I think I called these other people's attention to the fact that their complaint was apparently directed against something that they were not desirous of following up, and which might inure to some disadvantage if they pursued it, and that all rights that they would have would be preserved because they could file—the moment the company should increase its rates, they could file a complaint within the thirty day period, and put the burden on the company, and their status would be immediately better than that which obtained at this particular time.

Q. You have loaned an engineer of the Commission to Messrs. Gillis and Tobias to help in the prosecution of their case?

A. Well, that is what you said, and I have no reason to controvert it. I do not know.

I asked you—

A. But, Mr. Evans, there are thousands of cases that we have, and I am not able to determine that without a reference to our proceedings.

Q. Are you sure that Mr. Parry was an employe of the Commission?

A. I am not sure that he was then, but I think so. I am trying to be as frank as I can, but the limitations of memory are such that I could not keep these things in mind to save my life, and I do not think you gentlemen could.

Q. It is true, is it not, that this withdrawal was granted by the Commission on January 9th, 1928?

A. I think that is the correct date.

Q. And it is also true that on that very date, the Federal Water Service Company bought the Scranton Gas and Water Company, is it not?

A. I couldn't tell you. Our records will show, but I can't recall whether it was that date or some other date. If you say so, I am perfectly willing to accept your statement that that is the date, but dealing from the standpoint of memory, I can't tell you whether that was the date or some other.

Q. We will have the records after lunch, Mr. Ainey. It is true, is it not that if this complaint had been proceeded with and an application for merger had been filed between the Spring Brook Water Supply Company and the Scranton Gas and Water Company, that the complainants in the rate case would have received notice of that merger proceeding.

A. I assume so. I assume that they did receive notice.

Q. Mr. Loveland testified that they did not.

A. Well, of course, I am not responsible for what Mr. Loveland testified.

Q. Do you happen to remember, without reference to the records, that an application for the merger of the Scranton Gas and Water Company with the Spring Brook Water Supply Company, and I think the Hyde Park Gas Company was filed with the Commission in the latter part of January, 1928?

A. I could not give you the date, but I would assume it would be about that time.

Q. Do you happen to remember whether you were present at the argument that this application involved?

A. The whole rate case?

Q. No; the merger proceedings?

A. No; I do not recall that. Our minutes will show.

Q. Do you have any recollection—

A. Perhaps I have not been quite frank in answering that. I have an indistinct recollection that I was present, but I am not sure.

Q. Perhaps, it will refresh your memory if I remind you that Mr. Ellis Ames Ballard appeared as counsel for the applicants, and argued the matter; and do you happen to remember that Mr. Ballard in the course of his argument, stated that no increase in the rates was contemplated?

A. I do not recall that Mr. Ballard—Oh, I have a recollection that somewhere along the line there was an intimation—how broadly stated, I am unable to give you—that the company did not contemplate an increase in rates. I don't know just how it was couched, but I am assuming that our records will show.

Q. It has been testified in this proceeding that the result of the merger of these companies was to add \$29,000,000 of outstanding securities to those already standing against the property. You do not have any reason to doubt the correctness of that, do you?

A. Well, I do not have reason to doubt the correctness, nor to assert the correctness, either way.

Q. Do you have any remembrance at all of the price paid for these water properties by the Federal Water Service Company?

A. I could not give you the figures.

Q. Approximately?

A. No.

Q. Nor the earnings of the company as shown at this time?

A. No.

MR. EVANS: If the Committee please, I think that we have held Mr. Ainey a good while, and as we will have other questions to ask him, I think if we should adjourn at this time it would be well to have a period of rest.

MR. AINEY: I would like to state before we do adjourn this, all this data was familiar to me at the time. This whole territory that was served by these companies is up in my neck of the woods, as some of you gentlemen know, and I was naturally somewhat interested.

BY MR. EVANS:

Q. Just before we adjourn, Mr. Ainey, I show you the state copy of notice to consumers of the Spring Brook Water Supply Company, which reads in part, "The Spring Brook Water Supply Company and subsidiary companies filed with the Public Service Commission of Pennsylvania a new tariff P. S. C. Pa. No. 17, substituting P. S. C. Pa. No. 16, to become effective January 1st, 1928." Did you ever see the tariff or that notice?

A. I have seen the tariff but I never saw the notice.

Q. Then you did see the tariff increasing the rates that were effective January 1st, 1928?

A. I could not remember the date, but I do recall the fact that there was a tariff—Spring Brook Water Supply Company. This is not the Scranton-Spring Brook Water Company?

Q. No?

A. I do not recall seeing a tariff of the Spring Brook Water Supply Company. I do recall the tariff of the Scranton-Spring Brook Water Supply Company.

Q. You knew nothing of the proposed increase of rates of the Spring Brook Water Supply Company in December, 1927, or January, 1928?

A. That is my present recollection, Mr. Evans.

RECESS

MR. MOORE: The Committee will now recess until 2 o'clock this afternoon.

AFTER RECESS

W. D. B. Ainey recalled

BY MR. EVANS:

Q. Mr. Ainey, at the recess, you were, as I remember it, stating that you did not have any remembrance of the increase in rates, or proposed increase in rates of the Scranton Spring Brook Water Supply Company covered by a photostatic copy which I showed you, and you say you want to amplify your answer?

A. With the permission of the chairman and the courtesy of Mr. Evans: Mr. Evans showed me an advertisement, a photostatic copy of an advertisement of a proposed increased rates of the Scranton-Spring Brook Water Supply Company, which I had stated that I had never seen it, nor had I seen any tariff that would correspond with it. I, during the recess,



examined our tariffs for that period of time, and no such tariff was ever filed, whatever the company may have contemplated at the time they advertised this, the advertisement not being called to my attention, as a matter of fact they did not file a tariff that would correspond with this advertisement. I do not think I need to apologize very much for not being certain in recollection, for the reason that we have 20,000 tariffs filed each year with the Commission. There is one thing more, Mr. Evans, that with the courtesy of the Committee and your indulgence; Mr. Evans asked me the form of the certificate of valuation which we issued, and some variation in the certificate in the minutes of the Commission. I found on examination of the Public Service Company Law that the certificate follows the language of our act. I don't think that minimizes in any wise whatever legal significance or other obligation there would be insofar as the minute of the Commission is concerned.

There is one other thing: Mr. Evans asked me if I had not assigned a man named Parry to the assistance of Dr. Tobias and Gillis, and I find on examination that Mr. Parry was not in the employ of the Commission at that time. He had been in the employ of the Commission on a special assignment for a limited period prior to that, to wit: From January 1, 1922, to June 30, 1922, and then he was later employed by the Commission, but that was quite some considerable time after the Tobias incident. So, with that explanation, I think I have sufficiently emphasized my testimony of this morning.

Q. Mr. Ainey, then as I understand you now, you state that you never had any knowledge, direct or indirect in December of 1927 or January of 1928, that the Spring Brook Water Supply Company contemplated an increase in its rates?

A. I did not. I never saw this, of which a photostatic copy is submitted.

Q. And you had no knowledge of it from any other source?

A. I have no knowledge—no recollection of it whatever—that would be better than to state knowledge.

Q. Following the merger of the Scranton and Spring Brook Companies, tariffs increasing the rates of the company were filed, were they not, Mr. Ainey?

A. Yes.

Q. And that was effective July 1, 1928?

A. You have the date, I have not.

Q. The complaints filed against these increased rates—

A. Yes, and prior to the effective date.

Q. According to the Scranton Times on June 21, 1928, a dispatch from Harrisburg, Pennsylvania, of June 21st, states:

"My authority is fixed by law, but I am here to see that the people of the anthracite region get a square deal," with these words W. B. Ainey, Chairman of the Pennsylvania Public Service Commission, today gave 500,000 water users of the hard coal region their first ray of hope, of escaping the outrageous charges by the Scranton Spring Brook Water Service Company." As far as you remember, that is a correct quotation from you, is it?

A. I don't think, much as I respected the writer of the newspaper article, that I am not willing in this distinguished presence to assume the accuracy of any newspaper comment.

Q. As far as you remember it?

A. I don't remember whether it is accurate or not. I know that was the general sentiment I had in my heart.

Q. You attended the opening hearing in this case, did you not, in Wilkes-Barre?

A. No, I did not.

Q. At Scranton?

A. At Scranton, I was there two or three days.

Q. After the close of one of these hearings you were quoted as stating that you expected a deliverance by the Commission in the case within six months, do you remember that?

A. I don't, but we did. I don't remember the utterance, but I know we did.

Q. You did expect that?

A. I expected that the parties would be able to present their case and have it completed.

Q. This was the largest water rate case that had ever come before the Commission, was it not?

A. The largest water case I think that was ever tried in the United States.

Q. You know that the respondent had for a period of nine or ten months been preparing an inventory and appraisals of its property as of July 1, 1927?

A. I did not.

Q. Wasn't that testified to at the opening hearings?

A. Well, it may have been testified to, but you were speaking—I would like to differentiate between the testimony that was introduced and that of which I had personal knowledge.

Q. How did you expect the complainants would be able to make an inventory and appraisal and present their case fully to the Commission, so as to get a decision within six months, when it would have taken the respondents nine or ten months to prepare an inventory and appraisal.

A. But you are making a comparison that I had no knowledge of at the time that I had that view. I know, if you will examine the record of the Scranton hearing, you will observe a very great pressure that I put upon counsel of the water company who had the burden of proof to accomplish their case.

Q. Have you, ever, Mr. Ainey, in your experience as a member of the Public Service Commission known of a rate case of this magnitude or anything like this magnitude in which the Commission was able to make a deliverance within six months, where they had a real contest?

A. I don't know; I don't recall.

Q. You don't recall any such?

A. I don't either way.

Q. You have submitted to the Committee a statement of the cases that have been before the Commission, which have not been decided within one year from the date of institution, and that list comprises most of the important rate cases, does it not before the Commission?

A. I don't recall the statement that we submitted.

Q. I do not want to press you now, Mr. Ainey, but will you, before the next hearing, be good enough to submit to the Committee a written statement of any important rate case, comparable in any way to this, in which the decision was reached within six months?

A. Very well, if Mr. Tevell will make a memorandum of that. I would like to say this, Mr. Evans, and with the permission of the Chairman, that the Chair used every effort to expedite the hearings in this case. I informed all the parties in interest that we would give the Scranton-Spring Brook case the first place, even to the relief of the two sitting Commissioners—Commissioners Brown and Young—of every other line of activity, and Commissioner Brown who was the senior that sat all through the hearings, urged that as much speed as was possible—we had no standard by which we could measure it, but we wanted to do what in order to expedite it.

BY MR. TURNER:

Q. Who was the chief counsel for the complainants?

A. As stated of record that the Commission had done everything in its power to expedite the hearing; he averted to the fact that this was the largest water company, and that it had taken up more time than he had anticipated, and that he had been forced to ask for continuances, that he regretted very much. I am only paraphrasing what he said both in the record and what he said orally.

Q. I hope to be able to let you go within a reasonable time, and I think it will save time if you will confine yourself to answering the questions, as far as possible.

A. But, Mr. Evans, you do not expect to confine me, so that I do not have an opportunity to explain the full position of the Chairman. I hope I may have that opportunity, and I do not wish to trespass on your or on the Committee's time at all.

Q. Who did you designate to hear this case?

A. Commissioners Brown and Young.

Q. In connection with the merger proceedings, had you not ordered that the accounts of the Scranton Gas and Water Company and the Spring Brook Water Supply Company be kept separate?

A. I think if such action had been taken, it would appear in our minutes rather than by any action of the Chairman.

Q. But do you remember whether such action was taken?

A. I do not, but I have an indistinct recollection that there was such action.

Q. And one of the reasons, was it, that there was a demand for the acquisition of the Spring Brook Water Supply Company by the municipality; was it not?

A. Well, it has always been the policy of the Commission in water cases, wherever a municipality could demonstrate that it has the ability to buy, to permit it to acquire the property, and for that reason it would be quite consonant with the Com-

mission's policy that we would make such an order or such a statement.

Q. But in the rate case, and in the Commission's dealing with it, all of these matters are lumped together into one, are they not; all the accounts and the property and everything?

A. I think that perhaps that may be. I think there are some grounds of segregation as between the Scranton and the Spring Brook.

Q. And you had no particular reason for designating Commissioners Brown and Young for this hearing, had you?

A. No; except—that one had to be designated and I thought it was a good assignment to make.

Q. Now after the hearings had commenced in this case the Commission received a petition from the Company for a temporary approval of the increased rates, did it not?

A. Yes.

Q. And what action did the Commission take in regard to that?

A. I think you probably have the action in the record which would speak better than my recollection on it.

Q. And this action that you refer to is shown by minutes of the executive session of the Commission on December 10, 1928: "Discussion was had on the argument and on motion, the record was referred to Commissioners Brown and Young with direction to the Bureau of Engineering and Rates and Tariffs to make analytical studies of the records and prepare memorandum reports for the information of the Commission, the Commission expressing the opinion that the rates for domestic service should be restored to their prior level." Is that the minute to which you refer?

A. I presume it is. I could not tell you more than that. I am not controverting it in any way.

Q. You have furnished the Committee with copies of all the minutes referring to this case (counsel laying before witness copy referred to) and if you will just call attention to any minutes you have in mind, perhaps it would save us time.

A. I am assuming this is the minute to which reference is made.

Q. Now, the Commission then issued an order that the rates to domestic consumers should be restored to their prior level?

A. I don't recall whether it was to their prior level or whether it was a very substantial reduction. In other words, we refused the petition of the company and made an order reducing the rates to the domestic consumers. I have forgotten what the gross amount was.

Q. Mr. Ainey, I show you a pamphlet entitled "Chief Snow's Report December 12, 1928, Data for Commission, Intermittent Rate, Scranton-Spring Brook Water Service Company," furnished this committee by you in response to its request, as "Appendix A." Will you look at that and see whether that is the report of the Bureau of Engineering on which the action of the Commission was taken?

A. I think you are right, Mr. Evans.

Q. Do you know how the Commission arrived at the proposed reduction of \$245,000 in the rates at that time?

A. On an examination of the record, aided by the report of the Bureau or Bureaus.

Q. But it was on the basis of this report to which I have just referred you?

A. It was in part that, and it was on the recommendation of Commissioners Brown and Young and I think Chief Fickenscher of the Bureau of Rates and Tariffs.

Q. This is the only report that has been furnished to us, Mr. Ainey, by you?

A. I think you will find in that report—I am pretty broad-shouldered, but I am only one member of the Commission, although I have the honor to be the Chairman of it—I think you will find that Mr. Fickenscher's name appears in that report as furnishing some part of it, how much I do not know.

Q. In the minutes of the Commission referring to the hearings in this case through 1929 and under date of December 9, 1929, this minute appears:

"Commissioners Brown and Young reported that testimony had been concluded; that briefs are to be filed and oral argument presented."

Then later minutes show that oral argument was had on April 14 and 15, 1930. That is correct, is it not?

A. I think you have the dates correct. That would be my recollection, Mr. Evans. I know we put in two solid days of listening to the argument and I don't know how many counsel participated.

Q. The minutes of April 15, 1930, reads as follows: "Argument was resumed and was presented on behalf of the complainants by Messrs. Acheson, Little, Morgan, Gunster and McDonald, and on behalf of the respondent by Mr. Ballard. The Commission reserved decision." The next minute is of the meeting held July 15, 1930, and states: "A proposed Commission report, prepared by the Chief of the Bureau of Engineering, was read and discussed, and on motion of Commissioner Benn, seconded by Commissioner Walker, action was deferred and the report referred to Chairman Ainey, Commissioners Brown and Young for revision and resubmission to the Commission at its next executive session." Will you state what had happened between April 15th and July 15th in this matter?

A. This was a record involving seven or eight thousand pages of testimony, and 5000 pages of exhibits, and over 1000 printed pages of briefs and arguments and an examination of the record was being undertaken during the intervening time.

Q. Who directed the Bureau of Engineering to prepare the report?

A. I don't recall whether it was done by action of the Commission, but it probably was?

Q. Would that not be on the minutes?

A. I assume that it would be, although not necessarily.

Q. In other words, the minutes of the Commission do not record all of its actions?

A. No I didn't say that. There are a great many details, for instance, Chairman Moore of this Committee has sent requests over to us to supply a large amount of detail and it has been prepared and supplied, and that does not appear on our minutes at all.

Q. Well, what I am trying to find out, Mr. Ainey, is whether you directed the Bureau, or whether the Commission by formal action gave the directions or whether Commissioners Brown or Young gave them?

A. I think you will find somewhere that Commissioners Brown and Young were implicated in conjunction with our technical staff.

MR. EVANS: Mr. Tevell, will you make a search and see if you can find any such minutes?

MR. TEVELL: I shall be very glad to.

BY MR. EVANS:

Q. In all events, the Commission then presented a report giving this valuation of the Scranton-Springbrook property, this report being dated June 30, 1930, and furnished to this Committee by you as Appendix "B," that is correct, is it?

A. Now, you have got a question, I think that is correct, it looks very much like the sizable volume that Dr. Snow prepared covering his engineering studies and judgment, which was submitted to the Commission.

MR. TURNER: Has it been identified by Dr. Snow, Mr. Evans?

MR. EVANS: It was furnished to us by the Commission.

THE WITNESS: I don't think there is any question about it, Mr. Turner.

MR. TURNER: I just thought if Dr. Snow had identified it, you could just go on from there.

MR. EVANS: I don't think there is the slightest question about it.

THE WITNESS: I don't think there is the slightest question about it, but I do think it would be more quickly ascertained by calling some of the technical men than inquiring of me.

BY MR. EVANS:

Q. Now, Mr. Ainey, I want to get down to the action of the Commission in regard to this matter. This report as testified here last evening, showed a total reproduction cost depreciated of the property, including additions and betterments of \$32,-602,876, and the construction overheads amounted to \$6,096,210, making a total of physical property with overheads of \$38,-699,086. Added to this for working capital, cost of financing, going concern value, water rights, in the amount of \$11,949,292, making a total reproduction cost new depreciated as shown by this report of \$50,648,378. Can you state on whose authority, or by whom the figures in this report were changed in a report



of the Bureau of Engineering in the form of a Commission Report dated July, 1930, which was furnished to this Committee by you as Appendix "C"?

A. There was never any change in the report of the Bureau of Engineering as contained in that volume.

Q. May I just ask you this. I have given you the figures referred to by that report, and in order to save time, I will ask you if you find these figures are not correct, that you have them corrected at the next hearing?

A. Very well.

Q. Now then, in the report submitted by the Bureau of Engineering to the Commission in the form of a Commission report, which is referred to in your minutes of June 15, 1930, the total physical property depreciated, including additions and betterments, is increased from \$32,602,876 in the June 30 report to \$34,155,075 in the July report. Can you give us any information at all as to how that increase was made, or at whose direction?

A. Well, you have two or three questions there, Mr. Evans. In the first place, I think if you analyze that, I think you will find that there was no increase of the nature and character that you mention. There was in Dr. Snow's original report \$4,000,000 for water rights, in addition to the value of the physical property. The Commission was not content to allow that \$4,000,000 but they did feel that there was value that should be allowed. I cannot recall what the amount of it was, but it was less than the four million dollars which we cut out, or which was cut out by the Committee and by the Commission, and that apparently makes the increase to which you have made reference.

Q. The decisions of the Appellate Courts have held have they not, that no special value shall be included for water rights in valuing such property.

A. Well, there is a dispute whether that is the correct law or whether it is not.

Q. At all events, Mr. Ainey, what happened was as you say that \$4,000,000 as a direct value of water rights was taken out of the original report and \$1,500,000 added to the value of lands to cover these rights.

A. I would not say so, Mr. Evans. In the first place, there was, and that is perhaps substantiating the increase which we made in the value of the lands of the company, but we struck down the \$4,000,000 and we gave a larger value to the water holdings of this company—but which left considerably less than the original report of Dr. Snow, and in that connection so that we may not get into confusion, there is Dr. Snow's report to the Commission, and then there was a Commission decision, which was prepared by Dr. Snow.

Q. Now, Mr. Ainey, I read you from page 67 of the proposed Commission report of July, 1930, as follows:

"The Commission recognizes the force of the respondent's contention (referring to water rights) based on the calculations of the testimony of Prof. Fuller, and which made in its judgment sufficient allowances under real estate rights of way and water rights in the sum of \$1,500,000."

Am I not, therefore, correct in stating that the values of land were increased by \$1,500,000 to cover water rights?

A. I think that that amount is right, but I do not think it would be acquiescence on the part of the Commission of the principle that was involved in the set up of \$4,000,000 which the company claimed.

Q. In the Leighton Water Company case decided by the Superior Court on July 10, 1930, the court said: "The proper test in fixing present value of lands, the market value, considering all its available uses and purposes, which affect market value and not a special value of water shed purposes." In the view of that decision, do you think it is proper to add to your land values an item of \$1,500,000 for water rights?

A. I think it was, but inasmuch as our decision is before the Appellate Court, and if we are wrong the Appellate court will correct us without question; it represented our best judgment, and I do not feel like arguing about the case now resting in the hands of the Appellate Court.

Q. But perhaps, these facts are not before the Appellate Court.

A. Well, they have to be, because under the decision in the Penn Avon case, that went through the Supreme Court, of the United States, which was a reversal of our own Supreme Court, which, in turn had reversed the Superior Court, there was a statement that we must find, or the courts must find a method of independent judicial determination

and the Supreme Court sent that case back, and since that time an appeal by a company from the decision of the Commission, the Superior Court has to go into the record in minutes to reach an independent judgment from the facts that are disclosed.

Q. But you do not mean to give this Committee the impression that all of these reports of the bureau of engineering and the preliminary draft of the report go before the Superior Court, do you.

A. I do not intend to give any intimation, other than that Court.

Q. And these are not part of that record (indicating)?

A. That report of Dr. Snow was for the advice of the Commission.

Q. It was not a part of the record?

A. It was never adopted by the Commission. As long as we did not adopt it, I do not know of any reason why the Superior Court should sit in judgment upon us for not having adopted the report.

Q. The next minute of the Commission is that of July 29, 1930, which states that a discussion was had of the progress being made in the preparation of the proposed Commission's report, and Commissioner Shelby moved, seconded by Commissioner Young, that the Committee having the matter in charge be directed, in conjunction with the law and engineering bureaus of the Commission to have prepared and distributed to the members of the Committee or to the next executive session a final report to be presented to the Commission in the order of business on Tuesday at 9 A. M. You and Commissioners Brown and Young composed that Committee, did you not?

A. I think I was on that committee, although I was on it in an honorary sense, that I had sat for three days up at Scranton, but the heat and burden of the day, so far as I was personally concerned, had to be borne by my colleagues Brown and Young.

Q. Did you subsequent to July 1929, confer with the law, and engineering bureaus of the Commission in regard to this report.

A. I am quite positive I did. I have not any specific case.

Q. And what instructions did you give either the law or the engineering bureaus in connection with the revision of the report.

A. I can't recall what instructions I gave.

Q. Did you give them any instructions.

A. Only so far as the Committee had directed it.

Q. How far had the committee directed it, so far as you remember.

A. I don't recall the details now.

Q. Do you remember the substance of it.

A. No.

Q. So that you have no remembrance of any sort of any instructions or directions given either to the law or engineering bureaus.

A. That takes me from a positive clear over into side of the negative. I have no doubt that I had frequent conferences as did Commissioners Brown and Young with the Bureau of Engineering and with the Law Department.

Q. Do you remember any instructions which you gave to either these bureaus in regard to the revision of the report.

A. I do not recall it at the present time. It may be that I could refresh my recollection from an examination of the records.

Q. Will you just explain to the Committee how the revised report, which is dated August 6, 1930, was prepared?

A. Now, which is that report, Mr. Evans? There are quite a number of different drafts that were submitted.

Q. This is the report, which has been introduced as Exhibit No. 151, which I show you.

A. Mr. Tevell advised me, and I am willing to take that as part of my answer, that he is of the opinion that this report that was before the Commission is August 12.

Q. And that is the report which you and Commissioners Brown and Young prepared in conjunction with the law and engineering bureaus.

A. I think so.

Q. And on this report, Mr. Ainey, there are certain pencil figures, are those in your handwriting?

A. No sir.

Q. Now will you explain to the committee how the changes which are set forth in this report over that of the July report

were determined? First I will call your attention to the fact that there was a reduction in land values of \$1,212,197?

A. I do not recall at present just how these reductions or increases were accomplished, Mr. Evans.

Q. Well, Mr. Ainey, is there not somebody connected with the Commission, either you or Commissioner Brown or Commissioner Young, who will be able to explain changes?

A. I think you have Commissioners Brown and Young under subpoena. They can very easily explain.

Q. In other words, you say you do not know, but Commissioners Brown and Young do know?

A. I am jumping at a conclusion; they will at least state whether they do or do not.

Q. Doesn't your Commission assume the responsibility for making these changes?

A. I am perfectly willing to assume the responsibility, but you are asking me for definite information as to detail and figures.

Q. That is your best recollection of why \$1,212,197 was knocked out of a valuation of \$4,481,456 on real estate?

A. Because I think that was the attitude of the Commission and probably my own attitude, but I don't know.

Q. Now the item of impounding reservoirs which had remained unchanged in the reports of July as \$4,132,726 depreciated, was in the August report increased to \$5,007,679, an increase of \$874,953, can you explain to the Committee how that change was arrived at?

A. I can only say to you, Mr. Evans, what I have attempted before, that there were several reports which did not meet the views of the Commission that were presented, and this one was on prepared by Dr. Snow with 200 or 300 pages, now—

Q. I am trying to get this so you can get away?

A. I don't want to get away so badly as to not give you my recollection concerning this.

Q. Do you have any recollection at all as to how the item of \$874,953 as an addition to the impounding reservoir valuation was arrived at?

A. I do not at present moment recall just how that was arrived at, but I know it was represented by what at least some of the commissioners thought was a proper adjustment of it.

Q. Now Mr. Ainey, in arriving at the depreciation of the physical items of property, the bureau of engineering applied certain percentages to the reduction cost new, that is the ordinary method, is it not?

A. Yes.

Q. So that if you increase the reproduction cost new of an item of property, you would increase the depreciation item on that item also, would you not?

A. That would seem to follow.

Q. Then will you explain to the committee how it was in the August 6th report you had \$874,953 added to the reduction cost new of the reservoirs and added exactly the same figure to the reproduction cost new depreciated?

A. Is that the report that was adopted finally?

Q. That is the report submitted by your Commission to the committee? In your mind it was not a proper method.

A. I would not say that.

Q. Will you tell why you thought it was?

A. I could tell by going over the report in detail.

Q. The figure was exactly the same lump sum as added to the reproduction cost new and the reproduction cost new depreciated? You have just stated if you increase the reproduction cost new you could increase the depreciation by adding the same amount to both columns. Was that the correct method of arriving at a conclusion?

A. I am not sure it was, but I do not want to admit that it was not; but I do know that we didn't adopt that report.

Q. Will you explain how you think that might have been a proper conclusion?

A. Because you are going on the assumption that one figure simply because it happened to be the same amount as the other, as a method of adding to on the one side and subtracting from of the same amount on the other.

Q. No, we are adding it on both. They are adding \$875,000 practically on the reproduction cost new on the property and the same amount to the reproduction cost new depreciated? Cannot you frankly admit that so far as that is concerned, that you think that was a mistake?

A. I don't know whether it was a mistake or not, and I am not prepared to admit it is a mistake. I know we didn't adopt that report.

MR. COOKE: I don't think that this committee in the first instance is interested in the conduct of any case, but I do think we are deeply interested in finding the principle on which regulation is practiced in Pennsylvania. For instance, we might never have seen the Scranton-Spring Brook case, but we have before us the Chairman of the Commission, and to me, and I am not especially expert in these matters, it is perfectly patent that a mistake of the heart or of the head or a mistake of some kind was made in making entries this way, and it seems to me that the witness should answer that question. If it has not been made clear to him I believe it is the duty of the Committee or of counsel or some of us to make it clear to him because it is perfectly clear to me.

MR. EVANS: Perhaps I can clarify the question this way: You have stated these figures did not enter into the final report. I now call your attention to the fact that the final figure for the valuation of the impounding reservoir reproduction cost new was \$5,129,925; and depreciated \$5,007,679, which appear in the August report and also appear in the final report of the Commission. You have just stated these figures did not enter into your final report?

A. I said you were discussing a report that we did not approve.

Q. Now that you are informed that it did enter into the final report, what now have you to say in regard to that method?

A. Nothing more than I have already said, I think you can get better information from the Commissioners who in the heat of the day bore the brunt in this particular matter.

Q. Well now, Mr. Ainey, you are Chairman of the Commission, and were a member of this Committee which presented this report, and I think this Committee is entitled to a frank explanation from you as to how these values were arrived at?

A. Well, Mr. Evans, I attempted to give it to you. I regret that there is any question in your mind as to the willingness of the Chairman to be perfectly frank, but I am not willing to put myself in the position of depending upon my recollection as to what my mental processes were at that time.

MR. COOKE: I share the reluctance of the counsel of the Committee to delay you a minute beyond what is necessary, but it is not necessary for you to refresh your recollection about the facts in that particular case to give us your opinion as to whether the principle followed there in making reductions or arithmetically subtracting the same amount from the undepreciated items as you subtracted from the depreciated items.

THE WITNESS: Mr. Cooke, I quite agree with you that pure mathematical conclusions with respect to matters of this kind are rarely if ever satisfactory, and that you cannot come to a mathematical formula by which you determine that matter any more than you could have a store that kept only one size of shoes for all the people that were to patronize the store. Now, as to the question Mr. Evans has propounded, and which I know you have desired to be answered, I have attempted to give what little I can to the enlightenment of Mr. Evans and the Committee.

BY MR. COOKE:

Q. You recognize that this is not arithmetical, at the best, the difference of handling things arithmetically here, which goes right to the root of valuation, and you don't need to have the facts in any particular case before you?

A. I have heard people say that they could sit in an office in Chicago and determine going concern value without ever having seen the property, or anything but a few papers before them, but I never acquiesced to that kind of statement, and I don't now.

BY MR. EVANS:

Q. In view of the statement you have just volunteered, that you never determined going concern value of a property which you yourself have never visited—

A. Oh, yes, but I visited it through the agency of our technical bureaus, and have had their reports and analyzed them.



Q. Now, I want to call your attention to the next item: Aqueducts and supply mains, the valuation of the reproduction cost new was increased in the August 6th report over the July report \$100,000 in reproduction cost new, and \$100,000 on the reproduction cost new depreciated. The same item was added to both columns. Do you have any further explanation in regard to the propriety of that as relating to aqueducts and supply mains?

A. No, I have not.

Q. Collecting reservoirs and intakes, the same amount in round figures was added to both reproduction cost new and to reproduction cost new depreciated. Have you anything further to say in regard to that?

A. That would come within the same.

Q. The items of collecting tanks, the sum of \$50,000 was added to the reproduction cost new and the reproduction cost new depreciated, have you anything to say as to that?

A. No.

Q. The items of tanks, standpipes, the sum of \$300,000 was added to reproduction cost new and to reproduction cost new depreciated, have you anything to say to that?

A. That is the same, Mr. Evans.

Q. In the case of distribution mains, the sum of \$500,000 was added to the reproduction cost new and the reproduction cost new depreciated, have you anything further to say as to that?

A. No, but I think there is something that should be said?

Q. What should be said?

A. I think there is something should be said by the Commissioners who are more familiar with this than I am, the details.

Q. And who specifically would you suggest that we interrogate as to that?

A. Well, I think your subpoena calls—

Q. We have not subpoenaed anybody, Mr. Ainey. We have merely asked you to come.

A. Well, I understand, and I also understand that you asked two of my Commissioners that are sitting here.

Q. And which of them is most qualified to testify to this?

A. I would not differentiate between good men.

Q. If you were in my place, which would you interrogate?

A. Mr. Evans don't ask that question of me, withdraw that please.

Q. I will withdraw it.

A. I think either one of them is.

Q. You think both of them could answer it very satisfactorily.

A. I think either of them is thoroughly well qualified to answer it.

Q. Now, just to complete this picture, service pipes and stocks in the sum of \$100,000 is added to reproduction cost new and \$100,000 to reproduction cost new depreciated, and the same applies to that, I assume.

A. I would assume so.

Q. So that in this August 6th report you added \$812,756 to the reproduction cost new, and the same amount to reproduction cost new depreciated, and you have no further explanation to that, other than refer us to Commissioners Young and Brown. Now, in this particular case, Mr. Ainey, have you ever made a sufficient examination of this property and business to determine the going concern value.

A. You mean, have I traveled over the property.

Q. I mean have you within the past few years been sufficiently familiar with this property to be able to determine of your own knowledge the going concern value.

A. Independently of the engineers?

Q. Yes.

A. I don't recall that I have been over any part of this property within the last five years.

Q. So that you yourself would not feel competent to pass on the going concern value without the assistance of others.

A. Whatever incompetency there may be rises from the answer to your question just proceeding, that I have not visited the property within the last four or five years. I have gone over it prior to that.

Q. And so far as you are informed have any members of the Commission gone over the property within the last five years?

A. Well, now, I will—

Q. I say so far as you are informed.

A. Well, I am not informed.

Q. You have no knowledge of that at all.

A. I don't know, but I had in mind that some of them have, I think Brown or Young.

Q. You think they would be the ones.

A. I think they could tell you whether they have or whether they have not.

Q. And in the main then you feel that you rely on the information furnished by the bureau of engineering in determining going concern value.

A. On the information furnished by my colleagues and a study of the records as of the time.

Q. If it appear that no member of the Bureau of Engineering had thoroughly gone over the property within the last five years, and no other member of the Commission had, you would feel that there was no one on the Commission who was competent to pass on the going concern value.

A. That is further than I desire to go.

Q. Was that not just what you said a few minutes ago.

A. You asked me who would be the one who could more readily give this information because of the fact that I had not been around that property for four or five years, and I had informed you that I had relied upon the technical staff of the bureau and upon the judgment of my colleagues who sat throughout the case and upon the testimony that was introduced.

Q. And that going concern value could only be determined by one who was familiar with the property and had gone over it comparatively recently?

A. I don't want to go quite that far.

Q. I am willing to have the record stand on that point?

A. All right. I am too.

Q. You have furnished us with another draft Commission report dated August 15, 1930, furnished by you as an appendix "D" and introduced as Exhibit 152, containing identically the same figures as the August 6 report, but somewhat different phraseology in the report, and in the letter of transmittal you have stated that that was the report which was submitted to the Commission at its meeting on August 26, 1930. That is correct, is it not?

A. I am assuming your dates are correct, Mr. Evans.

Q. Will you check—

A. Well, I don't want to question you, Mr. Evans.

Q. I just don't want to have any question about it.

A. Well, you are not getting any from me.

Q. Will you just examine it and see if it is and see if it is correct.

A. I will have to ask Mr. Tevell to help me check it up.

Q. Yes.

A. Have you the letter of transmittal? It may help Mr. Tevell to check this (indicating). Mr. Tevell advises me that the paper you have submitted was before the executive session of the Commission on August 26. I adopt that as my answer.

Q. And now, in the minutes of the meeting of August 26, there is the following: A tentative Commission report (Exhibit 152) prepared by the special committee having the matter in charge in conjunction with the bureaus of the Commission sustaining the complainants in so far as they relate to the rates of domestic consumers, and directing the respondent company to have posted and published on or before October 1, 1930, effective upon one day's notice to the public and this Commission, a new tariff reducing the gross annual revenues, was submitted and read. The report was on motion agreed to and adopted subject to various proposed revisions which the chairman was authorized to prepare in connection with the law and engineering and accounting bureaus. What were the proposed revisions which you were directed to make in the report at that time?

A. As I recall it, the phraseology concerning the original cost that the Commission felt that the draft was not sufficiently clear. Secondly there was some question as to whether or not there was a sufficient description of the real estate covered in the report. I think there were one or two other matters that I can't recall at the present time.

Q. In other words, they were primarily matters of phraseology and change of words?

A. Well, there was some mathematical substance Mr. Evans.

Q. Were those of material moment?

A. My recollection is that they were.

Q. Will you call our attention to what those were, as you remember them?

A. Well, I can't do that now.

Q. In other words, you have covered the revision so far as you are able to remember?

A. So far as I am able to at the present time. I would be very glad to check up on this and advise you.

Q. What did you do as a result of the direction of the Commission?

A. There was a report submitted, and then there was some difference of opinion; if I have the correct report, now, with all of these numerous ones that were presented as tentative reports and this was a tentative report according to the minute as you read it; I think the minutes will show just what I did. Mr. Tevell hands me our minutes of September 6, which is before you I assume, and is in the record, is it not?

Q. Yes; that is and that states that the Chairman reported that pursuant to directions of the Commission at its last meeting had in conjunction with the law and engineering and accounting bureaus prepared the proposed revision, which he submitted to the Commission for consideration. And now, copies of those have been furnished to the Committee and they cover the matters that you refer to.

A. I think so, and I think probably some others that I can't recall at the present time.

Q. And now, the only other reference to the matter of the report is in the minutes furnished to us prior to the adoption of the final report, which was on September 30, 1930: "Commissioner Shelby moved that the bureau of accounting and statistics be directed to analyze the testimony concerning the value of the respondent's land and water rights—"

A. Yes.

Q. "—and furnish a statement as to the bureau's judgment as to said value."

A. Yes.

Q. What is your remembrance in regard to this change of view as I understand on the part of one member of the Commission?

A. I don't know whether that was a change of view on the part of one member of the Commission. I recall that Commissioner Shelby made that request and some of the Commissioners felt that the Bureau of Accounts was not qualified to determine land value; it was not a part of its function, but that that was purely an engineering function.

Q. In your final report dated December 9, 1930, the only change made in the items in the final report was a reduction to the amount of \$400,000 in your land valuation. Does that accord with your remembrance?

A. I would think that would be so but I am not sure, Mr. Evans.

Q. Can you tell us when that change was made?

A. It was made as it appears in that report.

Q. It was made between September 30th and December 9th. At what time in that period did you arrive at that change?

A. I could not tell you that.

Q. Was not this matter in your charge at that time?

A. It was in my charge, but I was in consultation with my colleagues and with the bureaus.

Q. We get down to the matter of overhead, the item of construction overhead, in your final report it was reduced \$797,884?

A. Yes.

Q. That was a very material change?

A. Yes sir, it was material.

Q. And the item of working capital, cost of financing, and going concern value were reduced by \$1,132,293?

A. That is correct.

Q. Were these changes made subsequent to the election or before?

A. I have no means of judging but I know they had nothing to do with the election.

Q. But nothing appears on the minutes of your Commission in regard to this matter between September 30th and December 9th, according to the minutes furnished us?

A. Mr. Tevell advises me that is correct and I adopt his statement.

Q. Now Mr. Ainey, you visited Wilkes-Barre during the fall of 1930, did you not?

A. I think so.

Q. What was the purpose of your visit there?

A. A visit to Wilkes-Barre in 1930, why I don't recall that I visited Wilkes-Barre in 1930. If course when I motored to

my home, it being a long trip, I very often stopped off at the Hotel Sterling because of my physical incapacity. It is a long trip up to Montrose, although it is worth it when you get there.

Q. When you were in Wilkes-Barre, did you discuss the political situation with any one?

A. No sir.

Q. What was the occasion for your conference with Abe or Morris Saltsburg?

A. I didn't have any conference with them concerning any matters that were involved in this case, or on the political situation generally.

Q. One of them was the attorney for Mr. Francis Shunk Brown in the election contest of Mr. Pinchot, was he not?

A. Not to my recollection, I don't know; if he was I will take your statement for it; I don't know he was.

Q. And at this time you didn't know he was in any way actually connected with politics in Luzerne County?

A. I have known Mr. Saltsburg for a great many years, and if there is anything going on that he is not actively interested in up there, I have failed to ascertain it.

Q. You know as a matter of fact he was an active leader in the primary campaign?

A. I do not know any such thing, Mr. Evans, and the best way to ascertain that would be to get Mr. Saltsburg down here because I cannot answer your question.

Q. What did you discuss with Mr. Saltsburg in Wilkes-Barre on this occasion just prior to the election?

A. I don't recall that it was just prior to the election. I recall that I stopped on my way up to Montrose and I presume I stopped on my way back because that was my custom to do so.

Q. And you state to this Committee that you did not in any way discuss the political situation with Mr. Saltsburg?

A. I do not recall having said one single word about the political situation.

Q. You made this trip, according to a newspaper dispatch, which I have from the Times-Leader of November 5, 1930, by airplane, did you not?

A. I think that probably was the time. There was a dinner given in my honor by the members of the bar of Susquehanna County, at which Judge Maxey, Judge Smith and Judge Watson, who are all Susquehanna County boys, attended, and I spoke at that dinner, but I was not able to stay through the dinner, and the next morning I motored down to Wilkes-Barre and I called Mr. Gallagher and arranged with him that they bring me down to Harrisburg in an airplane. My daughter was with me and Miss O'Hara who is I think a Deputy Attorney General at the present time; she came down in the airplane with us.

Q. I read further from the dispatch: "Importance may be attached to the fact that Chairman Ainey took the trip by airplane back to Harrisburg today from his home in Montrose. The Chairman of the Public Service Commission on arriving here last night gave word out at the hotel that his presence was not to be divulged under any circumstances. He left in the early morning by the Airplane Bellanca of the Martz Line in company with his personal physician, Dr. C. E. Woodhouse." Does that accord with your recollection?

A. There are two times I made the trip from Wilkes-Barre to Harrisburg by airplane, the one to which I have made reference I cannot give you the date. The one to which I have already made reference there was Dr. Woodhouse, my daughter and Miss O'Hara came down in the plane from Wilkes-Barre, not from Montrose. I motored from Montrose down that far. I have no doubt that I gave instructions at the hotel that I didn't want to be disturbed, and went to bed immediately on my arrival and stayed over night, and I got up the next morning and motored out to the airport.

Q. On which of these visits to which you refer did you confer with either of the Saltsburgs?

A. I don't think that I saw Mr. Saltsburg on either of these occasions, although I am not sure, although I do not think that I saw him or either one of them. I saw Mr. Gallagher, the man with whom I made arrangements to bring me down by airplane.

Q. I read to you further from this dispatch, and ask you if this is correct: "Mr. Ainey and his physician were here two weeks ago, staying over night at the Hotel Sterling. The efforts of local newswriters to interview him were futile. Dr.



Woodhouse refusing to allow him to be seen. However, a number of political leaders were admitted to his room, among whom were William Gallagher, —Shuman, and Abe and Moses Saltsburg."

A. No.

Q. In other words, that is a mistake?

A. Yes, in large part. Mr. Gallagher was there to see me, and Mr. Woodhouse, who is not a doctor, by the way, but is my personal attendant, and has been for upwards of three years, he insisted that I should go to the hotel and go to bed. At that time I had a faint spell in the car, and he insisted that I could not go on through to Harrisburg, and that I had to stay overnight.

Q. Did Mr. Joseph G. Schuler visit you then?

A. I don't think so. I think the last, or only time I have seen Mr. Schuler, if I recall correctly, was when he called on me in Harrisburg.

Q. Is he politically active in Luzerne County?

A. I don't know.

Q. Did Mr. Abram Salsburg visit you as stated?

A. I don't think he did.

Q. Did Mr. Mose M. Salsburg?

A. I don't know him at all.

Q. You don't know him?

A. Never met him to my knowledge.

Q. So that this dispatch from the Times-Leader is incorrect, except insofar as William Gallagher is concerned?

A. Yes. Of course, Mr. Gallagher is the one that they speak of as "Red" Gallagher, and not familiarly known around the Capitol as Bill Gallagher, who is a political force, as I understand—I don't know how much force it is, but I didn't see him at all.

MR. EVANS: I think that is all it is fair to ask of Mr. Ainey this afternoon. We appreciate very much your coming over.

We have called a witness from Philadelphia, and I think it is hardly fair to keep him waiting any longer. If the Committee is willing to go ahead and hear him, he will be called.

ISSAC S. WALKER sworn

BY MR. EVANS:

Q. Mr. Walker, you have already been sworn in this proceeding?

A. Yes.

Q. And you were the president and general manager of the Scranton-Spring Brook Water Supply Company in the fall of 1927 and the winter of 1928 were you not?

A. That is correct, also 1929.

Q. I show you a photostatic of a notice to consumers of the Spring Brook Water Supply Company, and ask you whether that is a correct copy of a notice to consumers prepared by the company in their contemplated increase in rates, to be effective January 1, 1928?

A. That is correct.

Q. When was this increase determined on?

A. This was ready for issue to consumers, as I recall, the early part of November, thirty days prior to the date of filing.

Q. Thirty days prior to the date of filing. When was this proposed increase abandoned?

A. It was abandoned—I was instructed not to issue this notice to consumers about the same day that it was due for filing, otherwise about thirty days before January 1st.

Q. And what were your instructions in regard to that?

A. I had no instructions whatever, except a telephone message.

BY MR. TURNER:

Q. Where did that come from?

A. From New York.

BY MR. EVANS:

Q. Did that come from the office of the Federal Water Service Company?

A. Yes.

Q. Who phoned to you?

A. I cannot recall, it was one of the officials over there, and I cannot recall who it was at this time.

Photostatic of notice to consumers of the Spring Brook Water Supply Co., produced and marked Exhibit No. 158.

MR. EVANS: I offer that photostatic copy consisting of two sheets, in evidence as Exhibit No. 158.

BY MR. EVANS:

Q. Now, Mr. Walker, when the Federal Water Service Company acquired these properties, the Scranton and Spring Brook, did it do it on the basis that increased rates would be granted?

A. That was out of my province, Mr. Evans. I believe it was so stated in the advertisement which was issued at the time of the rate increase, which was instituted six months after this date.

Q. And that advertisement was signed by you, was it not.

A. No sir.

Q. By whom was it signed.

A. C. T. Chenery, president of the company, I believe you may infer from that, from the statement which I recollect, I have not seen it for sometime, but I believe that it has been generally inferred from the statement in the advertisement that it was frankly the principles of law to provide for a fair return on a fair valuation of the property, and I think it was plainly so stated, but there was no understanding so far as I was concerned.

Q. What did the Federal Water Service Company pay for these properties, so far as you are informed.

A. I had nothing whatever to do with the financial transactions of the company—Do you mean the Scranton also?

Q. I mean in round figures, the total.

A. The Wilkes-Barre property, as I recall was in the neighborhood of twenty-two or twenty-three million dollars, and the Scranton property about \$28,000,000, making a total around \$52,000,000 or \$53,000,000 for the total combined properties.

Q. Now, this advertisement that you have referred to, is that which appeared in the Wilkes-Barre Record of May 2nd, and which Father Curran in his testimony before this Committee on page 48 and 49 of the record read as follows: "The purchase prices were fixed on the frank understanding that the well known rules of law would call for a fair return on the actual value of the property devoted to public use, justified and required a substantial revision of water rates, which had not been materially changed for upwards of thirty years." "It is a well known experience that the cost of living has practically doubled and the wage standard trebled." That is correct so far as you know?

A. That is what I referred to.

Q. Now, then the prices which you have referred to, of \$52,000,000 or \$53,000,000 for these properties, included \$7,000,000, paid for the Dunmore Gas Company, did they not?

A. Yes sir.

Q. Which is not included in this proceeding.

A. That is correct.

Q. So that the total amount so far as you can recollect, in round figures for the water properties have been between forty-five and forty-six million dollars.

A. About that figure—forty-four or forty-five million.

Q. You have no reason to doubt the correctness of the statement made in this advertisement, have you?

A. No sir.

Q. What did you understand was meant by "The purchase prices were fixed on the frank understanding that the well known rules of law which call for a fair return upon the actual value of the property devoted to public use justified and required a substantial revision of water rates?" With whom did you understand that understanding was?

A. I, of course, had nothing whatever to do with it.

Q. I realize that, but you had more knowledge than the general public, and what does that convey to your mind, as vice-president and general manager of the Spring Brook Water Supply Company? With whom was the understanding?

A. I don't know that I can testify there was any understanding because I don't know. I never heard of any understanding; simply the general practice, a fair return on a fair value of the property.

Q. In other words, you interpreted that this was merely an understanding of the purchaser not with anybody?

A. I don't know of any understanding.

Q. The situation then was that the company bought the property of the Spring Brook Water Supply Company in September, 1927; did they not?

A. That is correct.

Q. What date?

A. I don't know the exact date, Mr. Evans.

Q. It was September 15, 1927, I think.

A. My first connection with the Company was on September 15.

Q. When did they buy the Scranton Gas and Water Company?

A. In March, 1928, I believe.

Q. These merger proceedings were started in January, so I think it must have been prior to that.

A. It may have been before March.

Q. According to the testimony of Mr. Loveland, that purchase was announced on January 9, 1928. You have no reason to think that that was incorrect, have you?

A. I don't know the date of it at all. It was out of my province.

Q. When the Federal bought the Spring Brook Water Supply Company in September, 1927, it had an understanding that the rates would be increased?

A. I don't know who the understanding was with.

Q. But according to this advertisement, it had that understanding?

A. The only understanding that I know of was the simple fact that they were buying a property in which the rates had never been increased, with the exception of a minor increase in the lowest scale of the meter schedule in Wilkes-Barre. With that exception—in the Spring-Brook territory there had not been any increase for, I think, thirty-three years.

Q. You are perfectly aware of the history of this property, are you not?

A. I am aware of it in a general way, and the general features of the property.

Q. You know that between 1896 and 1918 there were \$6,000,000 in earnings plowed back into this property, and out of that dividends were declared. There was no question about what this property had earned to cover the full return on the investment, was there?

A. I can't testify from recollecting and my testimony wouldn't have any value because it is second hand testimony, but I do know this, that in the early days, the Spring-Brook Water Company, 1896 forward for a period of ten or fifteen years, they declared no dividends, and then there was a two per cent. and then one per cent. and that was increased to two per cent. and finally for the latter period; I don't know how long, I believe at the rate of 6%.

Q. You do not mean to give this Committee the understanding that there were not adequate returns paid to the investors on the capital invested in this company?

A. No sir, I don't want to convey that impression. I imagine the stockholders of the old Spring Brook Company were very well satisfied with the ultimate returns.

Q. What price did they get for their stock?

A. I don't recall.

Q. You know that the original stock was all bonus?

A. I am not qualified to testify on any original—

Q. Who are they talking about?

A. There are others who can do that better than I can.

Q. You are as much qualified to talk about this as you were to tell us that there had been no increases for fifteen years. That is hearsay too, is it not?

A. Yes sir.

Q. And you volunteered that information. Now can you volunteer this to us?

A. Just what do you want me to say, that the stockholders were satisfied?

Q. I just want you to be frank with the Committee, and tell them what you know about the investment in this company, and the adequacy of the earnings as compared with the invested capital. You might just as well be frank about it.

A. I certainly will be as frank as I am able to, but I don't feel myself qualified; I had no experience with the company prior to September 1927. I don't feel qualified at this time.

Q. You did feel qualified to say that no dividends were paid for fifteen years. How did you know that?

A. I happened to recall that. I did not expect to be called here to testify on such matters, but I did happen to recall that.

Q. You have no knowledge about the earnings and the dividends of the company after that time? You were a bear in the market.

(No answer).

Q. The Federal Water Service Company went in and bought this property in September, did it, that with the understanding there would be an increase of rates?

A. I didn't say that.

Q. Well, the advertisement says so.

A. That was out of my province.

Q. In November you actually prepared a schedule of increased rates to be effective January 1, 1928?

A. That is correct.

Q. About the first of December you were directed by the Federal Water Service Company to file that tariff?

A. That is correct.

Q. And you, I think, have testified that you did not know any reason for that?

A. I was advised—I testified that I didn't know any reason at the time I was notified not to issue that schedule.

Q. What was the reason.

A. The reason, as I found out later, at least, as I understood, was that the plans were crystalizing for the purchase of the Scranton company, and there had been a complaint pending against the rates of the company.

Q. And that is the matter in which Mr. Loveland intervened; you know that, don't you?

A. Yes.

Q. Then the companies merged and in May, 1928, filed a schedule of increased rates on July 1st, 1928, did they not?

A. That is correct.

Q. Then it is true, is it not, that there was from September, 1927, to May, 1928, there apparently was a clear intention on the part of the company to increase its rates?

A. I was advised, Mr. Evans, following the notification, not to issue the circulars in connection with the increase until January 1st, 1928, the plans were off for any increase in rates.

Q. Do you believe now as you look back on the history that that was a true statement?

A. That was the instructions I had.

Q. I am asking you in the light of history, do you think that was a true and correct statement?

A. I cannot answer that.

Q. So you were instructed that owing to the merger of the Spring Brook Company with the Scranton Electric Company, which was then in mind, that the rate schedule was to be withdrawn and that no increase in rates was contemplated?

A. I was so instructed.

Q. I know you were so instructed, but did you believe it?

A. I must believe the dictates of my superiors.

Q. That sounds remarkably like Dr. Snow, that he had to do what his masters told him. Is that your philosophy as vice-president and General Manager? Just be frank with us, Mr. Walker, you didn't believe that the idea of increasing rates had been abandoned?

A. I could not infer so. I must frankly state—

BY MR. TURNER:

Q. From your knowledge there that there had not been an increase in thirty years and with the going value of the company as it was at that time stood, you knew there would have to be a rate increase; in other words, that an increase in rates was necessary for proper earnings on the investment on the property?

A. Yes sir.

BY MR. EVANS:

Q. You were in a position where you were ordered to do certain things by your superiors, is that a fact, owing to the unfortunate position in which found yourself?

A. It was very unfortunate, and it was not the most pleasant thing in the world up there. I was under orders from the New York office, of course, and I was attempting to appease a very fiery public up there, and my experience was not the most pleasant in the world.



Q. You were ordered by the New York office to insert an advertisement in the Wilkes-Barre papers at the end of December in the matter of rates, were you not?

A. There is a number of them, Mr. Evans, I don't recall just the date.

Q. I read you a copy of an advertisement appearing in the Times-Leader of Wilkes-Barre, December 29, 1927: "Announcement—the present proceeding before the Public Service Commission attacking the water rates as the result of complaints filed by certain users of water.

"Neither the Spring Brook Water Company nor the Pennsylvania Water Service Company which now controls this, have taken any steps to increase rates.

"The complaints filed must necessarily be defended by the water company. Such proceedings impose a heavy burden and expense.

"Should a general inquiry in this proceeding develop facts justifying an advance upward of the rates for water consumption, the responsibility must rest with those beginning and prosecuting the proceedings.

"Signed—Isaac A. Walker, Vice-President and General Manager; and for the Pennsylvania Water Service Company, Isaac A. Walker, Vice-President and General Manager."

Q. Do you remember that advertisement?

A. I remember it. I did not prepare it.

Q. Who did prepare it as far as you remember?

A. I could not answer that; it was prepared in the New York office.

Q. Did you insert it, or did the New York office insert it directly?

A. I am not sure, I believe I caused it to be inserted, but I am not positive.

Q. But you were acting solely under instructions from the New York Office, and you felt that you had to put out this advertisement whether it was in accordance with your views or not?

A. I could not do otherwise.

Q. As you see it now, was that a frank statement on behalf of the company?

A. It was true, I believe, at the time, I don't think there is any question about that. The entire point, just as I said, it was necessary to have increased rates in order to bring a fair return on the amount that they had paid for the property, and that caused them to put an advertisement in of that kind, and there is no time stated, it would not preclude them from raising the rates either six months or six years or six centuries later?

Q. Or six days?

A. Yes.

Q. And it was necessarily obvious, considering the amount that they paid for the property, that they had to have an increase in rates in order to pay dividends on the stock?

A. I would not go as far as that, Mr. Evans. It is obvious they may be able to pay dividends on the stock if the increase is not as substantial as asked for, but they must secure an increase in rates in order to have a fair return.

Q. Mr. Walker, what was the net revenue of the company for the year 1928, roughly, as far as you remember?

A. Of the combined companies?

Q. Yes, of the combined companies, yes, take that?

A. As I recall, it was in the neighborhood of \$4,000,000 on the combined companies.

Q. The net revenue?

A. Oh, no, I thought you said the gross. I don't recall the net figure, but the gross revenues were in the neighborhood of \$4,000,000, as I recall. I have no figures with me.

Q. It was obviously an insufficient return to justify a price of \$44,000,000 or \$45,000,000, as you have testified?

A. I believe, as I recall, I have to go back a year and a half in these recollections, but according to my best recollection, the earning at that time netted a return of about 5% on what was paid for the property.

Q. Perhaps this might refresh your recollection. There is a letter from Dr. Snow, Chief of the Bureau of Engineering of the Public Service Commission, addressed to the Committee, dated December 18, 1929, in which he said that the old rates returned a gross revenue of about \$3,000,000?

A. \$3,000,000? That is the combined Scranton and Springbrook—I have the gas confused in this, I expect.

Q. I expect so. Cannot you remember?

A. I would rather not testify without my records. That testimony can be secured without my assistance, I guess.

Q. Now, after the increase of rates was made public in May, 1928, you attended a meeting of the Wilkes-Barre city council, did you not?

A. That is correct.

Q. And you were questioned regarding the advertisement appearing over your name, which you mentioned here today, and during the course of that hearing there was a good deal of dissatisfaction with the increased rates, the brunt of which you had to bear?

A. That is correct.

Q. And when did you sever your connection with the company?

A. December 15, 1929.

Q. And since that time you have been practicing as an engineer?

A. Consultant, yes.

MR. EVANS: I think that is all, thank you.

BY MR. RHODES:

Q. Mr. Walker, do I understand that these rates were withdrawn in anticipation of the acquisition of the Scranton Company?

A. That is correct. Yes, they were withdrawn, that is my understanding, as far as I know now, they were withdrawn pending the acquisition of the Scranton Company.

Q. Then did you realize that they were withdrawn in anticipation of the Scranton acquisition, and if you did, you must have realized that as soon as that was acquired the rates would again be raised, did you not?

A. I was instructed, as I testified, that there would be no increase in rates, and therefore that advertisement went out under my signature. I knew that, and everybody connected with the company, knew that some rate increase must be instituted, but when it was coming, I had no knowledge at the time.

Q. Would it be just ordinary logic to conclude that the raising of rates was deferred until both properties were put together by purchase or merger?

A. Yes.

BY MR. WALKER:

Q. The mere fact that this was withdrawn by telephone orders from New York, and they had increased industrial rates, that would have no significance on the withdrawal, would it.

A. You mean that there was a higher industrial rate, in the one that was withdrawn than in the one which followed subsequently?

Q. Yes.

A. Why, if it had something to do with it I had no knowledge of it, but in conferences and negotiations with the New York Office, they may or may not have had that in mind, but that I had no knowledge of.

BY MR. EVANS:

Q. And as I understand you, Mr. Walker, it was your understanding, that the company would be satisfied with a fair return on \$44,000,000 in round figures, that is what they were aiming at?

A. The schedule filed in July, 1928, was designed as I said, although I had personally nothing to do with the creation of that schedule, but as I understood it was designed to net a return of about 7% in addition to operation and depreciation on the actual price which was paid for the property, and it would only net a 6% return on the valuation which the company testified that the property was worth.

Q. Did you have anything to do with the making up of the rate schedule, effective July 1, 1928?

A. I had nothing whatever to do with the schedule as of July 1, 1928. I had a little to do with the first schedule which was contemplated.

Q. That was the one that was withdrawn in December of 1928. The principle difference between these two schedules, Mr. Walker, was the fact that in the latter schedule the large users were given a lower rate.

A. That is the principle difference, yes.

Q. What, in your opinion, was the purpose of that change?

A. I believe the mining industry being the dominating industry in the Wilkes-Barre district—was undoubtedly, I be-

lieve, the main feature in the desire of the company to provide a low rate or an attractive rate for the mining industry.

Q. In other words, by doing this the company secured the good-will or least did not incur the antagonism of the large business interests of the community?

A. I believe that is correct.

MR. TURNER: Mr. Evans, when Mr. Walker was here before, as I recall it, we asked him, some questions with reference to some of the testimony given as to excessive charges. As I recall it at the time, Mr. Walker didn't have the data and you said it would be taken up later in the case.

MR. EVANS: I lost sight of that. I thought he had furnished that phase of it.

BY MR. EVANS:

Q. Have you anything that you want to add?

BY MR. TURNER:

Q. You recall that Mr. Geiser made a statement that he had some forty or fifty bills that he figured were over charges, and from them he estimated that the company was over charging the people about a million dollars a year?

A. The statement of Mr. Geiser that the company over charging the people \$2,000,000, is, of course, absurd. There is no foundation whatever for it. It can readily be ascertained by the Committee, I believe, if you understand Mr. Geiser's bookkeeping, but I believe, if it is a question or a subject of investigation, the Committee can readily ascertain it. There is no foundation whatever for it.

I was condemned unmercifully up there in requesting some customers to put meters in, who had quite large bills under the flat rate schedule. There are many consumers in the city of Wilkes-Barre at the present time who will secure substantial reductions in their water bills by adopting the meter service under the present rates.

Speaking generally and from recollection, I would say that the average bill on metered service at Wilkes-Barre under the present schedule, with a service charge of forty cents a month or \$5.00 a year with a rate of thirty cents a thousand gallons for domestic service, would not occasion an average rate for the moderate household consumer in excess of—well, we will say sixteen to eighteen dollars a year, and many of them are paying much higher rates than that on the flat rate service. As I recall, there were only 1,400 meters in Wilkes-Barre. It was one of the few remaining plants in the country that was still on the obsolete flat system and you can't convince those people in their anxiety for publicity and the methods which they pursued to listen to reason; it is utterly impossible. My life has been threatened time and time again in Wilkes-Barre. Even my wife received threatening letters saying that men were after me, and I would be murdered or put on the spot, unless I vacated Wilkes-Barre. Many times, I have been threatened of being ridden out of town on a rail and tarred and feathered and my burden in Wilkes-Barre between two masters was not very pleasant.

BY MR. TURNER:

Q. You had nothing to do with the control of the rates?

A. No.

Q. Senator Harvey told me that the Staigmaier Brewery Company, I think he said used to pay something like \$2,000 a year for a sprinkler system, and after your people went in the bills had gone up to \$6,000 a year. I don't know whether I quote him exactly.

A. I may say that, Mr. Turner, the rates for sprinkler systems in Wilkes-Barre are identical with the rates in Chester.

Q. Of course, I don't say anything about that. I don't have any sprinklers in Chester.

A. Of course, the rates depend on the size of the meter installed. We are getting into a long story if you want to tell it?

Q. I do not want you to go into it. I just wondered if you had any knowledge on that; why the rates would jump from \$2,000 to \$6,000.

A. There was one rate in the old schedule at Wilkes-Barre for fire protection service which is as follows: Fire protection for each four inch connection, \$75 a year. And now, the company will only permit a four inch connection; they wouldn't put in a six inch connection in Wilkes-Barre, at the rates as they stand, and the rates as established under the new schedule filed as of July 1, the rate for a four inch con-

nection under the new schedule would be \$96 a year compared with \$75 a year on the old schedule for a four inch connection. So many consumers with more or less lax methods and freedom of operation of the old company were permitted six inch connections for \$75 a year. That is immediately after the tap in the main, and so, the new company then charged on the basis of a six inch connection which was \$18 per month, and many consumers have taken out their six inch meters and installed four inch meters. So, there are many of them at the present time who are only paying the charge as based on a four inch connection, which is \$8 per month or \$96 per year, as compared with \$75 under the old schedule.

Q. At one of the earlier hearings the sprinkler rate of the Johnstown Engineering and Manufacturing Company was in question and at the direction of the Committee I wrote this concern to the effect and they stated that our old rate for sprinkler system with the old company was then \$75 a year; but the proposed new rate was increased \$325 a year, which was changed to \$150 a year by the officials of the company, at which time we paid them on that basis. We are now being charged \$150 a year, but are paying the first old rate of \$75 per year and permitting the balance to stand.

A. I am not familiar with that. I don't know how they arrived at that figure of \$150 per year. They are evidently not paying bills directly under the charges as listed in the schedule.

Q. In the testimony you have just given in regard to the new rate schedule, you are not intending to express any opinion as to whether or not these rates are too great or too little to yield a fair return on the fair value of the property? You are speaking merely about the individual consumer and what his bill would be?

A. Yes; I am speaking generally as a fair rate to the consumer.

BY MR. TURNER:

Q. Did the trouble start up there when this application for increased rates was put in or was it before that? I tried to get that picture more or less in my mind, and I have talked to a lot of these Wilkes-Barre people, and I just wanted to see whether we could get both sides of this.

A. I believe the trouble started prior to my connection when it was rumored that the company was about to be sold to New York capital, then immediately certain people prepared to oppose it. I was not able to carry through the policies which had been my practice for ten years as manager of the Chester Water Company and two water companies in Indiana which I had charge of for the Bucknell estate.

Q. You mean, your New York people would not let you carry out your policies?

A. I did not have the latitude of operation which I had in my capacity as the operator for the Bucknell estate. I was able to get closer into touch with these people. My record at Chester is an open book. I am not afraid of any examination of the books of the Chester Water Company. What I did in Chester, I laid the cards on the table. I went to the mayor and to the council, and to the manufacturers association, and I told them, there are the books on the table, and the whole records of the company are on the table. Our opponents in the Chester rate case engaged Morris-Knowles as their engineer, and I threw all of the records open to them. We had a case before the Public Service Commission which lasted three hours and I had a lawyer's bill of a hundred dollars.

BY MR. COOKE:

Q. You mean that Morris-Knowles represented your opposition?

A. Yes sir.

Q. And you had no trouble?

A. No sir. I will say this, in setting up the amount I requested to the Public Service Commission at Chester, I purposely, in view of the Pennsylvania law, I purposely fixed the amount of revenue which I asked for at thirty to thirty-five thousand dollars less than I could get, simply because I didn't wish the ignominy of having the Commission lower the rates in Chester, and they were not lowered.

BY MR. EVANS:

Q. If the increase in the Wilkes-Barre territory was as economical as you have pictured them, how do you explain the fact that your total increase of revenues as it appears on the record amount to 41%?



A. Of course most of that is made up of the increase on industrials, the increase on flat rate as I recall was eighty-two or eighty-three thousand flat-rate customers. Of course the flat rate customers was only 25%, omitting the addition of the extra figures which were at very much distributed points in Wilkes-Barre; and taking a customer as it was before and as it is now the rate he paid before was \$8 and now he pays \$10; for water-closet he paid four and now it is five; for a bathroom the old rate was four and now it is five, as fixed by the Commission in a temporary decision, and the rates on a wash-basin were increased from \$2.00 to \$2.50, that is 25% of an increase to 82,000 or 83,000 customers, but the increases have been quite substantial on the meter rates.

BY MR. TURNER:

Q. Mr. Walker, these rates allowed by the Commission, how do they compare with the other rates, not in the immediate locality, but from your experience under like conditions?

A. The rates to domestic consumers and householders on metered service, the flat rates are about midway I would say in speaking of the conceded statistics of many companies. Some are lower and some are substantially higher, and the meter rates to householders under this new schedule are not out of line whatever. They are less than they are in Chester.

Q. Are you familiar with the rates in Hazleton?

A. No, I am not.

Q. In spite of the fact that they have to pump the water in Hazleton as compared to the gravity system in Wilkes-Barre, it is only \$7.50 as compared with Wilkes-Barre's \$8 before the increase?

A. I have the rates of Hazleton, happen to have them here, but they are only for large consumers. I can tell you the rates of Hazleton for those consumers using half a million gallons per month, amounting to \$7.60 for half a million gallons, compared to Wilkes-Barre under the new rate of \$90. Under the old rate of \$44.44. Now, you go into the larger figures, the large consumers, for instance, the large consumer using 5,000,000 gallons a month under the new rates in Wilkes-Barre will pay \$515, and in Hazleton will pay \$556.

Q. In other words, the Scranton-Springbrook Company wanted to keep the rates for the large consumers at a minimum?

A. Yes. We may go farther and take 10,000,000 gallons, and Hazleton will pay \$765, and for 10,000,000 Wilkes-Barre will pay \$1,306.60.

Q. Now, Mr. Walker, in regard to the old rates, the large users in Wilkes-Barre as compared with Hazleton, this was merely to cut out the big user of water in Wilkes-Barre from complaining of the rates, wasn't it?

A. I presume, Mr. Evans, that may be true, but I cannot state definitely.

MR. EVANS: That is all, thank you.

J. W. BROWN recalled (Public Service Commissioner)

BY MR. EVANS:

Q. Mr. Brown, you heard Mr. Ainey testify this afternoon?

A. I did.

Q. You were one of the Commissioners who sat and heard testimony in the Scranton-Springbrook Case, were you not?

A. I was.

Q. You are also a member of the Committee to whom the preparation of a report was referred by the Commission under date of July 29, 1930, were you not?

A. Yes.

Q. Did you have anything to do with the instructions that were issued to the Bureau of Engineering in regard to the preparation of a report after this case was argued in 1930?

A. Well, I suppose I had some part in that. I have no distinct recollection of it. I know that the Commission as a whole discussed it, and I think the order was given by the Commission. That is my best recollection of it.

Q. If that was the case, should it not appear in the minutes of the Commission?

A. Well, I think so, yes. I may be wrong about that. That was my best recollection. There was so much went on in this case that I cannot remember it all.

Q. There is no mention of it in the copy of the minutes furnished us.

A. So I understood.

Q. Will you have Mr. Tevell make a further search and see if there was any such reference which has been omitted, and advise us?

A. I certainly will. Did you ask Chairman Ainey to do it?

Q. No, I did not. I was trying to get through with him.

A. Yes, I will do so.

Q. You heard Mr. Ainey explain the striking out of the item of \$4,000,000 for water rights in the valuation prepared by the Bureau of Engineering dated June 30, 1930, and the inclusion of \$1,500,000 covering the same item, real estate rights of way, did you not?

A. Yes.

Q. Turning to the comparison between the July report which was considered by the Commission at its meeting on July 15, 1929, and the August 6th report which is entered in this case as Exhibit 151, the item of value for real estate rights of way, and so forth, was reduced from \$5,393,653 to \$4,181,456, or a reduction of \$1,212,197. Can you explain why that reduction was made?

A. The only explanation I can give you is that we went over this thing time and time again, and time and time again, and every time we went over it we reached a different conclusion, and I think the final result of the reduction there was the expression of our best judgment in the matter after examining the record, and having the assistance of our bureaus.

Q. I show you a letter from Dr. Snow, Chief of the Department of Engineering, to the Special Committee of the Commission, William D. B. Ainey, J. W. Brown, Charles E. Young, dated August 13, 1930, as furnished to this Committee by the Commission as appendix "D" and ask you whether it was on the basis of that letter that you fixed this valuation of real estate, at \$4,181,456?

A. I have no doubt that that influenced our decision, but there is so much of it that I can hardly recall this, but I have no doubt that that influenced?

Q. It contains an itemized statement of real estate and totals \$4,181,456. I recall your attention to the fact that included in this valuation are two sums, one of \$200,000 for water rights in the Stanton division and the other of \$100,000 for water rights in the Spring-Brook division, or a total of \$300,000 for water rights. Was not the real difference between the two appraisals the fact that the \$1,500,000, which had been included for water rights, in the July valuation, was now reduced by approximately \$1,200,000?

A. That may have been.

Q. Was that it, in your opinion?

A. Well, it is likely it was, I wouldn't like to be bound by that definitely, and as I said before, this is such a stupendous matter and we went over it so often that my recollection of items is not as distinct as it might be, but I think that is right.

Q. Now, what instructions did you give to the bureau of law in connection with the preparation of the August 6 report so far as you remember them?

A. As far as I remember the only instruction we ever gave to the legal department was to prepare a report, carrying out what we gave them in the way of the findings.

Q. It was true, was it not that Mr. Weiss, counsel for the Commission, did not agree with all of the things which the Commission wanted done?

A. I think that is true.

Q. Did the Commission follow Mr. Weiss' advice as to legal matters in the preparation of this report?

A. In legal matters, we did, but not in the development of values.

Q. Not in the development of values?

A. No sir.

Q. And he disagreed with you in regard to these values?

A. He did in some cases, yes sir.

Q. Do you remember particularly any special items?

A. No; I can't recall. I remember that he said on a number of occasions he did not agree with us, but I can't recall any specific instance.

Q. In this August 6 report certain items of valuation were largely increased and in making these increases, exactly the same sum was added to the reproduction cost new depreciated. Was that, Commissioner Brown, in your opinion a proper method of changing these values?

A. No; I think that must have been a mistake. I don't think that is proper.

Q. In other words, the item of depreciation should be increased when you are increasing the reproduction cost new?

A. Exactly, and I heard that brought out when Mr. Ainey was on the stand and I took those items and Commissioner Young and I together made a calculation which would have made a difference of about \$87,000. It would not have affected the result, because we have made a fair value in this case of \$1,000,000 less than the reproduction cost.

Q. In reaching that conclusion, which you have just stated, what rates of depreciation did you take?

A. Well, we consulted with the engineers who told us the usual sum was three-quarters of one per cent.

Q. On items that were involved in this change?

A. Yes sir.

Q. Well now Mr. Brown, you have been very frank about that. Doesn't that cause some doubt in your mind of the methods used reaching these valuations?

A. No, not in my mind.

Q. Aside from these questions of not making any allowance for depreciation, what do you think of the method of taking an appraisal of physical property and adding round sums like \$500,000 to this item and \$300,000 to that item? Is that a true method of arriving at that valuation?

A. I don't think that was the method employed. I know the methods employed with the examination of the record and all the valuations given and exercising our best judgment.

Q. Now Mr. Brown, was not the actual method that was followed an attempt to reach the desired result for fixing a valuation of individual items of property to effect that desired result?

A. No sir.

Q. Then will you just explain to me how it could be that the Commission in reviewing the evidence can take an item like distribution mains which was appraised at a reproduction cost new less depreciation by the Bureau of Engineering in this July report at \$8,554,189 and added to that the round sum of \$500,000?

A. I suppose that was done because we didn't agree with our engineering bureau in many things.

Q. This is a matter of valuation of physical property and it is on the reproduction cost of that property?

A. Yes sir.

Q. Is there any way of arriving at the reproduction cost of property other than by applying unit prices to an inventory of that property?

A. That is the way to arrive at it, but the testimony in this case was so divergent that we certainly had room to change our judgment.

Q. Did you make any change in unit prices in adding \$500,000?

A. I don't know whether we made a change in the unit price but we made a change in totals.

Q. You must have made a change in unit price or a change of price in inventory?

A. Whose inventory do you mean?

Q. I suppose you were going on the report of the Bureau of Engineering?

A. We had before us in the decisions in this at least three inventories submitted. Two of them were presented by the respondents and one by the complainants.

Q. You reached the conclusion that the inventory of your bureau of engineering was incorrect?

A. No, I didn't say we reached that conclusion, but I say we didn't agree with them in many cases.

Q. Was it not necessary for you either to change the inventory or to change the unit price?

A. We had totals of the whole thing.

Q. In other words, your theory is that if in a given case you have two most extreme estimates of reproduction cost, then the Commission can arbitrarily fix any value between those two extremes to justify its decision?

A. I think they can exercise their best judgment on all the evidence that is submitted.

Q. And you speak of the scope of the evidence in the range of utilities being sufficient to make this valuation fall within that range?

A. I think so.

Q. So your theory of valuation is that it is justifiable for the Commission to fix a valuation which falls within the range of reproduction cost estimates in the case?

A. I didn't say that is a theory of valuation. I think the theory of valuation embraces so many things and I do think we have the right to exercise our judgment under all of the evidence submitted in the case.

Q. Mr. Brown, I think when we are valuing the physical property there are only two things that can be considered, one is the number of units of property and the second the unit price, is it not?

A. I don't think that is all. I think the Act of Assembly tells us, the Public Service Law tells us, that we may consider a number of things.

Q. You mean to say that these round lump sums were put in to cover things like going concern value?

A. Oh, no.

Q. If you have a dozen oranges and you want to value them, don't you value them at so much an orange?

A. You can value them at so much an orange or you can value them at so much a dozen.

Q. But you think for appraising property it is perfectly proper, take a line of pipe of a given size a thousand feet long and know that that pipe is worth a given amount per foot reproduction cost, we will say ten cents a foot, and in order to arrive at a valuation of the total thousand feet of pipe by multiplying the thousand feet by ten cents?

A. I think that is right. But you are talking about depreciation.

Q. How do you arrive at the conclusion that the distribution mains of this system could be increased in value \$500,000 over the value fixed by your own bureau of engineering?

A. I told you before, that the only way I can answer that is that I think that in going over the entire situation we exercised our best judgment as to what we should do.

Q. Now in the course of this evidence, was there any testimony for instance on the value of dams where one witness says, "I value that dam at \$50,000," and another one says, "I value that dam at \$100,000"?

A. I cannot answer that.

Q. No valuation engineer values dams as a whole, they take the other things that go into the making of a dam?

A. Yes sir.

Q. Still it is not clear to me at all how the Commission in the exercise of what you call best judgment, can take these estimates which are prepared and based on inventories at unit prices and add lump sums to them. It is very arbitrary, is it not?

A. I cannot make it any clearer than I have.

Q. You will agree with me that it is arbitrary?

A. I suppose it is; yes.

Q. Why did you pick out the item, for instance, of service pipe and stocks, and add \$100,000, rather than the next item which is meters?

A. I cannot tell you that.

Q. Who decided on these changes?

A. We did it together, we went over these things, you see there was a large multitude of them.

Q. Mr. Ainey testified he didn't think he had much to do with it, but you and Commissioner Young were the ones that had the most to do with it, is that your recollection?

A. As a matter of fact, Chairman Ainey consulted some, and Commissioner Young, the Engineering Bureau and the Accounting Bureau and other members of the Commission at different times were all in on this.

Q. Now, I am just dealing with the one change from the July appraisal to the August 6th appraisal.

A. I know you are.

Q. And that involves a change in these items of physical property. Which of those items of physical property did you have charge of.

A. I didn't have charge of any particular item, nobody has charge of any particular item, we had it altogether.

Q. Did you go into a huddle and determine this in a conference?

A. Yes.

Q. Who were present at that conference?

A. I was most of the time, I think all of us, Commissioner Young was there, Chairman Ainey was there sometimes, Dr. Snow was there very often, Mr. Morgel of the accounting bureau—

Q. Mr. Morgel of the accounting bureau has nothing to do with the valuation of the physical property?

A. No, that is true, but he had of other things.



Q. We are dealing now with the valuation of physical property. So you and Commissioner Young and Dr. Snow together worked on this?

A. And Chairman Ainey was there, a number of times.

Q. And Chairman Ainey?

A. I am giving you my best recollection, and that is the best recollection I have.

Q. Isn't it true, Mr. Brown, that in order to justify the temporary rates, which you had approved, it was necessary to get a valuation of \$43,000,000 or \$44,000,000?

A. I don't know that.

Q. Don't you know what the rates which you had approved were estimated to produce in revenue?

A. The temporary rates?

Q. Yes, the rates that were in effect during the pendency of this case?

A. Yes.

Q. And approximately what was that amount?

A. Well, we reduced the rate by about \$245,000 by that temporary order, and for the year ending June 30 was \$4,384,000.

Q. \$4,389,000.

A. \$4,384,605, yes.

Q. Just give me that figure again.

A. \$4,384,506.

Q. Now, you allowed operating expenses in what amount in this case?

A. \$750,000.

Q. So that on that basis the amount available for fair return was approximately what?

A. Well, but there were other allowance, Mr. Evans.

Q. What other allowances were there?

A. There was income tax.

Q. All right. We will put all of them in. What was the income tax?

A. \$133,594.

Q. What else?

A. Other taxes \$80,000.

Q. What else?

A. Depreciation \$200,000.

Q. Anything else?

A. That is all.

Q. What was the total of these, do you have it there?

A. I have the total with the fair return. The fair return was \$3,055,500, making \$4,219,333.

Q. And that is on the basis of a valuation of \$45,650,000.

A. Yes.

Q. So that the total gross revenue which was allowable on the basis you have just indicated was about \$100,000 less that gross revenue of the company under the temporary rates.

A. I will have to have the question read.

(Last question read as follows: So that the total gross revenue which was allowable on the basis you have just indicated was about \$100,000 less than the gross revenue of the company under the temporary rates.)

A. No, I think it was more than that, wasn't it?

Q. So the temporary rates produced about \$165,000 more than the Commission allowed?

A. Yes.

Q. Therefore you reduced the allowable return by that amount?

A. By about that amount I think, yes.

Q. Now, in order to justify the temporary rates or approximately the temporary rates, a valuation of somewhere in the neighborhood of \$44,000,000 or \$45,000,000 would be required, would it not?

A. Yes, it would be, but I say to you very honestly I never heard it gotten at in that way.

Q. Well, we perhaps will have some indications later on as to how it was gotten at. Now, in order to fix these values on physical property, is it your conception as a member of the Commission that you are better able to fix value on items of physical property than your technical experts in your Engineering Bureau?

A. I would not say that, no. I think the final judgment rests with us, and engineers differ, as they did in this case, very materially.

Q. Now, Mr. Brown, there is a wide difference, is there not, between the determination of the value of physical property and the question of what is to be allowed as a rate basis; there are many items entering into the rate base, other than that?

A. Yes.

Q. But you don't think as a member of the Commission that it is necessary in order for the Commission to function effectively, that it have a Bureau of Engineering on whose judgment it can and does rely in the matter of fixing value of items of physical property?

A. Oh, I think it is very important to have an Engineering Bureau, that can assist us.

Q. Now, that does not quite answer my question. I will ask that the question be read.

A. I will answer the question without having it read again. I don't think that we ought to be bound by any findings of our Engineering Bureau when the final judgment and the responsibility rests with the Commission.

Q. And, in your opinion, it is perfectly proper and desirable for the Commission to take the values found by its engineering bureau of items of physical property on the reproduction cost new basis, and make arbitrary changes in those?

A. No sir; I don't think that; not arbitrary changes.

Q. You said these changes were arbitrary, Br. Brown?

A. No; I don't think—if I did say that, I didn't mean it. I said we had made those changes like in exercising our best judgment by everything that went before us.

MR. TURNER: Perhaps this will help a little bit, Mr. Evans, in your decision. In *Louisville Ry. Co. v. Louisville, P. U. R. 1930 B 207*, decided by the United States District Court for the District of Kentucky, involving an issue of confiscation the court observed (page 210):

"The problem of determining such fair values is one of the most difficult questions with which courts are required to deal, and the result in any given case of necessity must, be largely in the nature of an approximation. In determining this value, the Supreme Court has declared that the court must not be controlled by any artificial rule but that there must be a reasonable judgment having its basis in a proper consideration of all the relevant facts."

MR. EVANS: Mr. Turner, Commissioner Brown, I think is very familiar with that rule, but that deals with the determination of fair value and not the determination of items of physical property.

MR. TURNER: It is all part of the facts.

MR. COOKE: Mr. Evans, it seems to me that Commissioner Brown on one hand says that these acts of theirs as to the physical property are not arbitrary and on the other side he says they did not consider quantities and unit prices. Personally I would like to hear that question put to him again, and ask him whether he wants to abide by it.

BY MR. EVANS:

Q. Will you answer that question?

A. Yes. I don't mean to say that we did that in an arbitrary way. I tried to explain that we took all the matters that were before us.

BY MR. COOKE:

Q. In dealing with this section of pipe which is far removed from these higher reaches of intangibles and company overheads—we are dealing with physical property, and you say you neither acted arbitrarily on the one hand nor did you upset the bureau of engineering in regard to the quantities or unit prices?

A. In the price of pipe there was a difference in the evidence. They were not agreed upon in the evidence, and the inventory and appraisal furnished by the complainants and the respondents were different.

Q. Do you mean to say that in these conferences, that Mr. Evans, in a lighter vein referred to as "huddles" you brought into them the different view points of the different parties to this thing, in the matter of such detail as the price of pipe?

A. No; but we had all that before use. That is, we had the evidence before us or had a recollection of it.

Q. And you added a thousand dollars on, was that arbitrary or was it based on changes in unit prices or quantities or by the different things or information that was before you?

A. Well, I would say it was arbitrary putting it on the basis of different unit prices, but we thought we were warranted in putting that in. There was a vast difference in the values placed on these pipes and we thought we were justified by the difference in the prices to exercise our own judgment as to what it would be.

BY MR. RHODES:

Q. How many pages of details, approximately, are there in this engineering report; five hundred or a thousand? (No answer).

MR. EVANS: As I remember, there are some twenty volumes of details covering these various items.

BY MR. RHODES:

Q. Your answer is that they were affected by something. Now, do you want to stick to that that it was not arbitrary?

A. I can't understand your point of view. I have tried to make it clear that we had before us the inventory and appraisal of at least four engineers outside of our own. They all varied as to the price of pipe, and we thought that we had a right—at least, I thought we had a right to exercise our judgment and arrive at a price of this pipe which would be fair.

Q. I presume, Mr. Brown, that there was a difference of opinion among you as to the various items, was there not?

A. Oh, yes.

Q. Then, in the final analysis, the Commission tried to reconcile these differences, by making an arbitrary determination? A. Yes; they made a determination. You may call it arbitrary; I don't call it arbitrary. I think it was based on all the evidence before us.

Q. We have been sitting here during the last week and we have heard a lot of discussion about the determination of reproduction cost new. In the final analysis, it is an arbitrary determination, is it not?

A. Yes; I would call—

Q. There is no fixed rule?

A. There is a formula. The formula is fixed by the law.

Q. So that the reproduction theory is largely a matter of individual opinion?

A. Very largely; yes.

BY MR. EVANS:

Q. I am still a little uncertain about the value of the physical property. Take stand pipe what were the estimates of unit prices on stand pipe which you added to this \$500,000?

A. Oh, I couldn't tell you that.

Q. Do you have that?

A. Yes; we have it.

Q. Did you base it on the detailed value per unit of stand pipe?

A. I think we based it on the prices that were in the different inventories.

Q. We have all the work sheets of your bureau of engineering, we have asked for every shred of work sheet that was used in it. Will you have your Engineering Bureau, or will you find out in this mass of volumes, where any calculation was made on a basis of inventory and unit price which justified the addition of \$500,000 to the item of distribution mains?

A. I could not point it out, because I never went over those volumes.

Q. Will you have Dr. Snow point it out?

A. If he can, yes.

Q. You know it was not done that way? you know it was done by the addition of a lump sum to an appraisal?

A. Yes, it was done—

Q. It was not done on any basis of unit prices at all?

A. I don't know that, but I don't know how you do it.

Q. I am asking you if it was done that way. You surely ought to know it?

A. I say I think it was. I think it was taken as an average between the prices that were given for pipe.

Q. But how does it happen that you have round numbers, \$100,000, \$500,000, \$300,000?

A. Well I can't tell you any more than I have told you. I have given you the best information I can.

Q. Now let us be perfectly frank about it?

A. I am trying to be perfectly frank.

Q. Was not this the situation, that in the July appraisal the value of the physical property as compared with the overheads was such that it made this percentage of overheads too high to appeal to your best judgments?

A. No, I don't think that was the case.

Q. Ther. will you tell me why it was that in increasing the items of physical property in this manner which you have at times designated as arbitrary and at other times as not

arbitrary, you at times simultaneously reduced some of the overhead?

A. We did it in the exercise of our best judgment and doing the best we could in arriving at a fair and equitable conclusion.

Q. And your best judgment was that the overhead in the July appraisal appeared to be too high in the appraisal of physical property?

A. Yes sir.

Q. After all these changes were made, Mr. Brown, of increasing your physical property by \$812,756 in your August 6th appraisal over your July appraisal, you reduced you overhead almost a corresponding amount, and arrived at the total value in your August 6th appraisal of \$46,982,636, as compared with \$47,065,430 in your July appraisal. Now in the face of that, do you not think you considered it a shift from overhead into visible property?

A. I don't think we did. We did both. Every member of the Commission, I believe, felt that that figure was too high and in order to and in an effort to reduce, in order to bring it down, we were only making the changes that our best judgment dictated.

Q. Your total efforts in this case between the July appraisal and the August 6th appraisal amounted to \$83,000 out of a total of \$46,000,000, and the final result amounted to a good deal less? After all your efforts to bring the value down, that was the best you could do?

A. That was what we did.

Q. It was in an attempt to bring the values down?

A. Yes.

Q. Then is it not peculiar that you didn't think of the matter of depreciation which seems obvious and which you stated would have decreased the total value?

A. And I believe now it ought to have been done and that it was a mistake that it was not done.

Q. Now then, did you have anything to do with the change in the Bureau of Engineering report from the June 30th report to the July report by which the item of \$4,000,000 for water rights was eliminated from the earlier report and \$1,500,000 added to it as real estate rights of way and water rights.

A. Yes, I had something to do with that. I was one that was opposed to allowing them \$4,000,000 for water rights.

Q. You wanted to include it in the values of land?

A. Not all of it. We felt something ought to be allowed, but we felt that \$4,000,000 was too much.

Q. How do you reconcile that with the decision of the Superior Court in the Leighton Water Case?

A. I don't think the Leighton Water case was brought up at that time, I don't think we considered that.

Q. In other words, at that time you were of the opinion that it was all right to add \$1,500,000 for water rights into the valuation of the land?

A. I think there were some other things in there except water rights in that. My impression was that that was not all confined to land but a part of it went to something else. I may be wrong about it.

Q. Page 67 of the report of the Bureau of Engineering on July 7th contains a reference to the additions in the sum of \$1,500,000, is that right?

A. That is right.

Q. Which of the members of the Commission were in favor of including the \$4,000,000 for the water rights? You said you were opposed to it?

A. My recollection is, and I want to be sure I am right, but it is my recollection that we were all opposed to it, I think so.

Q. At an executive session of the Commission on August 15th to frame a Commission report which has been introduced here as Exhibit No. 142 bearing date of August 15, 1930, it was approved in substance, was it not?

A. That is the one that was tentatively approved and referred to the Chairman; yes, that is right.

Q. That minute says: "The report was on motion, agreed to and adopted, subject to various proposed revisions which the Chairman was authorized to prepare in connection with the law, engineering and accounting bureaus." What is your your remembrance as to the proposed revisions that were then discussed?

A. I will have to refresh my recollection of that, I can do it but I cannot recall it now, I know that when we came back there was such a difference of opinion that the report



was rescinded but I will have to refresh my recollection as to what the points were. I cannot remember them all.

Q. As far as the date of August 25 was concerned was not the Commission practically united on all of the principle propositions of the report, and differed only on smaller matters such as the phrasing and paragraphs in regard to land values?

A. In my recollection there material difference which I think could be outlined by the chairman.

Q. Do you have a memorandum showing that?

A. I think I can refresh my memory on that.

Q. Will you produce that memorandum?

A. I have no memorandum, but I think by consultation and by going over with other members I may be able to refresh my memory; there are no written records.

Q. You have no written record?

A. No, I didn't have any written record but I am satisfied certain members of the Commission can tell me and I know it is right.

Q. Who do you have in mind?

A. I don't mean just members, but all who were there. I think the chairman could remember.

Q. The chairman testified he could not remember certain matters of phraseology and minor matters.

A. I do not know that there were material differences and when we came to the subsequent meeting there was serious differences again.

Q. There is nothing in the minutes of the Commission so far as has been furnished to this Commission on this subject whatever?

A. I don't, but will accept your statement.

Q. On this subject between September 30, 1930 and December 9, 1930, did the Commission during that period take any action in this matter?

A. No sir, they took no action, work was being done—

Q. Was it not during this period, Mr. Brown, that the real differences of opinion between members of the Commission developed?

A. Oh, no.

Q. And the report of August 15, Exhibit No. 152 in this proceeding was adopted on August 26th, subject to various proposed revisions which the chairman was authorized to prepare in connection with the Law, Engineering and Accounting Bureaus, is not that usually about the final action that the Commission takes?

A. Yes, I think that is, but as I say to you, these things that the Chairman was to prepare in connection with the Bureaus, were not agreed upon when they were prepared.

Q. But, Mr. Brown, that would not have been adopted if the Commission had not at that time been substantially agreed on the total fair value to be found, would it?

A. I think we had agreed practically on the fair value, but that thing later came up again, so on September 30th—

Q. Excuse me until I finish the question. So that on August 26th the Commission was substantially agreed on a total fair value of \$46,982,636, as set forth in this report?

A. Well, that report was adopted subject to these changes.

Q. Yes, but I say they were substantially agreed on the total fair value, and you said yes.

A. Now, just let me explain. I say it was adopted, but not without opposition, and on September—

Q. Did anyone at that time vote against it?

A. Yes.

Q. Why was not that shown on the minutes?

A. I don't know—

Q. But who voted against it?

A. Commissioner Shelby voted against it and Commissioner Collins voted against it.

Q. They voted against it?

A. Yes, and on September 30th, if you look at the minutes, Commissioner Shelby, not satisfied, came in and wanted the Bureau of Accounts and Statistics to analyze the value of the land, and a number of other things which he wanted to use to make something different from this.

Q. But at that time you and Commissioner Young and Chairman Ainey and Commissioner Benn and Commissioner Walker were all agreed on a total fair value of substantially \$46,982,636?

A. Well, it was carried by a majority, I don't know whether they all voted as you say they did.

Q. And you have only mentioned two?

A. I say that is my recollection. I cannot recall whether any others voted against it or not, but then substantially the matter was reopened.

Q. I see. So that subsequent to that time your own ideas on this matter very materially changed, did they not?

A. Yes.

Q. What caused them to change?

A. Well, we had the feeling all the time, it was a matter of trying to get the Commission together, to get a report; we could not agree, and we did the very best we could, we were trying to get a meeting of minds, we were coming together and we exercised our privilege to try to get a lower value, which I wanted and which others wanted.

Q. So that the changes that were made after August 26th, so far as you are concerned, were made not because you changed your views as to the fair value, but in order to try to obtain a unanimous decision of the Commission?

A. I don't understand that question.

(Last question read as follows: So that the changes which were made after August 26th, so far as you are concerned, were made not because you changed your views as to the fair value, but in order to try to obtain a unanimous decision of the Commission?)

Q. As I understand you then, the report of August 26th was tentatively adopted trying to get your minds together?

A. And trying to get a report out on this, but still there was dissatisfaction.

Q. Well now, Mr. Brown, between August 26th and December 9th there was only one change made in the valuation of physical property, namely, a reduction of \$400,000 in the value of lands. Can you give the Committee any information as to how that lump sum in the value of lands was arrived at?

A. No, I cannot; I don't remember.

Q. Was that done on the basis of any reappraisal of lands by the Engineering Bureau?

A. I don't think there was any reappraisal. I told you I cannot tell you how it was done.

Q. It was done on the basis of the lump sum changes that were made in August?

A. I think so.

Q. Now, I call your attention to the fact that as compared with the reduction of \$400,000 the construction overhead was reduced in the amount of \$797,884, and the item of working capital, cost of financing and going concern value were decreased in the amount of \$1,132,293, making a total reduction of these overheads of \$2,330,177?

A. That is the reduction that was made as shown in the final report.

Q. During August?

A. Yes.

Q. Was that not done in order to make the overheads bear less percentage to the physical property?

A. I answered that before, Mr. Evans, I don't recall that it was done in that way.

Q. Can you explain to me why after adopting a value of \$46,982,636—

A. Well, I know what you mean, if you cannot locate the figure. In the August meeting we arrived at that figure.

Q. And you reduced the overheads alone?

A. Yes.

Q. By the amount of \$2,330,177 between August and December, 1929?

A. We did it, yes, as I told you to try to arrive at a conclusion that everybody would agree to, and get this report out.

Q. When during that period were these reductions made?

A. Oh, well, it was worked on at different times, time and time again, and the report even in the final analysis, even when we came to the final adoption of the report it was not satisfactory to everybody.

Q. Can you explain, Mr. Brown, why there is no mention of this in the minutes of the Commission between September 30th and December 9th?

A. Because I don't think it was brought up in the Commission, we didn't meet again in Executive Session on it, it was being worked on by different members of the Commission and by the Engineering Bureau and others on the outside, until we arrived at some conclusion.

Q. As a result of the process, which you have described, you finally arrived at a total reproduction cost of new valuation on this property, less depreciation, of \$44,651,459; did you not?

A. Final?

Q. As a reproduction cost new, depreciated?

A. \$44,651,459, is that what you said?

Q. Yes.

A. Yes sir.

Q. What information had you as to the original cost of this property?

A. The only information we had was what was produced at the hearings.

Q. And was that as to the original cost of that property?

A. I don't recall.

Q. As set forth in your report?

A. I haven't the report before me.

(Hearing witness paper)

A. I don't think the original cost is set forth in this. (Indicating) I don't see where it is.

Q. Was there any testimony as to the original cost of the property?

A. I think there was; yes.

Q. And the Commission gave no regard to that testimony at all?

A. I have no doubt that it gave consideration to it. I would have to read this report. Of course, they did.

BY MR. RHODES:

Q. Mr. Brown, your reproduction values, you don't pay any attention to the original costs; do you?

A. No.

MR. EVANS: Mr. Rhodes, they can in determining the fair value use both reproduction and original cost.

BY MR. EVANS:

Q. Does that accord with your remembrance, that the testimony as to the original cost of this property was somewhat under \$25,000,000?

A. You mean for this entire property?

Q. Yes.

A. No; I have no recollection of any figure of that kind.

Q. Did you ask your Bureau of Accounts to prepare a statement for the Commission as to the original cost of the property, as shown by the evidence?

A. I can't answer that. We asked for so many things that I can't tell you that.

Q. You attended all these hearings, did you not, Mr. Brown?

A. I don't think I was absent more than a day or two from any of them.

Q. Don't you remember the testimony of Mr. Heinbockel as to the original cost of this property?

A. I remember Mr. Heinbockel very well, but I don't remember any \$25,000,000 cost figure.

Q. Don't you remember any of the testimony of Mr. J. L. Lance as to the original cost of the Spring Brook property?

A. Oh, I remember all of that testimony, but I can't remember figures.

Q. What I want to get at is what consideration the Commission gave to the original cost of the property in arriving at the fair value?

A. Well, I don't think a great deal of consideration was given to it, because I don't think it enters into it very largely. The original cost of this property, if my recollection is correct, was very largely guess work; records were lost; they couldn't find the records, especially up in the Scranton District; they couldn't find records of a great many years, and they could not establish a very good original cost on the subject.

Q. But so far as you have been able to find—and that corresponds with my understanding—no mention is made of original cost in your cost value of this property?

A. I think so.

Q. Now, as to finding a reproduction cost new less depreciation of \$44,651,459, you knocked off around \$1,000,000, and found a fair value of \$43,683,000 as the value of the property, did you not?

A. Yes; we did.

Q. How did you arrive at the knock off?

A. I don't think we arrived at any amount to knock off.

Q. You say you didn't consider original cost because the records were not sufficient. You did consider evidently reproduction cost?

A. What other items of value do you consider?

Q. In arriving at the—

A. Fair value?

Q. Yes.

A. We considered just about what would be the probable earning capacity of the property under the rates, and what the acts prescribe, the reproduction cost of the property based upon public service, price of materials, labor and supplies.

Q. You heard Mr. Walker testify that this property cost the Federal Water Company about \$44,000,000 or \$45,000,000, did you not?

A. I didn't hear him, I was outside.

Q. I see. You were familiar with that fact when you decided the case were you not?

A. I think we were.

Q. And you fixed a valuation approximately of the amount—a fair value of approximately that amount?

A. Yes; \$43,000,000.

Q. Did that have anything to do with your final determination?

A. The price that they paid?

Q. Yes.

A. Not in the slightest.

Q. The whistle is almost going to blow, but I would like to ask you a few questions about operating expenses. You allowed the full estimate amount which the company might be required to pay in the way of Federal income taxes, did you?

A. Yes sir.

Q. Did you make any allowance for the individual stockholder's exemptions in fixing the fair value of this property?

A. No sir.

Q. Didn't you know in the Galveston case decided by the United States Court and the city of York against the Public Service Commission decided by our Superior Court they held that in the case of Federal income taxes the exemption of individual stockholders should be taken into account in fixing the fair return?

A. We did not allow that.

Q. You did not allow that?

A. I don't think, however, Mr. Evans,—I want to amend my answer there. I don't think we allowed the full amount that was asked.

A. I am not saying the full amount that was asked. As a matter of fact this company produced no evidence to show that it was going to pay any income taxes at all, on account of the consolidation return of the companies.

Q. There was something said about that?

A. Yes.

Q. Is that not in your report?

A. I think that we did call attention to that and said that if they were appraised they would have to pay the taxes.

Q. And you allowed the taxes that the company would have to pay?

A. Yes sir.

Q. So you didn't make any allowances at all for the exemptions which the stockholders would be entitled to?

A. No sir.

Q. Now, the date of the appraisal of the commission was based on July 1, 1927, was it not?

A. The appraisal of the company?

Q. The appraisal of the Bureau of Engineering.

A. I don't know the date; I don't recall the date. It was about that time; I will assume that you are right.

Q. You added to the appraised value of the physical property an item for additions and betterments in the amount of \$1,340,888.00?

A. Well, I just want to say that in the appraisal, inventory and appraisal submitted by the complainant in this case there were four items which were omitted entirely. No allowance at all made for them, which we thought ought to go in and which allowance was made for.

Q. That is not quite what I am getting at. Subsequent to the date of this inventory and appraisal of July 1, 1927, the company made certain additions and betterments to its properties and you allowed these as claimed by the companies, did you not?

A. We did allow for additions and betterments.

Q. Now, the other items, the reproduction cost new depreciated of the other items of physical property was therefore based as of July 1st, 1927, was it not?

A. Yes sir.



Q. And what allowance did you make for depreciation in that property from July 1, 1927 to December 9, 1930, when your decision was rendered?

A. For depreciation?

Q. In the property as it existed on July 1, 1927?

A. I don't recall any allowance made for that.

Q. Should you not have made an allowance if the appraisal was made three years prior to this time?

A. I think that we ought have but I don't know that we did.

Q. Now, you allowed depreciation at the rate of \$200,000.00 a year, did you not? In this company as an operating expense?

A. Yes sir.

Q. So if you had allowed them depreciation at the same rate in your valuation you would have deducted \$600,000.00 from your valuation, in round figures?

A. Yes.

Q. So that is something that was also overlooked, was it not?

A. Well, it was not allowed.

BY MR. TURNER:

Q. I have wanted while Mr. Brown was here to ask a question. I am rather interested in the control of the Commission over security issues and I would like to know if Mr. Brown knows anything about the issues in the Hanover-McSherrytown and Gettysburg cases.

A. I never heard of them until I heard of them in these proceedings.

Q. Do you know of any water case in the State where there have been security issues on which the Commission has passed?

A. I do not.

BY MR. MOORE:

Q. We had testimony this morning that the Pennsylvania Power and Light Company were advertising an issue of \$100,000,000.00 4½ per cent. bonds on April 22nd. Do you know whether the Commission has received any notification of that?

A. I understand that they did not. My understanding is that no certificate of notification has been filed in any way.

BY MR. TURNER:

Q. Is it required?

A. Yes sir, under the law.

BY MR. COOKE:

Q. These bonds are now being sold?

A. So I understand.

Q. I am much interested in this Commission and its relation with its Bureau of Engineering because I have seen some phases of engineering developed here that frankly I didn't know existed. I wondered what your interpretation was. Mr. Ainey used the expression "The conscience of the Commission is advised by the technical staff." Does that have any definite meaning in your mind?

A. I would not use that expression "the conscience of the Commission." I would rather say we are advised by our Bureaus in coming to a judgment in matters.

Q. I inferred from the statements of Dr. Snow and Mr. Black that after first advising you they were rather guided by your wishes in the rendering of their estimates.

A. I don't quite understand you.

Q. Reconsider, revamp, revise?

A. I have never been a party to a request to the Engineering Bureau to revamp anything. Frequently we don't agree with them.

Q. In other words, they put in their reports and you take it or leave it? Any changes you make in your final findings you don't charge them with?

A. No sir, they are subject to our own judgment. But I don't know in cases supported by testimony.

Q. It was testified to there that more than once in the passing of estimates back and forth from the Engineering Bureau to your office and back and forward was more or less a matter of routine?

A. We certainly exercise our right of exercising our judgment.

Q. And as far as you know you never ordered or asked the Engineering Bureau to put in a revised estimate?

A. I never have.

Q. You don't know that it has been done?

A. Not that I know of. If I don't agree with it I exercise my judgment supported by other facts and circumstances but I never asked the Engineering Bureau to change their opinion.

BY MR. WALKER:

Q. What happens to these certificates of notification when they come into the office?

A. They are filed in the Bureau of Accounts and Statistics, and I think a number of times they are looked over.

Q. When they come in to the Public Service Commission are they immediately referred to the Bureau of Accounts and Statistics?

A. They are filed with the Bureau accompanied by a fee as established by the Act but unless something unusual occurs to call the attention of the Chief of the Bureau to it they are filed of course.

Q. Unless there is something unusual to it they are not brought to the attention of the individual Commissioners?

A. No sir.

Q. For your information, there were certificates of notification filed in this Hanover-McSherrytown and Gettysburg water cases and I wondered whether they had been called to the attention of the individual Commissioners?

A. I don't think so.

BY CHAIRMAN MOORE:

This hearing will now stand adjourned until April 22, 1931, at 2:00 o'clock P. M.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION No. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Wednesday, April 22, 1931, at 2:00 P. M. There were present:

Messrs. D. Glenn Moore, Chairman  
Bart Richards  
Chester H. Rhodes  
Martin Memolo  
Frank L. Bowers  
Ellwood J. Turner  
Louis W. Hagmaler  
Harry J. Crawford  
Morris L. Cooke  
Harold Evans, Esq.  
John M. Walker, Esq.  
Father James R. Cox.

MR. WALKER: I offer in evidence Exhibit No. 158, being a copy of the Tri-State Power map of New York, Pennsylvania and New Jersey, issued by the Commission on Revision of Public Service Commission Law, as of October, 1929.

CHAS. H. YOUNG recalled

BY MR. EVANS:

Q. Mr. Young, you were one of the two Commissioners who heard the testimony in the Scranton-Spring Brook case, were you not?

A. I was.

Q. Did you hear all of the testimony?

A. Well, practically all. I think maybe there was a half day one or two occasions that I did not sit.

Q. You heard the argument on the case?

A. I did.

Q. What recommendation did you make to the Commission in regard to the decision of the case after it was argued?

A. I made no recommendation at the time. The matter was left in the hands of the sitting Commissioners, including the Chairman, Mr. Brown and myself, and was referred to the Engineering Bureau to compile from the large volume of testimony the necessary data on which we could reach a conclusion. They were working on it I think until about the latter part of June. Later there were several reports considered. They were tentative reports more for the purpose of being

used as a basis of discussion by the Commission until the latter part of August, one of these tentative reports was adopted, with certain conditions. Action was later rescinded, as you know, by the minutes of the Commission.

Q. Mr. Young, you spoke of a conclusion having been reached in this case on August 26, 1930. What was the value then arrived at by the Commission?

A. My recollection is that it is not over \$46,000,000, or about that figure. I cannot give the exact figure now.

Q. That was a figure which would have justified the temporary rate, was it not?

A. About that, yes sir.

MR. EVANS: In order that the Committee may have before it the figures in this case, I am going to offer in evidence the tabulation showing the figures arrived at in the Bureau of Engineering's report, and the subsequent tentative Commission reports, so that they may be able to make the comparisons which will be referred to. This will be Exhibit 159.

Statement showing tabulation of Bureau of Engineering, Public Service Commission, produced and marked Exhibit No. 159.

MR. TURNER: These are the missing plans?

MR. EVANS: These are some of the missing links. They are not done over again.

BY MR. EVANS:

Q. Mr. Young, the report of the Commission, which was tentatively adopted on August 26, 1930, and introduced in this record as Exhibit 152, finds the fair value of the respondent's property at approximately \$46,982,632, does it not?

A. This figure is a little dim—I presume that is what it is. Yes, that is correct.

Q. And on the basis of this valuation, the reports state that the company will be allowed a revenue of \$4,481,418?

A. That is correct.

Q. Which was slightly less than the revenue of the company under the temporary rates, was it not—or slightly more, I should say?

A. Yes.

Q. And the report states that for the year ending June 30, 1929, it shows a total operating revenue under the temporary rates filed January 1, 1929, of \$4,384,605, or approximately \$97,000 per year less than the above figures would indicate—

A. That is correct.

Q. However, in view of the numerous economies and efficiencies claimed by the respondents claiming to be forthcoming as a result of the consolidation, following the adjudication, no increase in the existing rates would be proper. I am reading from Exhibit No. 152. In other words, at that time the Commission upheld the temporary rates?

A. That is correct.

Q. What happened subsequent to that time to change your personal views in regard to the value of the property?

A. Well, there were several things happened. At the subsequent meeting in September, I believe it is September 9th, I am not certain as to the date, the date on which this conclusion or action was rescinded, the counsel for the Commission raised some questions about this report. One thing was that he thought there ought to be a tabulation of the real estate, setting it out in detail; incorporate it into the record, and some other questions, which I do not recall what they were, and one or two of the Commissioners raised some questions about it. They were not satisfied with it. That is the reason it was rescinded. After it was rescinded Commissioner Shelby asked for certain data to be compiled, that he wanted to be informed regarding, and we all started to study it. The purpose was to cut it down just as small as we could. That is what we were all trying to do, and after having studied it, we found where we could cut off some more. That is how that came about.

Q. As far as the physical property was concerned, the only thing you cut off was \$400,000 in real estate, was it not?

A. Yes, that is all we cut off the physical property. We raised some of the physical property.

Q. After August 26th—

A. We didn't raise any after that.

Q. What was it that made you suddenly think that the going concern value of this property, instead of being \$3,300,000 as found in your August report, was only \$2,600,000, or \$700,000 less?

A. That is just a conclusion that a majority of the Commission came to.

Q. I am not asking you that. I am asking you what made you personally conclude it?

A. I cannot point to any single thing that did. We discussed it pro and con. And another thing, I had to yield on some points that I was not personally satisfied were correct, but we had to reach a decision, and I think every member of the Commission yielded some point.

Q. You are still of the opinion that the August valuation was correct, are you?

A. No sir, I didn't say it.

Q. I am trying to find out. Are you still of the opinion that the valuation, August valuation was correct?

A. I am not, because I voted for the final adjudication, and I will stand by that.

Q. Are you of the opinion that the going concern value should be \$3,300,000?

A. I am not. I am satisfied with the going concern value as found by the Commission in its final determination.

Q. What was it that determined you that that figure should be reduced \$700,000? You first stated that it was done because other members of the Commission wanted it done. What convinced you of it?

A. The discussion around the table among the members of the Commission.

Q. That changed your mind?

A. Yes sir. We change our minds—I change my mind on a number of items, resulting from the discussion among the members of the Commission, and we also had Dr. Snow with us in these discussions.

Q. How do you determine going concern value?

A. That is not an easy thing to explain,—going concern value. There is a lot of elements that enter into it.

Q. Taking this case—how did you determine, or how did you reach the going concern value was \$3,300,000 in August, and then later reach a conclusion it was only \$2,600,000? Explain the process of reasoning that brought that change about?

A. It is simply that the members of the Commission—

Q. I am speaking of you personally?

A. I will speak for myself then. I changed my mind as a result of the conference and discussion that took place among the members of the Commission. Going concern value is a thing that you cannot calculate definitely as you can some mathematical problem, it is a matter of judgment, taking into consideration all of the circumstances surrounding the case. This is a water plant, one of the finest in the country. They have a large supply of water, sufficient for every purpose, of pure water, well managed company. It was grown up over a period of 75 years, and all of those things give it a value, a going concern value. Those are the things that we take into consideration, as well as the cost of attaching the business.

Q. Let us start with the last. What was the cost of attaching the business of this company?

A. I cannot tell you that.

Q. You must have had something in mind—you must have had some evidence of that?

A. I don't know that it is in the evidence. We know that in a company of this size, with the number of consumers that it has, it would cost something to attach the business.

Q. Don't you know as a matter of fact that this company had excess earnings for many years?

A. Yes sir, it did for a number of years.

Q. There was never any lag on earnings, as far as any evidence shows?

A. I don't know that that is so.

Q. Will you show me any evidence of any lag of earnings?

A. I cannot do that.

Q. Do you remember any such evidence?

A. I don't know that there is a better company in the country. This company is the result of the merger of about 100 companies. Some of those companies made no money during the early years.

Q. Do you mean to say that the lag of earnings in the early years was one of the reasons why you fixed a going concern value of \$3,300,000 in August?

A. It is one of the elements to be taken into consideration in determining going concern value. We considered every element that we could lawfully consider in determining that.

Q. Was that element present in this case?

A. I think it was.



Q. Will you point to any evidence referred to in the brief of the case, which would show any lag of earnings in this company, and bring it before the Committee at a future hearing?

A. I don't think there is anything in the record, not any definite amount. I am not saying it is. I know that it is one of the elements to be taken into consideration.

Q. You think every company is entitled to an item of going concern value, whether it is based on anything in the record or not?

A. No sir, I don't think so.

Q. If there is no evidence in the record, of course, then you could not attach much reliance on that. What were the other elements you said you used in finding \$3,300,000 going concern value?

A. I would say, Mr. Evans, we considered all of the evidence that could be legally considered in determining what the going concern value is. It is just a matter of judgment.

Q. You say you did consider the lag of earnings. What other elements did you consider in this case?

A. We considered the fact that it was an efficient, well operated, well constructed, adequate water company, with adequate service and facilities; there was uninterrupted service, efficient management, sound financial condition.

Q. Can you point to any decision which authorizes you to consider efficient management as an element of going concern value?

A. I cannot offhand, no sir.

Q. Will you at a later session of this Committee produce the authorities on which you rely in fixing going concern value on the basis of efficiency of operation?

MR. TURNER: I was going to ask whether that has ever been set forth in a decision of the court, not on that particular point but as to the elements that go to make up going concern value.

MR. EVANS: I think there are a good many decisions.

MR. COOKE: You are interested, Mr. Turner, in finding out what this particular witness used.

MR. TURNER: Have you any information, I would like to ask?

BY MR. EVANS:

Q. Now Mr. Young you spoke of another element and that was that they had an adequate water supply. Would that not be taken into account in fixing the value of the lands of the watershed?

A. I could not say that it was.

Q. Didn't you in your report state that you considered that in valuing the land?

A. No, that was not what we considered if you are referring to the four million dollars, that is water right.

Q. I am not referring to the four million dollars, I am referring to your decision as to the valuation of lands. In your report you said:

"The general territory involved in this proceeding is one in which coal mining is the chief industry. Land which is not underlain with coal or which has been or may be mined, is consequently at a premium and its value is accordingly higher than otherwise. In order to purify the water from springs and unpolluted streams which are not liable to destruction by undermining, it is consequently necessary for the water company to go to areas where no coal exists. Such watershed areas consequently have a special value which is reflected in market prices. This fact of market prices, while not equal to the total value to the advantage and the fact of having such watersheds as against the use of filtration, for their supply is an item which must be considered in arriving at a market value of the real estate for rate making purposes."

Q. Did you consider the adequacy of the water supply in determining the value of the land?

A. I think we took that into consideration. That is one of the items.

Q. Then what authority did you have for including this in going concern value?

A. My own judgment is that the dominant element in determining the going concern value is the cost of attaching the business.

Q. And it was on that basis principally that you determined the value of \$43,000,000 in the case?

A. I want to add to that, that finally when you come to the last analysis it is a judgment, a figure decided upon by those

on whom the law places the responsibility for making that decision, and it is my judgment that the amount finally agreed upon by this Commission was a fair amount for going concern value and I think it will be sustained by the courts, that is my own opinion.

Q. But they add an item of \$700,000 to \$3,300,000 of valuation on a proposition of this sort without considerable justification is a serious matter?

A. Yes, but it is up to the Superior Court to say whether we did that or not, I don't think we did.

Q. You were familiar, were you not, with the decision of the Superior Court in the Matamoras Water Company case, were you not?

A. I don't recall that case.

Q. I think I perhaps called it to the attention of Commissioner Brown and Chairman Ainey as appearing in No. 86-152 Superior, "Allowance of certain sum as going concern value to compensate for losses during the period of development necessary until business is put on paying basis, will not be allowed without evidence that there was deficit in operating expenses during the years of developing the business."

A. I think that is good law.

Q. So that unless the Superior Court finds evidence in this record of losses during a period of development, you are agreed that this item will have to be stricken out?

A. I am not agreed it will have to be stricken out. I have already said that I thought it will be sustained.

Q. You think in that case that there is evidence of earlier losses?

A. I think that there will be evidence to sustain it.

Q. I say, of earlier losses?

A. I would not put it in that language, the cost of attaching the business.

Q. What do you mean by the cost of attaching the business outside of the expenses of the earlier days while building up the business?

A. They might operate at a loss.

Q. Suppose you have a company which from the day it is put into operation earns 7% on the fair value of its property, has that company any going concern value in your estimation?

A. No I would not say that it had.

Q. Therefore, unless there is evidence in this case that this company did not earn 7% on the fair value of its property during the period of early operation, this item will have to be stricken out?

Q. We finally got to the point where you think that going concern value depends on the cost of attaching the business—that is a definite figure that appears in the evidence?

A. Yes sir—not necessarily. I would not answer that yes.

Q. Surely, there must be evidence as to the cost of attaching the business. You did not pull it out of the blue?

A. I say it was a dominant thing in determining the value.

Q. What was the cost of attaching the business, as you express it, that you found on the basis of your August value of \$3,300,000 for going concern.

A. I could not determine that for you now.

Q. Could you ever determine it?

A. It is a judgment figure.

Q. It is just an arbitrary figure pulled down out of the blue to determine how much you could add onto a valuation, is it not?

A. I wouldn't say so; no courts have said it, and I wouldn't say it.

Q. You sat in the Nakomis Water Case?

A. I don't know; I might have.

Q. At Factoryville?

A. Yes sir.

Q. Didn't you in that case say there was no evidence of any lag of earnings on cost of attaching business, therefore, you have made no allowance for going concern value?

A. We may have; if that was a fact, that is probably what was said.

Q. There must have been some evidence which you considered, showing the cost of \$3,300,000—

A. There must be some evidence in the record—or it wouldn't be sustained.

Q. I am trying to find out what there was in the way of new evidence presented to you after August 26th, which changed your views on this subject, and made you reduce that sum by \$700,000?

A. There was no new evidence offered—

Q. I said called to your attention?

A. It was a matter of judgment, and the figure was changed by reason of the discussion around the table. That is the only answer I can make on it.

Q. Let us see if there is anything more definite on some other items in your August report. You fix the item of interest during construction at \$1,775,115. Interest during construction is based, is it not, on the period of construction and the rate of interest?

A. Yes sir.

Q. Do you remember the rate of interest you considered in fixing that?

A. I cannot recall at the present time.

Q. You are fixing the cost as of 1928 or 1929. What rate of interest would you allow as a member of the Commission?

A. Well, that would depend on what they had to pay for their money. I don't recall what the figure was, whether it was 6% or less than that.

Q. So far as the rate of interest is concerned, was there anything that occurred after August, 26, 1930, to make you change the interest?

A. Nothing more than the discussion among the members of the Commission. They agreed on a different figure.

Q. You had all agreed in August on one figure, hadn't you?

A. Yes sir, but they changed their mind about that. The Commission are not so set in their ways, but if they find they have made a mistake, they are willing to correct it.

Q. What called your attention to the fact that you made a mistake in the rate of interest?

A. I cannot tell you just who suggested that change, or what the incident was that brought it about, but it was the result of the discussion among the members of the Commission over these several items.

Q. Did you determine of any different period of construction?

A. No sir.

Q. In other words, you arbitrarily lopped up \$43,115, and reduced interest during construction in that final report to \$1,342,000?

A. That is correct.

Q. So far as you remember, there was no determination that a shorter time should be allowed for construction on that and a lower rate of interest should be allowed—

A. We changed the figure after the discussion.

Q. You do not remember any decision that a lower rate of interest should have been allowed?

A. I don't recall the incident.

Q. This is not so long ago. It is the biggest water rate case that you ever had.

A. It would be simply impossible to remember all the discussion that took place in the consideration of this question. It occurred on a number of different days. This is not the only case the Commission has to consider.

Q. Mr. Young, this is a large figure; you are dealing in large figures here, to knock off \$433,115 interest during construction—that required some proper reason, didn't it?

A. The way these changes were brought about, Mr. Evans, I think it applies to all of them, we had a tentative report, in this report that was adopted in August, and as I explained to you before the Commission were endeavoring to cut it down just as much as possible, and they considered it from time to time informally and in session, and these changes were the result of these discussions and consideration. I cannot remember every incident that occurred, that brought it about.

Q. You don't mean to say that you personally were making any attempt to cut these figures down, were you?

A. Yes sir, I was.

Q. Will you show me a single incident in any of the minutes in any of the consideration of this case, where you were in favor of any reduction, where you proposed any reduction in these figures, as I fail to find them?

A. It may not appear in the minutes. Only motions appear in the minutes.

Q. Commissioner Shesby was the only one that actively after August 26th tried to reduce the value—

A. No, that is not so.

Q. What other Commissioner was there then trying to reduce it?

A. Every member of the Commission was desirous of reducing that figure.

Q. Why didn't you have all that data before you in August that enable you to reduce it?

A. At that time it was their judgment that was as far as we could reduce it.

Q. Were you considering the attitude of the consumers—is that what made you change?

A. No sir.

Q. Were you considering the fact that there was a political campaign in progress, that made it desirable to change your figure?

A. The political campaign was in progress in August the same as in September. That had nothing to do with it.

Q. It was not decided in August as to who was the Republican nominee?

A. Yes sir.

Q. Was it decided when this report was written?

A. Yes sir.

Q. I just cannot see—maybe you have explained it to the Committee's satisfaction what there was—

A. That nomination was made in May; this report was in August.

Q. There was a contest over that nomination?

A. I don't know that anybody gave that much consideration.

Q. Will you just explain to the Committee—I don't want to take any more time on this than is necessary—what facts there were that were brought to your attention after August 26th, when you had adopted the valuation of approximately \$47,000,000, which made you make all of these very large reductions, principally in overheads?

A. I will answer that the same as I answered it before. It was a result of the discussion around the table among the members of the Commission, that these reductions occurred. That is all I can say in answer to your question.

BY MR. RHODES:

Q. Are your conclusions compromises then?

A. Yes sir, on almost every item that was necessary. I don't think there were any two Commissioners that had exactly the same idea.

Q. In the final analysis it is simply a compromise of differences of opinion?

A. Yes sir.

Q. There was no basis on which you determined these things, except by your own judgment?

A. Yes sir.

Q. That is a very indefinite method?

A. It is the only method you can follow, where you have all kinds of different items. Some of them must yield their position in order to get a decision. That is the only way they can reach a decision. That is what resulted here. It results in juries and in the courts—

BY MR. TURNER:

Q. And investigations?

A. Yes sir.

BY MR. HAGMAIER:

Q. Is it the policy of the Commission to find out what interest they are paying during the time of construction for borrowed money—to find out what the fellow who is doing the construction is paying for borrowed money?

A. That enters into what is known as reproduction less depreciation. That is one method of finding value. They don't actually borrow this money. That is a figure that must be agreed upon, the amount that would be necessary for them to borrow. Of course, you cannot give any evidence of the actual borrowing of money, because they don't borrow it.

Q. You made a statement that it depends on what they paid for the money, the interest you allowed during construction. If they don't borrow it, you ought to have a basis of what you charge for it?

A. The money market at the time would be the best evidence, what they would have to pay for it if they borrowed it.

Q. What would you allow then, the same as they paid for it, or more?

A. Not having borrowed it, we would have to determine a figure which we felt they would have to pay for it, if they did borrow it.



BY MR. RHODES:

Q. In determining the reproduction cost new, shouldn't you come to some established policy of arriving at a conclusion, either take the cost of all the items at the market price, or a three year period, or five year average, rather than mix them up?

A. I don't know that I understand what you mean by mixing them up.

Q. Take on your copper wire, you make it a three year average; on certain other items of machinery you make it the present market prices, for instance pipe and things of that kind. You make it three year average on copper, and five years on something else. If you are going to determine the reproduction cost new of a plant, why shouldn't you take everything on the present market price, or everything on a three year average, or everything on a five year average, instead of putting these things all together and arrive at some conclusion.

A. That don't mean anything. The law it says to use average prices. It doesn't say to use the prices at the time. Average prices may be construed to be average prices for five years, over ten years or over three years, or any period.

In hearing these cases, one party may introduce evidence, base their prices on an average of three years; another on an average of five years; another on ten years. Often in these cases we get testimony of average prices, based on a different period of time. Then, it is up to the Commission to pass on the proper average price, under all the testimony.

Q. How can you arrive at a logical conclusion unless you use evidence on all these different items, from one particular standpoint.

A. I would think myself that it would be better to have a uniform policy. It might be. I wouldn't say that it is. It might be that the average period of one article would not be proper for another. The fluctuation might be greater. The three year period on one article might be proper, while it might not be on some other article.

Q. It represents such an indefinite conclusion, when you follow the method that has been described to us by your engineers. Mr. Black described the method utilized by him in connection with the Scranton Electric Company. The prices on copper at the time you made the appraisalment was 11.8. He took into the case 15.8 average. On the other commodities he took the existing prices. It doesn't seem to me to be fair to give the companies the advantages of the increase in copper, because the prices happened to be down at the time.

A. Reproduction cost new is rather more or less of a misnomer. It means reproduction of the existing price, at the prices prevailing over a five or ten year— In the reproduction it takes a period of time to reproduce. In this case they estimated it would take five years to reproduce this plant.

Q. Isn't it true that the method that is utilized in the determination of reproduction cost new depends upon the individual that is making it—

A. I don't think we can adopt a formula that would apply to all cases.

Q. It depends upon the engineer or the individual doing the work,—he utilizes such methods—

A. He exercises his judgment. We get in the testimony the result of the judgment of all the engineers who have testified. Then we have to pass on that.

Q. You get a conclusion that is somebody's individual judgment.

A. Yes sir.

Q. You have no logical basis on which that basis is arrived at.

A. I don't know whether it is logical or not.

Q. I have been listening to the testimony here about a month and I cannot find anything logical in it yet.

A. When it comes down to the last analysis, of course, every case must be determined on the facts, in that particular case.

Q. In the analysis of the testimony, the Commission should have some logical basis upon which it arrives at a conclusion. It should fit the testimony on some established theory in order to arrive at a conclusion.

A. I do not see how we can do it. For instance, in a particular case, if one engineer uses a three year period, another a five year period, and the Commission may think that some other period is proper, but we do not have the evidence

to support it. It is only a matter of judgment with the Commission. It is not based on any testimony.

BY MR. RHODES:

Q. Your testimony is going to be conflicting. You are going to have testimony as to the cost at the present time, the cost over a five year period, and a ten year period. The Commission ought to arrive at some definite method to arrive at a conclusion that is logical and not allow it to be determined by individual judgment. That is to indefinite it seems to me.

BY FATHER COX:

Q. Dr. Snow said when he went to make an investigation, he came back with the report, it didn't make any difference what he said that he obeyed his master's hand. He mentioned the fact that the Commissioners were his masters. I am just wondering if in making these values the Commissioners had some other master. I am not saying this to be insulting—I am just saying that probably somebody in politics or somebody in finance insisted with the Commission that they put the strained values on the property—

A. Father Cox, I have only been on the Commission for three and one-half years. I have never yet had anyone call or seek to exert any undue influence over my actions, and I think every man on the Commission can say the same thing. The nearest to it was in this very case, and that is when the delegation of a couple thousand people came down here while we were hearing this case, parading the streets with a brass band, and congregating outside of the hearing room, where they were harangued by speeches, which was done for no other purpose than to intimidate the Commission. It could not have been done for any other purpose. If it had been a Court of Justice, there would probably have been somebody punished for it, but we do not have the power to do that.

Q. Would it have been a good idea under those circumstances, when they raised such a great fuss, for the Commission to go down and look the thing over? You say you were trying to render a fair decision?

A. I don't know what we could have looked over, if we had gone down. We were up there; we held hearings there. Our decision was to be based on the testimony, and not on what the newspapers say or on what speeches are made outside. We cannot consider those things, but we must rely solely upon the testimony to render a decision. You can speak about the excitement and all that that has taken place up there, but the truth of the matter is that the people in that district are not paying any higher rates than in the other parts of the State. In fact, they are paying lower rates. I had a tabulation made of the cities of the third class, which are comparable to this district, because there are more cities of the third class in this district; Scranton is comparable with a third class city.

BY MR. EVANS:

Q. Have you not decided in other cases that a comparison of rates between various communities is not justifiable?

A. I think you misunderstood me. That was not offered in evidence. That was a comparison that has been made within the last three or four weeks, based upon tariffs on file with the Bureau, in the Commission.

Q. You have taken the gravity system, such as there is in Wilkes-Barre?

A. Based on the tariffs on file with the Commission—

Q. Is it fair to compare the gravity system with the pump system on rates?

A. The cost of operating the pump system would be greater than the gravity. This is not the only gravity system in the State.

BY MR. EVANS:

Q. Now Mr. Young, you reduced in a period of three and a half months from August 26th the total valuation of this property on reproduction cost less depreciation method, by \$2,330,177. You could have perfectly well, could you not, if you were going to reduce it by that much, reduce it a million dollars more and still have been within the evidence?

A. Well, I don't know.

Q. Take the going concern value alone, you don't remember having any evidence that justified your fixing it at \$2,600,000; you could have fixed it at \$1,600,000 just as well, could you not?

A. No sir, we could not, because that is the amount that the Commission agreed upon for the going concern value, and I will leave that to the Superior Court.

Q. I am asking for your opinion?

A. I don't know that my opinion will be of any value.

Q. It would be interesting?

A. I have already said that in my opinion there would have to be evidence to support the finding of the going concern value.

Q. And unless there is evidence in the case that the company has not earned 7% on a fair valuation of the property from the beginning of its operation, there is no going concern value?

A. I would not say that.

Q. It is evident you don't want to say it. Merely pruning it down to 7%.

A. I would not say that.

Q. Is that not what the Commission has allowed as a fair return?

A. Yes.

Q. And if the company has earned 7% on its fair valuation from starting operation, is there then any cost of attaching business?

A. I don't think that that necessarily follows.

Q. We seem to be going around in circles. You stated a moment ago where a company earns 7% from the time of the beginning of its operation on a fair valuation, it has no going concern value. Do you want to change that answer?

A. No.

Q. Do you stick to it, that a company that earn 7% on a fair valuation of the property from the time it started its operation has any going concern value?

A. If it started in earning—

Q. And unless this company failed to earn 7% on the fair value of the property, since it started its business, it has no going concern value?

A. I think the two situations are comparable, Mr. Evans. This company as it now exists has existed for only a very short period of time. It is the result of a growth over a period of seventy-five years started by a number of small companies, some attached to coal companies and afterwards absorbed by others and there is about 100 different companies which finally resulted in this company.

Q. I am not trying to do anything, Mr. Young, except to get the facts clearly. Assuming that there is no evidence in the case that this company or its constituent companies failed to earn 7% on the fair value of their respective properties from the time they respectively started in operation, has it any going concern value?

A. With that modification to that question I think I would make the same answer as to the other question, that there probably would not be.

BY MR. RHODES:

Q. Does the Commission take into consideration good will in determining going concern value?

BY MR. HAGMAIER:

Q. Didn't you give in your definition of what made up going concern value, the value of the water? Who furnishes the company with that water?

A. They have to acquire the rights of the water.

Q. How can they put the prices on something that they don't have any jurisdiction over?

A. I don't understand your question.

Q. Your definition of going concern value, you said they included the value of the water, and the amount of the water?

A. I think I understand what you mean now. As to whether or not they acquire title to the water. Well, they have to accumulate the water and distribute it for use and that costs money. Of course they don't own the water as it falls from the clouds, but they have to gather it together in these reservoirs and distribute it through their mains and distribution system to the customers.

Q. Is that not figured in the cost of the plant?

A. Yes; of course, the reservoirs and distribution system are appraised separately.

Q. Why would you figure it in the second time?

A. I don't think that we did.

Q. What I want to know is whether you are charging for the water the good Lord furnishes?

A. I stated the dominant factor in going concern value is the cost of attaching business, but we have to take into consideration the whole picture of the testimony as to the system and the service. We cannot pick out just one item and disregard everything else.

BY MR. COOKE:

Q. What are some of these expenses; what do they look like on the books of the company; how do they read?

A. As an illustration, a company may employ—I am referring to this case which appeared in a case just recently but which is not a water company case—

Q. I would like you to take the testimony in this case and state something in this case when you refer to the expense of the value of attaching the business it will show what you mean?

A. It is the cost of attaching business. I don't suppose you want me to search this record.

Q. Just point out something that came up in that case, some definite item, such as, buying oil or paying wages or what was it?

A. No, that would not be such an item, it is the necessary cost of securing consumers of a product which they have to sell. I started to illustrate with an electric company—

Q. Take this water company. We are reasonably intelligent people, and I would like to have an item in this case of the type to which you refer to when you say, cost of attaching business?

A. Any expense that the company would go to encourage and extend the consumption of water that would bring to them revenue would be properly cost of attaching business of this company.

Q. How would you spend, say, ten dollars on that action?

A. I could not tell you how you could spend ten dollars, but I can easily understand how the company would advertise and solicit.

Q. Now advertising, do you mean the expense of advertising is one of these costs of attaching business?

A. I think so.

Q. How do you differentiate between that and the advertising charged up to operating expenses? Why does it not all go into operating expenses? Do you suppose that in this last year one dollar of the advertising was set aside to put on the books of this company under the head of the expense of attaching business or was it included in their operating expenses?

A. I don't think so, I don't think there would be any advertising in this stage of the development of this company for the purpose of attaching business. It is already developed.

Q. It has been for seventy-five years. When did this attaching process cease?

A. I don't think that it has ceased entirely and I say I don't think there would be any advertising to attach.

Q. Do you suppose there was in the last year or in the year before that anything that was entered on the books as an item of going concern valuation?

A. I could not tell you.

Q. Do you know of any single item that the company at any time in seventy-five years of history was entered on the books as advertising and kept separate from operating expenses?

A. I would have to refer to the books. I do know this, however, that the courts not only in Pennsylvania but every state in the Union recognize the going concern value and sustain it time after time. If we didn't regard that principle, our position would be reversed.

Q. It is not a firm figure?

A. No, and it is a very hard figure to determine and is only a matter of judgment by those to whom the authority has been given, and the responsibility to determine.

BY MR. EVANS:

Q. This matter was referred to Mr. Brown, to Chairman Ainey and to you to thrash these things out?

A. Yes sir, but it was finally determined by the entire Commission.

Q. You, or three of you, did it?

A. Just as a matter of judgment.

Q. How did the three of you do it?

A. Just as a matter of judgment.

Q. Now in regard to the earnings, what evidence was ever brought to your attention after the 26th day of August to



justify you in reducing the figure of \$3,300,000 to \$2,600,000 by December?

A. I answered that question before, but I will answer it again if you wish. That we changed our figures from time to time resulting from a discussion around the table among the Commission, and in the early period all these were changed a number of times.

Q. Suppose you had been the only one, how would you have arrived at it?

A. If I had been the only one and had acted arbitrarily—

Q. You acted arbitrarily in this case?

A. No, we used our judgment.

Q. Could you not have used your judgment had you been alone?

A. If I had fixed it at any other figure it would have been arbitrary.

Q. It was not arbitrary then to reduce it \$600,000 between August and December?

A. That is true, but I have explained three or four times, Mr. Evans, that the Commission in considering these matters reached different conclusions than we had in August.

Q. I am talking about yourself?

A. I agreed to the reduction. I have explained that it was caused when we came to meet, and was the result of our discussions around the table.

Q. You could just as well have reduced it another million?

A. I would not have done that, but it could have been reduced without being arbitrary.

Q. You say that you could have reduced this further without being arbitrary?

A. The figure we fixed was our judgment.

Q. I am talking about you as an individual?

A. I am speaking about the Commission.

Q. Explain why it would have been arbitrary to fix a value for this property of any different figure from that which you did fix?

A. Because it was the exercise of my judgment after the discussing the facts around the table and the discussion of the members of the Commission.

Q. Then you are not able to give us a single item of evidence that was called to your attention after August 26th that in your judgment in any way resulted in your change of position?

A. It was not that, it was the discussion among the members of the Commission, the decision we reached.

Q. Yet you knocked \$400,000 off of the land value? You think that was just a matter of the exercise of judgment?

A. Yes sir.

Q. You must have had some basis to fix land value, surely, you are not dealing with intangibles now?

A. The only basis we could have was on the evidence and the record.

Q. What property did you drop out?

A. We didn't drop any out.

Q. Then the value of what property did you reduce?

A. We didn't reduce the value of any particular property, it was the whole.

Q. You reduced the value of the total by \$400,000?

A. Yes.

Q. And yet you don't think that is arbitrary?

A. I don't think it is.

Q. Can you tell me how you can value ten pieces of real estate at one million dollars without knowing what the values of each of them is?

A. I will explain my theory of that: In this case we have the testimony as to the reproduction cost new from four or five engineering firms, none of whom agreed exactly.

Q. Will you name the engineering firms?

A. There was the Public Works Engineering Company, Day and Zimmerman, Morris-Knowles, for the respondent, and the Lance Brothers for the complainants. They were assisted by Bemus and some other engineer I cannot recall his name.

BY MR. COOKE:

Q. What Bemus?

A. From Chicago, I believe.

BY MR. EVANS:

Q. What other engineers did the complainants have?

A. Mr. Craig here in town did part of the work.

BY MR. TURNER:

Q. Does the record show what they each valued this property at?

MR. YOUNG: I would like to complete this answer. We had Dr. Snow's analysis of this testimony and he made up tables showing what each engineering firm arrived at and what calculations they reached in the valuation. This we had the benefits of before us. Anyone would get lost in details if they started to pick this out from the records, and that is what we had the Engineering Department do. When we came to consider these tables and these estimates of engineers, we found that there was a difference of almost \$50,000,000 between the highest and the low, or almost double what the complainants put on it. These figures could not be harmonized in any way, and it could not be explained on the ground that they were simple differences of engineering judgment because engineers would not differ that much in valuing property, outside of any differences there might be in engineering judgment. Now, it was the duty of the Commission and the Commission alone to base their judgment on these figures. Now it has been mentioned here now and again as to why we reject the engineering bureau's judgment at times. This is the reason: The Act of Assembly doesn't mention engineering bureau. The only officials provided for are the Commission, the secretary, the solicitor or counsel and assistant counsel and an investigator of accidents. The engineering bureau and the law bureau and the accounting bureau have been set up by the Commission as the machinery to do the work which it has to do and the law imposes upon the Commission the obligation of finding the fair value of property in these rate cases. Now where there is this wide divergence in testimony it is up to the Commission to determine the credibility of witnesses, the bias of witnesses, the knowledge which they had of the subject of which they speak, and it is for them finally to determine the case, because they had to reach their decision, because they had to find that certain testimony was entitled to more weight than other testimony. They had these problems before them, and then it comes to just a question of judgment of what we think is the one that comes the nearest to it and then we have to apply our own judgment. We cannot escape that responsibility.

BY MR. RHODES:

Q. Therefore it is inevitable to arrive at anything except an arbitrary determination?

A. I don't know whether I can call it an arbitrary determination? I don't know whether I can call it an arbitrary determination, it is a determination of the fact by the judgment of those who are required by law to exercise that.

Q. That is true, but nevertheless your conclusions are inevitably arbitrary, because when you add \$300,000 to an item here and \$100,000 to one there and \$200,000 to another and deduct a \$1,000,000 from still another, that is not based on logic but is an arbitrary fact?

A. It is in this case inasmuch as there was no witness who testified to that amount.

Q. There is another question. I want to ascertain whether you agree with Mr. Brown in a matter concerning which I asked him last week. I asked him if reproduction cost new is not largely a matter of individual opinion and he said yes. Do you agree with that?

A. You mean as found by the Commission?

Q. No, as a general proposition, is it not largely an individual opinion?

BY MR. TURNER:

Q. Do you mean as to the valuation?

A. Well, the figure you arrive at by the Commission is the composite judgment of the majority of the Commission and each individual of course has to exercise his own judgment based on the testimony.

MR. RHODES: In the final analysis, this reproduction new theory is largely a matter of individual opinion in any given case; there is no logic back of it, no scientific formula back of it, but it is purely a matter of individual determination from individual opinion and judgment?

A. There must always be some authority to determine the fact, and I would not say there is no logic back of it.

Q. The individual in coming to his conclusion can combine any set of facts he sees fit?

A. No, I would not say that.

Q. The testimony of your engineers tells that they make such computations as they want to. Take in this case, take a certain item, they will average over a three year period, or average over a five year period, or over a ten year period and determine that according to the way they desire?

A. The engineers may do that, but the Commission has their own way of finding out.

Q. How does the Commission do it?

A. They just simply exercise their own judgment.

BY FATHER COX:

Q. It is done largely I think for rate making purposes. There is the logic there to get the right rates?

A. We are not responsible for reproduction new being placed in the act as one of the elements determining fair value.

BY MR. RHODES:

Q. You may not be responsible for the theory, but you are for the way you apply it?

A. Yes sir.

BY MR. HAGMAIER:

Q. Are not the engineering facts and figures prepared and furnished to the Commission?

A. Yes, but they cannot perform the services which the Legislature says that we are to do.

Q. They go out and make the survey and make a report to you; how much is that worth to you?

A. I think we have one of the best engineering bureaus we could have, and I think their reports are followed in 90% of the cases, but there are cases where we cannot agree with them. Here is a good illustration in this case. Here were five or six engineers, and no two of them agreed and our engineering bureau did not agree with any of them. In fact four of them are wrong, and it may be that they are all wrong and in view of that fact somebody must determine the actual fact and the Legislature has placed that duty on the Commission.

BY MR. COOKE:

Q. You actually depend on your bureau to count right and measure right; that is not debatable?

A. Yes sir.

Q. What is there about engineering outside of counting and measuring right that you depend on your engineering bureau for. I don't like this idea that there is nothing about engineering except arithmetic. You do depend on them to count right and measure right, but beyond that according to your testimony the act doesn't permit you to depend on any thing that I always assumed to be a reality, engineering.

MR. TURNER: From some of the evidence we have had here I don't think there is even arithmetic in engineering.

MR. COOKE: I would like to explain that. I am attacking your testimony, but I think that everybody—tell me what there is in engineering in your opinion, beside counting and measuring that you depend on; are there any engineering principles applied to this work that you depend on?

A. If you will permit me to answer that question, I will do it. We have a lot of engineering to do with grade crossing matters. We rely on them when we send them out to make an observation as we do in some cases. We don't have enough of them to do it in very many cases, but when we do we follow their judgments, but in this case that was not done so we relied upon the engineers who made the valuation. Our engineers didn't do it. Dr. Snow, when we asked him to make these tabulations, he went a little farther. He set up as his own judgment as to what he thought the valuation was based on the testimony. That is not his province.

Q. You didn't ask him to do that?

A. I did not.

Q. You didn't.

A. I don't know whether he received specific instructions from anyone, but I think that is not his province, because in doing so he has to pass on the credibility of witnesses to obtain a knowledge of the subject, and he cannot do that under the law, and there is only one with authority that can do that, and that is the Commission, and for that reason they do not necessarily follow his judgment in valuation cases unless he went out and valued the property, but in this case he merely

went over the testimony and fixed his judgment on the testimony of other witnesses.

BY MR. RHODES:

Q. He gave you that for what it is worth?

A. Yes, but we are not obliged to follow that because we heard testimony.

BY MR. COOKE:

Q. You were entirely ignoring the fact that overhead goes away down?

A. That is true.

Q. Are you going to determine the company's experience, and determine these details of overhead? It has been testified tens of thousands of items here?

A. It is in the record for the Commission to pass on it and I say it is our duty to pass on it and not the duty of the engineering bureau.

BY MR. HAGMAIER:

Q. The other day it was testified that your engineers went out in the State, they practically agreed on a figure, three sets of engineers practically agreed on a figure, and it was not worth the paper it was written on to the Commission?

MR. TURNER: What case was that?

MR. EVANS: The Luzerne Gas Company.

THE WITNESS: When was that?

MR. EVANS: It was heard on Wednesday. I think it was before you were on the Commission.

MR. HAGMAIER: Pardon me, I didn't know you were not a member at that time.

MR. TURNER: What were the valuations placed by the engineers on this real estate? You say there were three different groups of engineers that gave valuations on this real estate?

A. If I left that impression I was mistaken. The real estate was appraised by, I think there were only two.

Q. What was their figure?

A. The respondent's real estate appraisal was \$5,562,246.

Q. Who made that?

A. That was made by a board of three, I cannot give their names, but there was a board of three selected. The plaintiff filed a valuation of \$1,286,640, and Dr. Snow recommended a valuation of \$3,781,456.

Q. What did the Commission decide?

A. \$3,781,456.

BY MR. EVANS:

Q. Mr. Young, in the August report, you fixed the valuation at \$4,181,456.

BY FATHER COX:

Q. When you and Mr. Aincy and the Commissioners state you don't have sufficient personnel to make an investigation and all that kind of things, what is the use to have anybody if you don't take their opinions?

A. I stated that our engineers go out and make their valuations and we accept their judgment, but we don't accept their judgment when they base their valuation on testimony received and which they didn't make themselves.

Q. Dr. Snow stated he had visited this property?

A. He did visit it, but he didn't make a valuation on the ground; his figures he set up here were all on the basis of the testimony.

Q. Would it not have been a good idea to have him investigate it thoroughly?

A. I think he testified the other day how much time and costs he would have had.

BY MR. EVANS:

Q. Now, Mr. Young, you have just stated there were four or five, or five or six engineering firms all of whom differed in their figures. Is it not true that the respondent's engineers came within 2% of each other in their values?

A. They were pretty close together but they were not exactly the same. In some items they were quite different.

Q. Two per cent. is a pretty close valuation on fifty millions of dollars, is it not?

A. I don't think it is that close.

Q. Is it not also true that the complainants' engineers, Professor Berim, Craig, and Frick, and Dodson, all sustained the valuation of the Lance Brothers?



A. They didn't all do the same work. I think they sustained the Lance Brothers in that part that they duplicated the work in, but my recollection is that Craig did a certain amount that no other engineer did, and I think Dodson did some work that the Lance Brothers didn't do, and Bemus testified as to depreciation and the Lance Brothers really made a valuation for the complainant supported in some particulars by these other engineers.

Q. Did Morris-Knowles make a valuation?

A. Morris-Knowles took the inventory of the Public Service Engineering Corporation and from that reached a conclusion.

Q. I say, did they make a valuation?

A. That is the kind of a valuation he made.

Q. He didn't do anything to check the valuations already put in?

A. He took the inventory and checked it and applied the unit cost.

Q. What three firms made valuations on the property for the respondents?

A. The three I mentioned.

Q. Morris-Knowles you state didn't make a valuation?

A. They did, but in doing it they accepted the inventory made by the original appraisal and attached a unit cost to the several articles.

Q. You were aware that Morris-Knowles made a valuation when you made the report, yet you didn't think it worth while to refer to the others except one?

A. Where there was a difference.

Q. One was the complainant and the other the respondent?

A. That was not the difference; the difference is that Dodson only did a very small part of the work and he didn't undertake to make a valuation of the whole property. That is also true of Bemus and Craig.

Q. That is true of Morris-Knowles also?

A. I would not say so.

Q. Will you produce his appraisal?

A. It is in the testimony. The amounts are in the testimony. The amount of his appraisal is in the record.

Q. What do you mean by appraisal?

A. In the sense that he went out and viewed all this property and listed it and made an inventory and put a value on it, he didn't do it; he took the inventory made by the other company, went over it, viewed the property and put his unit cost on it and reached his conclusion of the property.

Q. He didn't do any more than check the certain unit costs of the other engineer—

A. No sir, he changed some of the figures. He did not agree.

Q. That is what you call a valuation and base your findings on?

A. I think it could be called a valuation. I wouldn't say how much weight ought to be given to it.

Q. You say it was the effort of the entire valuation to get this valuation down as low as you could?

A. Yes sir.

Q. What business has the Commission to try to get a valuation down? Isn't it the business of the Commission to find a fair value of the property, find what the fair value of the property is?

A. Yes sir.

Q. Why should you want to cut it down?

A. I think they felt that the valuation that was made was too high. The respondent's engineers put it at \$58,000,000—

Q. I am not talking about the respondents, I am talking about what the Commission did. The Commission found a valuation of approximately \$27,000,000; then you come in here and say that the Commission after that time tried to cut it down?

A. They felt the figure was too high.

Q. Do you think that was fair to the company—\$47,000,000 was a fair value?

A. Yes sir.

Q. Ought you not to have stuck to it?

A. We felt that was too high. That was the reason we reduced it.

Q. You have no inkling of anything that was brought to your attention that made you think so.

A. I hope we won't have to go over that again.

Q. If you will be a little more frank and a little more specific and a little less vague, we wouldn't have to go over it.

A. I am not disposed to be evasive. I think I have answered every question. I will not answer them just the way you want me to. It is purely a matter of judgment. I cannot point to any single thing in the testimony that determined that.

BY MR. HAGMAIER:

Q. \$3,000,000 is a pretty good sized item. There ought to be some item there with a couple hundred thousand dollars?

A. We changed a number of items. The reason for changing a lot of them was a matter of judgment. You cannot give any explanation for it. That is the way it is done. You have to exercise your judgment.

BY MR. COOKE:

Q. You think it is proper in order to get a valuation to subtract from both the reproduction cost new and reproduction cost—

A. That was an error. I can recall that incident. I stated that someone—my recollection is that it was Dr. Snow, in preparing this new draft that these figures be adjusted. It was not done. Nobody detected it.

BY MR. RHODES:

Q. Don't you think that this reproduction cost new theory is not only a matter of judgment, but a matter of guesswork?

A. You may call it judgment or guesswork. It is a conclusion that is reached by those who have the performance of the task.

Q. If there is any other method of that theory which would conform to the constitution, don't you think it should be adopted by Pennsylvania?

A. Yes sir; I don't know of any—to conform to the constitution.

Q. There seems to be a difference of opinion about that, as to whether or not there is any. We had quite a lot of evidence that there is a theory that would conform to the constitution and still be more definite. If there is such a theory, don't you think that the law of Pennsylvania should provide for the adoption of that theory?

A. I would want to know what it was.

Q. I am asking you if there is such a theory that would be more specific and more definite, and still conform with the constitution, don't you think it should be adopted in place of the reproduction cost new?

A. It is hardly fair to ask me to pass my opinion on a matter that I don't know anything about. It may conform to the constitution; it may be more definite; and still not be desirable.

Q. I am asking you a hypothetical question. If there is such a method that is more definite than the reproduction cost new, if that method would still conform to the constitutional provisions, don't you think we should adopt it as a more definite method?

A. I will answer it no, with this explanation: You are presuming in your question that definiteness and conforming to the constitution are the important things in reaching the conclusion. They are important. That doesn't include every consideration. A plan ought to be adopted that is fair. It ought to conform to the constitution; it might be definite; still it might be unreasonable and unjust to those who own the property. Your question doesn't involve every consideration that should be taken into determination in determining the plan of finding the fair value.

BY MR. EVANS:

Q. Mr. Young, I show you a report submitted by Chief Snow to the special committee of the Commission, Hon. W. D. B. Ainey, Chairman, Hon. J. B. Brown, Hon. Chas. E. Young, under date of August 12, 1930, attached to which is a Schedule of real estate, rights of way and water rights, totaling \$4,181,456. I ask you whether that was not the basis of your real estate valuation in your August report?

A. Yes sir, it evidently was—the same figures.

Q. That is an itemized statement, giving the valuations by zones for the Scranton property, and by accounts in the Spring Brook Division?

A. Yes sir.

Q. What items did you take out of them in order to reduce the value \$400,000?

A. We didn't take any items out.

Q. What made you arrive at a figure of \$400,000?

A. We were dealing with totals, as I explained to you before. We reduced the total amount \$400,000, without taking any item out.

Q. Without considering any of the items which go to make up that total?

A. No sir.

Q. You left the water rights in in the sum of \$300,000 in your total valuation?

A. How do you mean?

Q. This gives water rights for the Scranton Division, \$200,000,—water right, Spring Brook Division, \$100,000?

A. We afterwards reduced this valuation. Those were cut out—

Q. You just said you didn't cut out anything?

A. We didn't cut out any individual item; we reduced the valuation.

Q. You did not cut out the water rights?

A. No sir.

Q. What did you allow for water rights in your total valuation?

A. We made no separate allowance for that item.

Q. As a common sense business man, is it possible for you to take 50 parcels of real estate and have them all valued and add up those values to a total; then in order to reach what you consider a fair value, lop off \$400,000 from that, and say that is the fair value of the total?

A. I think it is.

Q. Have you ever seen real estate valued that way in condemnation proceedings?

A. It is impossible for the Commission to view each one of the properties—

Q. Did you ever see real estate valued that way in condemnation proceedings?

A. No sir, we are not the individuals that viewed the property. We are only passing on the testimony.

Q. What was the testimony which made you decide that \$400,000 was to be knocked off?

A. All of the testimony with relation to the real estate.

Q. It was an arbitrary figure pulled out of the blue?

A. Like all of the other things, it is the exercise of the judgment, under the testimony.

Q. What you have said in regard to this change of value of real estate, applies, I suppose, to all of the changes that were made from the July report to the report—in round figures, varying from \$50,000 to \$874,953?

A. Yes sir.

Q. In other words, you took your pipe lines—we will take tanks and standpipes, and in the exercise of what you called judgment, said that the value of \$854,189, determined upon by your Bureau of Engineering, and embodied in the July report, should be increased by half a million dollars?

A. That is correct, if you have the figures correct. Yes, that is correct.

Q. You believe that is a proper way of arriving at values of physical property?

A. I don't see how the Commission can do it any other way. We had totals; we had the value placed by the complainants; we had the value placed by the respondents; we had the suggestions made by our own engineer—

Q. Wasn't it based on the evidence?

A. Yes sir, as I stated before, certain things he cannot pass on.

Q. Why couldn't the engineering bureau pass on the values of tanks and standpipes?

A. Because there is labor involved in the reproduction cost new; material and labor. There is a dispute, vast dispute, between the engineers as to what they would cost. Now, it is up to the Commission to determine what weight to be given the testimony of those engineers who testify.

Q. In valuing physical property by the Commission, isn't the first thing that the Commission arrives at a determination of the inventory of the property, based on the testimony?

A. Yes sir, we have to determine what property there is to be valued.

Q. Used and useful?

A. Yes sir.

Q. You determine that there are one hundred or one hundred and fifty miles of pipe lines, of certain size?

A. We have to determine what property there is, used and useful, and then take whatever the amount may be.

Q. In order to reach a value of this property, you have to apply unit prices?

A. That is the method followed by engineers.

Q. Is this the method followed by the Commission?

A. You mean in this particular case?

Q. I mean in this case and other case—I assume you have some method?

A. I wouldn't say it is.

Q. This is interesting. You mean to say that in determining the value of the property, the valuing of a pipe line, the Commission does not take the length of the pipe line and apply unit prices to it?

A. That is not what I said. If I did, I did not understand your question. I mean, in determining the values, when it comes to a final determination, that we don't sit down and figure, here is a pipe line, three or four miles long, we fix a unit price per foot or yard, or mile, determine that first, then multiply it by the length of the pipe. We have before us the totals by the different witnesses. We determine the lump sum, either one way or the other. That is the way this was determined, and in every case that I have had anything to do with.

BY MR. RHODES:

Q. In other words, your judgment is unrestrained?

A. I wouldn't say so. I don't think it makes much difference whether we say we have a few pieces of pipe, it is worth so much, or whether we fix the value on the total.

BY MR. EVANS:

Q. If you would have a witness who testified that a pipe line, whose length is undisputed, the character of the ground is undisputed, thru which it is run, the character of the pipe is undisputed—and one witness says that the pipe line is worth \$100,000, and another one says it is worth \$50,000, and the Commission says we can fix the value anywhere between those two without determining anything about the unit cost?

A. We don't sit down and figure those things out. The Engineering Bureau brings that to us in totals. We consider the weight to be attached to the witness who testifies, and determine the amount in a lump sum.

Q. There are a thousand meters in a water system of the same kind, are bought at the same time, and one witness says these are worth \$15 apiece, another witness says they are worth \$12 apiece. Does the Commission not decide whether they are worth \$12 or whether they are worth \$15?

A. I think we would.

Q. Then you do determine unit prices?

A. I consider unit prices, but in fixing amounts, we use the totals. That detail work is all done by the Engineering Bureau.

Q. I am speaking of the action of the Commission. The Commission has stated that the Engineering Bureau had no authority of any sort to fix values. Therefore, the duty of fixing values is on the Commission?

A. The duty of passing on the weight to be attached to the testimony of the witnesses is on the Commission.

Q. I am talking about the duty of fixing the values?

A. That is on the Commission.

Q. That can only be fixed by a determination of quantities and unit prices?

A. I wouldn't say that. We can fix the value on a large quantity of material, fix it as a total, or at a unit price, and determine what the total is. I recognize the facts that the engineers determine those things by fixing unit cost.

Q. You in this case paid no attention to unit cost, but took lump sums in fixing the Commission's valuation?

A. That is correct.

Q. Who gave the instructions to the Bureau of Engineering as to what they were to do after this case was argued?

A. I cannot tell you that. I presume it was the Chairman.

Q. The Chairman said he didn't do it, that probably it was you or Commissioner Brown.

A. The chances are, Mr. Evans, it was done right in the Commission's session, when they talked the thing over. They determined on certain things, and Dr. Snow was there. He had his instructions from all of us—I cannot recall the exact facts.

Q. You spoke of his having been instructed to prepare the analysis of the testimony, but that he went beyond his instructions and put values on it?



A. I differed with some of the members of the Commission as to the right of the Engineering Bureau to determine values based on the testimony, and present it to the Commission. As a legal proposition, I don't think that is his province. Some of the Commissioners think that is all right.

Q. In most of these items you accepted the valuations of the Bureau of Engineering?

A. The Commission did.

Q. Didn't you accept them individually?

A. I voted for the report.

Q. Your decision sets forth each item separately of the physical property, does it not?

A. Yes, because I was satisfied with his figure. I am speaking as a legal proposition, I do not think he ought to be permitted to do that. I think the parties have a right to cross examine him if he undertakes to fix valuations.

Q. Who determined which engineer in the Bureau of Engineering should work on this case, in doing this work, which you directed them to do?

A. The Commission, I think, left that to Dr. Snow, to assign anyone of his staff that could do the work. In fact, I don't know all of the engineers that did work on it.

Q. That was left to Dr. Snow?

A. Yes sir.

Q. In your report in regard to the "original cost, you state, "The Commission has given careful consideration to such evidence of original cost as can be included as an element in determining the present fair value of existing property." did you take the original cost of this property as shown by the evidence.

A. The original cost was not determined in that—

Q. Did Mr. Heinbockel testify—

A. He testified as to the original cost. He gave testimony as to the amount as he could determine it by the records, and then made computations. Where the records were not complete, that was not a complete record of the original cost.

BY MR. EVANS:

Q. And he reached a value between \$24,000,000 and \$25,000,000 for the original cost of the property?

A. I think that was his figure, but the Commission didn't regard that as the original cost of the property.

Q. What evidence were you referring to when you said you were giving consideration to the original cost?

A. We gave consideration to the testimony of Mr. Heinbockel as far as it went, but it was not complete.

Q. What did the Commission determine was the original cost?

A. We didn't determine any figures but found it could not be determined.

Q. I read you a portion from your report: "Nevertheless, the Commission has given careful consideration to such evidence of original cost as can be included as an element in determining fair value of the existing property."

What consideration did you give to the original cost?

A. I don't think it entered into the determination of fair value at all, for the reason it was not complete, but we considered it because it was evidence of the original cost, but in our consideration we could not place any reliance on it because it was not complete.

Q. Now, Mr. Young, somebody reading this report and reading what the Commission says, "Nevertheless the Commission has given careful consideration to such evidence of original cost as can be included as an element in determining the present fair value of the existing properties," do you think that conveys the meaning you have just stated, namely, that the Commission didn't consider original cost because they did not consider there was sufficient evidence? Does this convey to your mind the actual facts of the situation that I have just read to you from the report?

A. You read from the report correctly.

Q. Does that convey to your mind the correct picture of what the Commission did with the original cost?

A. Now, I don't know what you mean, Mr. Evans.

Q. I mean this; this sentence is put in here to give the impression you considered original cost?

A. Yes.

Q. And you just said you gave no consideration to original cost because there was not sufficient evidence on which to do it. But regardless of what you said, let us find out what the facts are; did you consider original costs?

A. Yes.

Q. What original costs did you consider?

A. We considered the testimony of Mr. Heinbockel, which is really the only testimony in the record relating to the original cost, and inasmuch as Mr. Heinbockel's testimony disclosed that he could not get complete records of what was the original cost, but he made computations approximating what he thought was the original cost of the property, the Commission could not rely on that testimony to determine a figure representing original cost, and did not.

Q. In other words, you had no means of finding as to the original cost, nor did you give it practically any weight in reaching your conclusion?

A. I think that is true; we could not find any figure.

BY MR. RHODES:

Q. You considered it, but you considered it was worth nothing?

BY FATHER COX:

Q. Original cost is like original sin, it causes all the trouble and nobody has any control over it.

A. It is very apparent when some of the figures are lacking we could not rely on it.

BY MR. EVANS:

Q. Did it not appear from the Downes report that some six million dollars or more of excess earnings were piled back into the property?

A. I cannot give you the exact amount, but I know there were some excess earnings went back into the property.

Q. So when you found a reproduction cost depreciated of \$44,651,459 in your final report you knocked off approximately a million dollars and said that the full value was \$43,650,000?

A. We fixed a fair value and the law allows this, reproduction new.

Q. What elements did you take into consideration in fixing it at less than reproduction new?

A. Well, that is the figure that was probably arbitrarily fixed. There are a number of things that we considered, such as the trend of prices at the time. At the period during which these rates would prevail the property might become lower, that would be one element. I don't know what was the controlling factor in fixing that except that it was what was agreed upon by the Commission.

BY MR. COOKE:

Q. They just exercised their judgment?

A. They cannot get too far away from reproduction new without being reversed particularly in this case, because there is no complete evidence of original cost.

BY MR. EVANS:

Q. Now Mr. Young, we talked a little while ago about your valuation of pipe, and you said you gave no consideration to unit price but just fixed lump sum items that came within the range?

A. Yes sir.

Q. What does your report mean when it says, "The Commission in arriving at the cost of pipe took into consideration the unit cost \* \* \* and has constantly endeavored to arrive at what might be an average price over such a period?"

A. As to pipe, we had fixed a unit price of \$36 a ton.

Q. You said you did not?

A. It is so stated in the report, but I think that is the only unit price that is definitely so stated.

Q. Then what was it that made you in the item of distribution mains, when the Commission had found a depreciated value of \$8,554,189, as set forth in your July report, increase that figure to \$9,054,189, an increase of \$500,000 flat.

A. Well, that could be caused by the cost of labor.

Q. It could be caused? I say, what was it caused by?

A. I cannot answer that. I don't know what the picture was except that it was just the judgment figures as I stated before.

Q. And you want to correct your previous testimony in saying you did consider unit prices now? That is the very item we were talking about before?

A. I don't think that my testimony would justify the statement we didn't consider unit prices. What I was referring to, Mr. Evans, was that when we came to the final determination and adjustment figures, and these figures were all up

in lump sum, then unit prices were considered because we considered all the testimony and Dr. Snow's details were made up from testimony where the unit prices were considered.

Q. Your report says, "We changed the price per ton for cast iron pipe \* \* \* \$38 with proper increases for smaller sizes and weights of pipe." What price did they use for pipe in the engineering bureau?

A. \$38 a ton.

Q. So you added a half million dollars on, and you must have increased the length of the pipe line to justify that?

A. Not necessarily.

Q. What did you do?

A. As I stated before, it could be taken up in this cost of labor.

Q. Was it?

A. I cannot answer that, except we added that much on there and added on several other items in lump sum; we didn't figure that out in unit cost.

Q. As of what date did you make your valuation, Mr. Young?

A. The decision was made on December 9th.

Q. Did you value the property as of that date?

A. It would be as of the date when the testimony was closed.

Q. Were not all of the respondent's figures based on an appraisal as of May and July 1st, 1927?

A. Yes sir, but there were additions made subsequent to that; their appraisals were corrected including certain additions made after that.

Q. Have you added no cost of extensions and betterments from July 1st, 1927, or ought you not also to have included accrued depreciation from July 1st, 1927?

A. I think that that would be correct, if you added the additions that you ought to depreciate the property for that period.

Q. You fixed \$200,000 as the annual depreciation allowance did you not?

A. Yes sir.

Q. So there should have been three years depreciation taken from that figure?

A. I would not think it would be three years.

Q. Didn't you fix the value of the property, reproduction value less depreciation as of July 1st, 1927, and after that the extensions and betterments?

A. My recollection is that that was fixed as of July 1st, 1928, the effective date of the appraisal.

Q. You largely took the respondent's appraisal which was made in 1927?

A. Yes sir, but we made corrections.

Q. You made corrections by adding the extensions and betterments?

A. And the depreciation; I presume we depreciated the property as of the date of July 1st, 1928, at least it should have been done.

Q. Now Mr. Young, here are the engineering sheets showing the cost estimates as of May 1st, 1927?

A. I don't know whether any corrections were made in them afterwards or not.

Q. That is a pretty important item?

A. Yes, but this one item would be found to be fair value which is less than reproduction new.

Q. When you testified previously before the Committee you stated that a check recently made by the Commission showed that it decided considerably more than half the cases in favor of the public. In response to my request that you file the rate cases decided in the past six years you have submitted a paper showing the rate decisions of the Commission?

A. Yes sir.

I OFFER IN EVIDENCE A TABULATION OF CONTESTED RATE CASES DECIDED BY THE COMMISSION 1926 TO 1930 AS EXHIBIT NO. 160.

BY MR. EVANS:

Q. Now Mr. Young, so far as rate cases go, you have in the case of railroad rate cases decided eighty-six (86) in favor of the complainants and twenty-eight (28) in favor of the railroads, have you not?

A. That is correct.

Q. And in electric cases, one complainant has been sustained and three have been dismissed?

A. That is right.

Q. In the other utilities including water, gas, electric street railways, sewer, auto bus, steam heat, bridges, you have sustained twenty (20) complaints and dismissed thirty-four (34)?

A. I have not figured this. I notice that as to water companies, there are eighteen of them sustained and ten dismissed, and the others I suppose, the majority of them, are the other way.

Q. Can you explain why it is that the railroad rates are so much more subject to attack than the rates of other utilities?

A. I think I can explain that difference. The reason that there is a difference between railroad rates and other utilities is because of a different method used in determining the railroad rates than there is in the other utilities. In determining whether a railroad rate is unreasonable we do not make an examination of the property. That is made by a comparison with rates in other localities and sometimes on products and not by determining a fair value of the property, while as to the other utilities we determine the rates by first fixing the value of the property and taking into consideration the operating expense. In recent years we know there has been an increase in costs and that accounts for raising the rates in a good many utilities.

Q. Is that the real reason because in railroad rates you are bound in a large number of the cases by what the Interstate Commerce Commission has done?

A. In part that is true, because if we fix a rate that discriminates against the awards of the United States Commerce Commission, the Commission can strike it down. As to intracommerce rates, the Commission is authorized to fix those rates. I don't know of where that Commission ever struck down a rate fixed by the Pennsylvania Public Service Commission.

Q. Here is a case where you have dismissed eight and decided none in favor of the public?

A. That is true; the reason is that the cost of producing and the distributing cost has gone up very materially in the last few years.

Q. Here are the street railways, you dismissed five and sustained none?

A. The same is true of street railways.

Q. Auto busses, you dismissed two and sustained none. Did the cost on that go up?

A. I would not say that.

Q. Steam heat, dismissed two and sustained none. Has the cost of steam heat gone up in the last two years?

A. I would not say so.

MR. TURNER: Are we going to meet tonight?

MR. EVANS: We have plenty to go ahead with; it is for the committee to say.

MR. MOORE: The Committee is perfectly willing to go ahead.

MR. YOUNG: May I be permitted to request that the Committee consider this tabulation that we have prepared from the briefs on file with reference to third class cities. I think that is important. It is up to the Committee to determine whether they want to consider it or not.

MR. EVANS: I offer in evidence, exhibit number 161, comparative rates of water companies serving in third class cities submitted by Commissioner Young.

(Paper in question so marked)

BY MR. EVANS:

Q. In connection with this exhibit, Mr. Young, I ask you whether the Commission has not determined the rates of the Wyoming Valley Supply Company in Hazleton?

A. I couldn't answer that. I don't believe they have since I came on the Commission. They may have.

Q. Will you look that up and advise the Committee, because I am advised that they have determined those rates?

A. Yes.

JOHN FOX WEISS sworn.

BY MR. EVANS:

Q. Mr. Weiss, you are counsel for the Public Service Commission, are you not?

A. I am.

Q. How long have you been counsel?



A. I have been counsel since the fall of 1928, I think; and assistant counsel prior to that time, from July, 1918.

MR. TURNER: Mr. Weiss has testified before the Senate Committee. Are you going into a wide scope of that, or are you going to carry up this testimony to what is before us?

MR. EVANS: I was going to cover the Scranton-Spring Brook situation.

MR. TURNER: That is what I meant; that it did not seem necessary to go into the general scope of the testimony that was before the Senate.

MR. EVANS: It is for the committee to determine how far they will go.

MR. TURNER: Well, that is my opinion.

BY MR. EVANS:

Q. You have been familiar with the Scranton-Spring Brook Water Case, have you not?

A. In a very superficial way.

Q. Did you attend any of the meetings at which testimony was taken, Mr. Weiss?

A. Not one.

Q. Were you present when the case was argued before the Commission in April, 1930?

A. I was.

Q. When were you first consulted in regard to the case by the Commission?

A. The first thing I knew about the case was some time about the middle of July. I don't carry the exact dates in my mind, but it was some few days before Dr. Snow, who was not well at that time was leaving for New Hampshire for his vacation, and it was noised about, or else on the calendar; I don't know which; that the Scranton-Spring Brook report was ready, and was coming up, and the first contact I had with it was when it came up in executive session; and by that I mean when the Commission meets in consultation to discuss matters, hear reports on hearings held during the week, to discuss and determine on reports to be issued. I presume it was on the calendar, although I don't know; the first I knew about it was on Monday or Tuesday; I think specially fixed on Monday; the minutes will show; and this report came up for consideration. It was a three hundred page report; possibly two hundred or three hundred page; written by Dr. Snow, and when it came up in time and was ready; probably one hundred or one hundred and fifty pages which I think Mr. Hopwood at part of the time, although largely by Mr. Mather, the assistant counsel, and myself; and as I recall it some of the Commissioners reading intermittently.

Q. And that paper which you have before you, entitled "Original copy of proposed original report of the Scranton-Spring Brook Water Service Company on valuation for rate making purposes submitted July, 1930 by Chief of the Bureau, Mr. Snow," is the paper you are referring to; is it not?

A. This has one hundred and ninety-two pages. I thought it was longer than that, but I think that is the report; at least it was the one that Dr. Snow wrote.

Q. According to the minutes of the Commission, this was at a session held July 15, 1930?

A. I think that's right.

Q. What was your next connection with this matter, in any way?

A. Possibly the next day or several days—two days, perhaps I—was called into the Chairman's office and the Chairman asked me to take charge of this report, and to write a revised report, and to submit it to the Commission at its next executive session. Of course, that was a week away, or two weeks, perhaps. In the summer time, frequently we are on a two week schedule of the executive committee, instead of every week, and that, of course, started a discussion with the Chairman—and by the "Chairman" as we call him, I mean, Chairman Ainey—as to what was wanted.

Well, frankly I planned a trip to Europe for a vacation, and I told the Chairman that (which he knew) but the upshot of the matter was that I said, of course, if it is work that has to be done, I would stay home and do it, and I asked for information upon the matter. I didn't know a thing about the case until we read Dr. Snow's report a day or two before, and, of course, that was a "once-over," but I didn't get much out of it because of my unfamiliarity with the case, and I asked him what the Commission—what the views of the Commission were in the matter and what their thought was. The Chairman, said that he thought I could write a report and still go to Europe, but

I said, of course, to my mind, that that was out of the question, and the Europe reservations were given up, and I buckled down to this report.

Mr. Mather came in with me, and together we took up the matter, and then asked for advice with respect to the various bindings and conclusions. I didn't know a thing about the report. It was voluminous, as I guess you know by this time; and I asked what was wanted in regard to reviewing the report and with regard to making our recommendation, our findings, our criticisms on a report submitted.

I don't mean to recite all the details, but the up-shot of the matter was that the Chairman, either then or within a day or two in the company of Commissioners Young and Brown gave a statement, a composite statement of figures, in which there was a total figure of physical property; I think one or two items in it—real estate, I remember, was set up, and then certain percentages of over heads; and that was at this time the committee's judgment as to the figures which should be embodied in the report and which represented their judgment.

I asked for details, asked whether we didn't want various items of physical property built up in the usual way, and discussion had with respect to the various items—real estate, for instance; as to how the figures—I don't for a moment carry the figures in my mind—as to how the item of real estate was arrived at, and there would be a discussion on that, the summary of the reasonably large tracts—some index, if you please, as to which, if the matter were going to the appellate court and be reviewed by that court, there would be some findings to exercise the Commission's judgment upon the evidence and the Committee thought that that was not necessary; legally that that was not required; that they could exercise their judgment and make their findings, and that that was all that was necessary to be embodied in their report.

So, we started in to write a report. Dr. Snow had in the meanwhile gone to New Hampshire, and the one assistant who had particularly worked with him in the work, did not feel free to express his own judgment as to figures, because his chief had made conclusions and recommendations and findings, and he decided, naturally, to abide by this by his chief's conclusions and findings.

Q. Who was that engineer?

A. That was Mr. Parmley.

Q. So, then, on the basis of those instructions you prepared a tentative form of report, did you not?

A. Yes. But before that we met with this committee—Oh, a half a dozen times, perhaps,—and each time we discussed figures, all in totals, if you please, and percentages to be applied for over heads, and we shifted and gave and took including all of the items I think; working capital, going concern value, and all the percentages of overheads—I think every one of them was somewhat changed during the process of reconsidering and revamping the figures, but all hanging if you please, within reasonable limitations to the figures originally given—changed here and there, but if you please, but in totals, approximately very closely the figures that were given to us upon which we were to draft a report.

Q. In the July report—

A. Pardon me, was there a July report? You mean the Snow report?

Q. The Snow report

A. All right. Thank you.

Q. In the July report prepared by the Bureau of Engineering, the total reproduction cost new depreciated, with over heads, was fixed at \$47,065,430. What figure was arrived at corresponding to this in the report, which you prepared?

A. I haven't looked at this report, Mr. Evans, and gentleman, if you please, but I do not see instantly any figure of reproduction cost new depreciated, although I do find a finding of fair value, present fair value of the respondent's properties for rate making purposes, of \$46,982,636.

I don't recall whether there is a finding of reproduction new or reproduction new depreciated in the report. I think the tabulations attached to the last page of that report does show a finding by the Commission, and set-ups by respondent and complainant of the reproduction new and depreciated in parallel columns, and it appears to be—that is, of the physical property it appears to be that the Commission's finding new was \$35,238,354, and depreciated of \$33,587,571.

Q. And to that would be added the overheads as set forth in that report, which is here introduced as exhibit 151?

A. That is right.



Q. And, now did you agree with the findings as set forth in this report?

A. Of course, I was not a Commissioner, Mr. Evans, and it was not for me to agree or disagree. I imagine, myself, that it was pretty well understood around the Commission and by the Commissioners—although in this I may err—that from my very brief and superficial contact with the case, I was in accord with the dissenting or disagreeing members of the Commission and not in accord with the majority, though frankly—I want to emphasize this, that was not within my province.

BY MR. RHODES:

Q. Who were the dissenting Commissioners?

A. I think at that time—

MR. TURNER: I think the minutes show.

THE WITNESS: I think that time—I must be careful in mentioning names, because he may have another one may have come in later, I don't know whether Commissioner Collins was at that meeting or not I do know that Commissioner Shelby and Collins were the dissenting, and later, and I think they both were there at that time, if Commissioner Collins attended that meeting, the minutes ought to show. I speak wholly from memory.

BY MR. RHODES:

Q. Do you know what their opinion was?

A. I don't know what Commissioner Collin's opinion was, because he didn't have opportunity or take the opportunity to express an opinion to me. I do not know that at that time Commissioner Collins was a very sick man, and necessarily was detained from attending the meetings of the Commission. He was here later, I am sure, but I think both he and Commissioner Shelby dissented at that time. I do know that Commissioner Shelby expressed to me his opinions with regard to value, but I would prefer not to express or repeat those opinions unless he were present. He did it, of course, in confidence, and he asked us to do quite a bit of work—"us," I mean the law bureau—to do quite a bit of work for him, compiling comparative data and other information.

MR. TURNER: I think if we want information, we should ask Commissioner Shelby to come here and state it.

MR. EVANS: I think most of the facts are set forth as to that, Mr. Turner.

BY MR. EVANS:

Q. You prepared this August 6th report. Was there anything put in the report of which you did not approve?

A. Well, I thought the report—and in this way differed, as a matter of law, the Commission, the Committee and myself—I thought the report ought to have been more detailed, and ought to have been fabricated if I may use that word, and by that I mean follow the procedure ordinarily followed—I do not mean that that should carry any nasty implications either, but I mean follow the procedure usually followed,—namely, building your report, giving conclusions, as to real estate and saying how and why; finding, if you can, the original cost of the real estate, the historical cost, with your various bases of reproduction new, present—and depreciated, five year average, ten year average, and then when you make your findings and conclusions, dependent on those, and then giving a composite total of those findings, and thus come to a fair value, and I felt that there was not sufficient in the report to sustain it on appeal. And perhaps, I ought not to say that—since it is on appeal, but I was certainly of this opinion that I would rather have the data and the findings in the report, because when it went into the appellate court, we could argue on what the finding was, what it was from. My concern was not value or figures. My concern was, if we would go to the Superior Court, we would have something to turn to.

BY MR. RHODES:

Q. Why was this report treated differently than those of lesser magnitude?

A. I don't know; at least I don't know as far as I am concerned. I don't mean to carry the implication that there was anything different. Perhaps this may be a reason, this case had been going on for a long time. The company got through its case rather promptly but you must realize that it took time—I made the statement before the Senate Committee, which was not correct, and to which the people in the North-eastern end of the state took umbrage, and the solicitors of

these people up there; that the delay was due to the complainants. That was a very unfortunate expression. I didn't mean delay in the sense of procrastination. I should not have used the word "delay" but the time consumed, that was necessary in the preparation of the complaints' case, after the respondent had put in its case, because there was a tremendous volume of matter, and the complainants had to employ counsel, experts, of all kinds, and only got their case in by raising a fund among them, to give these men time to investigate and prepare the complainants' testimony. Now, that did take time. Then the case came up for argument, summer was coming on, and I think there was an urge all along the line to get a report out. I know that the Commission gave mandatory orders to have—such as I had never received, and such as I did not much fancy either—mandatory orders that it had to be out in a certain time. Well, they didn't get it out in that time, because it wasn't possible. A week was not enough to look at that report, and with all the findings and the shuttling back and forth on the figures which they had before them, and all the time spent in discussing them and arguing them, and the committee was giving us revised statements.

BY MR. EVANS:

Q. When you contrast this procedure with the ordinary procedure, which you have spoken of as fabricating, by following it up from the bottom, are we to understand that the committee, in effect gave approximately the total value which they wanted to find and directed that the items entering into that value should be adjusted in certain ways?

A. After the committee gave us an absolute schedule of figures, which we were to incorporate in the report; real estate in total; I think it was \$5,000,000 and some dollars. I don't carry the figures in my mind. I don't know where those schedules are. They were made up, and then certain percentages were applied for over heads, and those percentages were given to us, a certain figure for working capital, a certain figure for going concern value, and we were given the Snow report and this (indicating) and told to write a report. Well, of course, the only thing you could do was to write a history of the companies, and prepare something that was a report, but it, as I felt, was very sketchy, and then we went and wrote that report.

As I gathered it from the Commission, the purpose was to reduce, and I think I speak—to reduce the amount which the company was receiving under the temporary rates by approximately—I speak in rounded figures,—\$100,000, this August 26th report—and I say frankly, I have not looked at these reports, since August; I have not seen either of them since August—contains a statement to the effect that the experience of the company for the year ended June 30, 1929, shows a total operating revenue under the temporary rates of \$4,384,605, or approximately \$97,000 per year less than the above figure would indicate, and I thought the Commission was—that the rates prescribed, that is, the total allowable gross annual revenue should be such as would cause a reduction of the rates, by \$100,000 in round figures, under the temporary rates then in effect prescribed in 1928.

Q. I think your recollection can't be quite correct in that. You will notice that this says (indicating) that the revenue of the company is \$97,000 less the allowable revenue, so the effect of this report was to sustain the temporary rates which were then in effect.

A. Yes sir. That is correct. Here in a finding,—the last paragraph. They found the original rates excessive and unreasonable and discriminatory as against the consumers and find that the rates filed in accordance with the order issued, temporary order of December 21, 1928, just and reasonable and non-discriminatory, because, as I recall it, they were yielding \$100,000 less than the gross annual revenue found to be allowable by the Commission.

Q. According to the minutes, Mr. Weiss, this report was approved by the Commission on August 26, 1930, subject to certain minor changes, which the Chairman was authorized to make. Did you have anything further to do with the matter after that time?

A. Only to draw an order, and I think the Chairman did make some minor changes in phraseology, and I drew an order.

Q. Do you remember approximately, when that order was drawn,—

A. The same day or the next day.



Q. Was that by the end of August,—so that by the end of August, the case was ready to have the decision made public?

A. Yes sir.

Q. Do you know any reason why it was not then made public?

A. No. I know of no reason. I made an objection to the Chairman, to the form of the order drawn, which was drawn at his direction, if I am not mistaken, as to the time and order of events in this report, and if I recall that,—we might as well say exactly what happened,—as I recall it the Chairman thought the order should be drawn, and I may be confused in my facts, as I speak from memory, but my impression was he thought the order should be drawn, which would effect a reduction of this \$100,000, and I pointed out to him that this is not what the Commission decided, that the Commission fixed the sum of close annual revenue, and that I thought the order should be drawn, directing the company to file a tariff which was designed to yield a gross annual revenue prescribed by the Commission, and I pointed out to him, drawn the way he suggested, by \$100,000—they were reducing it by \$100,000. It could happen that the company still could have reduced revenues of \$100,000 and still be in excess of maximum gross allowable fixed by the Commission, namely, \$4,481,418, and I did that because of the fact that that was the amount agreed upon and I was of the opinion that the order should be drawn that way, the way we always do draw orders, directing the company to file a tariff, designed to yield that amount, and not the other way. I guess I got rather insistent in my argument. The Chairman was quite convinced the other way, and I thought sure that I at least would like to confer with Commissioner Shelby in that matter. We had done quite a bit of work for Commissioner Shelby and had discussed the matter with him from his standpoint. I asked the Chairman if he objected if I called up Commissioner Shelby. He told me the matter was placed in his hands, I should leave the matter with him. He told me very politely, but rather firmly,—that I had rendered all of the services necessary in that case, and I think I got just as positive and told him that I had rendered all the service that I would render in that case. We parted; I left. That was the last I had to do with the Scranton Springbrook Water case.

BY MR. RHODES:

Q. How was the order finally drawn?

A. I don't know who drew it. The report subsequently adopted in December was changed somewhat in phraseology, and the order was drawn by someone else. I don't think in my bureau,—if in my bureau, without my knowledge, and I know nothing about that report and had no contact with it.

Q. Did you try to find out whether the order that was drawn in December was drawn in accordance with your ideas, or in accordance with the ideas of the Chairman?

A. I would rather, if you please, gentlemen—and I don't mean this discourteously—I would rather that you draw your own conclusions from the order. I think, if I may express my opinion, I think it conforms to my thought though not in my language. I may be wrong in that. One of the paragraphs read that the Scranton-Springbrook Water Service Company file, post and publish, effective January 1, 1931, upon one day's notice to the public and this Commission, a new tariff schedule, reducing the gross annual revenue of said company to an amount not in excess of \$4,219,000, such reduction to be applicable to the rates to domestic consumers. My usual phraseology is, that the Scranton-Springbrook Water Service Company file, post and publish, effective upon one day's notice to the public and this Commission a new tariff schedule designed to produce a gross annual revenue not in excess of the amount of such reduction, that is to go in, to be applicable to the rates to domestic consumers.

Q. That order is changed from the one you originally drew?

A. This is not the same order.

Q. It is changed in the respect we have been discussing?

A. Yes sir; I drafted the order, the August order for this August 26th report, in compliance with the Chairman's instructions.

BY MR. BOWERS:

Q. Has it been the custom of the Commission in other cases to have someone other than your Bureau draw orders?

A. It is not. Let me qualify that. Yes, in automobile cases—cases under that classification.

BY MR. EVANS:

Q. But not in rate cases?

A. In all cases where there is a contest of a rate, the order is drawn to my knowledge by us, the Law Bureau, and I o. k. it every time, before it leaves—either Mr. Mather or myself, and I think I do it 99 times out of 100. It goes through the final machinery, typewriting, and so forth, on my o. k. Or it may be drawn in the Bureau of Rates and Tariffs on railroad rates, submitted to me for o. k. Chief Snow does nothing as a final right, by way of reports or orders, unless it has the o. k. of Mr. Mather or myself. There may be possible exceptions.

BY MR. COOKE:

Q. This one did not have your o. k. or the o. k. of Mr. Mather?

A. Not to my knowledge. I say no. May I answer that this way: This copy before me is evidently the final writing. That would not have my o. k. upon it itself, but the rough draft which was adopted in the Executive Session, and which carries the words, "Approved" or "o. k." as the case may be—the initials of the secretary or acting secretary, and the date; then it comes to me. That copy is the basis for the typewriting and final captioning, punctuation and everything, in the secretarial office. When it is finally written, there is a little slip attached to the original, which carries the name of the Commissioner—a little printed form. It carries several things. We o. k. that copy to go to the Chairman for his signature, and it doesn't go to the Chairman until it contains Mr. Mather's or my signature on this slip.

Q. In this instance there was no order that had your o. k. on or that of Mr. Mather's. This copy has not Mr. Mather's or my o. k. I take it that that is the original copy. I didn't see that report myself until it was brought up in executive session on December 9. The original copy ought to have on it this slip containing the initials of the man who o.k.ed the order, and every order in my bureau. I should say in all bureaus, every order that goes out, carries the initials of the man who dictated it in the corner, or who wrote it, and my initials as the final o. k.

BY MR. EVANS:

Q. Were you absent from the Commission's office in December when this report was approved?

A. I was present.

Q. You were not asked to approve the final order that was sent out.

A. I was asked nothing and I said nothing.

BY MR. RHODES:

Q. When you speak of the approval of the final order, does that mean you did not approve of the entire opinion—

A. I didn't know what was in the report. I saw nothing from August 27th or 28th; I was through with the report, and I was not mistaken about that. I understood very decidedly that it was out of my hands.

Q. Your services were no longer required after August in that connection?

A. They were not. My instructions were so positive that I merely decided and made up my mind that I would not ask or inquire about anything else until I was interrogated about it.

BY MR. EVANS:

Q. Do you have any knowledge as to when the other considerable changes were made from the August report to the December report?

A. I have no knowledge when. I can fix the date as the one when the changes were not made.

Q. What date was that?

A. It was sometime after or very shortly after Commissioner Benn returned from Dakota and the northwest where he was on a trip.

Q. How do you fix that time for the changes not to have been made?

A. That I know, I have been told very positively that I was through with any contact on that August report, the last one in August, whatever the date was, I still made up my mind that I would express my opinion and views concerning it to Commissioner Benn, and that I felt that some serious fault could be found with it legally.

BY MR. TURNER:

Q. Why to Mr. Benn?

A. Because I came to have, perhaps erroneously, but I came to have an opinion that Commissioner Benn is the man who had the most influence with his colleagues. Commissioner Collins was a sick man, the Chairman was physically a much impaired man, and I tried just as hard as I knew how and I am sure the other chiefs did, to take every burden we could and to carry it ourselves, and to relieve the Chairman as much as we possibly could in matters of importance.

BY MR. TURNER:

Q. Was your position on the final report as found or in the manner in which the report was prepared?

A. Primarily and distinctly on the way in which the report was prepared. My own judgment was, though it was not a judgment to be compared to the judgment of the gentlemen who heard the case and who had studied the matter, my judgment was that that valuation, from my viewpoint, was away too high.

BY MR. RICHARDS:

Q. That led you to what conclusion?

A. It was discussed and the discussions we had in my own bureau and the discussions we had with the chief of the bureau of accounts and statistics, Mr. Morgal, and from the figures which had been submitted to me by the committee, and in my own composite picture and the coloring that goes in to make the picture.

BY MR. RHODES:

Q. Your opinion was that of the lawyer and theirs was the opinion of the jury?

A. Yes, and the lawyer's opinion is no better when you come to administrative judgment than another man's. Sometimes the lawyer's judgment is not a good one.

BY MR. RICHARDS:

Q. In your opinion, if you care to say, how much too high was this valuation?

A. I don't hesitate to say, if it will be of any help, but I say it if you please with that same condition, I might revamp my opinion upwards or downwards if I studied it in detail. My opinion was the maximum of forty million dollars, but I was not fixed in that and had I come to the point of a down-right study of the testimony, it might have been different, but I was persuaded in my own mind that I could not defend that case successfully on appeal on the report I read on account of these omissions, and yet the other lawyers thought it was splendid.

Q. Are you taking care of the appeal now to the Superior Court?

A. Yes.

BY MR. TURNER:

Q. Why did you want to consult Mr. Benn?

A. I tried to keep things away from the Chairman as much as I could. I knew this had been a tremendous task to him and I was trying my best to keep things from the Chairman and keep from burdening him with unnecessary details and I was not free to go back to him with this case after the instructions which I had had when it was taken out of my hands. When Commissioner Benn returned, I went to him and told him very frankly that I thought that opinion was wrong and I told him I would not defend it on appeal and he said he felt if I thought that way about it I ought to resign. I knew nothing more about the thing until December when the data came for writing reports, and on Monday or Tuesday this report came up, as far as I know with other reports, or it might have been the only one. It came up in the Chairman's office where we were in session, and I sat there and heard the report read and debated. Commissioner Benn went over the report with me and I pointed out to him particularly the items of real estate. This was probably in September, and I pointed out to him wherein I thought the report was reversibly weak in that great big item alone, and that there was not anything that the court would have to do so far as this report went that would give it a reason for this large block of land. I didn't go into tedious minutiae, but I would take a certain tract up and when we could reach an agreement I would note that down, then take another large tract or in a

certain group, if you please, and note that down, and another tract from a separate division, of the several sizes of this company, and note that down, and then build up the element covering the value as to real estate. Commissioner Benn didn't see this as I did, and very kindly and courteously but nevertheless firmly said that he sustained the Commission's actions and if I felt I could not defend it as it was, that I should tender my resignation and I said that if it came up on appeal and I was called to defend it I would resign.

BY MR. RHODES:

Q. It was your duty to tell the Commission wherein the report was not defensible?

A. Yes sir.

BY MR. COOKE:

Q. Mr. Turner asked you how you arrived at your conclusions on this, whether you did it as a matter of form, what you meant was these different items didn't have supporting data?

A. Exactly. I meant to give you this impression at least and to state this fact, first, I thought it was weak legally, and I felt that it was indefensible, at least I didn't want to defend it. I thought it ought to have supporting data throughout to go through with the report, and it ought to have this supporting data behind it. That is the way I wanted it to be. It is not for me to say and I certainly would have taken the Commission's findings and defended them if I could. I want to again emphasize that my judgment was a sort of a snap judgment and one that ought not to be considered as against the judgment of the Commissioners who slept with in and dwelt with it for months and years or against Dr. Snow. It is a fact that my province was the law and not the administrative findings.

BY MR. TURNER:

Q. One of the things that has been running through the minds of the committee and which we cannot understand is why the Commissioners would disregard the opinion of its engineers. Mr. Young gave us his explanation of that. In your experience with the Commission, can you give us any understanding?

A. No, I cannot. If I understood Commissioner Young—I only heard him a short time—I have not heard any of the testimony in this case—as I understood him, there is no duty on the part of the Commission to take its bureaus' judgment except when it makes a field appraisal, but when the bureau simply reviews the testimony of others and out of that testimony weaves its own findings and conclusions, then the same measure of obligation is on the Commission to take these findings the same as in other cases and on which the Commissioners should exercise their own administrative judgment. I don't know that I concur with Commissioner Young in that fully. My own thought is that every bureau is one of technical advice and that the Commission must take that technical advice, each man for what he thinks it is worth and with that advice, of the law, engineering and accounting bureaus at his own best judgment.

BY MR. RHODES:

Q. In this case they didn't take the advice of either the law or the engineering bureaus?

A. I think that is true. I will say just in justification if I had been on that bureau I would not have taken the engineering department's judgment in that case. Like the Commission, I would have disagreed with the engineering bureau.

BY MR. EVANS:

Q. Would you have checked up items which the engineering bureau valued in lump sums, amounts like \$500,000.00, like on distribution mains?

A. I would not have accepted them. If I understand the distribution property right it is so much pipe of a certain size at a certain cost or value when you come to it.

BY MR. MEMOLO:

Q. In your experience with the Public Service Commission is this not the most important case?

A. I think that "important" is a relative term. It is all justice. A little rate case to a few people to them is just as important as a big rate case to many people, but it is one



of the largest water cases in the United States, I am told. I can't tell you anything about prices. As I view it I don't think that any man can tell you how he comes to a valuation. He can tell you the bases which enter into his final figure. He takes the figures of A and then of B and then of C and then of D and in the composite is working in his own mind and judgment he uses what represents so much value as I see it. Have I answered your question?

Q. None of the Commissioners could tell us anything along that line how they arrive at this price for reproduction new costs. They didn't tell us anyway how they arrived at these figures.

BY FATHER COX:

Q. Did the Commissioners really fix a value or did they just simply sign a paper that someone else had arranged the matter for them. They didn't seem to know much about it. I wonder if they use their judgment?

A. Father Cox, in this case there were three men—the Chairman was brought into it because he was the chairman and is here and is the head of the Commission. He, as I recall it, by Commission action was brought into the case and the whole matter was referred for argument, and I speak from memory, please, about these three men, and I think the reason was because—and this is gratuitous—these two men who held the hearings and that committee gave to us for these early reports figures which they had adopted and which they wanted woven into and incorporated into the report for submission subsequently to the Commission and the whole thing was done under pressure; everybody working under pressure. Dr. Snow was quite a sick man. He had worked laboriously on this for six months and got it finished in July and went away and came back for two or three days in July for a consultation, for a consultation perhaps. I don't know whether before or after the August 26th report, he came back for two or three days—I saw him and wondered why he was back. He had no contact with me but I do know that when they were working on this report it was all rush work and every one worked at high speed, in high gear and long hours in those terrific days of last August to get that report out.

BY MR. EVANS:

Q. And then it was not issued until December?

A. No, it was not; it was adopted August 26th.

BY FATHER COX:

Q. They wanted to get a definite figure and they didn't care how you gentlemen of the law and the engineers helped them so they arrived at the ultimate figures? Where did they get the inference for them? Why did they want just a certain figure? What is the idea; getting to a certain point?

A. I can only answer you as I conceive it sir, that these gentlemen who were perfectly familiar with the testimony and had undoubtedly—though I was not present to see them—in conference with the Chairman and with Dr. Snow had come to a conclusion in regard to their judgment as to the figures.

BY MR. TURNER:

Q. Mr. Weiss, we have had a lot of discussion and a lot of testimony that has led the committee to feel that there is no certain rule in arriving at a solution of the reproduction new theory of valuation. Now what can you tell us is your opinion with your experience with the Commission? Do you think there is any better method of arriving at valuation than that?

A. I think that is such a mooted question perhaps that I don't think that my opinion would be very helpful. It is one of the factors under our law to be considered but it is not the only factor but it shall enter into the determination of fair value by the Commission. There are other items to be considered, reproduction new; depreciated, five year average or whatever it may be.

Q. After all that leaves it to the judgment of the Commission as to the fair value taking into consideration all of these elements?

A. How else could it be? Somebody must decide, sir.

Q. Is there any more certain rule that could be laid down?

A. I say very frankly that I never gave a thought to that or studied it. I really never gave any consideration to a better method. The question probably comes up of prudent in-

vestment. My opinion was never asked and if I gave it now it would simply be out of thin air. I know of no better ways than those prescribed in our act.

BY FATHER COX:

Q. They figure with the law and the engineering department and they agree with somebody to get a certain figure; there was somebody that wanted that certain figure. I myself could not subscribe to that, so far as I know.

A. I believe that these Commissioners thrashed this thing out in detail with the intimate knowledge which they had of the evidence obviously, with the Chairman because of his years of experience and training and his knowledge and his leadership and I myself believe that it was their best judgment and their duly considered judgment, whether right or wrong is a different question.

BY MR. TURNER:

Q. To clear up the situation, you might as well answer the question that Father Cox asked you a while ago, whether there was any pressure being put upon you or any pressure being put upon the Commission to arrive at a valuation?

A. First, none was ever exerted upon me or any attempt made in the slightest degree, to exert any upon me; and secondly, I know of no instance and have no reason to surmise, or infer or conjure up an instance where it was exerted upon the Commission.

BY FATHER COX:

Q. But they made their figures based upon what the merger was pleased with, and not what the people objected to. It was nearer the figure that the merger people wanted, than what the people of that district wanted. There was no half-way measures brought in, it was nearer the fifty-seven million that the company wanted?

A. That is correct. That is true.

BY MR. EVANS:

Q. You spoke several times of mandatory orders for speed being issued. Who issued those orders?

A. The Commission issued them, but every Commissioner, I think emphasized or stressed the importance of speed. The minutes ought to show that a time was fixed for us to bring in a report, and the particular man who insisted on it was Commissioner Shelby. He was insistent that those reports be gotten out.

BY MR. RHODES:

Q. Then, do I understand from what you said that this report which was finally filed, was wrong as a legal structure and might be too high as to values, in your opinion?

A. Well, I say to you, sir, that I have not read the report as adopted on December 9, 1930, since it was read aloud in the Commission. That matter is now on appeal, as I think you all know, on cross-appeal in the Superior Court, by the company and by the largest municipalities in that district; that is, the city of Scranton, the city of Wilkes-Barre and of Pittston; then, of course, it would have been my province to have studied that matter had it been argued in April, but the cases have now been continued until the fall due to the death of John R. Geyer, late of the Bar of this County, who was the leading counsel for the complainants throughout the whole matter and his death occurred on the 1st of March, I think it was. However, on our petition—that is the petition of the Commission—the Superior Court had consolidated the appeals under a rule of the court, and fixing cross-appeals to be heard at the same time, continuing the company's appeal from the February term to April, 1931, and advancing the complainants' appeals, which were not taken and the return date in them was not until March, 1932, and advancing that forward until April, 1931, and thus continuing the company's appeals and advancing the others to this time in April.

BY MR. RHODES:

Q. I think you stated some time ago that you conferred with Mr. Benn—

A. I did.

Q. After the August 6th report, did Mr. Benn have anything to do with the reductions in the August 6th report as incorporated in the December report, as far as you know?

A. Was Commissioner Benn in the August 6th report?

MR. EVANS: I am sorry, I do not have attendance records.  
THE WITNESS: Let me have that question?

(Question read)

MR. TURNER: I don't think, Mr. Rhodes, you exactly meant that, you did not mean the reductions in August 6th report?

MR. RHODES: Yes; there was a very material reduction made between the August 6th and December report.

MR. TURNER: Yes; between the August 6th and the December report.

THE WITNESS: Is this your question, do I know whether Commissioner Benn had anything to do with the changes in the December report as related to the August report?

BY MR. RHODES:

Q. That is correct.

A. I don't know. I know nothing after August.

Q. So, you don't know by whom these changes were brought about?

A. I do not.

Q. I think you stated before the Senate that in your opinion, Commissioner Benn was, more or less, a dominant factor in the Commission; is that correct?

A. Using "dominant" with the connotation, as I gave it in my testimony, which I haven't looked at for months, but I think, sir, and I am doing so from memory now—I think I qualified my use of the word "dominant." If I did not, I certainly did not mean to give the impression or carry the thought that that Commissioner dominated the Commission under duress, or had it under his thumb, or even attempted to do that. I meant to give the impression, because this is what I believe, that by reason of Commissioner Benn's years of experience on the Commission, by reason of his mental equipment, and by reason of his aggressive personality, and the Chairman's impaired health, Mr. Benn stepped into the role of quasi-chairman, if I may use that term, and became the man who insisted and who attempted to get things done.

Q. The directing force?

A. The directing force. He was the dynamo.

BY THE CHAIRMAN:

Q. Might not that have been due to the fact that for many years he had been a hard-boiled city editor?

A. I will agree with you, if there are no newspaper men here.

BY MR. EVANS:

Q. You spoke of totally disagreeing with the bureau of engineering in their valuations. May I call your attention to the fact that the bureau of engineering's report of June 30th, shows a depreciated reproduction new of the physical property \$32,602,876, as compared with the Commission's final figure for the depreciated reproduction cost new of the physical property of \$34,628,459? Was it in regard to the physical valuations of the bureau that you were speaking about or was it in regard to their overheads and contingencies and such additional items?

A. It was not in segregated form at all. I had in mind, when I said that, that the figures, which I had, of the bureau of engineering fixed a fair value. My figure was \$50,000,000—now what was that in?

Q. That was the depreciated reproduction cost new, plus all overheads. They raised it from \$32,602,876 for the physical property to \$50,648,378, by the addition of overheads, working capital cost of financing going concern value and water rights.

A. That figure when I said, was \$50,000,000 rounded, whatever it represented.

Q. I do not want to keep you, but for a moment. The question has come up several times in regard to the control which the Commission has over securities issues, what power does the Commission have over security issues, under the present act; first taking up certificates of notification?

A. My thought is, and I think it has been changed a bit during the Senate Investigating Committee—my opinion was—let me put it this way, my opinion was that we had practically nothing to do, no power with regard to securities of notification. I think now we have no enforcing power, if I make myself clear by that, no enforcing power in regard to certificate of notification; if a certificate of notification of a proposed security issue can be filed, that is, under Article 3, Section 4, it must contain the data, everything required, and is public property, open to inspection—if it is open to an examination

of that certificate, which is deposited with us, and thus called "filed" I don't think we have any power to prevent its being deposited with us—I mean "with us" the Commission—if then an examination be made and I will say that it should be made, for which we need additional accountants, the Commission needs additional accountants, and they have reason to doubt the security or its legality or for other reasons—have reason to doubt the wisdom or advisability or the legality of the issue, I believe under Article 5, Section 14 of our act—I think that is the provision—we could make so called findings. And now, a finding or a determination of that would be appealable on conclusions by the Commission, and to take the certificate to the Attorney for action in the courts, such as he would determine would be proper.

BY MR. RHODES:

Q. How about giving publicity to those certificates?

A. Well, of course, that can be done. I don't think that kind of treatment is worthy of a Commission, if you mean by "publicity" killing the proposed issue by giving it notoriety and our disapproval of it, and I, for my part, as I think there is a legal way of accomplishing, and that kind of tactics is hardly worthy of a Commission.

Q. Doesn't the act specifically say that the Commission shall have the power to give such publicity as it deems best to the matters set forth in the certificate of notification?

A. Yes; but does that just mean the data in the certificate or does it mean the Commission's disapproval broadcasted?

Q. Suppose from the certificate of notification the information obtained by the bureau of accounts it appears that the proceeds of a bond issue are to be used for the payment of dividends to the holding company, don't you think that the Commission is quite within its rights in making that fact known, so that security holders may know what they are buying when they buy those bonds?

A. That may be the impression given by that section Mr. Evans, but I start with this view, that where there is a power in the law, vested in the Commonwealth to institute appropriate judicial proceedings to restrain or undo, that is the course to pursue, and that the Commission should not attempt to kill the proposed action because forsooth, it thought it was not the right thing to do, and thus give it wide publicity, and kill it by condemnation. Now, it may be that is what that act contemplates.

BY MR. TURNER:

Q. You mean condemnation of it by publicity?

A. Yes; I mean condemning it. That is what I mean or your thought of what the act proposes and contemplates.

Q. Now—

A. I don't think that is something they have to decide, sir.

Q. Do you happen to remember the circumstances under which the Penn Central Power Company was bought by the Emmanuel interest?

A. I do not.

Q. In 1925?

A. I think you were on the Commission then?

Q. I was.

A. I remember the name of the case only. This is a new thought. Your thought is new to me with regard to what is meant by publicity. Of course, there are proper kinds of publicity. My own slant on it was publicity that condemned the issue unheard and untried, and that is what I meant by saying that kind of tactics is not quite the thing a Commission should do.

BY MR. COOKE:

Q. It would be perfectly easy for the Commission to have hearings on any such proposed action. That is what was presumably done in this case.

A. I don't know whether they did or not.

BY MR. EVANS:

Q. I want you to be perfectly frank. In the Penn-Central to which I referred, it appeared from the papers filed with the Commission and the report of the bureau of accounts that the Emmanuel interest who were acquiring the property, intended to put out a large bond issue on the property, and pay themselves out of the proceeds of that bond issue for what they paid for the stock of the company and the Commission notified them that that was not the proper financing.



and the Commission would use its powers, as far as it could to prevent it. Do you see anything improper in that?

A. No; I don't see anything improper in that, any more than any other man going into the files and seeing some things, because the instruments are public property; any man going and drawing his conclusions, making his own investigation and doing what he thought about it.

BY MR. COOKE:

Q. What would have been the effect of having these bonds withdrawn?

A. I don't know.

Q. There would have been no publicity committee or anything of that kind?

A. Granted. I don't mean that the Commission shouldn't use some power, but what I meant to convey that there was one way of proceeding and another way.

BY MR. TURNER:

Q. You don't think that it would be right for the Commission to go to the newspapers and make a big splash about it? They could either certify it to the Attorney General and say that it was not right?

A. Surely. As I say it is a public instrument.

BY MR. COOKE:

Q. It is pretty difficult for the Commission to use its own judgment in such matters, in the light of some of the testimony that we have heard here, but that presumably is what they should do?

A. As I conceive it, that is what the act gives it the power to do. I incline frankly, and this is gratuitous, but if I started it myself, I would start dealing with the Attorney General. I might be swung from that viewpoint, but that is where I would start.

BY MR. TURNER:

Q. These certificates of notification, are they ever examined in the office; do you know?

A. No; I cannot answer that. They all go to Mr. Morgal's office. They are not passed on by us, because we don't have the information. Mr. Morgal has not sufficient staff to do it. Now, Morgal does need additional men in my judgment, if the information seems to be false and needs to be corrected, and we do need water works, engineers—particularly water works engineers.

BY THE CHAIRMAN:

Q. The Chair got the impression that those certificates of notification were filed simply as a matter of routine. They were filed and lost track of. Mr. Brown's testimony on April 17th says in response to a question by Mr. Turner in reference to the Hanover McSherrystown bond issue, that he had heard nothing of that bond issue until his attention was called to it at the hearing. The Chairman asked him regarding the Penn Light Power Company and that was his first information concerning that, which gave me the impression, and I think other members of the Committee that this was just a mere matter of routine, that it did not amount to anything. I agree with you in what you said about Mr. Morgal. I think the Committee has been very much impressed that his staff is under manned.

A. I think if it has attached to it the characteristics of routine, it is because that it just has to be filed, and nothing more done by reason of the pressure on Morgal and of other things.

Q. It is only human nature to do it?

A. Undoubtedly. As I conceive it and I think others, though I speak for myself only, there was less power vested with Commission and yet I see a new slant on this law after reading these various sections, as they developed before the Senate Investigating Committee. I know the opinion that the Chairman referred to my former Attorney General Woodruff; I know that opinion, and I think we are all pretty much of the same mind, but I do see things differently. I know I do.

Q. After all, it is a pretty good thing for us just to sit down and take stock of our various bureaus?

A. It certainly is.

MR. TURNER: I agree with you. It ought to be done with all the bureaus of the State Government. To sit down and take stock of these various departments. We would have some very interesting testimony.

BY MR. EVANS:

Q. As I understand it you are not appointed by the Commission, but by the Attorney General?

A. I am appointed by the Attorney General.

Q. And are responsible primarily to him?

A. I am, and I have not been reappointed by the present administration. I have done what I did with every Attorney General as soon as he took office, I have gone to him and asked him whether he desired me to continue or resign, and I have been told to continue, and in some instances have been given a formal letter. I went to Mr. Schnader after Governor Pinchot went into office and asked him what his desires were, and he advised me to carry on. That is the situation that prevails at the present time between the Attorney General's department and myself. Of course, I am appointed by the Attorney General, but my instructions always have come—my instructions have always come from the Commission, and I have tried to carry out their wishes and their instructions.

BY THE CHAIRMAN:

Q. You are not hired or fired by the Commission, they are not your masters which was the term used here?

A. I am not.

Q. Do you think the bureau of engineering should have the same independence as the legal department?

A. That is a pretty big order.

Q. I do not want a categorical answer.

A. I appreciate that, sir, but, do you know, I might find it difficult to serve two masters. That is one in appointment and another in work. The appointing power has never interfered with my work.

Q. You have been a good worker?

A. That is very kind. I did not mean it that way, pardon me if I gave that impression. I meant I really had one superior, the Commission, and the Attorney General's Department, they haven't been near in fact they haven't give any instructions or expressed any preferences or wishes. They have just appointed me, and then for four years I would try to do what the Commission wanted done.

MR. EVANS: On my own behalf and behalf of the Committee, I want to thank you for your very frank statement this afternoon.

THE CHAIRMAN: The Chair certainly wants to compliment you. We enjoyed your testimony.

THE WITNESS: Thank you very much.

THE CHAIRMAN: Recess will be taken until 7:30 o'clock P. M.

The Committee reconvened pursuant to the recess at 7:30 o'clock P. M.

F. HERBERT SNOW recalled

BY MR. EVANS:

Q. Dr. Snow, members of the Commission have testified that after the argument in the Scranton-Springbrook case in April of 1930, directions were given you to prepare a report of the valuation of the property. So far as you remember, who gave you these directions?

A. Why, I think the Committee and Chairman Ainey.

Q. And by the Committee you mean Commissioners Young and Brown?

A. I do.

Q. What directions did they give you, so far as you remember?

A. They amplified the directions given me in October, or prior to October. In fact, beginning with the hearings, I was directed to have a representative of my Bureau sit in all the hearings and to make notes during the progress of the case, and I was to keep personally in touch through that medium with what was going on. I assigned under that authority Mr. Parmley, an engineer of my Bureau, to that assignment, and in October, 1929, the Chairman probably did, I doubt if at the time it was the Committee, or the sitting Commissioners, I think I was asked in order to save time to do what work I could to check up on the testimony the real estate and rights of way, and such part of the record as I could do with facility at that time. I started in October, along about the middle, I think, perhaps the latter part of October, and pursued my work with regard to real estate, rights of way and water rights. And finished that work early in 1930, in the

Spring, and about that time the briefs and arguments had been submitted, and from that time on I pursued my instructions to complete the review of the record and make a report for the consideration of the Commission, which I did, and that report is dated June 30, 1930.

Q. Now, Commissioner Young stated this afternoon that you had exceeded your directions in that you brought in a valuation of the property, instead of merely a report of the inventory and items of physical property, and so on. What is your remembrance as to your directions in this regard?

A. Why, I think the Commissioner was in error. I understood, and I heard the testimony, that he was speaking particularly from his point of view as one Commissioner, in variance with the viewpoint of other Commissioners, as to what the duty of the Engineering Bureau is. I clearly recollect that from away back, at the time that I assigned Engineer Parmley to sit in the hearings and make notes of the progress, that it was understood that the Engineering Bureau would check this work and make a report, and our usual reports to the Commission are complete in their view of the work, which includes overheads, or anything that we have to suggest in completing an answer for the consideration of the Commission, and that is what I did in this proceeding.

Q. Now, Dr. Snow, where there is a difference of opinion, as you suggest, among the members of the Commission, whose directions do you follow? Do you have one master or do you have seven masters?

A. Well, sir, I have seven masters in this way. I think it is understood under the law, in a question of any conflict, that the Chairman now under the revised law, his word would go with the staff, and we would be bound to follow his instructions, but that is not the way it works out in practice in the Bureau. We take the instructions and directions from the sitting Commissioners or any one of the six Commissioners beside the Chairman. I don't recall any conflict between the individual Commissioners. Oftimes the Chairman may call for me to come to his office and ask me what I am doing about this or that or the other, and if I am working under directions, or any of my staff have had directions from any one Commissioner, and it is reported to the Chairman, he argues those matters with me, and so far as I know, with no member of my staff, but it may be that after the Chairman's consultation with individual Commissioners, the Committee, that it is agreed that the Chairman's directions shall supercede.

Q. Well now, Commissioner Young testified that no directions were given you by the Commissioners as to which of the engineers in your Bureau should work on this case, is that correct?

A. I think that is correct, his preliminary statement, but I am positive that I reported at the beginning of the hearing that I would select Engineer Parmley, and no objection was made to that, and so he performed that service. I also reported from time to time who was working on this case and the progress that we were making, and the best answer we could give to it was that the Commission, the Chairman, and I believe, to the best of my recollection, the sitting Commissioners knew who was working on it, and what progress we were making from time to time.

Q. Now, take various engineers of the Bureau, will you designate briefly what part each of them played in the valuation which the Bureau finally determined upon; first taking Professor Parmley?

A. Yes. Because I had selected him to make notes of the progress of the whole case, I intended to keep him right at my elbow, through all of the work which we performed, and I would like to add that it was understood, and was specifically directed that I give my personal attention to this work, and the conclusions, the pros and cons, which I was to set up for the Commission for their consideration, were to be my own work, and I started, as I said, in October, and I did not finish until June 30th, the date of my report.

Q. Do you mean by that, Dr. Snow, that you personally were expected to arrive at the valuations of every item of property in this—

A. Yes sir, so far as the engineering is concerned, I was to be personally familiar with all the details and to personally be responsible for my own work—whatever was contained in my report.

Q. Obviously you could not do this entirely by yourself, and I assume that you delegated certain engineers in the bureau to work for you certain specific parts of the valuation, is that correct?

A. That is correct.

Q. Did Professor Parmley work up any specific parts of the valuation, or did he simply act as your right hand man in going over the whole thing?

A. No sir, his work was very extensive and very valuable and indispensable to me; else I could not have done my work in the six or eight months I had.

Q. What specific part of that did he have charge of, under you?

A. He laid out form sheets—you have them in all, twenty-five volumes here, of my own notes, my own pencil—you have several hundred sheets—these large sheets, showing details, with the Lantz and the Company appraisal, and the conclusions submitted to the Commission for consideration. He prepared those sheets—he set them up at his own figures, at first, to facilitate my work.

Q. Did he take any specific portion of the property, for instance, mains, or distribution system and work up an appraisal of that for you?

A. No sir, he did not make up an appraisal. He assisted me on mains, for instance. There was such a conflict of testimony in the record as to what mains there are in existence—there seems to be a perfectly simply thing for two sets of engineers to measure mains and come to the same conclusion, but there were thousands of feet difference in the inventory. He did a great deal of detail work, and they are all on here, every single page, every piece of paper we ever had, you have them here.

Q. You have spoken of Professor Parmley attending the hearings—how many hearings did you yourself attend?

A. Not one.

Q. So that so far as weighing the testimony was concerned, or the creditability of the witnesses, you relied on Professor Parmley, did you?

A. No sir, he had the seven thousand pages of the transcribed notes and the seven thousand pages of the exhibits all indexed as to subjects, and so forth, and so on, so that when I wanted anything he could turn to it, and I read a great deal of the testimony myself, more specially that testimony on the subject that he indexed for me.

Q. So that you, without having seen the witnesses or having heard them testify, passed on the creditability of the conflicting witnesses yourself?

A. Yes sir, I know of a number of the witnesses, but I think I am correct in saying that I exercised my judgment in the case and on the record.

Q. Now, who appraised under your direction the distribution system?

A. The pipes, Mr. Allison, did some of that work, and all of the work he did for me is included in my notes.

Q. As a matter of fact, Mr. Allison, appraised all the piping system and you accepted his figures?

A. I did not accept his figures until I had convinced myself and exercised my judgment. Whatever I did was put clearly before the Commission for their consideration—explained it in my report of June 30, 1930, as far as I thought the Commission ought to know those details, have all the facts before them.

Q. As a matter of fact, do you remember any changes that you made in Mr. Allison's appraisal of the pipes and system?

A. It did not come that way.

Q. Do you remember any changes that you made? You said he made an appraisal. Do you remember any changes that you made in that appraisal?

A. I don't mean to say that he got an answer; he weighed the cost of pipe f o b at Scranton, under various conditions and so forth. He set them up in such a way that I might exercise my judgment. That is my recollection. Anyway, whatever I said is thoroughly in the notes and sheets and so forth that you have in your possession, the record of my notes, which show just how I arrived at everything.

Q. Well, I would like to get a specific answer to this question—Did Mr. Allison make an appraisal of the pipes and this system?

A. I don't think he did. Maybe he did and got it totalled. I don't recall it.



Q. Do you mean to say that you yourself put unit prices of all the pipes.

A. Most assuredly I did, or I accepted his unit prices, set up in such formula that I could select them. I will do the best I can to answer you. Beyond that, if I can look at my notes, then I can be positive, but you have them all, everything.

Q. I thought you would remember—that is the largest water case you ever handled—I thought you would remember who appraised the properties.

A. You are using the word appraisal, which means an answer—

Q. Who gave you the figures which were used in your appraisal for the inventory of the pipes?

A. I determined some of that myself, because there was conflicting testimony as to length of this size pipe and the length of that size pipe, in some portions of the property, and we found that I had to tell the Commission what the record included, and I have to give the Commission my reasons, file it, or be prepared to give them my reasons. I had a very large report—four or five hundred pages—you have that, I don't have a copy of it; you have my only copy. Since June 30 1905, with the possibilities of a few exceptions, soon after, I haven't looked in that report since.

Q. Do you mean to have this Committee believe that your appraisal was a one man job and that you personally appraised and checked the quantities and unit prices of all the elements entering into your valuation?

A. Absolutely, sir, and my notes show it here (indicating) you have got them all here; I think 4 volumes you have here and they all show it. If you doubt my word—I don't know how the Committee feels, but I am telling you that you have all the notes here and that is the way I did the work.

Q. How did you check the quantities of pipe in that system; personally, now?

A. My report will show. Mr. Lantz would take a certain line of pipe and say it is so many hundred feet and the company would say it is so many hundred feet and there would be wide differences.

Now, we had to confine ourselves to the record, couldn't go out in the files and get further information, unless the hearings were opened. My report, that big report here—I think that is it (indicating); the big one here before you?

Q. No; that is not it.

A. The classification of pipe by the Commission's system of accounts, accounts A-205 is real estate, rights of way, and water rights.

Q. You do not need to go all over that, Doctor, I think there are a good many of them, and under—

A. You are talking about transmission mains?

Q. Yes; you take transmission mains?

A. Transmission mains, let me see what page that is on. And now, under transmission mains, the subject was divided into these sections, ten of them:

Cast iron pipe, Specials;  
Gate valves and boxes;  
Unloading and hauling;  
Excavation and back fill;  
Laying pipes;  
Setting gate valves;  
Valve Chambers;  
Crossings;  
Pavement replaced;

And a summary of these and in each one of these items there were disagreements as to the inventory of that class of property, or there might be an agreement.

Now, I had to ascertain for the Commission and for their consideration the effect as to the inventory of those classes of property from the record; and, furthermore, and this was true all the way through the whole journey—in those classes of property or any part of them whether used and useful or not, there was conflicting testimony all the way through; some times an agreement, but not often on all of those bases of inventory as well as the appraisal.

Q. Let us get down to brass tacks. Cast iron pipe, respondents' inventory, 50,823 tons, and you actually found the proper tonnage to be 49,331. Here are your work sheets. Will you tell me how you found there were 49,331 tons of pipe there?

A. That is in my notes, and it may be here.

Q. All right. Here are your notes.

A. Here it may be. There is one note under cast iron pipe on page 186. My note is that respondents' inventory makes a claim of 50,623. The bureau finds that the proper tonnage is 49,331. Respondents' primary estimate on the basis of \$47.85 to \$67.85 per ton—

Q. Well, then, let us stop right there. We are dealing with inventories now. Now, I want you to tell me how you arrived at the fact that 49,331 tons you have given us as what the respondent claims, and in that same paragraph the complainants don't set it up that way. Why did you not take off anything from the respondents' figures?

A. That is the total tons, and I have got it somewhere on my notes. I think in my notes we referred to the basis on which tonnage was computed. There was a dispute as to the thickness, there was a dispute as to the quantity of pipe. There was a dispute as to the weight of the pipe per foot, or length; with a variance between the estimates of the different engineers, and the basis upon which I determined—bearing in mind that this territory is a territory seventy-nine miles long and twenty miles wide and that under all conditions and over long periods of time some of the pipe that was put in, I presume is not made now. And now, there is a standard for water pipes at the present time that was not in vogue twenty years ago, and those things all appear in the record, and I think I would have to read my notes and have Mr. Allison's analysis of the pipe weights.

Q. I am going through some of your notes so that we can understand how this is done. Here is one of the sheets dated May 1, 1927, headed Inventory over the Springbrook Supply Company sheet number 206 of Account number 248.

A. Are you sure that these are my notes, or Parmley's?

Q. I don't know. These are what were turned over to us.

A. These sheets right here are Parmley's notes. And now, I have a similar folio. These figures are not my figures.

Q. We seem to have Mr. Parmley's notes. We will get the others over and see if you can explain them to us.

A. I want to talk about my own notes.

Q. While we are waiting for that, Dr. Snow, let us turn to the question of labor prices. What common labor prices did you use in making your valuation?

A. For the organized wage in the valley I used fifty cents an hour.

Q. What do you mean by organized labor?

A. Well, I means as the record shows in the different towns. Some seventy-five or more; they pay a wage of fifty cents, fifty-five, fifty-two, some above, some forty; hardly any forty; and I took the record and studied carefully, and decided that a fifty cent wage rate was the average price for organized labor, and that any contractors could come in and rebuild these works under this theory of reproduction new, covering a period estimated at five years; to build this property, and get away with any continuous and successful contract work at less than fifty cents an hour.

BY MR. EVANS:

Q. That is all very interesting, but you still have not told me what you mean by organized labor. I am dealing with the Commission's report?

A. That is what I mean.

Q. That is what you call organized labor?

A. No sir; that is in a district where labor is organized.

Q. You don't mean to say there is a ditchdigger's union?

A. I do not. But I say in my judgment of labor whether there are ordinances or not, the existing wage for contract work for this kind of ordinary labor work is in my judgment from the record fifty cents an hour. Now the engineers of the complainants used forty cents an hour and I should like to say that if this committee thinks, or Mr. Evans, or any tribunal wants to use forty cents an hour for labor in that field, it will take off of my conclusions of the value of the physical property which I worked for the consideration of the committee, you can take right off of that four and a half million dollars and if you can hire labor, and that is the policy and you wish to pay thirty cents an hour for labor you can take off another four and a half million, or nine millions altogether. It is my policy and I am doing it right now, we are doing the work now for the public across the river and in the first meeting I said we might as well have a scrap about labor now as later but I am going to use the price of labor that I think is right. I submitted fifty cents an hour for the consideration of the committee. They didn't have

to accept it. I heard Mr. Young say they did accept it. From the testimony I arrived at the conclusion that fifty cents an hour was the proper figure to use for labor in the Lackawanna Valley. If forty cents is the right answer, then my valuation of forty-two million is four and a half million to high.

BY FATHER COX:

Q. This has disturbed me. They never asked what was paid for labor. It is there in the operating cost. Can you tell us? How did you put in the value of fifty cents an hour for labor? From the testimony?

A. Yes, sir, from the testimony.

BY MR. EVANS:

Q. The report goes to the Downs report?

A. I cannot answer that.

BY FATHER COX:

Q. May I suggest that we are dealing now with reproduction of property, what it would cost?

MR. EVANS: What we are dealing with now is the reproduction cost, or what it would cost to construct it now, and we are not dealing with what was actually paid. He is estimating to use fifty cents an hour in determining the reconstruction cost and my present line of questions is directed to ascertain how he arrived at that basis and whether or not that is the proper basis under labor conditions as they then existed.

FATHER COX: All we know is that they say fifty cents is what they value the labor at, and they only pay them thirty-five or forty cents. If that is the case, then again the value of the labor is too high for rate-making purposes. I have been asked that question, what about labor here, does it enter into the considerations?

MR. RICHARDS: Dr. Snow, do I understand that a difference of ten cents an hour in the labor represents four and a half million dollars in the total?

A. In this class of labor, in the round numbers the labor will amount to about two-thirds of the cost, the physical cost, of the structural property, and ten cents out of fifty cents is 25% in excess of forty cents.

Q. If they use labor at fifty cents it would be so much, and if they estimated the labor at forty cents it would be four and a half million dollars less?

A. Yes sir. I took the record in this case as showing what it was and that it was a fair price. This labor is only theoretical. If it was reconstruction—this labor was not used in the reconstruction of the property.

BY MR. MEMOLO:

Q. Does historical cost have anything to do with this thing?

A. Just for the record. Just reconstruction cost and the appraisal.

Q. There has been a lot said about historical cost?

A. Yes, there was an estimate and report as to what the historical cost was.

Q. You were only instructed to investigate it in that way?

A. Yes sir.

MR. MEMOLO: In the Lackawanna and Wyoming Valley I doubt if there has been any dam except the third dam of the Springbrook Water Company built four or five years ago, and I don't think they paid much more than a dollar and a half a day when they constructed that up there.

MR. TURNER: In this case that has nothing to do with it.

BY MR. COX:

Q. He is using the price on that thing according to present day prices?

A. That is right.

Q. They are not paying 50 cents for labor on any construction, he has put too high a price on this.

A. Well, under the rulings of the Appellate Court, we have to ascertain what the price for labor would be in rebuilding properties. Now, that is regardless of whether it is right or wrong, that is the ruling of the court, and when we are faced with this theory of reproduction cost new, we have to play in that coral. When you get to ascertaining historical cost, as I have done a lot of work, had a lot of experience in historical costs, properties running well into millions of dollars, then you get into another field when you apply that. All my work here was in reviewing the record made by witnesses, and that is reproduction cost.

BY MR. HAGMAIER:

Q. You have been working on the reproduction cost theory right along in all these cases, and that being the case, then it should be up to the Commission to take that cost there of doing a lot of work for 30 and 40 cents, and not using a rate of 50 cents in the situation?

A. Yes, your Honor raises a point which should not be overlooked, in my judgment. Rebuilding of this water works would take a period of five years it is estimated, and in five years everybody hopes, and some pray, that these low prices will have passed, and people will have to come back to normal wage for that labor, and if so, it would not be fair for the price of 1930 to be used if you can get it for 30 cents an hour and take that and spread it over five years and a half.

Q. But on the other hand, you have put it in at 50 cents an hour for labor, when they were not paying 50 cents an hour at that time.

A. If I may continue the answer, the record shows this, that in 1927 in Ashley Borough, the price for labor was 50 cents, that came from the report; in Avoca 45 cents; Blakely, 50 cents; Carbondale, 50 cents, Dickson City, 43.8—

BY MR. EVANS:

Q. What are you reading from?

A. I am reading from this, from the brief of respondent, which comes from the record in the case. Unless you give me time, I cannot give it to you from the record.

Q. Now, Dr. Snow, these are rates paid by public authorities for street labor, are they not?

A. I cannot answer you right off anymore than what is in the report as I have—

Q. It says here, paid by the municipalities and boroughs?

A. Yes, and I have a lot more here.

Q. In other words, these are the prices which the public authorities paid for street labor. Now, do you mean to tell this committee that you think a contractor, like the United Engineers and Constructors, if they take a contract to go out and build this system, would pay rates, wages, the same as some little borough pays, to a few men working on the streets?

A. You didn't let me finish—

Q. Just answer that question?

A. No, I don't think I can answer yes or no to that, and I don't think you are right—

Q. You can answer yes or no, as to whether you think a contractor pays the same rate of wages that a borough pays for a few men that do work on the streets. Just answer that question, and then you can make any explanation you want?

A. I think that a contractor over five years does, that is my answer.

Q. You think that a contractor constructing a \$30,000,000 system, or a \$20,000,000 water system, whatever the size of the water system is, would pay the same rate of wages that was paid by the local municipalities for street labor?

A. Yes, I do think so, and I think if they didn't do that, there would be some strikes up there, so that the contractor would be compelled to pay local labor at local prices.

Q. Don't you know that the present rate for digging trenches on the State Highway work is 30 to 35 cents an hour?

A. No, I don't know it.

Q. Don't you as an engineer keep up with the labor prices?

A. Yes, I can get the labor prices if I am in my office. I can get them from the State Highway Department two floors above me, and have an elevator, and we are in constant touch with each other.

BY MR. RICHARDS:

Q. The peak of labor prices has not been 50 cents all the time since the war?

BY MR. COOKE:

Q. These are municipal rates?

A. Yes, they are.

Q. I never heard in Bucks County of a rate above 50 cents.

FATHER COX: Right now a man would take 15 cents an hour if he could get a job.

BY MR. EVANS:

Q. Don't you know that the respondents themselves in order to dig their test holes paid 30 cents an hour, and that is right in this same country, on this same system?



A. If it is in the record, I know it. And here is another thing that is in the record, please, on the actual pipe line—

Q. The trouble with you is, Dr. Snow, you spend too much time reading the respondent's brief, and I think that is the trouble with the valuation.

A. If I spent too much time in reading the respondent's brief, it is because the respondent's brief is very long, and I spent an equal amount of time in reading the complainant's brief, and in reading the record. I had no ulterior motive, I did it in other cases, and I shall continue to do it as long as I am in the employ of the Public Service Commission and the Commonwealth, what I have done in the last 23 to 25 years, and I have no fear or favor to ask of anyone, but I will explain all I can. If I am wrong—

BY MR. RICHARDS:

Q. Nobody is questioning your integrity, Dr. Snow, but the question in the mind of the Committee is whether there has been a mistake made in this valuation, and I think there has been. The labor cost is too high for any part of the State, and in 1927, when this report was filed, this labor cost was low in the Scranton District as well as others, and there seems to be no proper ratio about the labor cost, and coming back to the 50 cents an hour, it seems to me, before the Commission's report was filed, there could have been at least an adjustment, and at least \$4,000,000 of this valuation taken off?

A. Let me read this, however, in the actual pipe line and other construction work done by the respondents during 1927 and 1928 and the first six months of 1929 in the Springbrook Division, the respondent paid an average of 53.04 cents per hour for common labor; 63.83 cents per hour for mechanics, and 75—

Q. Hold that right there. Mechanics and laborers are entirely different, and there is more than 10 cents an hour in their wages surely. A ditch digger is not paid within 10 cents an hour of machinists, pipe fitters or steam fitters.

BY MR. EVANS:

Q. We are not speaking about anything now but common labor?

A. Cut out what I said then, I had forgotten that. The record was that they paid 53.02 cents an hour for common labor in the years 1927 and '28.

Q. Let me show you one of your work sheets here. Here is one of your work sheets headed, "Springbrook Water Supply Impounding Reservoirs, Structures, sheet 53 of Account No. 208, dated May 1, 1927"—and by the way, those dates up in the corner mean that that is the date that you made your valuation, isn't it?

A. No—

Q. The date of your valuation of the property is May 1, 1927?

A. Perhaps that is so then.

Q. Now then, I read to you from these pencil notes, "Bureau—Dr. Snow—Curry and I agreed on 'c' labor should be 40 cents instead of 50 cents used by company?" In whose handwriting is that—

A. I think that is "Fess" Parmley.

Q. Professor Parmley?

A. I think so.

Q. You have spoken very highly of Professor Parmley, and that is a correct statement?

A. That is a correct statement at the time—but those are not my figures.

Q. No, I am not talking about that. That is a correct statement of Professor Parmley as made in this book, the work sheets, isn't it?

A. Yes.

Q. That you and Mr. Curry and he agreed that the 40 cents labor rate—

A. We did—

Q. All right—

A. Wait a minute, I have answered your question.

A. It must have been May 1st, I suppose, I don't know what date it was, you will have to ask Professor Parmley what date it was. I called Mr. Curry in; I wanted to explain to Mr. Curry, who did very little work on this, and he and Professor Parmley and myself, we sat down as a sort of round

table proposition, had a round table talk. We discussed it, I think, more than one day, I think at times. We decided on 40c labor, that it would probably be a fair thing, the same as Mr. Lance has used.

At that time, in that first round table talk I wasn't familiar with the testimony indexed by Professor Parmley; I hadn't read it over, and after I did that I decided, to be fair and reasonable on record, not of my own conclusion,—if it had been my own conclusion, if I were making the inventory and appraisal on this property, the same as I did on the Scranton Railways property, I would abandon the reproduction cost new theory entirely, and work out an historical cost for that property, which could go through the Appellate Courts, I did my best with the laboring men and the leaders of labor in the Scranton district. I have no reason to conclude that I would depart from that fact as I made this original inventory and appraisal of the property myself. Please remember that I was working on the record of the testimony in this case, which had been closed, and I could not legally go beyond that, or bring in other evidence of my own.

BY MR. COOKE:

Q. When you say the record, do you mean all of the record, the complainants' as well as the respondents'?

A. I mean the complete record, complete testimony and exhibits.

Q. There is no reason why you should have been influenced by the respondents' figures any more than by the figures of the complainants?

A. No sir. When I read the record I thought that the 50c should be used rather than the 40c.

Q. You moved it up 10c?

A. I didn't move it up. I came to the conclusion that fifty was better than forty.

BY MR. RICHARDS:

Q. It is much better, but they are not paying it.

A. In this reproduction theory you don't consider what they are paying. Reproduction cost—

Q. Reproduction cost is based on some average.

A. No sir.

Q. Where do you arrive at your reproduction cost now,—you don't pick it out of the air.

A. Reproduction cost new theory is a thunderous and cumbersome thing, and to apply it you have got to make thousands and thousands of judgments, and somewhere along the line you are going to make errors in judgment. I don't conceive that you can get an answer in reproduction cost new that can approach nearer than 85% correct.

BY MR. COOKE:

Q. Do I understand you to say that this accounted for \$4,000,000 of a change?

A. The difference between forty and fifty,—I think it will probably figure some four or five million dollars,—probably \$4,500,000.

BY FATHER COX:

Q. You say you arrived at these figures at a round table conference?

A. No sir these are not figures. Mr. Parmley made a note, we were going to use. When I got into the record and saw the record I used 50c. I explained to the Commission what I had done. It was up to them whether I was right or wrong.

MR. EVANS: I would like to offer in evidence this photostatic copy of this sheet, which Dr. Snow has referred to, as Exhibit No. 162.

BY MR. EVANS:

Q. Having agreed on that 40c labor cost in the early stages of this appraisal, you actually used that figure, did you not, in arriving at your reproduction cost in this case,—which was the Campbell-Ledge Storage Reservoir?

A. That does not follow.

Q. Didn't you use this labor cost on that sheet?

A. I wasn't using any 40c labor.

BY MR. RICHARDS:

Q. In the lower left hand corner there is a notation Ehlers' labor rate 50c. Who made that note?

A. Ehlers. He was with Dan Zimmerman, when he did this work. He was one of the experts employed by the respondents.

Q. Mr. Ehlers' recommendation was 50c?

A. He used 50c an hour. I think all of the experts used that.

Q. There is a notation on the lower right hand corner, labor rate 40c.

A. That is a note that Professor Parmley used. He will tell the truth about it.

BY MR. EVANS:

Q. You said that was correct,—there is no necessity for putting it up on him.

A. I say if you want to call him.

BY MR. TURNER:

Q. What rate did the complainants use?

A. 40c. A great many of these things, all through this case I used the costs in conclusions of Mr. Lance, the engineer for the complainants.

Q. Why did you change it from 40c to 50c? What caused you to use 50c?

A. On account of the witnesses and the exhibits in the case.

BY MR. RICHARDS:

Q. You have only got one witness who said 50c was correct,—

A. I went all thru the record and decided you could not build that water works in that valley beginning in 1927 and going through five years, on 40c labor.

Q. You thought that for these five years from 1927 to 1932, that the labor would run about 50c an hour?

A. That was my judgment.

Q. In the light of what happened your judgment was not one hundred percent,—labor rates are now down to 30c.

A. Nowhere did I say in this record that my judgment was 100%. I had to exercise my judgment. The Commission exercised its judgment. The Appellate Courts have to exercise their judgment. I have explained, everything to the Public Service Commission and made available to them everything that I had.

BY MR. COOKE:

Q. Your own judgment confirmed the complainants' figures when you started, and when you got into the case, you moved it up 25%.

A. Yes sir, when I read the record.

BY MR. HAGMIER:

Q. What would be in the record to indicate a 10c an hour raise,—you wouldn't have to go into the record to find that, all you would have to do is go to the contractor.

A. The testimony of the witnesses,—they estimate that they were paying 53c—

Q. Those are records compiled by the boroughs. I am talking about the actual engineers who were doing that kind of work.

A. This is on the record: in the actual pipe line and during construction work on respondent's property during 1927 for the first six months of 1928 in the Springbrook division, respondent paid on an average of 53.4c per hour, for labor.

Q. Why didn't you go back a little,—why didn't you go back to 1925 or 1926?

A. Because I could not,—I don't know what I would have done in that respect. I probably would have done the same as I did in the Scranton Railways, when I went to the labor organizations, but in this case I had no liberty. I couldn't go out of the record.

Q. You told Mr. Evans you went all over that situation and said that those figures that you used—all used was the evidence given to you by these men.

A. On the record. I don't see any mystery about this thing.

BY MR. RHODES:

Q. There is no mystery about it, but what influenced you to raise the price from forty to fifty cents? You said the evidence of the witnesses induced you to raise it from forty to fifty?

A. Yes.

Q. Who were those witnesses?

A. They were Day and Zimmerman men and the company men. They have a name for it in the valuation section, but they were all company men. Whoever they were I don't recall, but they did testify and put in exhibits and whatever it was I used that. I read the testimony, and then I took the Lantz appraisal and the experts on the complainants' side and I formed my judgment, and submitted it for the consideration of the Commission at fifty cents.

Q. But you have disregarded the Lantz appraisals.

A. Well, they were forty cents an hour which in his judgment was a fair price for labor on the whole system and he used it uniformly, forty cents.

Q. You said that you could not go out of the record. Supposing that this condition had been reversed, and we had suddenly gone into a boom six months after this thing started and the price went up, do you mean to say that your report would not take that into consideration?

A. They would have to open the case and have further testimony put in the record, or they would have to wait until the period of time prescribed by law.

BY FATHER COX:

Q. The complainants said forty cents were right. The complainants were those who were fighting the advance in rates; isn't that true?

A. Yes.

Q. They were satisfied with forty cents, and that must have been true, and if they thought fifty cents was right, they would have fought for that, and I think every man would naturally be glad to say that he was getting fifty cents.

A. That is possible, of course, that the complainants' forty cents is nearer right than the estimate of fifty cents.

Q. I would be glad to feel that you were fighting to get them the more money than they actually got, but in this case it only helps the company.

A. This reproduction cost new theory—you see the way it is put in practice: If you get a good record, you make a good answer; if you get a poor record, you may get a poor answer, and after a record is closed you have to decide on the witnesses and then it goes up to the Appellate courts taken up on the record and that is one of the weak aspects of applying the reproduction new theory, less depreciation, to a property, but that is the law and there are many decisions of the courts, of the Federal and State Courts over the country. That is a guide as to how we must apply the reproduction cost new, and when you get your answer—there is no definite answer, except a judgment; judgment all the way through.

BY MR. MEMOLO:

Q. I am afraid, Doctor, that your average for wages at fifty cents is really high; that is, paid by this company.

A. Yes.

Q. Of course, the rate of wages up there will not run that high for labor. When you are working for the boroughs and townships, they pay fifty-five cents an hour, but as an average they have men working for those water companies for fifty cents; even in 1927, the average would be around forty cents instead of fifty cents.

A. You see, that may all be true, but an engineer who is assigned to the closing of the case, and the record is closed he cannot go out in the field and ascertain labor prices, which he could do if he was sent out per se.

BY MR. COOKE:

Q. Didn't the Commission take that fifty cent wage from the payroll of the company?

A. I don't believe they did.

BY MR. RICHARDS:

Q. There is something here that occurs to me. This little ten cents an hour increase, while in itself is a very small matter, it means that this company is being allowed \$325,000 a year in income, at the seven per cent figure that the Commission states; it means that three thousand two hundred and fifty people are going to pay the company \$10 increase a year for the water more than they should pay, and it seems to me that this matter of labor cost was not given very much consideration, otherwise, I cannot see for the life of me why you must necessarily take the peak of the respondents' estimate and disregard the complainants' entirely.



MR. TURNER: You would have to find out whether the Commission allowed it on the basis of forty or fifty cents an hour.

MR. RICHARDS: The Doctor tells me that the record is closed.

MR. TURNER: Doctor Snow's valuation was fifty million and the Commission did not allow it.

MR. RICHARDS: I think they cut one million dollars off.

MR. TURNER: The final figures was about forty-three or forty-five.

MR. COOKE: Forty-three.

BY MR. EVANS:

Q. You have been reading the respondents' brief to the Committee and perhaps the Committee would be interested in having you read the complainants' brief.

A. I have read it.

Q. Yes; but you have not seen fit to read it to the Committee.

A. Give me the report, and I will do a lot of reading.

On page 214 Mr. Lentz testified in reference to this territory that he is familiar with the rates prevailing, particularly in construction work, done under his immediate supervision and stating that he found that the Pennsylvania paid from sixty-eight to seventy-five cents per hour for ditching and hoisting engineers, for common labor thirty-three and three-quarter cents to forty-two cents per hour; the Lehigh Valley railroad have a schedule as follows, for masons and stone cutters sixty-six to seventy-two and a quarter cents per hour; for their helpers forty-nine to fifty-eight cents per hour, from the United States employment service, common labor thirty-five to forty cents per hour; that the Pennsylvania Railroad reported early in 1929, stone masons, sixty-eight to seventy-four cents per hour, the Department of Labor of this Commonwealth, common labor thirty-three cents per hour; stone masons seventy cents per hour, working day of ten hours, per day six or seven days per week.

Q. How much consideration did you give that testimony?

A. That is the brief, I think came in in April.

Q. I will read from the record at pages 32 and 32a, John H. Lantz redirect examination:

"There was a reference made by you of the record costs of labor, or labor costs of various sources, which you used, and which I think you said you would produce?"

A. Yes; we inquired of the railroads what their common labor rate was, and also the rates that various tradesmen employed. I might say that the railroads have their own union and due to the fact that their employees are engaged more steadily than those of tradesmen, who are independent, they have their own schedules of wages. We found that the Pennsylvania Railroad has a schedule of from 68 to 75 cents per hour for ditching and hoisting engineers, for common laborers, 33 and three-quarter cents to 42 cents per hour.

Q. Now that is from what railroad?

A. That is the Pennsylvania Railroad, Eastern Region, with headquarters at Philadelphia.

Q. And that information is as of what date?

A. November 7, 1928.

Q. What other railroads have you checked?

A. For semi-skilled labor, 34 to 60 cents; that is a little better class of labor than the common labor; what we called handmen in our setup.

The Lehigh Valley Railroad give a schedule as follows:

For masons and stonecutters, 66 cents to 72½ cents per hour;

Helpers to masons and stonecutters, 49 to 58 cents per hour;

Carpenters, 66 to 72½ cents per hour;

Carpenters' helpers, 49 to 58 cents; and

Laborers, 38 to 40 cents.

Q. That comes to you under what date?

A. November 5, 1928.

Q. And from what offices of the railroad company?

A. From Frank Loughman division engineer of the Lehigh Valley Railroad Company at Wilkes-Barre.

Q. Are they a considerable employer of labor through this territory?

A. Yes, the railroads probably—

Q. No; I mean that particular road?

A. Yes.

Q. What other information did you use in your labor rate?

A. From the United States Employment Service, Department of Labor; Common labor, 35—

Q. Just a minute, the date of your United States report.

A. October 19, 1928.

Q. And the office from which it came?

A. United States Employment Service, Altoona, Pennsylvania:

Common Labor, 35 to 40 cents per hour;

Handymen, 50 cents per hour;

Stone masons, \$1.00 to \$1.20 per hour;

Stone cutters, the same;

Hoisting engine runners, 70 cents per hour;

Carpenters, 70 cents to 90 cents per hour.

Q. What weight did you give to that evidence?

A. I read it.

Q. And discarded it?

A. I didn't discard it. I did recommend fifty cents for their consideration.

Q. You did that in spite of having others at forty cents, in spite of the rate quoted by the United States government for the employment service of the State government, quoted rates running from thirty-five to fifty-two cents an hour for common labor?

A. Yes, except that we gathered from four to ten of my assistants around the table to try to get our minds on a parallel that we may agree to do something tomorrow, and tomorrow may change it. I really personally think that there should be enacted into law a provision in every state in the Union that no man should work for less than fifty cents an hour.

BY MR. RICHARDS:

Q. We are dealing with facts here; we cannot change our minds about the fact that this is a desk and that it is made of wood, and it is a fact that these things are in that report and when you were advised that those are the prices that were being paid and still you are using a fifty cent rate in 1927 and the early months of 1928.

A. Well, the inventory of the Lance appraisal I believe was on July 1, 1927.

Q. And you were making a valuation for the purpose of finding the true basis for rates. I am not a financier, but certainly it doesn't take a financier a year ago to see that we were in a period of depression.

BY FATHER COX:

Q. What was the use of knowing what was paid labor?

A. What I might have done, if I were making an inventory and appraisal in the field is a different thing. In this record, I was using the testimony on the record, and if it was a good record, all right, and if it was not a good record, all right, but I want to say that this illustrates forcibly one of the arguments of the theory of reproduction cost new that applied is inherent in the theory and not the fault of the man who earnestly and honestly worked up the record.

BY MR. RHODES:

Q. You agree we ought to have another theory instead of this reproduction new theory?

A. I surely do, yes sir.

BY MR. EVANS:

Q. For the first fourteen structures in this appraisal, you used forty cents labor rate, and then you switched over to fifty-cent labor rate?

A. I don't think that that is right, sir. These are not my notes. I have notebooks of my own. Mr. Parmley may have used forty cents on this work but when I came to review it I reduced it to fifty cents.

Q. Let us take this sheet, that is the Campbell Ledge Storage Reservoir, and you get a value of \$14,802.

A. It that not Downs? Is it marked Snow?

Q. Now then I show you your report of June 30th, on page 45, Campbell Ledge Storage Reservoir, \$114,802.

A. That checks.

Q. That was forty-cent labor, was it not?

A. I don't know.

Q. Here is a note?

A. You will have to ask Mr. Parmley about his notes. He has so many notes distributed over that page that I cannot tell you what they are.

Q. You stated you could not go outside of this record to get any unit prices. Why then did you go to the Downs report

and use the Downs report prices which were not in the record at all?

A. Did I use them in the final?

Q. You testified you did?

A. Where did I, I cannot remember, I want to know when I did.

Q. Here they are, bonds based on these items. Ehlers, Downs, Downs, Downs, Lance. Didn't you use for these individual items the Downs prices?

A. I think I did.

Q. Where were they in the record?

A. The Downs appraisal was stipulated in the record.

Q. Where were the Downs prices put on the record?

A. The whole report is stipulated in the record. I don't know if I am using the right word.

Q. You base your testimony in so far as it used the Downs report on your statement that the Downs report was stipulated in the record. Will you bring in the reference tomorrow morning where the Downs report was stipulated in the report?

A. I am not sure of the words, legal standpoint, but it is available for testimony and it was given to me to use as part of the record.

Q. Who gave it to you?

A. It was handled as part of the record.

Q. Who gave it to you; who handed it to you?

A. I cannot tell now.

Q. Don't you know, Dr. Snow, that the Downs Appraisal on the certificate of valuation which was issued by the Commission was in 1918 on the express statement of the Commission, which was, that it should never be used in any way as a basis of any valuation in any rate case?

A. Yes, I heard it said; I heard you state that and I heard others state it here, and I also heard Chairman Ainey say it was perfectly competent to use parts of that as an aid to judgment in—

Q. Mr. Ainey being your master, you accepted the Downs Appraisal irrespective of whether it was presented here in this report to the Commission?

A. You make that statement too strong—

Q. I am asking you that?

A. Now,—

Q. How did you get that there? (Indicating work sheet).

A. Whatever I have there from this Downs Report, I have plainly labelled "By Mr. Downs," so that you may know where I got it.

Q. I want to know how the Downs Report got into the record?

A. In all of the 50,000 items in these pages, I will tell you that I cannot remember now.

Q. You may come in tomorrow morning and tell us?

A. I cannot do that until tomorrow morning.

Q. I mean the Downs Report was brought into the record, because that now, as I understand, is the basis for using the Downs prices?

A. On that page.

Q. You don't have any others on that page—well, we will have your book here in the morning?

A. I will do the best I can to shorten it.

Q. We will have your book here, so that we won't have any difficulty about that?

A. There may be some difficulty even with my notes, I have had difficulty enough, and I think that anybody that follows my notes will have difficulty on that, truthfully.

Q. I show you a sheet, "Concrete mass in Harvey's Creek intake No. 2."

A. Yes.

Q. Which according to this sheet was valued at \$9,300.10?

A. That is a fact.

Q. All right. There is carried into your report of June 30, 1930, \$27,960, reproduction cost new on Harvey's Creek intake No. 2 and \$26,260 depreciated, and I show you the identical figures on this sheet, and to make up the reproduction cost new there is a figure of \$9,300.10 for concrete mass. Will you tell how you arrived at that figure?

A. Well, I will when you give me my notes, those are Professor Parmley's notes. I don't want to testify on his notes, I want my own notes, then I will do my best for you.

Q. All right. However, it appears that you used that figure in arriving at your valuation, does it not?

A. From that column, it does.

Q. How else could you get the figure of \$27,960?

A. I presume I did, but I want to see my own notes, then I will be positive.

Q. All right, we will have your notes in the morning?

A. That is all right.

Q. Let us get back for a moment to labor cost. Did you happen to consider the testimony of James Harrupp in determining your labor cost?

A. I had it before me.

Q. He was the leading witness for the respondent, was he not?

A. I think he is chief of the company men—the company that they formed within the company, and I think he is chief of the valuation men.

Q. He says on page 14, 13a, in cross-examination, he was asked, "What did you count for basic unskilled labor?" And the answer was, "From 40 to 50 cents an hour, and in spite of that admission on the part of the leading witness of the respondent you took 50 cents an hour?"

A. I took 50 cents an hour, whether it rained or whether it shined, that is very plain, and there is no equivocation about it at all.

BY MR. RICHARDS:

Q. I am still a little foggy here about some point, and that is not remarkable, but this record now that appears to be the sacro sant, and what I would like to know, what was the last day for closing in your valuation date, was it July, 1928, or 1927. In other words, if you make any allowance in valuation prices of any kind, if you valued something at the market price and some upheaval upset those prices, did you make any allowance for that at all?

A. No.

Q. In other words, the prices for July 1, 1928, were the actual prices, and it didn't matter a hoot what happened, and you ran your report a year after that on that price?

A. I turned my report in on the record, at the date the record was made.

Q. What do you mean by the record, exactly?

A. Your Honor, in comes at a former hearing, Mr. A. B. C, D, E, F, G, and they testified for days, weeks, months, altogether, just the same as you are making a record here—

Q. And this is the record here, this book? (Indicating book on counsel table.)

A. The same as you got these exhibits here.

Q. I understand that.

A. And after a year or two, or the time it takes to conclude the hearings, that is the record, and then there are arguments, and then there are briefs, and then someone is assigned, like an accountant or an engineer, to go over all that stuff, and get an answer—

Q. Just like this record here? (Indicating book on counsel table.)

A. That is what I was assigned to review and serve it to the Commission in a form so that they could understand it.

Q. The record, this white book here, that we are talking about, is that right?

A. No, that is—

Q. Similar to the book here on the counsel table, or a book similar to that, that may not be the record?

A. The records in this case would completely fill this table.

Q. But this would be a part of the record, I don't want to quibble over the technicalities?

A. The record is—

Q. The record giving the data or any piece of it, and this is a piece of it apparently.

MR. TURNER: That is the paper book.

BY MR. RICHARDS:

Q. You are going over the printed record, that is, the history of the testimony taken in this case, is that right?

A. The typewritten sheets, that is it.

Q. All right, and on that record you make your prices, you take that as the basis of your report, and the record is merely a statement of witnesses, which may be right or may be wrong, and in this case it may be wrong because the record said that the labor rate was 50 cents an hour, and you used that regardless of any changes in the industrial world after that for a year, you still took that price?

A. I understand exactly what you mean, I took just what the record had.



BY FATHER COX:

Q. Then what about the complainant's record? Again we come back to what the complainant's record showed, 40 cents an hour?

MR. RICHARDS: The respondent's record is apparently what they took.

BY MR. RHODES:

Q. So as to get it down to the final analysis, if anybody is inclined to offer a high price, you get a high result, and if the inclination of the individual is toward low prices, you get a low result?

A. That is right, sir.

BY MR. RICHARDS:

Q. This hearing, this Springbrook hearing took about what, eighteen months, or how long did it take before it was settled—settled from the time that the appeal was taken?

A. I think the Commissioners sat in hearings nearly two years.

Q. Now, what I am getting at, if the labor rate paid at the time the testimony was taken was ridiculously low, and before the decision was handed down, we had a change in conditions, for example, a war had broken out, and everything went up, you don't mean to tell us now that you would still take the 30 cent labor rate against 60?

A. I would have to stick to the record, or re-open the case.

Q. Why is this record so all-important. Are not the facts worth something?

A. The Commission had been reversed by the Appellate Court in more than one instance in 17 years because they had gone outside of the record to bring in stuff that had not been in the record, that was the whole view of the Appellate Court, the practice of the Courts.

Q. In order to be sure that the respondent got the breaks on it, you gave them the peak load, gave them the 50 cent rate—that is the only thing I can make out of it, because there is no other reason for it apparently, in my opinion.

A. I have answered it to you squarely, as to how I determined the 50 cent rate. I have also said candidly it was my judgment, no one else responsible for it, and up to the Commission, and beyond that I ceased and passed out of the picture, and it was up to the Commission to determine.

Q. Would you now say, Doctor, that this labor rate should stand; would you now say that this Springbrook case should be judged on the basis of the 50 cent rate?

A. If you authorize or the Commission authorized me to go up to the Scranton territory, and I went up there in the street railway case, I went on the ground up there and conferred with the labor men—

Q. But in this case, this is the case that you decided?

A. I didn't do it in this case, I could not. Therefore, I cannot say that I would find 50 cents or what I would find, but I would go after it to find out what they were paying.

Q. You would hardly say that 50 cents an hour was a fair labor rate at the present time?

A. No sir.

Q. If that is true, would you say that the Scranton Springbrook case was valued at \$4,000,000 more than it should be?

A. At the present labor, yes sir.

BY FATHER COX:

Q. It wouldn't make any difference what you said to the Commission, if you made an investigation—if they chose in their judgment to say, we don't care what you say, it would still be 50 cents—your labor would be in vain.

A. They wouldn't have to accept my work; they can make their own determination.

BY MR. RICHARDS:

Q. Fifty cents is your story, and you are going to stick to it? A. I didn't say so. I would say I don't know what I would find—

Q. I may have misinterpreted you.

A. Yes, or I may have misstated it. I said I found 50 cents on the record, from the testimony. I hadn't said that I would have found 50-cent labor, if I had gone there in the field.

Q. You didn't find 50 cents on the record—you found 50 cents on the respondent's testimony on the record—you also found 40 cents on the record—

MR. COOKE: He also found 33 cents.

BY MR. RICHARDS:

Q. When you say you took the record, in order to keep our own record clear, I would like it to appear that you did take only a part of the record—the respondent's and not the complainant's record. We have already shown that—

A. After Professor Parmley made a notation that we agreed on at first, we would take 40 cents, which was Mr. Lance's price. Mr. Lantz was born and bred in that locality and he would know. Later on, after seeing the record and seeing what witnesses said, I determined that for the consideration of the Commission that 50 cents from the record was the right thing.

Q. In other words, it is just a coincidence that that is the respondent's figure?

A. No, it was their testimony and others—50 cents and higher. They had been paying that for two years. Mr. Lance would say that they were paying 40 cents, but he would be wrong.

Q. You think he was wrong.

A. The fact that they did pay 53.4 cents per hour, Mr. Lance would be wrong when he said 40 cents. He would be wrong as far as that is concerned.

Q. There is some doubt as to whether they were wrong or right?

A. I don't know about that.

Q. Why did you take the respondent's figure as against Mr. Lance's. They put this in in a peak time—it was a peak figure—they put in 53 cents—Lance has 40 cents, somebody else 33 cents.

A. I wouldn't question a witness or a company, if you were suspicious of them, I wouldn't question the veracity of a company, when they state a fact that they paid so much money—don't misunderstand me—they have no business to lie to the Public Service Commission.

BY MR. COOKE:

Q. If the company said something, you must believe that?

A. I didn't say that, why I didn't mean to say that for a minute.

BY MR. EVANS:

Q. Would you have someone in your department in your bureau before ten o'clock tomorrow morning study the respondent's briefs and find out whether the Downs Report is offered in evidence. We will have your work sheets here tomorrow morning and see to what extent you used the Downs prices, and where it was brought into the record. I think the Committee has some other business to attend to at this time.

BY MR. RHODES:

Q. You have a propensity for higher figures.

A. No sir, I have cut down corporations for a great deal, but I say the conclusion I come to, I put out to the Commission, I stand on my own feet, without fear or favor. I may be wrong. I would be more insistent if I could go out in the field and with my own eyes and with my staff and get the work myself then I would feel more that I was correct, but when I am confined to the review of a record, it is not mine, it is not my own ability, engineering, professional engineering conclusive, and I hope it is understood. I can't state it any better than that.

THE CHAIRMAN: This hearing will stand adjourned until tomorrow morning at 10.00 o'clock.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Thursday, April 23, 1931, at 10.00 o'clock, A. M.

There were present:

Messrs. D. Glenn Moore, Chairman  
Bart Richards  
Chester H. Rhodes  
Martin Memolo  
Ellwood J. Turner  
Louis W. Hagmaier  
Harry J. Crawford  
Morris L. Cooke  
Father James R. Cox  
Harold Evans, Esq.  
John M. Walker, Esq.

F. HERBERT SNOW recalled.

BY MR. EVANS:

Q. Dr. Snow, have you found yet where the Downs Report was introduced in this case?

A. No, I have searched in the time available, and I now believe that it was, as far as I can ascertain there, never so introduced, never stipulated into the record. I would not say positively that it was not introduced, but it was constantly referred to by both the complainants and respondents, and Mr. Downs was brought up from Philadelphia and testified to this report, and I used it constantly for half of the property, the Wilkes-Barre Division of the property, which was the original Springbrook Water Supply Company, and is covered by the Downs Report, but his report has nothing to do with the upper section of the property called the Scranton Division, and I used it all the way through for the purposes for which I have used it in my report and in my notes.

Q. Now, so far as you have examined the record, when you say that the Downs Report was referred to in the record, it was referred to as an inventory, was it not, of the property?

A. Yes, and there was also testimony as to the prices he applied.

Q. The unit prices?

A. I heard Mr. Downs testify on that.

Q. Do you mean to convey to the Committee that you only used the unit prices which Mr. Downs referred to in his testimony?

A. Oh, no.

Q. So that you did in making up your valuation use unit prices in the Downs Report regardless of whether or not you found them in the record?

A. I—

Q. Now, just answer that yes or no?

A. I didn't do that, but I would like to explain what I did do.

Q. You used the unit prices in the Downs Report which were not introduced in the record?

A. No, I was told—

Q. Now, don't say what you were told.

A. No, I didn't do that.

Q. Now, where were they introduced in the record. Now, come, let us get down to brass tacks:

A. I thought you started with brass tacks.

Q. Very well, you used the Downs prices for clearing, did you not?

A. Yes, I took his total of \$5,607.35.

Q. And you used his unit price of \$265.62 an acre for clearing?

A. I have the same total that he has in his report, \$5,607.

Q. Now, was that figured in the record?

A. It was in his report.

Q. And his report you have just said was not in the record; was that figure in the record?

A. I said I was told, and will repeat and elaborate, I was told by the Commission, or Chairman Ainey, or the sitting Commissioners, or the Law Department, that the whole Downs Report was available for me to use, not as a conclusion, but the facts and things that were used in that way were available for me to use, because all parties had used them, and therefore they were available to me. I said I did use them in that way, and that is the alpha and omega of the general situation.

Q. I am not criticizing you, Dr. Snow, in what you did, you were following the instructions of your masters, no doubt, but what I am trying to find out is whether or not you used the unit prices in the Downs Report?

A. In this instance I did, in this one item of clearing for Campbell Ledge Storage Reservoir.

Q. All right, we will take the next item, grubbing?

A. For grubbing I did the same.

Q. Now, how about item 4, rock excavation?

A. Why not take the third item?

Q. I am picking out the ones that you used from the Downs Report.

A. I beg your pardon, I am not conducting the case. The fourth item is rock excavation, and I took \$3.90, the equivalent of \$911.54, he took that, and I took the same.

Q. Take the fifth item, concrete mass?

A. Concrete mass, his unit price would be 59 cents, total \$30,174.46, and I took the same, rounding it out to \$30,170.

Q. And the next item, concrete reinforcing?

A. He took \$18.75, and that \$95.35, and I did the same.

Q. And the next item, embankment of earth?

A. He took \$1.01, total \$15,208, and I took the same. And the next item after he took seventy-seven and a half cents, and took a total of \$384, and I got the total of \$139; so, I didn't take his unit prices on that.

Q. You didn't take his unit prices on that?

A. No; I only got \$139, and he had \$384.

Q. After going over that, is it not true that you used the Downs unit prices in a large number of cases?

A. Well, I didn't use them in the majority of cases.

Q. I did not say you used them in the majority of cases, I said, a large number of cases.

A. I think I did, but they speak for themselves. You will probably find a large number of Mr. Downs' prices, too.

Q. I am not doubting that, but what I want to find out, in every case where you used the Downs prices, did you make sure they were in the record?

A. Well, it was in the Downs report.

Q. Yes; I understand that, and you have said that the Downs reports is not in the record, but you have been trying to give the Committee the impression that Mr. Downs' report got in the record through Mr. Downs' testimony.

A. After all, I am not trying to give the Committee that impression, I am trying to answer your questions truthfully.

Q. It is true, is it not, that the Downs unit prices were never used in the testimony in this case in any way?

A. Well, I heard Mr. Downs testify. Those were not the unit prices of his 1918 report. He was testifying as an expert in this case as to the reconstruction cost of 1927. I am talking about the Downs report of 1918. That is not my belief, Mr. Counsel. I think he was only brought up to testify as to his so-called Downs report, and that was what he was testifying on, if I recollect rightly, at the time I heard him testify.

Q. Will you make a further examination of the record and by Wednesday of next week produce to the Committee the record where the Downs prices, which you have used—unit prices—were introduced in the record? I think if you would be perfectly frank Dr. Snow, you would admit that you used Downs unit prices in his 1918 report, whether or not you found them in the record.

A. Wherein have I not been frank? I do not want to be coerced here. I am under oath here. I did not come up here with a bag of tricks.

Q. I think that is the situation, if you were frank enough to admit it.

A. You ask me the questions, and I will answer the questions, frankly, but I do not want to be coerced and I am not interfering with your conduct of the case either. I want a square deal, and I will give you one.

Q. And now, I will get you to go over, before next Wednesday your work sheets and make a statement to this Committee as to the number of Downs report prices that you used in your Springbrook valuation. According to the information I have, out of a total 338 unit prices used in that valuation, you used the Downs report in 193 of them, and if that is not correct, I would like to be advised.

A. Yes sir; I will do that willingly.

FATHER COX: I think it is more of an office report than a Downs report.

BY MR. EVANS:

Q. In December, 1928; you made a report to the Commission in regard to the temporary reduction of rates, did you not?

A. I can tell if you put it before me.

Q. I will be glad to do that. I show pamphlet, headed "Chief Snow's report, December 12, 1928, data for Commission hearing, rates, Scranton-Springbrook Water Service Company."

A. Yes sir; this is the report.

MR. EVANS: I offer a copy of this report in evidence as Exhibit Number 163.

(Paper in question so marked).

Q. Now, Dr. Snow, I want to read to you some of this letter to refresh your memory. This is dated December 18, 1928, addressed to the Public Service Commission of the Commonwealth of Pennsylvania:



"Mr. Chairmen and Gentlemen:

"On December 12th, 1928, the Commission referred the record in the above-entitled case to Commissioners Brown and Young with direction to the Bureau of Engineering and the Bureau of Rates and Tariffs to make analytical studies of the records and prepare memorandum reports for the information of the Commission, the Commission expressing the opinion that the rates for the domestic service should be restored to their prior level.

"Chief Fickenschner of the Bureau of Rates and Tariffs and the writer have conferred together and the following report is herewith submitted.

"The old rates in the City of Wilkes-Barre and vicinity where water was and is sold by fixture rates rather than metered rates ranged from \$8 to \$33 in domestic and commercial service; while in Scranton and vicinity where water is sold by meter the rates ranged from \$10 to \$12.50 for the same domestic and commercial consumer alike. Similarly the new rates have a range like the old ones did for flat service in Wilkes-Barre. The range is from \$11 to \$45 and in Scranton and vicinity for metered service \$11.60 to \$20.60. The total effect of the new rates for the entire property is an estimated increase of \$1,500,000. The old rates returned a gross revenue of about \$3,000,000; the new ones are estimated to return \$4,500,000.

"It is difficult under such conditions and wide range in class of service and charges therefore to equitably readjust the rates, but your bureaus have been engaged in studying the entire rate structure for the purpose of working out a basis for a temporary cut in rates applicable to domestic consumers, whereby the greatest benefit possible from such a cut would be shared by the largest single class of consumers.

"There is always a point beyond which rates cannot be reduced without becoming confiscatory:

"The Company fixed a rate base in round numbers at fifty-four million dollars and it is expected that this base will substantially sustain the new rates under contest. A rate base of thirty million dollars is sufficient to support the old rates."

Now, fifty-four million dollars, Dr. Snow, was substantially the amount claimed by the Springbrook Water Company, and the amount of the outstanding securities, was it not?

A. My recollection is that that summary was set up on their new books of the merged properties.

"A rate base of forty million dollars would be substantially a cut in value of thirty per cent."

Q. By that I assume you mean a cut in the value claimed by the respondent?

A. I think so.

"It would be understood that the bureaus have not studied the record as to a probably fair valuation base; nor do they assume to offer any information as to what a fair rate base may be; but it is within the bureau's knowledge that a cut as large as fourteen million dollars from the Company's rate base would be more than some of the complainants have expected or striven to obtain."

Q. I want to call your attention to that. "It is within the bureau's knowledge that a cut as large as fourteen million dollars from the Company's rate base would be more than some of the complainants have expected or striven to obtain." Where did you obtain that knowledge?

A. I don't know. I think Mr. Fickenschner gave it to me. I used the word "bureaus" I think.

Q. In other words, you made that statement without knowing what the source of your knowledge was?

A. No. I knew at the time. I cannot recollect now.

Q. Then, no one connected with the complainants gave you that information, did they?

A. No sir, I don't think so.

Q. So this statement was based entirely on hearsay information as far as you are concerned?

A. As far I can tell you. I don't remember; it might have come from Mr. Fickenschner's bureau.

Q. You were passing on to the Commission what the complainants were expecting in the way of a rate base reduction without any knowledge of your own in regard to it?

A. "Some of the complainants have expected," it says.

Q. Which one were you referring to?

A. I don't know.

Q. Did you know then?

A. I must have known then, and I would think it came wholly from the Bureau of Rates and Tariffs.

Q. Dr. Snow, what difference did it make what the complainants were expecting? Were you not trying to find out what was fair and not what any one was expecting?

A. Yes. That was what I was trying for in this particular case, and that it part of the way I do my work.

Q. Why did you put in anything as to what the parties were expecting?

A. I cannot tell you now. It is there.

BY MR. COOKE:

Q. Under what circumstances would a statement of that kind have been relevant?

A. This is pulling things out of the blue. People were running in and out of the Bureau of Rates and Tariffs and discussing things I suppose a great deal of that goes on in the Bureau of Rates and Tariffs. It does not occur in my bureau at all. We worked this thing out jointly, working together as we were instructed. I think most of it was done by myself or my bureau and it may be that it would occur in that way.

BY FATHER COX:

Q. This is a very, very serious proposition and when people are spending \$200,000 trying to win and you are waiting for someone to say whether or not it should be done, I think that is a serious proposition.

A. This is a temporary rate the Commission wanted to know.

Q. Who was that influence, could you tell that?

A. None that I know anything about.

BY MR. EVANS:

Q. Dr. Snow, as far as you know, that information must have come from the Commission themselves, might it not?

A. It didn't come to me.

Q. You are putting the burden of this on the Bureau of Rates and Tariffs?

A. I say I don't know it and I would not have any information about the statement. I cannot remember now where it came from.

Q. So as far as you are concerned it might just as well come from the Company as any other source?

A. Yes, but it didn't reach me from the Company.

BY MR. RHODES:

Q. Could it have come from the Chamber of Commerce at Wilkes-Barre?

A. No, I had no contact with anybody.

Q. You had no contact with any corporations or individuals in Wyoming Valley?

A. No sir.

Q. Didn't the coal companies receive a reduction in their rates?

A. I don't know.

Q. Were not the coal companies interested in eliminating this contest?

A. That I don't know.

Q. Did you ever hear anything to that effect?

A. No. I have heard that here in these hearings and I have heard elsewhere that the rates for the large consumers had been reduced, but I never followed it up to see if that was so and a fact or not. I would not do that unless I was instructed to.

Q. Did it come to your attention that the coal interests in the Wyoming Valley were desirous of stopping this contest?

A. The first case, yes sir. I knew of that.

Q. I mean this case?

A. No.

BY FATHER COX:

Q. Everything was all right if that influence you were waiting for had spoken. Then you could act. It must have been powerful.

BY MR. MEMOLO:

Q. In the beginning, Dr. Snow, the coal companies up there had joined in the protest?

A. I presume they had but I don't know. I would think that they would be very much interested.

Q. Afterwards they retired from the case, altogether, did they not?

A. I don't know that. That is a part of the proceedings before the Commission. That does not get into my bureau at all.

BY MR. HAGMAIER:

Q. What is meant by: "The bureaus have not studied the record as to fair valuation base nor do they assume to offer any suggestions as to what the fair rate base would be?"

MR. EVANS: Mr. Hagmaier—

MR. TURNER: Why don't you leave him answer the question?

DR. SNOW: I had some conversations once or twice with this committee of Messrs. Brown and Young on the preparation of this report and actually it was to be an interim rate schedule to tide over until the proceedings on the valuation could be concluded and the Commission reach a determination and you see my report on the work my Bureau did was June 30, 1930, and it would have been worse than useless to have attempted to make a report by the bureau on the valuation while the case was in progress of hearing before the Commission and made an estimate and they would have determined the fair value of the property by December 1, 1929. I am not familiar with the terms of the agreement the Commission reached with the lawyers up there to suspend everything until January 1, 1929, and the Bureau decided that they would adopt a temporary rate and they asked me and the Chief of the Bureau of Rates and Tariffs to study and make a suggestion to it about what that rate should be. I am quite sure along that line, in a talk with the Commission or Chairman, or all that I was given a range in which these temporary rates, within which they ought to fall. That is as far, gentlemen, as I can say from recollection, or best belief.

BY MR. HAGMAIER:

Q. What was the high and low marks of that range?

A. I would think it might be, from some of the paragraphs here, I used \$40,000,000, and I am not very sure that the high was not \$54,000,000.

BY MR. EVANS:

Q. It was \$54,000,000 plus \$4,000,000 of water rights, which made a total of \$58,000,000.

A. I think that is substantially correct.

BY MR. HAGMAIER:

Q. What was the temporary rate allowed at that time?

BY MR. EVANS:

Q. There was a reduction of \$245,000 in the temporary rate—  
A. I recommend to the Commission's consideration, or the two bureaus, that under Plan A that the first spigot be reduced from \$11 to \$10; and additional spigot be reduced from \$5.50 to \$5.00; the first bath tub from \$5.50 to \$5.00; the first closet from \$5.50 to \$5.00; hose connection from \$11 to \$10. In the next column I give the number of units, the consumers of that class, which made under Class A \$146,846, and then the motor service charge reduced from \$8.00 to \$5.00, which made \$98 or a total reduction of \$245 in round numbers—\$245,000 on that basis.

Q. Plan B the reduction was greater. The first spigot being reduced from \$11.00 to \$10; additional spigots from \$5.50 to \$4.50; first bath tub from \$5.50 to \$4.50; first closet from \$5.50 to \$5.00; stationery tub from \$4.00; to \$3.50; hose from \$1.00 to \$9.00. That would total \$177. Then the service charge,  $\frac{1}{2}$  pipe for meter, \$8.00 reduced to \$5.00. That all totals up to a reduction of \$276,848. I don't recall, but the records must show here what the Commission did do. I made a report to Commissioner Shelby later on. I think that is in the record. Attached to your letter are certain work sheets, are there not?

A. Yes sir.

Q. Among them is a sheet in which you have calculated the allowable gross revenue on various assumed fair value bases.

A. That is right. It starts from fifty-four and takes to thirty.

Q. You prepared that, did you, or had it prepared in your bureau?

A. Some of these figures are mine; some are one of my assistants. I told them to cast them up that way probably.

MR. EVANS: I offer this in evidence as Exhibit No. 164.

BY MR. EVANS:

Q. Dr. Snow, in this calculation, the first assumed fair value is \$54,000,000?

A. That is right.

Q. You say that is what the company claimed?

A. Yes sir, that is my recollection of how they started out their books under the merged properties.

Q. You take \$50,000,000 as an assumed rate base, make your conclusions—

A. Yes.

Q. Then to \$45,000,000?

A. Yes sir.

Q. Then to \$44,000,000.

A. Yes sir.

Q. Then to \$40,000,000.

A. Correct.

Q. Then to \$30,000,000.

A. That is the last.

Q. Will you explain to the Committee why it was that you picked on \$44,000,000, which seems to be an odd figure in the middle of that calculation. You were going down by \$5,000,000, until you got to \$44,000,000. Why did you pick on that figure?

A. I can come somewhere near telling why. I recall now, although I did not sit in the meetings, that there was a debate between members of the Commission as to what basis the temporary rates should be fixed on. Now then, \$44,000,000 was mentioned to me by some Commissioner, or group of Commissioners, and so I put it, computed it on the \$44,000,000. That is my best recollection of where I put the \$44,000,000 in.

Q. Well now will you tell the Committee as nearly as you can what was said by members of the Commission in this conference that you have referred to?

A. Well, I was not present at the conference, it was an Executive Meeting, and it was behind closed doors.

Q. What was said to you by any member of the Commission in regard to this \$44,000,000, as far as you remember?

A. I was asked to make, or intimated—I was asked to make a calculation, one on that \$44,000,000.

Q. Now, as a matter of fact the \$44,000,000 was exactly \$14,000,000 less than the total valuation claimed by the company, included this \$4,000,000 of water rights, was it not?

A. They claimed \$54,000,000.

Q. Yes, and \$4,000,000 water rights, making a total of \$58,000,000?

A. Yes.

Q. And \$44,000,000 is exactly \$14,000,000 less than that?

A. That is right.

Q. And you had known at that time, or had information that led you to believe that the complainants would be satisfied with a valuation of \$4,000,000 less than the company claimed?

A. Whatever the report says, Mr. Counsel.

Q. Well, what does it say, you have it there?

A. It has been quoted before, but I have already said I didn't have that information, so I want to qualify—"But it is within the Bureau's knowledge that a cut as large as \$14,000,000 from the company's rate base would be more than some of the complainants have expected or striven to obtain."

BY FATHER COX:

Q. Where did that information come from?

A. I am not able to say. I think would come from either the Bureau of Rates and Tariffs or from the Commission, or some Commissioner himself.

Q. We ought to find out who said it. I think it is this Committee's work to find out what that influence was.

BY MR. EVANS:

Q. Well now, Dr. Snow, in other words, as early as December, 1928, you had information from the Commission that they thought a rate base of \$44,000,000 was about right, and that the complainants would be satisfied with a rate base of about that amount?

A. I didn't say that. I said that I was asked to include in my calculation a \$44,000,000 base, and I did it.

Q. What was your understanding with regard to that; surely there must have been some reason for taking \$44,000,000 rather than some other figure?

A. My recollection is now that there was a debate among the Commissioners, and they had not settled it, and I was taking a range, in there \$5,000,000 apart, and I was asked to



figure on a \$44,000,000 basis, and I did it. That is my best recollection.

Q. And had you not gathered from the information that you had from the Commission that they had a \$44,000,000 rate base in mind at that time?

A. Some Commissioners did have.

Q. Which Commissioners do you say?

A. I don't remember.

Q. Do you remember which Commissioner gave you this information?

A. No, I cannot remember that.

Q. Dr. Snow, on this same Exhibit, No. 154—

A. But I think that the Committee—at least I think that the Committee would have, or the Chairman, or Commissioners Young or Brown.

Q. On this Exhibit 164 at the rate you have placed crosses opposite certain of the valuations. One cross opposite the \$54,000,000 valuation; two crosses opposite the \$44,000,000 valuation and three crosses opposite the \$40,000,000?

A. That is right.

Q. Does that indicate that those were the three rate bases that you were then seriously considering?

A. No, I wanted to tab them so that they would stick out. It shows there under the first mark that the company wants \$54,000,000 valuation, and a revenue of \$4,500,000, and I put operating costs in another column there, depreciation return, giving \$4,500,000, equal to 5.9 and that is just checking back. Now, I didn't follow out the calculations after the \$44,000,000— or after the \$40,000,000, I don't know why, but I didn't go any farther with the calculations on that page.

BY MR. HAGMAIER:

Q. Why should the company's figures be designated there more plainly than those of the respondent, as what the company wants?

A. That was their formal claim.

Q. I know,—

A. They complained about the justness—or the unjustness and the unreasonableness of this thing, and they put in a complaint, and no claim, and after many many months they continued the case, and this was a temporary rate.

Q. Was not their contest on at this time about these rates?

A. I have already said, your Honor, that the—

Q. Answer that, you can answer it yes or no.

A. Yes.

Q. Why should any other figures stand out, be marked simply as the companies want, and why should not the people want to be marked?

A. That was what was to be determined by the proceedings, and the proceedings had not gone very far.

Q. To determine what the company wanted?

A. I am speaking now of the complaints that you are talking about.

Q. But their figures are not marked. Why should not the people's figures be marked, so that they stand out as those the companies want?

A. Well, here, a company, your Honor, was making a complaint, and you cannot likely throw that off, and there were no other claims for it. There were complaints, and those companies were in process of hearing, and it took a year, or a year and a half before the proceedings provided by the law, made by the General Assembly, could be completed. Now then, in the interim it was decided that there must be a temporary rate fixed, and that was what we were trying to do, I do not see that you could get a temporary rate base in any other way.

Q. It says here that there was probably no reason for the valuation, and why should they figure such an enormous sum of \$54,000,000—

A. Where does it say there is no reason, not in my letter?

Q. Whoever—in the latter here—

A. In this report of the two Bureaus to the Commission?

Q. What were the other figures put down there for, what were they marked for; the \$44,000,000 and the \$40,000,000?

A. I had a range, and it seems to me from 54 to 30, and I was making calculations, as it is customary to make.

Q. The fact of the matter is that you had the answer and you were figuring backward to get the amount?

A. No, I didn't do anything of the kind, and there is nothing in this to show that?

Q. Almost all the stuff we have had is the same way, the answer was had first, and then you figured back to get the amount in some way or other?

BY MR. EVANS:

Q. Well, now, Dr. Snow the final fair value fixed by the Commission was \$43,650,000, was it not?

A. I guess so, I think you are right.

Q. And two years before, in December, 1928, certain members of the Commission, from what you have told us, had in mind a valuation of \$44,000,000.

A. Well, I can't say that. They gave me \$44,000, to make some calculations.

Q. \$44,000,000?

A. Or \$44,000,000, they gave me that figure to make some calculations on. And now, as far as I knew, that was for the moment, and my report was for the moment only a temporary thing.

Now, I can't go further. Of course the Committee is sitting here in judgment on the matter. I can't sit in judgment on my superiors, and I did what I was told to do to the best of my ability, and I have given you everything I did.

Q. And when that consideration entered into your deliberations, that a temporary sum of \$245,000 or \$250,000, which was the information you set forth that the bureaus had, that the complainants would be satisfied with a \$14,000,000 reduction in the rate base—

A. That is in the report.

Q. In your June 30th report you found \$50,648,000, rate base, did you not?

A. No sir; I did not and I testified here that I did not. That was an addition of a lot of assumptions that were made by the Public Service Commission functioning as required by law. I have said that time and time again.

Q. Suppose we put it this way: In your June 30th report, you set forth information on which you assumed a rate base of \$50,648,378.

A. That is right.

Q. That is one of the figures you thought of particularly in December, 1928, was it?

A. No; those totals in that tabulation were made at the last moment; I think late one night and the next day—on the day of June 29, 1929, and no one of us working on it knew what the answer was going to be until we used the tabulating machine and got it. That was the journey step by step and it is all explained in that 440 page report; just what we did; and in my note books, the dates are all there; step by step of that journey. It is true, but absolutely false that we knew what the answer was going to be until the night we tabulated it, and my bureau was not striving to do anything else than what we were instructed to do; and that was to check that report, and submit the result of our views pro and con to the Commission, for their aid in determining the valuation; to assist them on that basis, and their use of the overheads, all of which had had many million dollars; and the claim for water rights and so forth; they were all put in for what they were for the Commission's view. They were not my determinations, except where I have so stated in writing.

Q. But by a strange coincidence, the amount of the rate base, which you arrived at in your June 30th report was sufficient to sustain the rates filed by the Company effective on July 1, 1928.

A. Yes; but not, sir, with the word—unless the word "strange" is stricken out of your question. There was nothing strange about it. It was a coincidence, and a coincidence pure and simple, and I want to stand firmly and I want to feel that the members of this Committee believe me, that I never knew what the answer was going to be until the night when we made the report. If you will read that report, you will find that it was built up; there was not a page that did not require careful study and careful deliberation and consideration by the Commission.

Q. What instructions were given to you by the Commission, immediately after you filed that June 30th report?

A. I have a clear recollection. My report-copies were furnished to every member of the commission, and the Chairman called me in and said that that was not the kind of report that they wanted; that the Commission wanted it in the form of a Commission report, and I told him I couldn't write a Commission report in this great involved case, because on

almost every page of it the Commission must make determinations before a Commission report could be written for final consideration, but he told me to do the best I could; and therefore, if you please, on the 17th of July, I think it was, I submitted practically with a few corrections, that I will explain—I submit what is called a proposed Commission report which was nothing more or less than this (indicating). The first page or two or a few pages were phrased differently; a little introduction and so forth as is usual in the form of reports and some corrections. In the mean time the Committee, the Chairman, Messrs. Brown and Young had looked over my report, and had asked me to incorporate in the proposed Commission report those changes, because they were very firm in their minds as to what they wanted to do at that moment about it; and, therefore, I made those changes in the figures of that proposed Commission report, and I guess I am wrong about July 17th; whatever the early part of June, that date is. That is what happened as far as I was concerned immediately after submission of my June 30th report.

Q. Who told you what changes to make in your June 30th report?

A. Well, they had been several meetings between the Committee and the Chairman Ainey.

Q. What instructions did you get from the Committee and Chairman Ainey as to the changes that were to be made?

A. There was nothing of record—

Q. I am not saying of record.

A. No; I can't say. There were some changes in some of the overheads, on the item, I think of water rights, and such. There were a few changes, but not many, and at that time, it seems to me, as I recall it, but that would largely account for the difference between—you have it there—between my report that I made in that form myself and the proposed Commission report of early July.

Q. In the report of the Commission in July you reached a fair value of \$47,065,430?

A. No; I did not reach that; that is simply a tabulation made in my bureau.

Q. Your report states that the Commission finds that the fair value of the property for rate making purposes is \$47,065,430; does it not?

A. Yes. I have no doubt that is the language, but I was acting in the same capacity as a lead pencil; I was phrasing the determination of the Commission, as far as they had gone at that moment and I couldn't use any other language than that in the proposed Commission report. We write many of the Commission's reports.

Q. That rate determination sustained the temporary rates did it not?

A. I haven't it before me, but if you say so all right.

Q. No; I did not want to say anything for you Doctor.

A. I wish you would. I don't want to say this either (indicating).

Q. Would you just read from page 191 of your proposed Commission report, or page 190 and 191?

A. (Reading) "Adding to the Commission's fair value depreciated of physical property in the sum of \$32,762,000 (in round numbers) of construction overhead allowance herein before made to the total physical property depreciated with construction overhead amounts to \$38,724,965, and with other overhead allowances hereinbefore made the Commission finds a fair and reasonable rate base to be \$47,065,430."

Q. Then, Dr. Snow, immediately after this Dr. Weiss said you went to New Hampshire?

A. Yes, I think I left in July, 1927, and did not return until October 1st, except for three days in September. I wish to say in this connection through counsel that this report was referred to here as having been signed by me as of August 12, 1930. That could not have been August 12th. It must have been September 12th, but I was not in the State of Pennsylvania in August. It must have been a typographical error.

Q. Dr. Snow, in your reports you referred to the complainant's witness, J. A. Lantz, and used approximately this language: "While Mr. Lantz (referring to Mr. J. H. Lantz) denies that the items of inventory contained in the appraisal (referring to the Downs Appraisal) or his assistants, that that appraisal was not fair and reasonable when it was made."

A. I think that is correct.

Q. Is there any place in the record where you find that J. H. Lantz denied that the items of the Downs inventory came from him or his assistants or the company's foreman?

A. I cannot say now.

Q. You do not remember any such place?

A. No.

Q. Do you recall that the complainants pointed out some errors as to the quantities in the reservoir structures on the Downs report?

A. Yes sir.

Q. Did the respondent company question those corrections in any way?

A. I recall that they did not in some instances.

Q. Which ones can you remember that the company questioned?

A. I cannot remember.

Q. You did question some of them?

A. Yes sir, and wherever I questioned them I put the facts in in the January report to the Commission.

Q. Will you take the work sheet and tell us what price you applied for the masonry at the Coal Creek No. 3 Reservoir?

A. For cut stone masonry I used \$15.62 per cubic yard, and for rubble in cement I used \$9.38 per cubic yard.

Q. Those are the same prices used in the Downs appraisal.

A. They are.

Q. I show you the figure of the Coal Creek Dam No. 3 in the Downs appraisal, and ask you to show me where there is any cut stone in that dam.

A. If this is Coal Creek No. 3, the photograph does not show any cut stone. The photograph does not show any cut stone as far as I can see it.

Q. This is the Downs appraisal, page 109, the photograph of No. 3 reservoir.

A. I don't see any cut stone there in the photograph. The cut stone masonry,—Mr. Lantz allowed under that, including rubble in cement, he allowed \$7.50 or a total of \$5,636.00, and mine, my total including the both classes because he did not make a classification other than it is all masonry with him,—my total would be about \$10,500 or \$10,600.

Q. Dr. Snow, I show you Mr. Lantz' appraisal for Coal Creek No. 3, he shows dry masonry, does he not, \$7.50?

A. My notes—

Q. You got it before you.

A. My notes—

Q. This is the complainants Exhibit No. 210, Coal Creek No. 3, dry masonry, \$7.50, \$5,636.

A. Yes sir, that is the same as I have on my page here. I said he got a total of \$5,636 without making any class of masonry.

Q. But he calls it dry masonry.

A. Yes sir.

Q. Where is there any rubble in cement in that Coal Creek No. 3, as shown in the photograph in the Downs report?

A. Any rubble?

Q. You said you allowed for rubble in cement in this dam,—where does that appear?

A. I couldn't tell by looking at the photograph whether there was any cement in it or not.

Q. Is that dry masonry?

A. You cannot tell by looking at the photograph whether it is dry or not. I wouldn't think that there is any evidence that it was dry or that it was not dry. It looks as though it was rubble masonry. I would think that in a dam that they would use cement, high dam, I would think that they would use cement, but if somebody told me they did not, all right.

Q. So that as far as that was concerned you just took the Downs figures, and from what you see now they were inaccurate?

A. No, I wouldn't say that.

Q. Do you see any cut stone?

A. No sir, I don't see any cut stone.

Q. It is inaccurate?

A. Cut stone might be there in the spill way and not be shown in the photograph.

Q. Did you ever go and see it?

A. No sir, not during the pendency of this case. I would take Mr. Lantz' word for it. If he says it is dry masonry and no cut stone, I would certainly take his statement.



Q. That was all in the record, wasn't it, that you reviewed so carefully?

A. My notes are evidence of what we did.

Q. I mean it is all in the evidence that Mr. Lantz showed this as dry masonry, and the photograph in the Downs report indicates the same thing.

A. This is an exhibit, that is what it shows, Mr. Lantz' exhibit, yes sir.

Q. This was one of the corrections, was it not, that Mr. Lantz made in his testimony, correcting the company's valuation?

A. It may be, I cannot tell, if he says so, I will accept his word.

Q. Well, now let us turn to one other item, West Pittston Pump Station.

MR. RHODES: Mr. Evans, I have been in doubt as to whether that Downs appraisal was part of the evidence, was it or was it not?

MR. EVANS: It was not,—not in the record in any way.

MR. RHODES: However, as I understand, the figures of the different items of the Downs appraisal were utilized by the Engineering Department.

MR. EVANS: Dr. Snow has so stated. He is going to bring to the Committee a statement of the number of items in the Springbrook division, in which the downs prices were used.

THE WITNESS: I am perfectly willing to accept figures that I made a note of here somewhere,—out of 5,000 item,—

BY MR. EVANS:

Q. 338 items.

A. 198, whatever it is, that I used of the Downs I am perfectly willing to take that, if we can save all the work of going through all those thousands of pages.

Q. Turning to the West Pittston Pump Station, what does that indicate—

THE WITNESS: May I make a little statement on that point, your Honors. The reason that a certificate of valuation when put out by the Commission contains a savings clause it shall not be used as a basis for rate fixing, is largely on this account, or in the certificate of valuation, you include all the property owned by the company whether it is used or useful in the Public Service or not, because it is their property, and it is on that that bonds are issued.

BY MR. EVANS:

Q. Dr. Snow, are you testifying as an expert in valuation matters? I thought you were an engineer?

A. I am making a statement, and if the Committee does not want to hear it, I will sit down.

Q. I will be very glad to have you testify to the law in regard to the certificate of valuation, if you will qualify as an expert in it.

BY MR. RHODES:

Q. Just what relevancy does the certificate of valuation have at this particular time?

A. Because the Downs work was on this property, and included a lot of property that in this report was cut out as not used or useful.

Q. But the Downs Appraisal was not part of the evidence and could not logically be considered by you.

A. You have heard from Chairman Ainey, speaking with authority, that merely the summation of the certificate of valuation could not be used, but it did not preclude the Commission from using—

Q. Was the Downs Appraisal a part of the record?

A. It has been used by all parties.

Q. Was it ever made a part of the record?

A. I think that makes it a part of the record.

Q. Was it ever offered in evidence?

A. It was offered—

Q. That does not make any difference, if it was not offered in evidence.

BY MR. HAGMAIER:

Q. You said to Mr. Evans five or six different times that you could not use anything that was not a part of the record, and now this morning—

A. I have said this morning, your Honor, that I have used the Downs Report; I have told you what I did, and I told

you what I did not do on authority from my superior, and that is all right, if that is a fact.

BY MR. RHODES:

Q. We don't want to cut you off, if it is relevant to this particular proposition, we want to be perfectly fair, and even if it takes an unnecessary length of time to give everybody a perfect opportunity to get on the record with anything that is relevant, we will do so. Now, just where does this relevancy come in in connection with your testimony?

A. To me it is very relevant, but if it cannot be considered, that is all right.

Q. We are not trying to be technical, but I would like to know where its relevancy comes in with reference to your testimony?

A. Here is a piece of work that went over many months, done by the authority of the Commission itself, and Mr. Downs was an employee of the Commission, as a member of my staff, and it seems to me that it is competent to be used as a measure of economy, if rightfully used in a later proceeding, and it was used by the companies, and by all the rest of them, they used the Downs Reports, and I did the same thing, I used it for what it was worth, property by property and item by item.

Q. Is not this your position that you have utilized the Downs Report, construed as part of the record, because it has been utilized in connection with the certificate of valuation?

A. I think so.

MR. RHODES: I think we understand that then.

BY FATHER COX:

Q. You said you had no determined value to reach, Dr. Snow, now, if you followed the Downs Report, you did have a determined value, and you tried to make it gee with that?

A. I have said before that it was used for what it was worth, because he was employed by the Commission, and one of my own staff, working in 1917, and if it was relative, it was worth using.

Q. You had been using it very extensively, because you said you did not make a complete investigation of the plant, and then you tell us you have no determined figure, and yet you come so close to this Downs Report figure, so that you apparently used it, because you did not make an investigation yourself, and you had a determined figure, and it seems to me it all comes around again to the Downs Report, and I think we have gone over that so frequently, Dr. Snow, that I don't think we ought to interrupt the examination by Mr. Evans.

FATHER COX: It does no harm once in a while to bring these things to the attention of the Committee.

MR. RHODES: It has been gone over repeatedly time and again, it is in the record.

FATHER COX: But it seems to escape the attention of everybody, because one time they say they don't use the Downs Report, and the next time they say they do.

MR. RHODES: It does not escape the Committee.

THE WITNESS: I am not permitted to show how many times I have used Mr. Lantz's figures, and so forth, many, many times, and I have agreed with Mr. Lantz against the company time and again, and accepted his figures on hundreds and hundreds of acres.

BY MR. EVANS:

Q. Now, Dr. Snow, in order to save time, I show you the Downs Report, the valuation of the West Pittston Pumping Station, page 490. Mr. Downs there includes rubble masonry, 800 cubic yards, and \$18.50 a cubic yard, \$6,800, does he not?

A. Yes.

Q. Will you look at the figure of the West Pittston Pumping Station on page 167 of the Downs Report, and I call your attention to the fact that that is cut stone?

A. That is in the picture, and I should think it was, yes.

Q. So hat Mr. Downs used \$18.50 for cut stone in the West Pittston Pumping Station, and he used \$15.62 for uncut stone in the Coal Creek No. 3 Dam?

A. Yes.

Q. What does that indicate to you as to the accuracy of the Downs Report?

A. I see from this photograph here that a portion of that would be taken out by the fact that this is right on the street, right in the town, and the dam is way up, possibly in an inaccessible wilderness, where the cost of building materials would be very much greater—I don't know.

Q. Now, as a matter of fact this cut stone came from Campbell's Ledge, did it not, some three miles away, whereas the Coal Creek stone was found within 500 feet of the dam?

A. I don't know now. Maybe there is something in the June 30th report.

Q. Dr. Snow, isn't it perfectly evident to you that the Downs Report made without check in any contested case obviously would have errors that crept into it?

A. I would think there would be errors in any report made by anybody in a large property like this, yes.

Q. All right. Now, will you just turn to your Crystal Lake reservoir?

A. All right.

Q. Now, will you read from your June 30th report pages 95 and 96, commencing with "Witness Lantz in 1918"—referring the Crystal Lake storage reservoir?

A. "Witness Lantz in 1918 had knowledge that Mr. Downs used 424 acres of clearing and grubbing, for which the Commission made an allowance of \$58,000 in round numbers. Mr. Lantz now of record estimates \$6,153 only. In 1918 the Commission made an allowance for earth excavation of \$4,663 based on information obtained from witness Lantz. Mr. Lantz now testified of record that there are seven hundred fifty-two acres of earth and rock excavation—that is, cubic yards of earth and rock excavation—for which he makes an estimate of \$1,354. He discovered an error in the original estimate of 1918."

Q. Is that as far as you want to go?

(No answer).

Q. "He has failed, however, to prove this error in earth excavation. He makes a similar claim for mass concrete, and here the record presents what may be considered fairly reasonably proof."

So the bureau agrees with Witness Lantz on the concrete quantities, and makes an estimate of 27,086, for which Witness Lantz estimates 16,455.

Q. Now, then, will you look at your work sheets for this, and state how many cubic yards of earth excavation you allowed for?

A. Evidently 3,961 cubic yards, at \$1.17 a cubic yard, totaling \$4,663.

Q. How many yards of mass concrete did you allow here?

A. It seems to me here that I took the Lantz allowance of eighteen hundred eighty and used on that \$14.40.

Q. That was the Harrop price?

A. Which was the company price for that; yes.

Q. Now, how much back fill, did you allow for?

A. As near as I can tell now here, we used the Lantz quantity of 343 cubic yards, and applied 77½ cents to get \$267.

Q. Now, then, if you were building a dam, Dr. Snow, a dam breast must come up above the surface of the ground to do any good, must it not?

A. Yes sir.

Q. If you excavate 3960 yards of earth and had only 880.6 cubic yards mass concrete and 343.5 cubic yards of back fill, you would not have filled up the hole yet, would you?

A. Apparently from that way of figuring.

Q. Isn't that the correct way of figuring?

A. It might not be.

Q. Will you explain?

A. I have known such things to happen. I don't know that I can explain now.

Q. In other words, you have seen a dam constructed where the hole dug was to a greater size than the concrete dam breast and the back fill?

A. No; I don't mean that at all—of course not.

Q. Isn't that what you have here?

A. Apparently, but I would want to look into it and see.

Q. Those are your own figures, aren't they?

A. My figures are in red here—over here (indicating). There are a number of such situations as this all through these eighty odd dams, and I looked at them—some very thoroughly—and it is pretty hard work to account now, after the work was done, for these things, and in some instances, I think whatever my figure—this is \$267; we are just talking about now, and I notice I cut the company down from \$60,000 and Mr. Downs down from \$45,000 to \$27,000, and probably on some such basis as that.

Q. And now, Dr. Snow, in the quotation from your June 30th report, which you must have read into the record, you say there was sufficient evidence to substantiate Mr. Lantz in his

inventory of mass concrete and earth and rock fill; so, that is established?

A. Yes.

Q. But you say there was no sufficient evidence to substantiate his claim that the excavation was not approximately twice the amount of these two items?

A. That is what I thought when I dictated it.

Q. You know now that it was a mistake, don't you?

A. It might be, but I don't admit it now.

Q. Your later comments there in regard to Mr. J. H. Lantz as a witness were not warranted by any evidence you had?

A. I thought so at the time. I might revise it now or later on proof.

Q. You admit that this criticism was wrong?

A. Well, no.

Q. In various places in your report, Dr. Snow, you refer to the bias and what I think you designated as the unreliability of Mr. J. H. Lantz's testimony. Is that correct?

A. On some specific points, yes. I hope however that you will not really go on further with the phraseology. Please remember that my report was made, not for publication, it was made according, at the moment, to my judgment. We have such a thing in organized engineering as professional ethics, and I certainly would never have made a criticism publicly and if it is not necessary in this case I hope you will not do it.

Q. According to the information, you used complainant's unit prices in this case in only 61 out of 671 items, and if that is correct I want you later to correct it to this Committee and give them the correct figures. Now, why did you use those in so few cases?

A. Use what?

Q. These figures in 61 out of 671 cases?

A. This is on what items?

Q. All through the Springbrook division?

A. These are major items of the whole property and you have all of my records and explanations.

Q. You must have some reason to state to the Committee, have you not?

A. I cannot give an answer here; I have toiled and concentrated on each of these items. It is now like water over the dam with me. You have all of my notes, but if it is desired I will spend the time and faithfully go over them and then make such statements as are correct for me to make about it.

Q. Did you think Mr. J. H. Lantz was biased against the company?

A. I thought some of his conclusions showed bias. I don't want to say or to be understood to mean as criticising Mr. Lantz's character or integrity. I have known him and his father for many years and I have a high regard for him as a citizen and I would believe him and let him have my pocketbook and it would be returned to me. If there is any inference that I have tried to belittle Mr. Lantz as an engineer or a citizen, it is not true. I have differed with him it is my duty to sit in engineering conferences whenever associated and called on and I say that engineers quarrel as well as lawyers, but our quarrelling is done within closed doors.

Q. I understand you to say that you wish to go on record as saying that Mr. Lantz had no bias against the company?

A. I do not want to say that. I have said in my judgment he showed a bias in some of his conclusions.

Q. Do you mean in reference to the present company or the old Springbrook Water Company?

A. I was dealing wholly with the case in hand his testimony, and so forth, in the case—and now to carry further—what statements to me of the city commissioners during the progress of the case which I did not particularly ask for but which came through on the screen, and when I came to study the record I made the determination and the statements are in my report but that was not for publication and it is no more than engineer's sry around the table in conference with each other.

Q. Now Dr. Snow, in conclusion, I just want to read to you the letter of resignation of Mr. J. H. Lantz addressed to the President and Board of Directors of the Springbrook Water Supply Company in June, 1919, which reads as follows?

"Having concluded twenty-three years of active service with your company, I have concluded to establish an office in consulting engineering, and therefore tender my resignation as chief engineer, to take effect July 1st.



"It is not without sincere regret that I stop, for associations covering nearly a generation are not readily broken, nor is their effect forgotten.

"I trust that our business relations in the future may be as pleasant as they have in the past.

"Respectfully yours, (signed) J. H. Lantz."

I also wish to read the reply to that letter on the letterhead of the Springbrook Water Supply Company dated July 27, 1919, at Wilkes-Barre, Pa., and addressed to Mr. J. H. Lantz, as follows:

"Dear Mr. Lantz: Referring to your resignation as chief engineer effective July 1st, and in confirmation of our conversation concerning it, let me say:

"As you enter upon your new and broader field of engineering activities, the Spring Brook Water Supply Company desires to be entered as the first upon your list of clients, retaining you as consulting engineer at a fixed sum of \$250.00 per month to July 1st, 1920.

"Yours very truly,

(Signed) L. A. Wartes,  
President."

Q. Certainly so far as these letters are concerned they indicate no bias on the part of Mr. Lantz against the company?

A. My judgment fully warranted the statement that I made in my report.

BY MR. COOKE:

Q. May I ask, Dr. Snow, to what document or documents you can refer me that gives the standards of professional ethics under which you and your associates of the bureau operate and are guided?

A. There is one published by the American Association of Engineers, there is one published by the American Society of Civil Engineers, and I presume there may be one by the American Mechanical Engineers.

Q. I would gather from your testimony that there is nothing in engineering professional ethics to prevent public differences between engineers. You stated you always ironed them out behind closed doors. In your opinion, would it be unprofessional to differ with another engineer on a public matter in public?

A. Professionally, certainly not.

Q. I wanted to get that clear on the record. Your testimony indicated that any such differences in your opinion would be unprofessional?

A. I think I wrote the first one that was published in 1908 and so far as I know or was informed the first ethical pronouncement published in the Engineers News of 1906. It was at the time, if I am not wrong, adopted by the Engineers Society of Pennsylvania and has been adopted as the rule of my life and conduct in professional ethics. I have been and am now very careful about any statements I am making which are to have publicity.

BY MR. COOKE:

Q. The last time I saw the code of the American Society of Civil Engineers it precluded discussions in public before they were first submitted to meeting of the civil engineers. That has been changed in most other societies. Has it been changed with the civil engineers?

A. No, Mr. Cooke, this Society of Civil Engineers' Code is not very broad or long. I think the American Society of Engineers of Chicago have a much more elaborate one. I am a member of that also.

MR. EVANS: I also want to read into the record a letter on the letterhead of the Springbrook Water Supply Company, Wilkes-Barre, Pennsylvania, dated July 27, 1919, addressed to Mr. John A. Lantz, which is as follows:

"Your resignation dated the 27th, as Chief Engineer of the Springbrook Water Supply Company was duly received.

"At a meeting of our Board of Directors held today, it was considered and duly accepted, effective July 1st as requested by you.

"During the 23 years of your active service with us as Chief Engineer, we have expended a large sum of money in extending and developing our property, in all of which activities you have been an important factor.

"We cannot permit the close relationship which has existed between us to be severed without putting upon record our

full appreciation of the engineering skill and ability with which you have performed your duties and of assuring you of our keen interest in your future welfare.

"Sincerely yours,

(Signed) L. A. Wartes,  
President."

MR. EVANS: Dr. Snow would like to make a statement in regard to the determination by his bureau of going concern value, in view of Mr. Black's testimony in the Scranton Electric case.

THE WITNESS: I have copies here of this statement, Mr. Counsel, relative to the going concern value. That was first prepared with the help of the counsel of the Commission Berne Evans, at that time, deputy,—he was counsel of the Commission, and later on under Mr. Hunter it was brought up to date by me with his co-operation, and it is the basis for the determination of going concern value. So far as my bureau is concerned, in connection with the ruling of the courts of the different states on going concern value, you will see the familiarity between those rules and regulations and the determinations of the courts. I do not want to bother you with reading it. There are enough copies for each member of the Committee. I would like to have it go on the record.

MR. COOKE: In this Mr. Evans the counsel for the Pennsylvania Electric Company?

MR. EVANS: Berne H. Evans, formerly counsel for the Public Service Commission, now a member of the firm of Hause, Evans and Baker, counsel for the Scranton Spring Brook Water Supply Company. I don't think he is counsel for the Pennsylvania Company.

MR. COOKE: It has been testified he has been counsel for some—

MR. EVANS: For a number of the utilities.

MR. COOKE: Is he a partner of Ralph Baker.

MR. EVANS: He is. I would suggest that this be offered in evidence as an Exhibit of Dr. Snow, so that there will be copies in the hands of each member of the Committee.

THE WITNESS: I would like to say to the Committee that I started my rate work in 1893. In 1897, I was going strong, in this period I made the rates, for the Boston and Maine system. I have been in this game all of these years, and kept in touch with the development of the different systems, and the rulings of the court, as an engineer, not as a lawyer.

BY MR. COOKE:

Q. What engineering text can you refer me to that you used in your education to qualify you to define going concern value?

A. There is a definition that speaks for itself. I am making the text. I made a simile, I am not bragging, but the fact is that I made a new era in rate making in this country. That was passed thru the Supreme Court of Massachusetts and the Supreme Court of the United States. It was a new era in it, I am not ashamed to say. You ask me the question that I didn't go to a text book.—I might write a text book, this is my own, Dr. Cooke.

Q. How does going concern,—definition of going concern value become a part of the engineering technique I wanted to know how you figured out that the determination of the going concern value is a part of engineering.

A. It is all explained.

Q. You cannot give me any other engineering text?

A. I am going to stand on my own feet.

BY MR. EVANS:

Q. You will agree that it is a matter for the determination of the Commission, and that the Commissioners are supposed to know more about it than you.

A. No sir, they tell me that the Appellate Courts wished these matters to be determined.

BY MR. COOKE:

Q. You cannot refer to me a single engineering text on going concern value?

A. I said not for my own opinion, not the way I have worked it about. This is based upon the opinion of the court.

Q. Can you refer me to any engineering text, whether they express your views or not?

A. Not this minute. There are plenty of them.

Q. I thought I was familiar with the engineering literature. I have never seen any such book.

A. George B. Fuller, has testified in very large cases in the country in his construction,—

Q. Text books,—

A. I don't know about any text book.

MR. TURNER: Is it essential that it must be in a text book to be good.

MR. COOKE: I don't know of any other branch of engineering that is not covered by text book.

MR. TURNER: This is a new branch.

MR. EVANS: I offer this statement in evidence as Exhibit No. 165.

H. M. PARMLEY sworn

BY MR. EVANS:

Q. Mr. Parmley, you were the engineer of the Bureau of Engineering who heard the evidence in this case?

A. That is right.

Q. After the case was argued you assisted Dr. Snow in preparing the valuation of the property for the Bureau of Engineering, did you not?

A. I will have to answer that both yes and no.

Q. Will you explain what you did in this case, briefly?

A. I reviewed the testimony and the exhibits, and anything pertaining to the item under consideration which Dr. Snow dealt with, as those items came up. In other words, I was custodian of the record, you might say, and it was my job to know where to find the various witnesses' testimony bearing on the various points. Now, I did that job to the very best of my ability, and I would not testify that I showed Dr. Snow every last bit of testimony on every point, but I did it, as I say, to the best of my ability, and if there is any omission on my part, any errors, it is an error of omission rather than commission.

Q. I think we fully appreciate that, Mr. Parmley. Now, it has been shown here in one of your work sheets you made a memorandum that Dr. Snow and Mr. Curry and you agreed on a common labor wage of 40 cents an hour. Do you remember approximately when that agreement was reached?

A. Approximately, Mr. Evans, yes. This case was heard, or rather finished December 6th or 9th, and from then on Dr. Snow and I worked—

Q. What year?

A. I will have to think of that—

Q. 1929?

A. 1929, yes. Just when that note was made, what day of the month, I cannot say, but these are the facts: I discussed it with Mr. Curry, just since you have brought it out that that note was there, and my idea was this, we were to go over the record and find out the various labor rates that were in the record. Now, that particular job was given to a Mr. Heather, and bear in mind, Mr. Heather had access to the notes I had. I called his attention to where it might be found, just gathered it together, and I didn't take the time myself, I knew what was there in a general way, and these things are outlined in both the respondent's brief and in the complainant's brief, but to find them in the record is the job. Having done that, Mr. Curry and I and Dr. Snow discussed the matter, and bear in mind this was early in the proceeding, and it was our thought that a 40 cent labor rate was the evidence in the record. Now, that was an honest opinion as far as Dr. Snow had in mind at that time, but I dare say this, that I don't believe Dr. Snow has read all these notes. There was some testimony on that at that time, and after he had read them, he changed his opinion. Now, bear in mind this is Dr. Snow's report, not Mr. Curry's or not mine. Now, I think I have covered the point that you asked, but what date it was I really don't know.

Q. Well, it was made sometime after the conclusion of the hearing, was it not?

A. Yes, that is right.

Q. And you had heard all the testimony in regard to this matter?

A. Yes. Now, bear in mind, however, I am not responsible for this report.

Q. I appreciate that, Mr. Parmley. May I ask you this: Have you heard all of the testimony, and having sometime early in 1930 reached an agreement with Dr. Snow and Mr.

Curry that 40 cents was a fair common labor rate; have you changed your own personal opinion in regard to that?

A. Why, I don't know that I have in regard to the record, but with regard to Dr. Snow's judgment, I respect his judgment on that matter—

Q. I appreciate that you respect his judgment, but I think while Dr. Snow was away during the summer, Mr. Weiss testified that he had some conference with you, and you made it clear to him that the report was Dr. Snow's and not yours?

A. Yes, that is right.

Q. I take it from that, that while you have respect for Dr. Snow, you don't wish to go on record as agreeing with all his conclusions?

A. Absolutely not. If I want to make a report, I want to deal with the whole thing, I don't want to deal with this item or that item, I want it as a whole in order to draw my conclusions.

Q. Was it not true, Mr. Parmley, that in valuing the first 14 or 15 structures in this system, the 40 cent labor rate was used?

A. I don't think that is so. If you can show me my notes where you might think that that is so, I will try to answer it.

Q. I don't want to take much time with it.

BY MR. COOKE:

Q. Are you teaching now, Mr. Parmley?

A. No, I am not.

Q. Where did you teach?

A. I taught at Cornell eight years; I was an instructor, not a professor.

Q. Dr. Snow referred to you as professor?

A. That is a term which hung to me since my very first day in class, so pay no attention to it. If you want to amplify on why I am not, or why I was not, why, go ahead and dot it.

Q. A term of endearment?

A. It might be.

BY MR. EVANS:

Q. Now, Mr. Parmley, by looking at your work sheets, you can briefly tell us, for instance, in the Campbell Ledge Storage Reservoir, what labor rate you used for your computation there?

A. There are none of my computations here (indicating).

Q. I understand that Dr. Snow said these—

A. These (indicating) are merely copies of his work.

Q. All right, now, what labor rate was used in that computation?

A. I might say this, if you are referring to this (indicating), this has nothing to do with this up here (indicating) so far as that goes.

Q. I just wanted—

A. Let me see now. I don't see anything here.

Q. In other words, Mr. Parmley, do I understand you can't tell what labor rate you did use, in the Campbell Ledge valuation?

A. I would have to go to Dr. Snow's report to check over that. I don't think that that was a fact, that there was a forty cent labor rate used in any portion of this.

Q. Looking through your work sheets in the Harvey Creek Intake No. 2 sheet, does it not appear that you took Mr. Lantz's unit price for mass concrete of \$9.75, considered that sixty per cent. of that cost was a labor cost, and increased that labor cost by twenty-five per cent. in order to get a fifty cent common labor wage rate, instead of a forty cent used by Mr. Lantz?

A. That is right.

Q. Did you use that same method in any prior structure in your work sheets?

A. That would be a matter that I would have to check up. I really couldn't say.

MR. EVANS: You can't say that. I think that is all.

LYNN B. CURRY sworn

BY MR. EVANS:

Q. Mr. Curry, you are the water works engineer of the bureau of engineering of the Public Service Commission, are you not?

A. Yes

Q. What part did you take in the valuation of the Scranton-Spring Brook system by the bureau of engineering?



A. Nothing to reach a conclusion. I had a contact with case soon after the hearings closed, looking toward the handling of the review of the testimony. In a very short time the other work of the water works section developed in such a way that I was given instructions to carry out some specific assignments that came along, that needed to be attended to promptly, and the work came right along in such a manner that I didn't get a contact with it until after about the middle of February, 1930.

Q. In other words, you were pulled off the Spring Brook case in the middle of February, 1930, and took practically no further part in the valuation?

A. I can't say that I was pulled off, because there was nothing ever spoken to me that I was pulled off, but there were emergency situations that arose, and that continued for a time, and I never got back on the case again.

Q. In other rate cases that the Commission has had have you not had a large part in the work of valuing properties?

A. I would say that I had for the time I have been with the Commission.

BY MR. TURNER:

Q. How long was that?

A. Since August, 1925.

BY MR. EVANS:

Q. What has been your experience as a water works engineer, so that the Committee may know your qualifications a little bit? It has been testified, Mr. Curry, that you are the only water works engineer in the bureau, and I think it would be interesting to the Committee to have your experience.

A. Well, my water works experience begins with graduating with a civil engineering degree from the college of Civil Engineering, Cornell University; course completed in 1913.

In 1912, during the vacation season, I was working in the engineering, corps of the New York State Engineers on the barge canal.

In June, 1913, I was with the New York State Engineers on the water supply project of the barge canal at Hinckley, New York; and continued there for almost a year.

From 1914 to 1920, I was with the Eastern District of the Bureau of Valuation of the Inter-State Commerce Commission. That work included water works of railroads, but not of independent water works.

From 1920 to 1925, I was an engineer with the firm of Ganett, Seelye and Fleming, of Harrisburg.

In 1925—

BY MR. COOKE:

Q. What was their business?

A. Their business is a general engineering practice. My particular part in their business was largely with reference to water works.

Q. Operation, construction, valuation, or what?

A. Design, supervision of construction as resident engineer, superintendent of construction, operation and valuation.

Q. Will you just state briefly to the committee exactly what you did in connection with the Scranton-Spring Brook case?

A. Taking up my work somewhere near the first of January, 1930, on the case, I of course, got an intimate contact with Mr. Parmley, because he was familiar with the record. I immediately chose to look into certain parts of the record with reference to used and useful property and reviewed the record as to where in the record it treated on that subject and what it said. At the same time I had a list of places in the record made that showed the related subjects. I think about the middle of February that list was completed or possibly a little earlier, but by the middle of February anyhow, then that is as far as I got with the case.

Q. Now, did the report of Dr. Snow and later did the report of the Commission agree with your findings on used and useful property?

A. I do not know. I want to explain further there was no finding of mine on used and useful property. I went in and in an orderly manner listed the record's treatment of the subject on both sides.

Q. Then you also, I think, had something to do with fixing the forty-cent labor rate, did you not?

A. Yes, in the sense that forty cents was fixed.

Q. There is a memorandum in one of the work sheets by Mr. Parmley that you and he and Dr. Snow had agreed on a forty-cent common labor wage rate. That was later abandoned. It is correct, is it not, that Mr. Parmley—

A. This labor rate was discussed, and the last I knew of any question of labor rate, we had tentatively mentioned the figure forty cents.

Q. Did it strike you as in any way peculiar in view of the fact that this was the most important water rate case the Commission ever had and you were the only water engineer in the Commission, that you had no other part in the determination of the value of the property? Did it strike you in any way as strange or worthy of comment?

A. Not strange. It is worthy of comment in that this was a case in which there was a large increase in the amount of work, that the Bureau of Engineering and the Water Works section if it were to do it at all would have to enter upon. It was always a matter of concern to me how the regular or ordinary matters of water works regulation that were coming before the water works section could be carried on and handled along with a water rate case of that size at the same time, and I knew at the time when I gave consideration to the case at all which was about January 1st, 1930, that something would have to be done before very long to take care of the routine work. We had a lot of cases on hand and there were certain matters that had to be handled. When I was finally given instructions to take up these matters, others followed, and the routine work piled up so that it took all my time.

Q. Who gave you these instructions to take up these other matters, other than the Scranton-Spring Brook case?

A. The actual instructions of course were given to me by Dr. Snow. I should state that the Bureau was directed and he in turn directed me to do a certain piece of work. It was about that time I think the case of a certificate of public convenience that need be rendered, and I believe it was the Trucksville Gardens Water Company. That was the first thing that opened up the emergency.

Q. Can you explain to the Committee why it seemed necessary for you to take that up instead of the Scranton-Spring Brook case at that time?

A. Trucksville Garden Water Company, I think.

Q. That was a small proposed company, was it not?

A. I believe it was.

Q. How large a plant was that?

A. A small plant. Neither did that work take a very long time,—a day or two. That was the opener.

Q. After that, what other matters that you remember were you assigned to, which kept you from the Scranton-Spring Brook case?

A. I should have to refer to my records to get that information in an orderly fashion.

Q. I mean was there any matter that you remember of, of outstanding importance?

A. I remember one thing, that came up very soon, and that was the matter of assistance to the law department in one of their appeals to the Superior Court.

Q. Well now, Mr. Curry, from what you have heard relative to the hearings and the testimony in the Scranton-Spring Brook case, and your knowledge of water cases, did the valuation of the bureau of engineering appear to you to be in line with water works valuations that you were familiar with?

A. I could not answer that question from my contacts with the case.

Q. But you cannot explain any further to the Committee why it was that you were taken off this case and put on other assignments?

A. No; I can give you in considerable detail the work that I did, but I would have to refer to my records to do it, intelligently.

Q. I am sure you were kept busy, Mr. Curry. What I am interested in is to try to find out why the one man who was an expert in water works should have been taken off this case and put on other matters, which to the outsider at least, would have seemed to be less important, and I take it there is no further light you can throw upon that?

A. I am quite sure that the work of handling one case could have been more easily provided for from a staff outside than my routine work would. It was quite difficult to change the routine work to a special man at that time.

Q. I think you have already testified, have you not, that in the other water rate cases that have been before the Com-

mission since 1925, you have always had an active part, so far as you remember, in the valuation by the bureau of engineering?

A. Yes sir, but not always in the sense that I did the major part; I have had contact and the part in the determination,—by the bureau, I mean.

Q. Yes, you did not have any part in the determination of this case?

A. No sir.

THE CHAIRMAN: This hearing will stand adjourned until 2.30 o'clock this afternoon.

Pursuant to recess the Committee reconvened at 2.30 o'clock P. M.

MR. RICHARDS: Before we go into taking testimony, I would like to get some things cleared up in my own mind. I would like to ask Mr. Evans if it is the purpose of himself this afternoon and tomorrow to take up the question of propaganda by utilities in connection with this hearing now going on. Is that the schedule?

MR. EVANS: It is.

MR. RICHARDS: I don't know that there has been a request made to Mr. Richardson, I don't know the initials. I think they are J. S. S., he is not here. I would like to know something about Mr. Richardson, who he is, what he is, and why we want him.

MR. EVANS: I would suggest that you have a statement from Mr. A. B. Millar as to Mr. J. S. S. Richardson.

A. B. MILLAR sworn

BY MR. WALKER:

Q. What are your initials, Mr. Millar?

A. A. B.

Q. Where do you live?

A. Balla, Pa.

Q. What is your occupation?

A. Managing director of the Pennsylvania Electric Association.

Q. Are you acquainted with Major J. S. S. Richardson?

A. Yes.

Q. Who is he?

A. I cannot give you his exact title, but I know he is associated with the Joint Committee of Utilities, which has offices in New York and Washington.

Q. And in Pennsylvania?

A. No sir, not to my knowledge.

Q. What is his official title in this Committee of his?

A. I am sorry I cannot give you the official title, the nearest approach I can give to it is Joint Committee of Utilities, and that Committee is composed of representatives—

Q. They represent the National Electric Light Association, do they not?

A. That Committee, if I may proceed with my remarks, that Committee is composed of representatives of the National Electric Light Association, the American Gas Association, and I think the American Railway Association.

Q. And the Committee that you represent as managing director in Pennsylvania, the Pennsylvania Electric Association, is also connected with the National Electric Light Association, are they not?

A. That is a part of the National Electric Light Association.

Q. Then the Committee that you represent and the Committee that Mr. Richardson represents are both affiliated with the National Electric Light Association, is that right?

A. Yes.

Q. Prior to Mr. Richardson's appointment to this Committee of the National Electric Light Association, what were his connections?

A. I don't know.

Q. At one time he was connected with the Pennsylvania Electric Association, was he not?

A. I would say no to that, with this qualification, that at one time Mr. Richardson was, I don't know his exact title, I would just call him the director of the public utility or public service information bureau. That bureau was composed of representatives I think of all the utilities in Pennsylvania, however, representatives of the Electric Light and Power Company were members of that bureau.

Q. And do you know of your own knowledge whether Mr. Richardson was in Harrisburg yesterday?

A. Yes, he was.

Q. You saw him?

A. I did.

Q. Do you happen to know, Mr. Millar, whether he was registered at the Penn-Harris Hotel?

A. I don't.

Q. Do you know when he left Harrisburg?

A. I don't.

Q. Do you know that the Sergeant at Arms of the House was seeking Major Richardson?

A. I don't, excepting—let me qualify that, the Sergeant at Arms, I assume it was the Sergeant at Arms, he showed me his badge and called at my office and told me, or asked me rather, whether I knew Major Richardson and whether I knew where he was.

Q. And they called at your office yesterday seeking Major Richardson?

A. No sir, to my knowledge they didn't.

BY MR. EVANS:

Q. Mr. Millar, this public information committee, before it was called that, was the Educational Propaganda Committee of the public utilities industry in Pennsylvania, was it not?

A. I don't know, Mr. Evans. I was not associated with the bureau in any way at that time.

Q. I didn't ask you whether you were associated with it, you were familiar with its activities, were you not?

A. Not to a great extent, Mr. Evans, no sir.

Q. Did you ever hear of it before?

A. I did.

Q. What were its activities?

A. I cannot answer that, because I don't know.

BY MR. WALKER:

Q. Do you know any of the things that they did, Mr. Miller?

A. I will have to go back and try to see if I do.

BY MR. COOKE:

Q. What was the answer?

A. I will have to go back and search by memory, Mr. Cooke. I don't know, no.

BY MR. EVANS:

Q. You were called before the Federal Trade Commission to testify, were you not?

A. Yes.

Q. And you were there at the same time that Major Richardson testified?

A. I don't think so. I don't recall that he was there at the time I was there.

Q. Do you wish this Committee to understand that you have no knowledge, in spite of your connection with the utility industry over a period of the last ten or fifteen years of the activities on the Committee and of Major Richardson, which are common knowledge to the public?

A. I have no definite knowledge, Mr. Evans.

Q. Have you any indefinite knowledge?

A. My only recollection, Mr. Evans, was when this committee was formed, I was not connected with the Electric Light and Power Industry at what time.

BY MR. COOKE:

Q. What was your position at that time?

A. I was with the Philadelphia Rapid Transit Company at that time.

Q. In what capacity?

A. I had no title, Mr. Cooke.

Q. To whom were you attached?

A. I was reporting to Mr. Mitten.

Q. Mr. Thomas E. Mitten?

A. Thomas E. Mitten, yes.

Q. What kind of things did you do for him?

A. I was assigned to various duties, but the main thing I did at that time was in the conduct of matters for the Public Service Commission, such as hearing on various applications of the the company, as well as in protest of their applications before the Commission.

Q. You appeared at official hearings of the Commission?

A. Yes sir.



Q. Did you ever interview Commissioners individually and out of the hearing room?

A. At their request; yes sir.

MR. WALKER: That is all for the present, Mr. Millar. Please don't go away. We will call you back later.

SIDNEY N. BRINK sworn

BY MR. WALKER:

Q. Your full name is Sidney N. Brink, is it not?

A. Yes.

Q. What are your duties?

A. Sergeant-At-Arms.

Q. Of the House?

A. Of the House.

Q. I ask you whether or not you were given a subpoena for one J. S. S. Richardson?

A. Yes sir.

Q. When was this subpoena handed to you?

A. Yesterday, about ten o'clock, I believe.

Q. Did you search Harrisburg for Major Richardson?

A. Well, I appointed another Sergeant who did.

Q. Who was that man?

A. Mr. Nitchie.

Q. Is he here?

A. He left town this afternoon.

Q. Have you served any of these subpoenas

A. I went out this morning with that one that Mr. Nitchie had?

Q. Where did you go?

A. To the Penn-Harris.

Q. To the Penn-Harris Hotel?

A. Yes sir.

Q. Did you inquire at the desk for Major Richardson?

A. I did.

Q. What did they tell you?

A. They said he checked out at four o'clock last evening

Q. Yesterday afternoon?

A. Yesterday afternoon.

Q. Did you find out when he had registered there?

A. No; I didn't find out.

Q. But he had been registered yesterday at the Penn-Harris Hotel?

A. Yes sir.

MR. WALKER: I might say, in explanation, that the latter part of last week, a letter was written to Major Richardson, to his New York office inviting him to come down here and testify before the Committee. Mr. Evans received a letter from Major Richardson, dated April 22, 1931:

"Mr. Harold Evans,  
Special Counsel.

House Committee on Public Utilities,  
House of Representatives,  
The Capitol,  
Harrisburg, Pa.

Dear Mr. Evans:

With regret I find that pressure of business here makes it impossible for me to comply with your request to appear before the House Committee on Public Utilities tomorrow.

Very truly yours,

J. S. S. Richardson."

This is mailed, presumably, from the office of counsel in the Washington Building, Washington, D. C.

MR. RICHARDS: If Richardson could get in touch with somebody here in town, it would not have been too much for him to have got in touch with counsel or some member of this Committee.

MR. WALKER: I might also state that associate counsel saw Major Richardson in the Penn-Harris Hotel this morning, so that that clearly indicates that the Major was not so busy as he states.

MR. RICHARDS: I thought he checked out yesterday afternoon.

MR. WALKER: So the Sergeant said.

MR. RICHARDS: Did you see him this morning?

MR. TURNER: If he is going to testify, let him be sworn.

MR. RICHARDS: I am not asking him for testimony; but merely for information.

THE CHAIRMAN: When was this letter written?

MR. WALKER: This letter of Major Richardson's?

THE CHAIRMAN: Yes.

MR. WALKER: April 22 is the date and it is signed J. S. S. Richardson.

MR. RICHARDS: There is nothing here as to when he could possibly be here?

MR. WALKER: No sir. He says, "with regret I find that pressure of business here making it impossible for me to comply with your request."

MR. RICHARDS: Now, Mr. Chairman, I do not know whether it is the sense of my colleagues here or not, but it seems to me that if Major Richardson has been connected with the public information bureau or been connected in any way with the broadcasting or sending out of information or propaganda concerning those utilities, that his testimony would be rather vital, and it may be that he can get here within a day or so, the early part of next week, because we can't subpoena due to lack of jurisdiction, but we should ask him to be here, and find out why his business cannot be adjusted so that he can be here, because his testimony is rather vital to this Committee, and if he wishes to be viewed in the light of helping this Committee, then he will be here, but if he is not here, I think we can accept that as a fact that he is purposely avoiding any contact with this Committee in order to hide or refuse to disclose any information he has, and I think the Sergeant should be instructed to wire him as to whether he can come here or whether he has any intention of coming here, so that if possible we may get the benefit of what he might know.

MR. WALKER: I think if you will recall Mr. Millar's testimony in reference to the Pennsylvania Association of the National Association, both are affiliated with the Electric Association and the fact that some of these groups are coming here and asking to be heard by the Committee and then when we call them they are not here, it seems to me that they are blowing hot and cold.

MR. RICHARDS: Suppose we hold up their testimony until Major Richardson is here, if that is the sense of counsel; we are not going to call witnesses out of order, if we can help it.

CORA E. HICKS sworn

BY MR. WALKER:

Q. Your full name is Cora I. Hicks, is it not?

A. No; my name is Cora Eynon Hicks; E-y-n-o-n.

Q. Where do you live?

A. I live at Altoona, 1422 6th Avenue.

Q. You have lived in Altoona for some time?

A. All my life.

Q. Were you familiar with the political situation in Altoona, during the Primary and General Election of 1930?

A. Well, I participated in that as a speaker, and as a watcher at the polls in my own precinct; and also visited the polling place in the first precinct of the same ward.

MR. EVANS: May I interrupt just a moment? I am informed that a gentleman by the name of Mr. John B. Sauter of the Pennsylvania Railroad was subpoenaed last evening to bring certain records here today. He has come, but was not able to bring the records as they are not under his control, and he stated that Mr. C. R. Ross, Supervisor of Regional Expenditures at Harrisburg has the papers requested. As I understand, you will produce him here without the necessity of a subpoena?

MR. HURLOCK: I believe you had better subpoena him.

Q. I ask you, Miss Hicks, whether or not you are familiar with the officials of the light and power company who are serving Altoona; do you know them by sight?

A. I do.

Q. Are you acquainted by sight with any of their employees?

A. I am.

Q. First, tell us the company, it is the Penn Central Power and Light Company that serves Altoona, is it not?

A. Yes sir, but I know nothing about the Penn Central Power and Light Company's activities except by hearsay in the campaign. I do know something of the Pennsylvania Railroad Company's activities in the campaign.

Q. Will you give us the names of some of the people whom you know?

A. I know Mr. J. Emery Shupe, who is the next man after Mr. Harry Shearer, who is here I believe and was before this Committee, and is here today.

Q. Now what do you mean; you say you know of the activities of the Pennsylvania Railroad in the fall election?

A. Well, at the Spring primaries I know that they were interested in Mr. Brown and that Mr. Krick, a vice president, was in Altoona arranging prior to Mr. Brown's coming there and interest through the town and among the railroad officials. There was nothing wrongful I am sure but a program of broadcasting was arranged and I happened to be the first speaker with Mr. John Haberstraw, who was the second speaker on the broadcasting program.

Q. You were speaking for Mr. Brown?

A. Yes sir; he was a personal friend of my brothers. Mr. Peck was vice-chairman and asked me to speak as I had been for Mr. Pinchot always before. I had organized the county for him in his other gubernatorial campaigns and had worked at his headquarters when he was a candidate for the United States Senate; but I felt under obligation to be for Mr. Brown at that time and Mr. Peck told me that Mr. Krick was in the city and that they had had a meeting in Mr. Sinclair's office and that I had been selected to be the first speaker.

Q. Who is Mr. Sinclair?

A. Mr. Sinclair is the highest official of the railroad company in Altoona, he is the general superintendent.

Q. Do you know anything of the activities of the Pennsylvania Railroad Company in the fall campaign?

A. Well, only to this extent, that many of them who were lifelong Republicans and had Republican money in their pockets, I will give you their names, were at the polls and working for Mr. Hemphill. There was Mr. Cook, and he is one of the committeemen in my precinct. I was a watcher at the polls—

Q. What was Mr. Cooke's first name?

A. William Cook, and he lives at 1426 Seventh Avenue. He is a retired employe of the Pennsylvania Railroad Company and he was paid by the Republican County Committee to be there and work for the ticket. When I spoke to him, he said, "Why our properties won't be worth anything if we are not for Mr. Hemphill." I said that I owned just about as much property as he did and I am not for Mr. Hemphill. Then in the first precinct of the fourth ward two men who were the committeemen there, Mr. Milton Emeigh—about half past one I got a little discouraged in my own precinct. I noticed so many of the Republicans were working for the Democratic candidate and I thought I would get a little encouragement and so I went to the first precinct where the people are a little more conservative, and to my surprise two of our committeemen were standing out front and seemed to be working for Mr. Hemphill although I didn't know that definitely at that time. I said, "I have heard it rumored that the committeemen up here were working for the Democratic nominee," and I could scarcely believe it, and I said, "I heard it rumored that you were working for Mr. Hemphill," and they said, "Well, we are working for all of the Republican ticket but the Governor." "Well," I said, "Don't you know that when you are not working for the Governor you are weakening the whole ticket, and furthermore, you will be responsible for the turning out of any Republican employees in Harrisburg?"

BY MR. RHODES:

Q. That would not be a bad idea.

A. I know that it is not good politics, especially when you have Republican money in your pocket.

BY MR. TURNER:

Q. You are a good party woman?

A. Yes sir, I am.

BY MR. WALKER:

Q. Miss Hicks, do you know of your own information whether or not the Pennsylvania Railroad Company took an active part in the fall campaign?

A. I only know that their employees who were always Republicans before, those who were members of the Republican County Committee this time were Democrats, and it takes a great deal of courage for a man to go to the polls and be a member of the Republican County Committee and openly work for a Democratic candidate, because naturally he will lose standing in the community. Not because he is a Democrat; I respect a good Democrat, but I do not respect a Republican who is a Democrat.

BY MR. MOORE:

Q. You used the word "courage;" would not the word "nerve" be a better word to use. You said it required a good deal of courage for a Democratic nominee. I suggested that the word "nerve" would cover the situation better?

A. I think it is simply an American right except when you are a member of the committee and have received pay to do a certain duty and then it is dishonorable in my mind. They could just as well have resigned from the committee and then worked for Mr. Hemphill, but to go there and betray the party on election day is bad politics.

MR. TURNER: Down in Delaware County that didn't exist.

CHESTER B. WRAY sworn

BY MR. WALKER:

Q. Where do you live Mr. Wray?

A. Altoona, Pennsylvania.

Q. What is your business?

A. Lawyer.

Q. Mr. Wray, are you familiar with the political situation in and about Altoona? Were you familiar with situation in 1930?

A. Yes sir; I was rather in the center.

Q. Were you familiar with the activities of the utilities of Altoona in spring primary and fall campaign?

A. Only by hearsay. I was chairman of the Governor's committee for Blair County, and most of the information was brought to me,—a great deal in the manner as Miss Hicks told the Committee.

Q. Who brought this information to you?

A. From various workers. They came in the manner you would usually find as a campaign manager in a county; and the general knowledge of the people of Blair County, especially Altoona, more especially Altoona.

Q. Was it common knowledge in and about Altoona that the employes of the utilities were working for Mr. Hemphill during the fall campaign.

A. Yes it was.

Q. Do you from your personal knowledge know that they were?

A. I know that some of them were, but whether they were working because they were employes of the utilities or because they were in favor of the wet candidate, I cannot say.

Q. By the wet candidate, you mean Mr. Hemphill?

A. Yes sir; that was very candidly admitted in Altoona.

Q. Is there anything else that you can add to your testimony regarding the political activities?

A. If you will permit me, I will say that in Altoona there was a very peculiar situation. Altoona is largely supported by the work furnished by the Pennsylvania Railroad and the Penn Central Light, Heat and Power Company. The employes are rather a high type of men; they are very loyal to their companies. There was rather a state of hysteria in Altoona on account of the failure of business, unexpected failure of business, which has occurred in the last couple of months. The insidious propaganda that was instilled into the minds of the people was the thing we had to contend with, as chairman of the committee. I cannot say that the voters came from the Pennsylvania Railroad, but the propaganda was that it would be injurious to the Pennsylvania Railroad, and the issues in the campaign made the employes feel that their particular company would be affected, and, as I say, I was more concerned with meeting that propaganda. I feel that we were somewhat successful, although, due to the wet vote which existed, of some 3,000 votes we lost the city by a small majority, but we did succeed in landing the county. I am sure, I can say that a great many men who were really my good friends, felt that it was their duty to work in the interests of the Pennsylvania Railroad and the utilities, although there were many, quite a number who did not. To the best of my knowledge they were not given strict orders to vote for any particular person; it was left to their own judgment, but it was also explained that their good judgment should be in favor of the opponent to Governor Pinchot.

FRANK F. HENNAMAN sworn

BY MR. WALKER:

Q. Where do you live Mr. Hennaman?

A. In Altoona.



Q. What is your official position?  
 A. I am assistant to the president of the Penn Central Light and Power Company.  
 Q. How long have you been connected with that company?  
 A. Seventeen years.  
 Q. Have you ever taken any active part in politics?  
 A. Very minor.  
 Q. What do you call very minor?  
 A. I have been active with my friends.  
 Q. Were you active in the fall campaign of 1930 in behalf of the candidacy of John Hemphill?  
 A. I was.  
 Q. You were active in behalf of the candidacy of John Hemphill—  
 A. I was.  
 Q. Can you recall any employees of the Penn Central in Altoona who was not active for Hemphill?  
 A. Yes sir, I can name one, a man by the name of Zimmerman.  
 Q. Can you name another one.  
 A. No, I don't think I can.  
 Q. They were all Hemphill.  
 A. As far as I know.  
 Q. Who is the President of the Penn Central Company?  
 A. J. H. Shearer.  
 Q. Was Mr. Shearer active for Hemphill?  
 A. Mr. Shearer was not active in the campaign other than with his friends.  
 Q. By his friends, does that also include the officials and employees of that company and the other utilities in Altoona?  
 A. Mr. Shearer is here and he can answer that.  
 Q. You said that you were active with your friends? Who do you mean by your friends?  
 A. I was active in the fall campaign, very active.  
 Q. In the fall campaign you played more than a minor part.  
 A. Yes, sir.  
 Q. Prior to the fall campaign you played a minor part?  
 A. So to speak.  
 Q. The fall campaign of 1930 was the first time you became active?  
 A. No sir, I have been active for three or four years.  
 Q. You would like to change your answer, when you said you only took a minor part.  
 A. At that time.  
 Q. For the past four or five years you have been taking an active part?  
 A. Yes.  
 Q. Did you contribute any money to the Hemphill fund?  
 A. I did not.  
 Q. Do you know of any contributions that were made by any of the employees of the Penn Central?  
 A. I do not.  
 Q. Do you know whether or not the Penn Central contributed any money to the Hemphill campaign?  
 A. I know they did not.  
 Q. You know that yourself?  
 A. Yes, sir.  
 Q. The Penn Central sent out letters to all the employees and stockholders, urging them to vote for Mr. Hemphill?  
 A. Yes sir.  
 Q. Did they send out a letter—  
 A. To the stockholders, which covered the entire situation in Pennsylvania and in the United States.  
 Q. That was sent out to all the stockholders of the Penn Central?  
 A. All over the world.  
 Q. To all the consumers?  
 A. No sir.  
 Q. Just to the stockholders?  
 A. Just to the stockholders.  
 Q. Can you tell the Committee approximately the percentage of the stockholders who reside in Pennsylvania?  
 A. I don't know.  
 Q. Did you ever see this letter that was sent out?  
 A. Yes, sir.  
 Q. This letter also contained a statement by Mr. Reed, did it not?  
 A. That is correct.  
 Q. A letter and a statement.  
 A. Yes, sir.

Q. The letter was from the Penn Central and the statement from Mr. Reed?  
 A. Yes, sir.  
 Q. On election day last fall there were quite a number of employees of the Penn Central working at the polls?  
 A. I wouldn't say quite a number of employees. There were employees working at the polls, who were committeemen, that sort of thing,—watchers for the Liberal Party.  
 Q. They had watchers at every one of the polls in Altoona for the Labor Party, didn't they?  
 A. Not to my knowledge.  
 Q. As a matter of fact, isn't it true that there was at least one employee of the Penn Central at each polling place in Altoona on election day?  
 A. No, that is not true.  
 Q. And these men that were there, employees of the Penn Central, are they paid on salary or time?  
 A. They are paid salary and time.  
 Q. Do you happen to know whether or not they were paid for the day served at the polls by the Penn Central?  
 A. If they were paid a salary, I presume that their salary continued if they asked for a vacation.  
 Q. They were paid?  
 A. They were paid, and if they were on time they were not paid.  
 Q. They were not paid?  
 A. Yes.  
 Q. Would you know that of your own knowledge?  
 A. No, I was assuming that is the case.  
 Q. That is an assumption. Do you recall the luncheon that was given to Mr. Hemphill and his party at the Penn-Alto Hotel in Altoona?  
 A. I do.  
 Q. Were you present at that luncheon?  
 A. I was.  
 Q. Do you happen to know about how many were there?  
 A. I could not give you the figure, no.  
 Q. Could you approximate it?  
 A. Only as far as crowds, I would say there were 300 people there.  
 Q. Do you know who paid for the luncheon?  
 A. I don't.  
 Q. As a matter of fact, Mr. Hennaman, didn't you pay for that luncheon?  
 A. I didn't.  
 Q. As a matter of fact, didn't you or one of the officials of the Penn Central pay for that luncheon?  
 A. We didn't.  
 Q. You are positive of that?  
 A. Absolutely, sir.  
 Q. Do you recall the largely discussed walkout that was held in Altoona when Mr. Pinchot went there to speak?  
 A. Yes, I do.  
 Q. That was an organized walkout, was it not?  
 Q. Some of the employees of the Penn Central took part in it, didn't they?  
 A. Not to my knowledge. There was no Penn Central employee to my knowledge.  
 Q. You were there when Governor Pinchot spoke?  
 A. I was.  
 Q. And you observed the walkout?  
 A. I did.  
 Q. You had heard it discussed prior to that day?  
 A. I didn't.  
 Q. That was a surprise to you?  
 A. Entirely so.

BY MR. COOKE:

Q. Did you walk out?  
 A. No.

MR. TURNER: Don't you think that is going a little too far in this examination?

THE WITNESS: I listened to Governor Pinchot's speech out of curiosity.

BY MR. WALKER:

Q. Was your curiosity satisfied, Mr. Hennaman?  
 A. Pretty much so.

Q. As a matter of fact, this walkout that occurred had been rumored around Altoona several days prior to the time Governor Pinchot spoke?

A. If it had been, I hadn't heard it.  
 Q. Not a word about it?  
 A. Not a word about it.  
 Q. Mr. Hennaman, do you know Mr. Krick of the Pennsylvania Railroad?  
 A. Yes.  
 Q. Mr. Grimshaw?  
 A. Yes.  
 Q. Mr. St. Clair?  
 A. Very well.  
 Q. At one time shortly before the Fall Campaign they visited Altoona, did they not?  
 A. Yes.  
 Q. And you accompanied them on a visit among the business men of Altoona, didn't you?  
 A. I didn't.  
 Q. You were not in on that visit?  
 A. I was not.  
 Q. Do you know of the visit?  
 A. No, I don't.  
 Q. And you never accompanied those three men visiting certain business men of Altoona?  
 A. I didn't.  
 Q. And you say you didn't accompany them? And that you didn't visit the business men in Altoona and tell these business men if Pinchot was elected Governor of Pennsylvania, the Pennsylvania Railroad would move their shops from Altoona?  
 A. I didn't.  
 Q. And you say you were not present at that time?  
 A. I was not.  
 Q. You say Mr. Shearer is here?  
 MR. WALKER: Any questions the Committee would like to ask Mr. Hennaman?

J. H. SHEARER sworn

BY MR. EVANS:

Q. Mr. Shearer, will you please give the stenographer your address and occupation?  
 A. Altoona, Pa., president of the Pennsylvania Light and Power Company.  
 Q. How long have you been connected with the Penn Central?  
 A. 18 years.  
 Q. How long have you been president?  
 A. I have been president about two years.  
 Q. What was your occupation prior to the time you were president of the Penn Central?  
 A. Vice President.  
 Q. And you were also president of the Pennsylvania Electric Association, were you not?  
 A. Back in 1924.  
 Q. And for how many years were you president of the Pennsylvania Electric Association?  
 A. One year.  
 Q. Just one year?  
 A. Yes.  
 Q. Did you ever hold any other position with the Pennsylvania Electric Association?  
 A. I held a chairmanship on various committees.  
 Q. What committee, Mr. Shearer?  
 A. Safety particularly, and I served on various other committees.  
 Q. Did you ever serve on the Committee of Public Information?  
 A. I believe so, yes.  
 Q. When were you on the Committee of Public Information?  
 A. Sometime after I was president.  
 Q. That would be sometime after 1924?  
 A. I think the following year.  
 Q. 1925?  
 A. Yes, something like that.  
 Q. How long were you on that Committee?  
 A. I could not tell you exactly, probably a year.  
 Q. Mr. Shearer, can you briefly give the Committee some information regarding the Pennsylvania Electric Association? Tell them when it was organized?  
 A. I believe—to the best of my knowledge the Association was organized some 23 years ago.

Q. And what was the purpose of the organization?  
 A. For the advancement of the art—for the purpose of studying the question of generation, transmission, distribution, et cetera.  
 Q. And what is the purpose of this Committee of Public Information?  
 A. Well, the Pennsylvania Electric Association obtained its publicity from a committee that was organized for the dissemination of information and that committee was known as the Pennsylvania Public Information Bureau.  
 Q. What is their purpose?  
 A. Their purpose was to disseminate information to the public through a printed pamphlet.  
 Q. Are you acquainted with Major Richardson?  
 A. I am.  
 Q. Was he associated in any way with this Committee?  
 A. He was at one time, back in 1924 or '25, somewhere around there, I am not sure.  
 Q. He was chairman of the Committee prior to the time you held that office, was he not?  
 A. Possibly, I could not say.  
 Q. Were you not on the Committee at that time?  
 A. No, I was on the Committee later.  
 Q. About how many members does the Pennsylvania Electric Association have?  
 A. Well, there are several classes of members, Class A members, and the employees; at this time I could not just tell you the set-up.  
 Q. Now, what are Class A members?  
 A. Are company members.  
 Q. Those are the company members?  
 A. Yes.  
 Q. About how many members do you have?  
 A. You will have to get that information from the association, I don't know.  
 Q. Can you approximate it for us?  
 A. I cannot.  
 Q. Does the association levy any assessments on the Class A members?  
 A. The Pennsylvania Electric?  
 Q. Yes.  
 A. No—I won't say that, I want to qualify that. In other words, there have been assessments made.  
 Q. These assessments are they contributions, or are they regular assessments?  
 A. Contributions.  
 Q. How often are the Class A members requested to contribute to the Pennsylvania Electric Association's fund?  
 A. Not very often.  
 Q. Do they make an annual contribution?  
 A. No.  
 Q. Bi-annual?  
 A. No sir.  
 Q. In other words, would you fix approximately how often they make a contribution?  
 A. I can give you a statement, which I believe the subpoena specifies, as to what our contributions have been made to the Pennsylvania Electric Association.  
 Q. If you will, please.  
 A. And classified, and the descriptions and so forth.  
 (Paper in question marked exhibit 166).

BY MR. WALKER:

Q. I show you these statements marked Exhibit 166, entitled "Pennsylvania Central Light and Power Company, statement of contributions made to Pennsylvania Electric Association," and ask you if that is the statement that you submit to the Committee?  
 A. It is.  
 Q. And are the contributions set forth there, the only contributions which the Penn Central Light and Power Company made to the Pennsylvania Electric Association?  
 A. They are.  
 first one here is in the amount of \$300, and would you mind reading the account to which that is charged on the books of your company?  
 A. The account charged is 541. "Other General Expenses." Do you want the description?  
 Q. That is the description of the account?  
 A. No; that is—the account number is 541.  
 Q. What does that mean?



A. The description is "Subscription in connection with the Back to the Farm Movement."

Q. So that we can get it clear, this \$300, that was donated, was charged to the "Back to the Farm Movement."

A. Yes; that number 541 covers that particular charge.

Q. And what is the next one charged to?

(No answer).

BY MR. COOKE:

Q. Is that the number in the standard classification of accounts, or is it—

A. It is.

Q. Is there a number—

A. I think so. I would have to consult the accountant for that, because I asked the accountant last night, when I received my subpoena, to get out the information, and this is what he gave me.

Q. You will probably find that that is a sub-division of that number because the "Back to the Farm Movement" is rather a recent thing, is it not?

A. Oh, no; we have been working on the farm movement for seven or eight years.

BY MR. WALKER:

Q. Would you mind reading the next donation, and tell us to what account its is charged.

A. The next is \$1,065.70, charged to the same account. The description is "Proportionate share of series of advertising run in the Pennsylvania Farmer sponsored by various electric companies."

BY MR. COOKE:

Q. Where is the "Pennsylvania Farmer" published do you know?

A. I couldn't say.

Q. You don't know whether those were paid as reading notices?

A. Largely paid ads, prescribing different classes of appliances, motors, and things of that character.

Q. There have been a great many reading articles in the "Pennsylvania Farmer" in recent years about rural electrification, and I was just wondering whether that was compensation?

A. No; I think not, Mr. Cooke.

BY MR. WALKER:

Q. Then, I understand, that these constitute all of the payments made by the Pennsylvania Central Light and Power Company to the Pennsylvania Electric Association for January 27, 1925 until June 26, 1930; is that right?

A. Correct—June?

Q. March, April, May and June.

A. Yes; six months—correct.

Q. I show you an official copy of Exhibit No. 1114 of the Federal Trade Commission Investigation, and I call your attention to an item listed "1925 January, 28—it is a list of the donations of the Pennsylvania Central Light and Power Company, \$585," and ask you if you know anything about that donation?

A. That wasn't made to the Pennsylvania Electric Association.

Q. What was that made to?

A. I will have to consult with our accountant. I couldn't tell you.

Q. Do you know of any donations that were made by your company to the Public Policy Committee of the Pennsylvania Electric Association?

A. I think there were some, I couldn't tell you what they were.

Q. This exhibit number 166 differs from the payments you made to the Pennsylvania Electric Association from the payments made to the Public Policy Committee of the Pennsylvania Electric Association; is that my understanding?

A. Yes sir.

Q. And is that correct?

A. To the best of my knowledge.

Q. Then, in addition to the two payments you have set forth in Exhibit 166, your company made contributions to the Public Policy Committee of the Pennsylvania Electric Association?

A. I presume that is correct.

Q. Now, so that we can clarify that presumption in your mind, I show you this item dated the 28th of January, 1925, payment of \$585, and I show you here under date of January 21, 1926, a payment of \$225; is that correct?

A. I assume so. I can't tell you until I consult with our accountant. I have brought here exactly what the subpoena called for.

Q. I appreciate that, sir, I am just clarifying it so that we get the distinction.

A. That will have to be looked into. I can't tell you anything about it at the moment.

Q. I appreciate that. The fact is that here are some papers, and I am asking you whether you know anything about them.

A. I don't know anything about them on the moment.

Q. On March 16, 1927, this payment fixed here in the amount of \$200 by the Pennsylvania Power and Light Company?

A. The Pennsylvania Power and Light Company is not our company. That is the P L and ours is the P C L.

Q. What is the Pennsylvania Light, Heat and Power?

A. That is at Altoona, we don't have any "heat" it is light and power.

Q. That donation is \$500?

A. All right.

Q. That would be another company would it?

A. Presumably.

Q. And do you know whether there is a Pennsylvania Central Light, Heat and Power Company in Altoona?

A. Not to my knowledge.

Q. What is the purpose of the Public Policy Committee of the Pennsylvania Electric Association?

A. Well, that was a committee to disseminate information on the progress made by the utilities of Pennsylvania, to discuss policies that we should pursue in connection with the operation of the properties.

Q. Now as a matter of fact, Mr. Shearer, did you ever serve on this committee?

A. I did about one year.

Q. What year was that?

A. That was back when I was president of the association.

Q. In 1924?

A. Yes sir.

Q. As president of the association you were ex-officio a member of the committee?

A. Yes sir.

Q. During your tenure of office as president of the association, were you an active member of the public policy committee?

A. Only to sit in occasionally.

Q. The duties of that committee were to look after legislation?

A. Not to my knowledge.

Q. What specific duties did they have?

A. I just told you, to discuss the progress of the industry and things of that character.

Q. What was the purpose of the Pennsylvania Electric Association?

A. Committee work principally.

Q. This public policy committee then is for the general purpose of discussing the progress of the association?

A. Yes sir, things that necessarily would have to be approved by the committee before they became effective.

Q. The question of legislation that might be detrimental to the utility interests did not come under this committee?

A. That I could not tell you. I was ex-officio a member of that committee during the period I served as president of the association. Outside of that I had nothing to do with it.

Q. Who was the chairman of the public policy committee?

A. It seems to me Walter Johnson, then President of the Philadelphia Electric Company. I was never active in that connection.

Q. What committee of the Pennsylvania Electric Association had charge of the plan for revising the text books in the public schools of Pennsylvania?

A. I don't think that there ever was a committee for that purpose.

Q. Did the association ever contemplate and carry through a purpose of that kind?

A. Not to my knowledge.

Q. Did you personally ever carry forth a survey of the text books of the schools?

A. No sir.

Q. Were you ever connected with any committee that carried on a survey of the text books in the schools of Pennsylvania?

A. I was a member of Major Richardson's committee and I would like to qualify that statement by saying, I took no active part in it in any way, shape or form.

Q. I read from a report of the minutes of the Pennsylvania Electric Association for 1927. J. H. Shearer, vice-president of the Penn Central Light and Power Company, invited attention to the committee's survey of text books on economics and civics being used in the schools of Pennsylvania. He said he would take up the matter of the school books in his own city. He suggested that the committee might work out details later for further work. Copies of the survey have been mailed to all of the committee members.

A. That is true. I said that we had never taken any active part in it whatever. We quit right there.

BY FATHER COX:

Q. You are under oath, of course?

A. I am under oath, and I say we quit right there.

BY MR. WALKER:

Q. You say it stopped right there and went no further?

A. Not to my knowledge.

Q. Would you say that the copies were not mailed out to the members?

A. I presume they were.

Q. After you made this report as set forth and which I have just read to you, your activities along that line ceased?

A. Absolutely.

Q. Who had charge of that work?

A. Major Richardson.

Q. Did Major Richardson have charge of the work when you made this report?

A. He had.

Q. What committee was that assigned to?

A. That I could not say at this time, I do not recall.

Q. Mr. Shearer, just so we don't duplicate too much the Senate record, I show you here a letter that came presumably from Major Richardson. Was that the one that was read to you in the Senate?

A. Yes sir, that is right.

Q. Was that letter you received from Major Richardson regarding this textbook survey, was that before or after you withdrew from active participation?

A. I could not tell you.

MR. WALKER: I will read Exhibit No. 1189 of the Federal Trade Commission Investigation, which is headed:

**"PENNSYLVANIA PUBLIC SERVICE INFORMATION  
COMMITTEE**

Philadelphia, July 7, 1925.

Mr. J. H. Shearer,

Vice-president Penn Central Light & Power Co.,

Altoona, Pa.

My dear Harry: I have been thinking over our conversation the other day on the most effective method of taking corrective action relative to the misinforming textbooks used in the schools of Pennsylvania. After consideration I believe that while, directly, the Pennsylvania Public Service Information Committee can not very well employ the means of correcting the conditions in the schools, nevertheless it possesses the mechanism which, if employed properly and completely, might well accomplish our purpose.

I refer to the district or sub-committees of the main committee. By reason of their representative local standing, and, grouped as they are, exercising very considerable influence in their communities, they become potent weapons of defense when the industry is threatened.

I think we all agree that the textbook situation revealed in our survey presents a threat to the well-being of our public-service structure. If, then, each district committeeman will agree to utilize every channel to which he or his associates may have access, in order to direct the attention of the proper and responsible school authorities to the manifestly unfair and

untrue data contained in certain used textbooks, I am convinced the desired change will be effected.

Of course in explaining the situation to district superintendents and school principals it will be necessary to show that there are many excellent textbooks on economics and civics being used in the schools of the Commonwealth. That list we are prepared to furnish. As a matter of fact, the books which contain the misinformation relating to economics of the public-utility industry can very readily be corrected. Perhaps in some instances the school heads will be willing to communicate with the authors of those books with the object of obtaining the necessary editing of any new issues.

Some school superintendents, I am informed, are very partial toward the textbooks of certain authors and publishers. Consequently better results may be obtained through an endeavor to effect a proper change in misinforming books already in use than by urging the substitution of other textbooks.

Of course, all of the business must needs be transacted with exceeding tact and diplomacy. Local conditions and prejudices will have to be taken into account when the educators are approached. Also, it may be well to note what appropriations the school superintendent may have at his disposal for the purchase of textbooks. It may well be that avenues of proper assistance in a small way will present themselves. It may be well worth a utility's while to help in that regard. Such aid, unfortunately is subject to misinterpretation and would therefore have to be rendered in a manner well safeguarded from suspicion.

I am afraid it will be necessary in most districts for the local committees to rehabilitate themselves before undertaking a task requiring so much care as the matter aforementioned. The Altoona committee is in a class by itself largely due to the energy of its chairman. I would urge therefore that the Pennsylvania Electric Association approach the Pennsylvania Gas Association, the Pennsylvania Street Railways Association, the Pennsylvania Natural Gas Association, the Pennsylvania State Telephone and Traffic Association, and the Bell Telephone Company of Pennsylvania with the idea of taking concerted action through the district committees. Nothing will galvanize those committees into action quicker than the proper stimulation from headquarters.

Whatever further aid you may desire from this bureau or myself, Harry, you know you have only to ask it. Anyone who helps as much as you do can not ask too much.

Cordially yours,

—Director."

Q. That is Major Richardson, is it not?

A. Yes sir.

Q. Would you mind telling me what Major Richardson means when he says it might be well to note what appropriations the school superintendent may have at his disposal for the purchase of textbooks?

A. I don't know just what Major Richardson has in mind, or what he had in mind when he wrote the letter. I can this, however, when I received the letter the activities as far as I was concerned ceased.

Q. What was in your mind when you received the letter and read that statement?

A. Well, what would be in anybody's mind when they read a letter of character. It would look as though he desired some action.

Q. Did he get it, Mr. Shearer?

A. Not from me.

Q. Did he get from the Pennsylvania Electric Association?

A. Not to my knowledge.

Q. And I understand the whole matter collapsed?

A. The whole matter dropped there as far as I am concerned.

Q. I asked if it collapsed?

A. I could not tell you.

BY MR. MOORE:

Q. Who was chairman of the Altoona committee referred to in the letter?

A. I presume he referred to me as Chairman of the committee.

Q. Do you know Mr. A. W. Robertson.

A. Yes sir.



Q. I will read a quotation from a letter addressed to Mr. Richardson: "Mr. Shearer of Altoona advises us that the Electric Association had this matter in hand and was making an investigation of Pennsylvania text books. Everyone was very much interested. It would seem that here is something that our committee might take a real interest in and see where we could help." This letter is dated January 22, 1925.

A. That is the same letter that was written with this one.

Q. The other letter was written July 7th, 1925. I will ask you whether the Electric Association made the investigation of the Pennsylvania text books at that time.

A. Major Richardson did.

Q. Did you.

A. No sir.

Q. Did you have any active part in it.

A. Yes sir.

Q. Why would you advise then that the Electric Association had the matter in hand and was making an investigation.

A. I advised Mr. Robertson?

Q. Yes.

A. I presume I got the information from Major Richardson to the effect that his committee was making the investigation, gathering the statistics together.

BY MR. HAGAMIER:

Q. Were you a member of the committee.

A. I believe I was.

BY MR. WALKER:

Q. Was Major Richardson connected with the Pennsylvania Electric Association at that time.

A. No, I think he was simply a director of the Public Information Bureau.

Q. Was the Electric Association carrying on a separate survey?

A. Not to my knowledge.

Q. If they had been, would you know it.

A. I think I would.

Q. This survey that you mentioned here was carried on by Mr. Richardson, and not by the Pennsylvania Electric Association, are we to understand.

A. That is my inference.

Q. The Pennsylvania Electric Association never made a survey of text books in Pennsylvania?

A. Not to my knowledge.

Q. You are connected with that association.

A. As a member of the association.

Q. You take an active part in the association?

A. Not very. The members of the organization are working on the committees, various committees, for the purpose of gathering data together in connection with the operation, transmission and distribution of property.

Q. This money that was contributed by the members of the Pennsylvania Electric Association, for what was it used.

A. Which money.

Q. The money that was donated by the Class A members.

A. I cannot tell you.

Q. What was it used for when you were president,—Pennsylvania Electric Association?

A. There is a description as to what was done with the money that we turned over to the committee.

Q. Was all the money that was turned over to the association used for this same purpose?

A. That, you will have to get from the association. I don't know anything about their accounts.

Q. Did you know anything about the accounts when you were president?

A. No sir.

Q. Didn't have any idea what the money was used for.

A. I could not tell you about this—that is many years ago.

BY MR. HAGAMIER:

Q. Where did all this money come from that was to revamp all the text books in Pennsylvania?

A. I couldn't tell you.

Q. You seem to be very much interested, have you any idea?

A. I was, with gathering information.

Q. There was a statement made that you were very active?

A. You mean assuming—

Q. I am not assuming—the letters state you are active?

A. Letters are written, and if you take no action—

Q. You have gathered data?

A. I have never gathered any data at all. I told you a moment ago it ended when I received the letter.

BY MR. WALKER:

Q. I believe I asked you if you had ever made any survey of text books and you said no?

A. Yes sir.

Q. Did you ever attempt to do so?

A. No sir.

Q. I show you a copy of Federal Trade Commission's Exhibit No. 2526 and will read it, it is a letter addressed to Mr. Fred T. Jenkins, and is as follows:

(Federal Trade Commission Exhibit No. 2526)

Pennsylvania Electric Association,

Altoona, Pa., December 19, 1924,

Mr. Fred R. Jenkins,

Chicago, Ill.

Dear Mr. Jenkins:

Mr. George M. Gadsby, president of the Pennsylvania Electric Association, has requested me to take charge of the investigation and study of the character of political, social, and economical doctrines being promulgated at the present time by professors and teachers in the educational institutions of the State of Pennsylvania. I have been advised by Mr. Gadsby to communicate with you on this subject for additional available information on the socialistic tendencies in American educational institutions.

Your courtesy in forwarding me all available data and suggestions on this matter will be sincerely appreciated.

Yours very truly,

(Signed) J. H. Shearer,

Q. Do you recall that letter?

A. Yes sir.

Q. What was the purpose of that letter?

A. To find out from Mr. Jenkins what he had in mind.

Q. Who was Mr. Gadsby?

A. Vice-president—later president of the West Penn.

Q. He asked you to take charge of this work?

A. Yes sir.

Q. You took charge?

A. In a way.

Q. What do you mean?

A. They appoint the committees, it is up to the committees as to how active they are. As far as I am concerned, I was not active, outside of a few letters.

Q. You did, did you start to make a survey of the text books in Pennsylvania?

A. We understood it.

Q. Do you wish to correct your prior answer to that effect?

A. Personally I never did.

Q. What was the purpose of your letter, which is Exhibit No. 2526?

A. I presume I wrote to Mr. Jenkins, reporting to him just what had taken place, as regards our understanding between Gadsby and I.

Q. You asked for all available data.

A. I don't know that I ever received it.

Q. Did you not ask him for certain data regarding text books?

A. Yes sir.

Q. Then you did start to make a study of textbooks in Pennsylvania, did you not?

A. I asked him for the data.

Q. Yes?

A. But I made no start in the study of textbooks.

Q. Then I ask you, Mr. Shearer, whether or not you received that data?

A. I don't think I did. I could not tell you anything about it, it was so long ago, and I cannot recall it, that is all there is to it.

BY MR. COX:

Q. The gentleman who preceded you as a witness is on the school board, Mr. Shearer, at Altoona?

A. I believe so.

Q. It has been reported from a very reliable source that the reason he is on that board, the sole purpose is in furnishing textbooks, and is that the reason you and the other gentlemen of this power company are so anxious to have him on that Board, is that true or not?

A. I deny that emphatically.

Q. As a matter of fact don't you know of any work of that kind?

A. No sir.

Q. Conducted in any way at all?

A. None whatever.

BY MR. HAGMAIER:

Q. Don't you gentlemen think that the Education Department of the State is capable of providing textbooks on the subject matter, that they have before them?

MR. TURNER: Why don't we get the details from the Department of Public Instruction, it seems to me that there is a question that can be gotten from them, and why don't we find out from them what they know about these matters?

MR. WALKER: As a matter of fact, Mr. Turner, the Department of Public Instruction, and we will develop it later this afternoon, has no power over all that. The selection of textbooks is entirely in the hands of the school boards of the different communities.

MR. TURNER: That is right.

BY MR. WALKER:

Q. Mr. Shearer, just before we leave this Federal Trade Exhibit, No. 113, I ask you whether or not you know anything about any of the disbursements set forth in this exhibit?

A. I don't.

Q. Do you know anything of the disbursements set forth on page 860 of that exhibit?

A. No sir.

Q. Do you know anything about the disbursement set forth on page 861 of the exhibit?

A. No sir, I have no knowledge of those disbursements.

BY MR. COOKE:

Q. Were you with the Pennsylvania Electric Association at the time that the so-called Giant Power Legislation was before the Legislature?

A. Yes.

Q. What position did you occupy?

A. I was president in 1924, and Mr. Gadsby followed me in 1925.

Q. What committee or agency of the Association was represented in the handling of that legislation?

A. What agency?

Q. Yes. What committee of the Pennsylvania Electric Association?

A. I don't know of any Committee, Mr. Cooke.

Q. What committee was Mr. Johnson chairman of?

A. Public Policy Committee.

Q. Were you on that committee at that time?

A. I was ex-officio during the period that I was president, 1924.

Q. Now, you know that they were represented before the committees of the Legislature in the hearings by presumably able counsel, technical and legal?

A. I presume they were, yes.

Q. How were they compensated, out of the funds of the Association?

A. Not out of the Pennsylvania Electric Association funds.

Q. Well, such expenditures that you say you made here, they came out of the assessment that your company made to the Electric Association, and they were again disbursed by the Electric Association?

A. So far as made to the Pennsylvania Electric Association, they are listed here, and then the other ones there are to the Pennsylvania Policy Committee.

Q. Now, am I right that these expenditures of that kind are charged to operating expenses?

A. Well, I say that they go to the account number, and so on.

Q. That would be operating expense account?

A. I would have to ask my accountant.

Q. It would have to be either operating account or capital expense account?

A. It would not be capital?

Q. No.

A. It would not be the capital expense account.

Q. That would be an operating expense?

A. All right.

Q. Now, in the end then all these expenditures were paid by the rate payers, were they not?

A. Well, it might be from surplus.

Q. Well, all right.

A. I don't know; I cannot tell you until the accountant would verify that.

Q. Who provides the surplus for you; you have only one source of revenue, and that is the rate payer?

A. The rate payer, yes, that is correct.

Q. So there is no limit of money apparently that companies such as yours expend on propoganda and similar work, and they do all out of what is paid by the rate payer?

A. No, there is a limit.

A. No, there is a limit.

Q. There is a limit suggested by your own judgment?

A. It would be a very small limit, I can assure you of that, as far as we are concerned.

Q. That is not before us, but the Federal Trade Investigation shows that there was, I don't mean anything ignoble at all, but do you know of any money or any expenditure of this character that has ever been taken to reduce the dividend to stockholders?

A. I cannot answer that.

Q. Well, you don't know of any. In other words, the rate payers always pay?

A. Well, the income is from the rate payers, yes.

Q. And those expenditures are made out of that income?

A. They are.

BY MR. WALKER:

Q. Now, Mr. Shearer, the Public Policy Committee is a committee made up of the members of the Pennsylvania Electric Association, is it—

MR. EVANS: Just a minute, please.

BY MR. EVANS:

Q. Mr. Shearer, I show you a copy of the Penn Central Light & Power Company report to the Public Service Commission for the year 1925. You state in your Exhibit No. 166 that those contributions to the Pennsylvania Electric Association were charged to the account of other general expenses, and I call your attention to page 310 of this report, account 541, other general expenses, under the head of operating expenses, and ask you whether, refreshing your memory from that, you cannot now answer Mr. Cooke?

A. Yes, that is correct.

Q. The same thing would be true for the year 1930, wouldn't it?

A. I expect so.

Q. In your 1930 form, the account number "Other General Expense" seems to have been changed from 541 to 477. From your knowledge of the general situation, would you assume that this contribution to the Pennsylvania Electric Association is included in that item of "Other General Expense"?

A. I assume so but I can't say until I have checked it up with the accountant.

BY MR. TURNER:

Q. How large was the amount?

A. \$1,065.70.

Q. How large is your income from rates?

A. How large?

Q. How much is your income?

A. You mean the gross income?

Q. Yes, for the year.

A. About five and a half million.

BY MR. COOKE:

Q. What percentage of the gross income of the electrical industry in the State does your company represent, approximately?

A. Well, it is a very small percentage.



Q. Just a very small percentage?

A. Yes; our gross income is between—around—say—maybe five and one quarter million.

Q. It represents perhaps 4% of the gross income of the electric companies of the State?

A. Something like that.

Q. So that if this assessment is on the basis of income, the total contribution of the electrical industry in the State would be quite a sizeable income—quite a considerable amount?

A. The contribution is for the benefit of the advancement of the art to the farming industry in the State of Pennsylvania.

Q. If we had time to go into it, we might differ on that?

A. Well, possibly.

BY MR. WALKER:

Q. Now, all these other contributions that were made to the Public Policy Committee of the Pennsylvania Electric Association were charged up to operating expense in the same way, were they not?

A. I assume so; yes sir.

Q. Do you know Herman P. Miller?

A. Herman P. Miller?

Q. Yes sir.

A. No sir.

Q. Listed under the expenditures of March 22, 1926, "Herman P. Miller, advance copies of legislative bills, \$200." Do you know what that item was for?

A. No; I don't.

Q. Was it the practice of the Pennsylvania Electric Association or this Public Policy Committee of your Association to procure advance copies of legislative bills?

A. I presume so—yes.

Q. For what purpose?

A. To study the bills.

Q. Why was it necessary to procure advance copies?

A. Well, we are naturally interested to know what is going on.

Q. This \$200 was paid out, was charged to operating expenses, was it not?

A. I don't know who paid it; who paid the \$200.

Q. It was paid out of contributions received from members of the Pennsylvania Electric Association?

A. By whom?

Q. Presumably by your Public Policy Committee.

A. Well, I don't know anything about that.

Q. That is a part of the Pennsylvania Electric Association is it not?

A. Yes.

Q. And all of these contributions that were received by the Public Policy Committee and by the Pennsylvania Electric Association would naturally be charged to operating expense?

A. Yes sir.

Q. And then that \$200 that was paid out for advance copies of legislative bills would be paid out of money charged to operating expense?

A. I presume so.

Q. And why was it necessary to receive advance copies of legislative bills?

A. Because we are interested in knowing what is going on in a legislative way.

Q. You couldn't wait for the printed bills?

A. I don't know anything about those.

THE CHAIRMAN: Have you identified Herman P. Miller?

MR. WALKER: The witness can't, sir.

BY MR. WALKER:

Q. Under date of March 5, 1926, the exhibit shows a payment to Samuel Barker, "fee for service, \$1250," and I ask you if you know what that was for.

A. I do not.

Q. As a matter of fact, it was paid to Samuel Barker for testifying against the Giant Power Act.

A. I don't know.

Q. Do you know Mr. Barker?

A. I do not.

Q. Don't you know that he came down here and testified against the Giant Power Act? I show here, under the same exhibit under date of March 8, 1926, "Farley Osgood, Expert services \$339.18". Do you know what that was for?

A. I couldn't tell you.

Q. As a matter of fact, it was paid to Mr. Osgood for testifying against the Giant Power Act, was it not?

A. I don't know.

BY MR. COOKE:

Q. I heard that speech. Was there a man named Lincoln there; Professor Lincoln of Cornell University?

(No answer).

MR. WALKER: We haven't come to him yet, Mr. Cooke.

BY MR. COOKE:

Q. Are you acquainted with the present status of this "Back to the Farm Movement" or is that something you do not know about it?

A. No sir; there is regular committee of the Pennsylvania Electric Association that is handling that matter.

Q. Who represents your company on that committee.

A. I think—a man by the name of East, who is our rural lines man.

Q. Did you have something definite in mind when you told me that that expenditure was in the interest of the farmers—

A. No sir; I have not, that is the way they are disbursing this money in connection with the farm—

Q. You assume that it is in the interests of the farmers?

A. Yes, I do.

Q. Are you familiar with the literature that is being put out by that committee?

A. Occasionally I see the farm bulletin.

Q. Did you ever see a piece of literature put out by that committee in which the question of rates was mentioned?

A. Not to my knowledge; no sir.

Q. You would have noticed it if it had been?

A. Not altogether. I don't read those things very much. They are scrutinized by others and if there is anything of special interest it is brought to my attention.

Q. Do you know that they were sent out under a frank privilege by the State College?

A. That I couldn't say.

BY MR. WALKER:

Q. Do you know the Honorable James Francis Burke?

A. No sir; only by reputation.

Q. I show you here on the same exhibit, under date of April 20, 1926, "Reimbursement Dequesne Light Company for fee paid to James Francis Burke, \$1,000" and ask you if you know what that is for?

A. No sir.

Q. As a matter of fact, it was paid to the Honorable James Francis Burke for making a speech against the Giant Power Act, was it not?

A. I don't know a thing about it.

MR. WALKER: Did you hear that speech, Mr. Cooke.

MR. COOKE: No; I am sorry I did not.

MR. WALKER: You missed it.

BY MR. WALKER:

Q. I would like to read to you just two paragraphs from the speech of the Honorable James Francis Burke's one thousand dollar speech:

"Name, if you will, among the nine million people of Pennsylvania a single individual who is being victimized by the power companies of this Commonwealth today. Name, if you will, a single company that is exploiting the public from the Delaware to the Ohio. Name if you will, any state where a Public Service Commission does not command the admiration and confidence of the fair-minded people in every section of American, vigilantly protect the public against the burden of unjust rates and assures fair play to the companies on the one hand and the community on the other."

BY MR. COOKE:

Q. And now, I am going to ask Mr. Shearer again, do you know of any program issued by which the expense of that sort of thing is kept off the rate payers; so far as you know the rate payers pay for that; the satisfied rate payers?

A. I assume so.

BY MR. WALKER:

Q. Mr. Shearer, I show you here Exhibit No. 1150 of the Federal Trade Commission report on the survey of textbooks on economics and civics in Pennsylvania public schools, pre-

pared by the Public Service Information Bureau, pages 894, 895, 896, 897, and 899, and ask if you know anything about that exhibit?

A. Only that I saw it once.

Q. When was that?

A. That was back in 1924, 1925 or 1926.

Q. Where was that, Mr. Shearer?

A. I saw it in Philadelphia.

Q. In whose possession was it when you saw it?

A. Major Richardson's.

Q. Do you recall who prepared it?

A. It was prepared by his office force, I presume.

Q. Do I understand that the Pennsylvania Electric Association or the committee on public information of the Pennsylvania Electric Association, or its public policy committee, or in fact any committee of the Pennsylvania Electric Association had nothing to do with that exhibit?

A. I could not answer that; I don't know.

MR. COOKE: Are these all good books, or are they all bad books?

MR. WALKER: It depends from what side you look at it.

BY MR. HAGMAIER:

Q. Don't you think it is bad public policy for the public utilities to go into the school systems of this country with this kind of thing?

A. No sir, I don't think it is a bad thing for public utilities to disseminate information.

Q. You don't?

A. No. People want to know what is going on.

BY MR. MEMOLO:

Q. Mr. Shearer, what caused you to drop the whole question?

A. Simply because I didn't feel that I cared to go along with it.

Q. It didn't look so good to you?

A. No sir.

BY MR. HAGMAIER:

Q. You answered my question on that by saying it is a good thing?

A. This is another thing. I say that on information the public is entitled to it.

Q. I am asking about textbooks? And you say it is bad practice for the public utilities to go into the schools situation, a thing that is closer to the hearts of the people than any other institution we have outside of the church, to go in there and disorganize it?

A. I don't think that anything like that has been done.

BY MR. COOKE:

Q. You know it has been testified that school books were actually changed as the result of the activities of this committee?

A. No sir, I do not; I say that I was connected with this committee but after that I dropped it.

Q. In other words, you think the electric industry ought to keep out of the public schools?

A. I didn't think that they should go in in that particular way, but I think there is certain information that should be given to them.

Q. If the electric industry is justified in going into the schools, why should not Mr. Raskob and Mr. Rockefeller go in and have something there about oil and sugar?

A. Everybody wants to know about the electrical industry.

Q. Why don't you let the school people tell them about that?

A. They do. I would like you to investigate and come up to our place and see what we do. I have told you how far I went with the matter.

BY MR. WALKER:

Q. You are not in favor of this survey as set forth in Exhibit No. 1150?

A. Not after I had studied it.

Q. You thought that that was a bad move on the part of the public service information committee?

A. I thought that in gathering the information it was perfectly all right. As far as transmitting that and going out and taking it up with the schools, I didn't agree.

Q. This survey together with the exhibits of the text books referred to was sent out as confidential information I presume?

A. I think so.

Q. That is the way you received it?

A. I didn't receive that.

Q. Major Richardson showed you one? That survey also listed passages from different text books that in the opinion of the people who made the survey was harmful to the utilities?

A. I don't recall it. I recall the exhibit in general but that is all I recall for the moment.

Q. Continuing on page 903 of the Exhibit, there is a series of quotations from the text books or passages and these passages were included in that survey and these were the passages, were they not, that the compilers of this survey considered harmful to the utilities?

A. I don't remember that.

Q. I will read to you a passage from the book on Community Civics, by R. O. Hughes, Peabody High School, Pittsburgh:

"Franchises and their evils. \* \* \* The work undertaken under franchises like this has so often seemed of great service to the people that in their joy at getting the thing done they have overlooked the possibility that the company getting the franchise might make itself the master instead of the servant of the people. They have forgotten that since the company could not make money except from the people themselves, the people had a right to expect a reasonable return from the privileges which they gave to the company.

"Franchises have been granted for ridiculously long terms, such as 99 or even 999 years, and sometimes without a cent of recompense coming back to the city. Worse than all, these franchises have sometimes been obtained by outright bribery or by giving a city councilman stock in the concern which was to receive the franchise. Unless the company having a franchise openly violates some of its terms, the city must sit by helplessly and put up with poor service, realizing too late that it has been generous to its own disadvantage.

"To remedy such evils, cities are today seldom granting franchises for more than 25 years and are insisting that the city may have the right to buy up the business itself after a certain time if it wishes, paying the company which had the franchise a reasonable sum for its property and its work. Either a share in the profits or some other form of payment is often asked, besides."

Q. The City of Pittsburgh had a perfect right to permit Professor Hughes of Peabody High School to teach from his book on municipal civics?

A. Yes sir.

Q. Can you tell me whether or not through these activities the Peabody book was removed from the high school?

A. I could not tell you.

Q. The balance of these copies from different text books, cover a series of pages, were all furnished in this survey to the members for the same purpose?

A. I never received anything of that character.

Q. Do I understand that when Major Richardson showed to you your copy of this survey—

A. It was not my copy—it was a just a copy.

Q. A copy then?

A. I did not see these sheets that you refer to.

Q. Do I understand that this is the first time you ever knew such a recommendation was made?

A. The first time.

Q. You never knew it before?

A. No sir.

Q. You never knew that they were in existence?

A. No sir.

Q. You never knew that such a proposition had been carried on by the electrical industry of Pennsylvania?

A. No sir.

BY MR. HAGMAIER:

Q. Who could you ask that information?

A. Major Richardson.

BY MR. WALKER:

Q. Did you see Major Richardson yesterday?

A. No sir.

Q. Today.

A. No sir; I arrived in Harrisburg, at 9.30 this morning.



BY MR. HAGMAIER:

Q. Was Major Richardson the only man on the committee—

A. That committee does not exist.

Q. He exists—he is pretty much alive; he surely gets paid by somebody?

A. I don't know anything about his affairs.

Q. Do you know anything about the co-operation of the committee that was organized and called for the purpose of co-operating with the educational institutions' committee?

A. Here in Pennsylvania?

Q. Yes.

A. What year?

Q. 1928.

A. No sir.

Q. Do I understand that you are in entire ignorance of the facts that the Pennsylvania Electric Association in 1928 organized in co-operation with the educational institutions' committee.

A. I don't remember it.

Q. Composed of W. M. Baum, chairman of the Duquesne Light Company of Pittsburgh; R. L. Kerr, Duquesne Light Company, Pittsburgh; Kemp G. Fuller, West Penn Power Company, Pittsburgh; W. H. Donley, Philadelphia Electric Company, Philadelphia; C. E. Reinicker, United Gas and Improvement Company, Philadelphia.

A. I don't know anything about it.

Q. They are all members of your association?

A. Yes sir. Mr. Hennaman advised that that is a company, education of employees.

Q. Is that what the committee is for?

A. Yes sir.

Q. You do know the activities of that committee.

A. In that way, just what he told me. He handles that.

Q. In the minutes of the Pennsylvania Electric Association of October 20, 1927, occurs the following: I understand that this committee, according to the information you gave us, is for the education of employees?

A. That is what Mr. Henneman told me, just this moment.

Q. I will read the minutes to you:

"Mr. F. E. Shearer informed the section that Mr. Baum had ordered up quite an elaborate tie-in between the light and power industry and the universities, colleges, and schools of Pittsburgh in the way of educational courses."

Another record of the meeting is as follows:

"Mr. Kuhn mentioned that he believed it would be a good idea to check up on the trend of teaching as imported in the colleges and universities, especially in economics and liberal art in schools in relation to utilities.

"So many courses in these schools are in the form of lecture courses, and unless the professors have the right viewpoint immense damage will be to the industries."

Q. From these minutes of the Pennsylvania Electric Association, would you say that that committee was formed for the purpose of educating the employees.

A. I will have to refer that to him—I will have to refer that to the Pennsylvania Electric Association. I don't know anything about these activities.

Q. Your work, your interest in the association, ceased entirely when you left the office of president?

A. Yes sir.

Q. You know nothing about their activities since that time?

A. A year after I stepped out of the picture, because my duties are more in a general way looking towards the operation, distribution and transmission—

Q. You don't feel bound by anything that the Pennsylvania Electric Association might be doing at the present time, or since you have left the office of president.

A. Absolutely.

Q. You are still a member?

A. Yes sir.

Q. Let me ask you this, do you believe that the Pennsylvania Electric Association, an integral part of the electric industry, should interfere in any way whatsoever with the educational facilities or activities of any of the school of Pennsylvania?

A. Yes sir, with a qualification.

Q. Qualify it?

A. I think the utilities should have the privilege of giving to the schools such information as they request.

Q. I want to ask you, do you think that is an answer to my question?

A. It is the best answer I can give you.

Q. As a matter of fact, this survey demonstrates—demonstrates to me, and ask you does it not demonstrate to you that the utilities by that survey were not attempting to put true pictures in front of the public, through the schools—isn't that right?

A. I assume that the committee discussed these matters among themselves. That is as far as I know.

Q. I am asking your opinion—do you think if they were attempting to present the utilities in a fair and impartial light to the public, that they would have proceeded along these means, that they would have adopted a course such as this?

A. I don't know enough about it to answer the question.

Q. Due to the fact that you represent one of the largest power companies in Pennsylvania, don't you think, out of respect to the industry that if the Pennsylvania Electric Company, of which you are a member, was conducting such activities as that they should be investigated?

A. These are activities of the committee. I knew nothing—

Q. It is the activity of the committee of the Pennsylvania Electric Company?

A. I presume so.

Q. Don't you think if your association whether through acting on a committee in part or a committee in the whole, if they are conducting such propaganda as this, that you as a member was entitled to know about it.

A. Do you call that propaganda?

Q. Do you?

A. Not altogether.

Q. In what part is it propaganda.

A. It all depends on the way you look at it. I think we have as much right as anybody else to hand out information in connection with our business.

Q. I ask you this, if you were going to hand out information to the public you should hand out information that represents the utilities in their true light.

A. Yes sir.

Q. Do you think this is a proper course to pursue in order to accomplish that result?

A. It is a matter of opinion.

Q. I am asking for your opinion?

A. If I knew more about it I could give an opinion.

Q. Do you feel it should be investigated?

A. That is up to you.

Q. It is up to you, sir. Mr. Shearer, did you take an active part in politics?

A. I did.

Q. Did you take an active interest last fall?

A. I did.

Q. In behalf of Mr. Hemphill?

A. With my friends.

Q. In behalf of Mr. Hemphill?

A. Yes.

Q. Did you make any contributions to the Hemphill funds?

A. I did not.

Q. I believe Mr. Hennaman stated that about October 1, 1930 your company sent out a letter to stockholders, is that not so?

A. We sent out a bulletin which we always include with the dividend checks.

Q. Did you also include a bulletin with other dividend checks?

A. Yes.

Q. And the bulletin you sent out this time was written by Harry Reed?

A. Yes, Mr. Reed, New York.

Q. He is president of the National Electric Company, is he not?

A. National Electric Power Company.

Q. And he is chairman of the Public Relations Section of the National Electric Power Company?

A. That is correct.

Q. And the National Electric Light Association, as I understand it, is the National organization of which the Pennsylvania Electric Association is a subdivision, is that right?

A. Correct.

Q. Does Mr. Reed write other articles for the members of the association?

A. Occasionally he writes, probably one a month, something of that sort.

Q. Do you happen to know when Mr. Reed wrote this article that you sent out on October 1st?

A. I could not tell you the date.

Q. As a matter of fact, Mr. Shearer, Mr. Reed wrote this article at your request, didn't he?

A. He didn't.

Q. Where was the article first printed?

A. I think you will find it in the proceedings of the N. E. L. A., probably in the bulletin sent out monthly.

Q. Do you recall what month this article was in?

A. I don't.

Q. Do you recall the substance of the letter that you sent out in October of 1930, calling attention to the inner pages of the bulletin with reference to the situation throughout the United States?

A. Yes.

Q. You called that letter No. 19, didn't you?

A. I think so.

Q. And the letter in part contains the following: "At the present time this company and other companies in Pennsylvania are being subjected to many bitter attacks, and we ask your help in meeting these prejudiced attacks," is that what was in your letter No. 19?

A. It was.

Q. And you also call attention to Mr. Reed's article which was headed, "Meeting attack?"

A. Possibly. I just don't recall without I would read that letter over.

Q. In your letter which contains the clause I quoted, that was addressed specifically to the gubernatorial campaign, was it not?

A. No sir.

Q. What was it directed to?

A. It was directed—it was information given to our stockholders.

Q. Yes. And the request for help in meeting these prejudiced attacks, from where were those attacks coming?

A. From the candidates.

Q. What candidates?

A. Mr. Pinchot.

Q. Who else?

A. Other states.

Q. Other states?

A. Yes, it was sent out for the purpose of informing our customers who held our stock in all the states.

Q. Can you tell me the possible percentage of stockholders of your company residing in Pennsylvania?

MR. TURNER: Might it not be well, Mr. Walker, to ask how many stockholders they have?

THE WITNESS: I presume we have between 12 and 13 thousand.

BY MR. WALKER:

Q. Do you have any idea how many of them reside in Pennsylvania?

A. I could not give you that offhand. I would have to get that from the stock records, which I don't have.

Q. Can you approximate it for us, Mr. Shearer?

A. I could not undertake it, but there is a large number, I know that.

Q. Then it is to the stockholders that live in Pennsylvania that this letter was directed, was it not, asking them for aid in meeting the attacks of Governor Pinchot, is that correct?

A. Not only Governor Pinchot, but I said that the letter was sent to all owners of the stock throughout the United States, it was a general attack.

Q. In other words, the utilities were being attacked all over the United States, were they not?

A. Yes.

Q. Do you happen to know whether or not it is against the state law to use corporation funds in politics?

A. I don't, but I can say that the California—

Q. Let us confine ourselves to Pennsylvania?

A. All right. I don't know. I can't answer the question, because I am not familiar with the law.

Q. Assuming it is against the law to use company funds for campaign purposes, do you in your opinion feel in sending that letter out you were using company funds for campaign purposes?

A. No, I don't.

Q. Why not?

A. Because that is a bulletin that is printed every month, every three months, and goes out with the stockholders check.

Q. During the time that you have been connected with the Penn Central Power and Light Company—

A. Light and Power.

Q. Is it Light and Power?

A. Yes.

Q. Thank you. During the time that you have been connected with the Penn Central Light and Power Company, have they ever sent any other letters regarding politics?

A. I cannot say at the moment. I think I could furnish the Committee with a copy of the 19 bulletins that have been sent out.

Q. You have been president for the past three years, have you not?

A. Two and a half years, along there, two and a quarter.

Q. And prior to that you were vice president for how many years?

A. About three years.

Q. And during those seven and a half years can you recall at any other time of sending a letter out—

A. It is about five years.

Q. Five years. Can you recall any other time that they ever sent a bulletin or letter to their stockholders on the subject of politics in political campaigns?

A. I think there are one or two.

Q. Can you refer to them specifically?

A. No.

Q. You just recall that there are probably one or two, is that right?

A. Yes.

BY MR. RHODES:

Q. Isn't this the first campaign that the power question was ever involved?

A. I think not.

Q. You think there was another campaign in Pennsylvania when the power question was involved as it was in the last campaign?

A. No, I don't think so.

Q. As a matter of fact this was really the first campaign where the power issue was ever brought into the political atmosphere?

A. I think it was the first campaign generally, yes.

BY FATHER COX:

Q. Are you identified with any veteran's organizations in Altoona?

A. I am.

Q. You are past commander of one?

A. I am.

Q. It has been reported that the organization home in Altoona was used as the headquarters for the Hemphill forces, is that true?

A. Not to my knowledge.

Q. You don't know there were streamers outside of the building?

A. No sir.

Q. We like men and women to be in politics, and we feel that they ought to be in politics, but we do not believe in politics should come in and use veteran's organizations to further their own purposes. Now, it has been reported, just the same as the other statement about the man on the School Board, and you wish to correct that, since you deny that to be true; now they say that you used this veteran's organization to further the purpose of Hemphill, and you deny that?

A. I deny that.

Q. You deny that you used the veteran's as headquarters for that purpose?

A. Absolutely.

Q. Do you know anything about it at all?

A. No sir.

Q. You know there is a veteran's organization in Altoona, what is its name?

A. I think it is the Civic—the Civic League of Veteran Organizations.

Q. That is the manner in which the veteran's organizations enter into politics there, is that it?

A. I believe so.



Q. Did they use your place?  
 A. No sir.  
 Q. Are you a member of the American Legion?  
 A. No sir.  
 Q. The Veterans of Foreign Wars?  
 A. The Veterans of Foreign Wars.  
 Q. And you positively state that there was nothing of that kind?  
 A. Absolutely. They had their headquarters on 12th street.

BY MR. RHODES:

Q. Why were the utility companies so exercised about Pinchot's candidacy?  
 A. I can only give you my personal opinion.  
 Q. Well, what is that?  
 A. Well, I didn't think Mr. Pinchot is at all friendly to the utilities; that is all.  
 Q. What do you mean by "friendly"? Do you mean that the Governor has to lean backwards towards the utilities?  
 A. No; not a bit.  
 Q. Do you think that the only thing that the Governor should do or any other official did do would be to give the officials a square deal?  
 A. Absolutely.  
 Q. Did you infer from Mr. Pinchot's statements during the campaign that he would not give the utilities a fair deal.  
 A. I was lead to believe that.  
 Q. Then, what statement of Mr. Pinchot led you to believe that?  
 A. Because he attacked me personally in Altoona—the company.  
 Q. That is a personal matter?  
 A. The company, I will put it that way.  
 Q. Then, what did he say about your company that indicated he would not give the utilities generally a fair deal?  
 A. It was told to me that Mr. Pinchot said that when he was Governor he would show the company. That was brought to me by somebody who attended the meeting.  
 Q. I don't just gather what you mean by that; to show it up or show what?  
 A. You may draw your own conclusions.

BY FATHER COX:

Q. If there was nothing to show up, you need not have been afraid about that?  
 A. We are not afraid of anything.  
 Q. All right. What is the use of getting mad at the man for saying that.  
 A. I don't get mad. I have got more sense than to get mad.  
 Q. Only dogs, get mad?  
 A. That's right.  
 Q. In other words, you were for Hemphill?  
 A. That is my privilege, is it not?  
 Q. What we are getting at are the means.  
 A. Our means are clean.

BY MR. RHODES:

Q. What I was trying to get at was what was in Mr. Pinchot's attitude that made the public utility companies become so apprehensive of his candidacy?  
 A. I don't know.

BY MR. TURNER:

Q. Mr. Pinchot was in favor of a fair rate board, wasn't he?  
 A. I believe the Fair Rate Board was the idea.  
 Q. Were you in favor of that?  
 A. No sir.  
 Q. Did you believe that to be inimical to your interests?  
 A. I did.

BY MR. RHODES:

Q. A Fair Rate Board would be no different than a Public Service Commission. If they both function as the law provides, they would give the utilities a square deal and that is all they can do. Why should you have any more apprehension about a Fair Rate Board appointed by the Governor, than you would have about a Public Service Commission appointed by the Governor?  
 A. In my opinion, I don't think we could have the same treatment under a Fair Rate Board as we do under a Commission.

Q. What is the distinction?

A. Because there are many new things in the laws that are rather severe on the utilities.

Q. You mean in the proposed new laws?

A. Yes.

Q. Of course, at that time there were not any proposed acts before the legislature. I don't think the Governor had outlined what recommendations he was going to make in connection with changing the act of 1913; did he?

A. In some respects; the elective feature of the law.

Q. There just seems to be in my mind an uncertainty as to why the utilities were so scared of Pinchot's candidacy. I was in that campaign, but I have not yet found the exact answer for that apprehension. I am trying to find out whether it was substantial or imaginary?

A. Of course, everybody has their opinions in connection with elections, and they have their own ideas as to the candidates. I think that is the privilege we all have.

Q. But the utilities seemed to be quite unanimous in having that opinion relative to Mr. Pinchot's candidacy?

A. I Couldn't say. I know what my personal opinion is as I have expressed it.

Q. Was there any concerted action between the utilities relative to the opposition to Mr. Pinchot's candidacy?

A. Not to my knowledge.

Q. Was there any reason why they should favor Mr. Hemphill?

A. That I couldn't say.

Q. Was his policy relative to the utilities more liberal than that of Pinchot's?

A. I assume so.

Q. You assumed that?

A. Yes.

MR. TURNER: Mr. Rhodes, you are not trying to imply that the people should not have voted for Mr. Hemphill?

MR. RHODES: No; I am just trying to find out why so many Republicans decided to support him so quickly. I have not yet been able to ascertain why so many Republican hide-bound organizations throughout the state suddenly turned to Hemphill the Democrat.

THE WITNESS: He was a Liberal.

Q. You mean on the liquor question?

A. Yes.

Q. That did not govern the actions of the utilities, did it?

A. No; it governed a lot of voters, though.

Q. Did you think that is what determined the action of the Philadelphia Organization?

A. I know nothing about the Philadelphia Organization.

BY MR. EVANS:

Q. Mr. Shearer, the Committee has invited you to attend it's hearing next week as one of the leading interests of the electric industry in Pennsylvania. Do you intend to accept that invitation?

A. Mr. Evans, I am not a leader in the public utility industries. I am only—you might say, I am a president of a small company up here in the country. My association with the larger men in the industry is very limited.

Q. I appreciate your modesty, but what I am interested in at the moment is finding out as to whether you intend to accept the invitation, because I have some questions that I want to ask you. If you are going to be here then, I can ask you those questions then; otherwise I will ask you now?

A. I would prefer if you would ask them now. I have some important matters that are going to take me out of town.

Q. So, you do not intend to be present next week unless you need to?

A. That is the idea. Of course, whatever your pleasure is,—I would like to be excused, if possible; to be finished up today.

BY MR. COOKE:

Q. Mr. Shearer, your company is one of the first six or seven in the state; is it not?

A. We are a small company, Mr. Cooke.

Q. Yes; but there are not more than five or six bigger than you are.

A. Oh, there are several bigger than we are, they are all bigger than we are with the exception of a few small plants throughout the company.

Q. I always thought I saw your name appear in connection with the Penn Central Light and Power Company, as being fifth or sixth on the list?

A. Possibly we have capacity of 80,000 kilowatt hours if that is big as compared with other plants.

Q. The principal company in the state, the only company, considerable sized company, is yours and it comes under the Insull interests.

A. We come under the Mid-West Utilities.

Q. It is an Insull company?

A. Yes sir.

Q. I always have had a very high regard for the management of your company, and I hate to see you minimize it.

A. Thank you, sir. You compliment me.

Y MR. EVANS:

Q. Mr. Shearer, what was your official position with the Penn Central Light and Power Company at the time of the acquisition of that company by the United Lighting Company?

A. General superintendent I think at that time.

Q. That was in 1925, was it not?

A. Yes sir.

Q. Were you not vice president at that time?

A. I may have been vice president a few months before the acquisition by that company, but I could not tell you exactly. These things are hard to remember.

Q. Your report to the Public Service Commission as of October 1st, 1925, shows you were vice president?

A. I probably was made vice president a few months before that.

Q. What interest controlled the common stock of the Penn Central Light and Power Company at that time?

A. Day and Zimmerman.

Q. Who owned the United Lighting Company?

A. Albert Emanuel Company.

Q. As a matter of fact, the stock was owned by the National Electric Power Company, which was the Emanuel company?

A. The National Electric Power, yes sir, was the holding company.

Q. At the time of the acquisition of the Penn Central Light and Power Company by the United Lighting Company, the United Lighting Company had a total outstanding stock and bonds of \$50,000, did it not?

A. I could not say, Mr. Evans, without I went back into these reports.

Q. At the time the Penn Central Light and Power had the total stocks and bonds outstanding of about nineteen and a half million dollars, did it not?

A. I really could not check up on those figures. I could not carry the thing of that kind in my head.

Q. Were you not familiar with the financial set-up of the company?

A. Only in a way. You know how these things are. My end was the operating end, the financial end was all handled by Day and Zimmerman and with the United Electric Power.

Q. Do you know when the Insull interests acquired control of the National Electric Power Company and the Penn Central Light and Power Company?

A. My knowledge leads me to believe that the Insulls took over the Penn Central Light and Power Company on January 1st, 1928, as I recall it.

Q. Do you know whether the United Lighting Company changed its name after it purchased the Penn Central Light and Power Company?

A. Yes sir.

Q. To what did it change its name?

A. It changed its name to the Penn Central Light and Power Company.

Q. Now, after the sale, the capitalization of the new Penn Central Light and Power Company was increased from \$50,000 to something over \$19,600,000, was it not?

A. That was the United Lighting Company, not the Penn Central Light and Power.

Q. After you combined the old Penn Central Light and Power and the United Lighting Company capitalization, it amounted to \$19,620,000, and after the acquisition it was increased to \$30,876,000. Were you familiar with that?

A. No, not at that time.

Q. In other words, you didn't know anything about the financing or that purchase?

A. No sir.

Q. And you are not familiar with the fact that according to the original application to the Public Service Commission it was proposed to use the proceeds of \$5,500,000 bond issue to

pay the National Power Company for the stock which it acquired in the Penn Central?

A. I could not say that; I don't know anything about it. I say, these negotiations were handled by Mr. Zimmerman of the Penn Central Light and Power Company and the New York people for the National Electric Power.

Q. Are you familiar with the purchase of coal by the Penn Central?

A. Yes sir.

Q. Now let me ask you, the National Electric Power Company, in addition to controlling the Penn Central Light and Power, also controlled the Electrical Appliance Finance Corporation?

A. I think so.

Q. This is an inter-company established for financing installment sales?

A. Yes sir.

Q. Do you know how this corporation works?

A. That is a matter for the National Electric Power.

Q. Doesn't it co-operate with the Penn Central Light and Power for financing sales?

A. They loan us money for carrying on purchases and sales of electrical appliances.

Q. What do they charge you as interest for money they loan you?

A. I think six per cent.

Q. Do employees of the Penn Central sell the appliances?

A. Yes sir.

Q. And they sell them in competition with private dealers?

A. They do.

Q. Does the revenue from these sales exceed the cost?

A. It does not.

Q. Is any of the cost charged to operating expenses?

A. That is a matter of record on the books and I cannot answer that question.

Q. Is that not an operating matter?

A. Yes sir.

Q. Didn't you just say you are in charge of the operations of the company?

A. Yes sir, but I would like to give you a real answer to that. Personally I cannot give it now in the way you would like it. I assume that is an operating figure.

Q. Then, you are an officer of the York Railways Company?

A. Yes sir.

Q. What office do you hold?

A. President.

Q. What company owns the Edison Light and Power Company of York? This one does, does it not?

A. Yes sir.

Q. And the Edison Light and Power is managed by the Electrical Management and Engineering Corporation?

A. No, it is operated by an operating staff of the Penn Central Power and Light Company.

Q. What is the Electrical Management and Engineering Corporation?

A. It is a corporation in New York comprised of expert electrical engineers and accountants.

Q. What business does it engage in?

A. It is engaged in the furnishing of expert advice connected with the operation of the operating companies.

Q. In other words, it is a management company, and operates other companies in the system on a management fee basis?

A. No; there is no fee in it.

Q. Who owns the York Railways?

A. The York Railways is owned by the Municipal Service Company.

Q. And the Municipal Service Company is owned by the National Public Service Company?

A. Yes sir.

Q. When did the Insulls get control of this?

A. I think about two years ago, a little over two years ago.

Q. Now, the Penn Central sells power to certain of its customers with a coal clause in the contract?

A. I think we have one customer left probably. During the last three or four years we did have a number of such customers.

Q. From whom does the Penn Central buy its coal?

A. Partly from the Penna. Coal and Coke Company, partly from Taylor and McCoy, and various other mines. We divide it up among our customers.

Q. Don't you buy coal from the Peabody Coal Company?



A. Yes sir.  
 Q. And you buy a very large percentage of your coal from that company?  
 A. No sir, a very small percentage.  
 Q. Who owns the Peabody Coal Company?  
 A. I could not tell you that.  
 Q. Is that not also controlled by the Insull interests?  
 A. I think so.  
 Q. Then the Insull interests hold the Penn Central and they also own the coal company that you buy your coal from, or one of them.

A. Yes sir.  
 Q. How much more per ton do you pay for the coal purchased from Peabody Coal Company that you could get it for in the open market.

A. I think the coal is all contracted for from these mines.  
 Q. How much more do you pay the Peabody Coal Company than you could buy it for in the open market.

A. I don't think we pay them any more.  
 Q. Aren't you familiar with the facts that shortly after the Insull interests acquired control of the Penn Central, that certain companies from whom you were buying coal were required to sell their coal to the Peabody Coal Company, who in turn added 25c to the price and then sold to the Penn Central?

A. No sir.  
 Q. Don't you know the price of coal was increased at that time?

A. No sir, it was not increased. The fact of the matter is the price of coal was decreased.

Q. I am speaking of the coal that you then had under contract—

A. You mean the price was increased, that we were obliged to pay additional cost?

Q. I mean you had certain contracts with certain coal companies for coal, and after the Insull interests acquired control of your company, these coal companies were required to sell to the Peabody Coal Company, and the Peabody Coal Company sold that coal to the Penn Central?

A. Yes sir.  
 Q. And the Peabody Coal Company added something to the price which you had theretofore been paying.

A. No sir, I think not. If there was any commission, it was deducted from the people, it decreased.

Q. Have you made a comparison of the price to the Penn Central, compared with that paid by other companies, during the past three or four years.

A. A great majority of the coal is mined at our mine, in Hickory Hill.

Q. The coal which you purchased, you think you have gotten the same reduction in price during the past three or four years that other electric utilities have?

A. What do you mean?  
 Q. The price of coal has gone down since 1926.  
 A. Yes sir, it is dropping.

Q. Do you think you have gotten as much of a reduction in that price as other utilities have—a reduction from the 1926 prices?

A. Yes sir, I think we have.  
 Q. In 1926 you were paying \$3.00 for bituminous coal?  
 A. That I could not say. I would have to check that on the books.

Q. I show you your report to the Public Service Commission for the year 1926, which show that you purchased 170,025 net tons of coal of an average cost per unit of \$3.0039 per ton?  
 A. Yes sir.

BY MR. RHODES:

Q. Was that price delivered?  
 A. No sir. I couldn't say, this is average cost, where it was shipped to? I assume it is the total cost. That is delivered, yes sir.

BY MR. EVANS:

Q. I show you your 1930 report to the Public Service Commission. What price were you then paying?

A. It says—  
 Q. The report says that in 1930 you purchased 179,515 net tons at \$2.56 a ton?

A. That is produced largely at our own mines.

Q. Is that your total?

A. Yes sir, that is the total tonnage.  
 Q. This covers the purchases, doesn't it?  
 A. This is received during the year, at that cost.  
 Q. This includes the cost—the coal which you mined?  
 A. Yes sir, at the Saxton Plant.  
 Q. So that in these four years you only a reduction of 44c a ton in the cost of your coal?

A. Yes sir.  
 Q. Similar figures for the Duquesne Light Company show a reduction of \$1.05 in the cost of coal, and for the Philadelphia Electric Company \$0.94 in the cost of their coal. Have you any explanation of why your cost was only decreased 44c as compared with these?

A. What was the cost of their coal in 1926?  
 Q. The Duquesne Light Company in 1926, according to their report to the Public Service Commission, was paying \$2.89, and in 1930 they were paying \$1.84—

A. I think that is largely due to the difference in size of the mines and the production costs.

Q. You don't think this has anything to do with the fact that you are buying coal from the Peabody Coal Company?

A. We only buy a very small part of the coal from them—the Saxton plant being the biggest plant.

Q. How much coal do you get from the Saxton plant?  
 A. We mine about 140,000 tons a year.

Q. You purchase about 40,000 tons?  
 A. Somewhere about that—Williamsburg and Warrior Mark.

Q. Do you know how much of that you purchased from the Peabody Coal Company?

A. Somewhere in the neighborhood of 1500 tons maybe a month.

Q. The Penn Central has a contract with the Electric Management and Engineering Corporation, did it not?

A. At no time.

Q. I show you contract dated November 2nd, 1925 and ask you whether that is not the contract between the Penn Central and the Electrical Management and Engineering Corporation?

A. Yes.

Q. That contract ran for ten years, did it not?  
 A. No sir.

Q. Does it not so state?

A. No sir—well, it might state that, but the time the property was taken over by the Middle West Utilities, these management fees stopped.

Q. That contract remained in force from 1925 to the time the Insull interests took it over in 1928?

A. Yes.

Q. What management fees does that contract provide for?

A. I think it was probably 2%, something like that—2½%.

Q. 2½% of the gross total operating revenue?

A. Of the total gross operating revenue.

Q. And that was an item of management service?

A. Yes.

MR. COOKE: That was more than Thomas Mitten charged?

MR. EVANS: Thomas Mitten charged 2% for his services.

BY MR. EVANS:

Q. How much on construction expenditures?

A. I cannot answer that for the moment.

Q. It is right there?

A. Is it? (Referring to contract.) 10%.

Q. 10% of all construction expenditures for engineering service, and in addition they were to get special compensation for the sale of securities, were they not, which was to be agreed upon from time to time?

A. That is a matter for someone in the New York office, they would have to answer that.

Q. Well, the contract provides, does it not, for special service in connection with the sale of securities, their compensation therefore shall be subject to arrangement as occasion may arise, and in addition to all that the Penn Central was to reimburse them for all expenses incurred by the management company on its account, including expenses of members of the organization while away from New York City in the service of your company, and you are also to reimburse them for payments advanced by them in connection with purchases made by them for your company?

A. Correct.

BY MR. COOKE:

Q. When was this contract in force? Who owned this property?

A. The Emanuels—Albert Emanuel, an electric management and engineering corporation.

BY MR. EVANS:

Q. Mr. Shearer, in your opinion should not such management contracts be made subject to the control of the Public Service Commission?

A. I think so.

BY MR. COOKE:

Q. I understood Mr. Evans to say that he is calling next week representative heads of different companies in the State, presumably with the idea of getting their suggestions as to the work of this Committee. While we have you here, Mr. Shearer, would you mind giving us your idea about regulations now practiced in the State, and make any suggestions as to how they could be improved. We have already had on the stand Mr. Zimmerman and Mr. Taylor and one or two others?

A. Well, I heartily endorse what Mr. Zimmerman had to say. I think he is better qualified to cover the points than I am. I agree that the question of control of securities and contracts and things of that sort should be as he suggested.

Q. How about investment? The suggestion made by Mr. Zimmerman to the question that was asked him, he suggested, put the plug in right not and carry on future outlays on a prudent investment basis, and let the law of the land, whatever it may be, take care of practically all that has happened to date. What would your attitude be to that?

A. That is a debatable question—

Q. What is your picture?

A. Oh, I think—I would like to think a thing of that sort over a little bit before I would venture an opinion.

Mr. COOKE: It is a very unfortunate thing that the leaders in the industry, gentlemen who have all these things to think about, do not give us an opinion. How can you expect a committee of the Legislature, whom you always blame in this matter, how can we intelligently perform our responsibility if when we ask the leaders of the industry what their opinion is about such vital matters, that they tell us that they have not reached any conclusion, and I am not saying this as a criticism, but simply as expressing our own dilemma?

A. It would appear to me an expert opinion should be sought.

Q. What do you mean by expert opinion? I have assumed that the heads of these companies are experts?

A. I would not term myself an expert by any means. I am simply an operating man; followed the operating game.

Q. Whom do you report to, Mr. Shearer?

A. I report to Mr. Reed in New York.

Q. Mr. Reed?

A. Harry Reed, of the National Electric and Power Company.

Q. You are supreme so far as the Penn Central Light and Power goes in Pennsylvania?

A. Yes, as an operating man.

Q. Do you consider reproduction cost new and depreciation a satisfactory method to value property?

A. I do, yes.

BY MR. TURNER:

Q. May we ask him whether they have had a valuation case; have you had a rate case?

A. No sir, we have never had a rate case.

Q. Did you ever have a complaint filed against you with the Commission and a hearing?

A. Many years ago there were complaints.

Q. How many years ago?

A. Well—

Q. How many?

A. When I first came with the company, probably 12 or 13 years ago, I think Lewistown—

Q. When did you go with the company?

A. I went with the company in 1916, but nothing has passed in 10 or 12 years.

Q. You had no valuation within that time?

A. Yes, the Penn Central had a valuation.

Q. I mean with the Public Service Commission?

A. Not by the Public Service Commission, I did not know that they did that sort of work.

Q. Who made the valuation?

A. Stone and Webster of Boston.

Q. What year was that made?

A. I think it was in 1925.

Q. That is the valuation that was made the basis for the new financing of the Emanuel interests, when they took it over?

A. Yes, I think that was the time.

Q. Have you had any rate reductions in recent years?

A. Yes.

Q. How many?

A. Our rate reductions have been—well, in the last—something in the neighborhood of nearly a million dollars of rate reductions.

Q. When?

A. In the last few years.

Q. Were they voluntary reductions on your part?

A. Yes.

Q. Did the company give them to the small consumers, or were they to the power users?

A. The small consumers and power users as well.

Q. All along the line?

A. All along the line. Power is a competitive situation.

Q. Let us get that, because it has been said that it is not competitive.

A. Oh my, you have the oil engines, the Deisel oil engines to combat with; Fairbank-Morse Company are putting in engines, all that they possibly can.

Q. Just among power users?

A. Yes sir.

Q. Have you any competition in the domestic?

A. No.

BY MR. COOKE:

Q. How do you account for the fact that the Fairbanks people put in plants similar to these you mention, they sell their plants with a very low guarantee per kilowatt hour, how do you account for the fact that a company the size of yours cannot compete with the small Fairbanks engine?

A. We can compete.

Q. You say you can?

A. We can compete, but Fairbanks Morse Company has some very good salesmen and oftentimes they will land the Diesel power business and we will lose that business. They will install a small plant, operate for a few years, and possibly come back on our lines.

Q. You can serve large power consumers, charging the same rate of return, overheads, and all that. Couldn't you do that with the domestic consumer if it was not for these salesmen that you refer to? In other words, if everything was on its merits, you can sell power just as cheap as they can?

A. Well, that all depends on the type of plant that you have. We are a transmission company. We have pretty nearly five hundred miles of transmission lines over the mountains of Pennsylvania.

Q. Do you practice cost finding in determining domestic rates?

A. Our rate committee is always struggling with that question.

Q. Are your rates based upon cost, plus a fair profit?

A. Well, that is a question—it is a difficult one.

Q. Surely you can answer that. Does your company practice that. In other words, do you charge the domestic customer what it costs you plus what you consider a reasonable profit?

A. Our rates are worked out along similar lines of all other companies. We have a rate committee in the Pennsylvania Electric Association—

Q. In other words you don't consider it good rate making to charge the domestic consumer with what it costs you, plus a fair profit?

A. I didn't say. I don't know just exactly how we would approach that, but it would seem to me—

Q. It would seem to me that you can answer that yes or no.

A. Well, I don't know that I could, because when it comes down to a question of rates, it is a very deep study. You have got to take every customer, and you have to find out—

Q. You certainly would not say that you charge the domestic consumer a rate that was in excess of that?



A. No; that wouldn't be our purpose at all. Our purpose is to follow these things up as soon as it is possible, and reduce the rates voluntarily.

Q. Then, can't you answer me, do you base domestic rates on costs, plus a fair profit?

A. No.

Q. Do you practice cost finding in determining what domestic rates on costs, plus a fair profit?

A. We are constantly working along that line?

Q. Do you practice cost finding?

A. We do to a certain extent.

Q. You reported, with all the other electric companies in Pennsylvania four years ago that you did not base rates on costs.

A. As I said, we are trying to find our costs. It is a pretty difficult matter to do, but the rate committees are working to that end; at least our rate committee is.

Q. Do you recall making an answer to a questionnaire of the Giant Power Survey, in which you made the definite statement that you did not base the rates on cost?

A. Probably our rate man did.

Q. One question more, you use the value of certain parts of your system for operating purposes, didn't you? I mean, you take a transmission line, and you will have the cost of that transmission line?

A. Yes; more or less.

Q. Well, now, do you use reproduction cost new in that work?

A. I would have to go into that a little deeper before I would be able—

Q. I have not seen your records for some years, but I can see these cards, on which you have a certain piece of property, with the cost of that property, and based on that you did determine—

A. We have similar information.

Q. You don't move those prices up and down?

A. Oh, no.

Q. In other words, you can't use the reproduction costs new for operating purposes; that is, it is only used for valuation purposes; am I not right?

A. No, I won't say that. We work out our costs of operation.

Q. I know, and in working out your costs of operation; you also use a fixed value for the piece of property?

A. Well, I would rather have my accountant explain that to you.

Q. You are familiar with that?

A. Only in a general way.

Q. You are certainly familiar enough with it to know whether you use reproduction costs values or what you paid for your property?

A. We base it on reproduction costs.

Q. On costs. That is what I thought.

A. Yes—less depreciation.

Q. In other words, they use prudent investment in operating the property and they use reproduction cost new for valuation purposes.

(No answer).

BY MR. EVANS:

Q. You spoke of being President of the York Railways Company, which is owned by the Edison company of York?

A. Yes.

Q. Are you also an officer in the Edison Company of York?

A. Yes.

Q. What officer?

A. President.

Q. That company has had some difficulty with its consumers, has it not?

A. Not to my knowledge. I don't think there is any difficulty.

Q. There have been complaints on the rates of the Edison Company of York?

A. We just made a rate reduction of \$130,000 odd dollars.

Q. After an investigation by the Public Service Commission, commenced a year ago?

A. Yes sir.

Q. And that investigation was made because it was found that your earnings were excessive?

A. That matter is not settled yet. It was a question where the Commission on their own motion made an investigation.

We at that time—if they had probably waited four or five months, we would have had the rate reduction filed, because we started the investigation. We just had these properties, Mr. Evans, a couple of years, and the first thing we were up against was the physical situation. The entire property had to be rehabilitated, such as new poles, cross arms, insulators, in many cases, heavier wire; a general cleanup; and after we made the reductions; or started on the study, when the Commission on its own motion—

Q. Penn Central Company has outstanding 166,600 shares of common stock, does it not?

A. I believe so—yes sir.

Q. With a stated value of \$3,700,943.29?

A. Yes sir.

Q. During the year 1930, you paid dividends on that common stock, amounting to four dividends of \$1 a share, and one dividend of \$.90 a share; did you not?

A. Yes sir.

Q. And the total gross dividends amounted to \$1,149,540.

A. I assume that is correct.

Q. So, during the years 1930, the Penn Central paid 31% on its common stock.

A. Is this made up (indicating)—

Q. This is common stock (indicating)

A. What date is this, 12-26-29?

A. Yes.

A. That is last year. I don't know how these figures are arrived at.

(Discussion off the record.)

THE WITNESS: I would like to verify that by the accountant.

BY MR. EVANS:

Q. This is your sworn report to the Public Service Commission?

A. Yes. Here is the Treasurer, and Mr. Sparks is the auditor.

Q. It is right here?

A. I assume it is correct.

Q. And all that common stock is held by the holding company?

A. The National Electric Power holds it.

Q. So that the Penn Central Light and Power Company, an operating company in Pennsylvania, during the year 1930 paid 31% on its common stock to a foreign holding company?

A. I feel that I should ask permission to have our accountant make the statement. They are familiar with the figures and they are here.

Q. Are there any other matters that you wish to state to the committee while you are here as long as you will not be able to be here next week?

A. Nothing further in connection with that, Mr. Evans?

Q. In connection with the matter before the Committee for investigation?

BY MR. TURNER:

Q. Have you got into the rural electrification in your territory?

A. Very extensively, yes sir.

Q. What can you tell us about that? We have had some exhibits here on rural electrification and the order of the Commission, General Order No. 28?

A. We have complied with General Order No. 28 and extended our lines throughout the territory as fast as we could possibly take care of them.

Q. How do you operate; what is the cost to the consumer?

A. The rates are filed on the basis of General Order No. 28.

Q. Do you know how much per mile you charge them or do you figure it on the cost?

A. It depends, it runs around a thousand dollars, eight hundred dollars, nine hundred dollars, it all depends on the territory we serve and the territory we have to cover.

Q. You don't have one set price?

A. No sir.

Q. Does it depend on the construction?

A. No sir, it depends on the territory. You may get in soft ground in one section and another into limestone where you have to blow your holes.

BY MR. COOKE:

Q. What is the range in cost for building a mile of rural line?

A. It is around nine hundred to thirteen hundred dollars around there.

BY MR. TURNER:

Q. Do you believe it would be better to put in cheap lines, or do you put in lines that will carry further extensions?

A. We are obliged to put up a very rugged type of construction due to being right in the belt where we have a lot of sleet. On the 29th of April, 1928, we had a sleet storm that tore down every one of our transmission lines at several places. We were absolutely isolated from the outside world and over the local radio station we sent out a message to Pittsburgh and to Jersey Shore and to Williamsport and they sent us men, and we got about thirty-five men from the outside and it took us four days and nights steady work to restore service. We had over 10,000 services on the ground. That cost us about a quarter million dollars. It cost the telephone company in that same section a million dollars.

BY MR. COOKE:

Q. Can you build these rugged lines for from \$900 to \$1300?

A. No, they will cost more money.

Q. What do you get for \$900 to \$1300?

A. A single circuit.

Q. They are just as open to sleet?

A. Not right over the entire district. They are right on the Allegheny Mountains, down in some of the valleys we could build lighter lines.

Q. Then you don't fix these percentages on the part of the rate, do you, to the line cost at 2% or 1¾% on the thousand dollars?

A. One and three-quarter per cent.

Q. Do you base that 1¾% on the cost of the particular line as it cost you?

A. Yes sir.

Q. You would be surprised if in your district you found that they were using \$2000 a mile?

A. In the early days—

Q. No, at the moment? Bills coming in now seem to indicate that \$2000 is used throughout the State as the cost used by the companies in their building. You don't apply that?

A. I am assuming that covers the transformers, and so on; it must.

Q. You don't include your transformers in this price?

A. No, that is the bare construction.

BY MR. TURNER:

Q. But what does the consumer pay?

A. It all depends on the number of customers per mile.

Q. I mean on what basis does he pay; \$2000 or what?

A. On the cost of the line. We oftentimes go out and get the farmer to assist us in digging the holes and then any reduction that we can take off for that mile or three miles of line, he gets the benefit of it.

Q. You would consider it wrong to use \$2000 as an arbitrary price?

A. I would not care to make that statement. I have in mind only the figures that I have in mind on our property.

Q. Has your plan encouraged or discouraged them to take the service?

A. It encourages them.

Q. Is there any improvement that might be made in that?

A. You mean in the cost of construction?

Q. In the way of prices?

A. Well, I don't know just how we could.

Q. Is there any way to cut the cost down to the consumer so he would not have to pay so much and in that way he would be encouraged to use the service?

A. By encouraging them to use the current we can cut the price per kilowatt down.

BY MR. COOKE:

I think your company has been quite forward-looking compared with some. Do you know of any act taken by the Public Service Commission that has controlled either the cost of the line or of the rate paid or put in your territory?

A. No sir.

Q. In other words, you think you have acted as a benign influence in your neighborhood but you have done it as you wanted to do it instead of having it regulated?

A. We do the best job we can.

Q. You would have done the same thing if we had not had a Public Service Commission?

A. Yes sir.

BY MR. HAGMAIER:

Q. For the benefit of myself and perhaps the rest of the Committee, have you any suggestions that you could make to us that would make regulation more effective?

A. As far as I personally am concerned, we have always tried to carry on in accordance with the laws on the statute books right now.

Q. I mean, do you think the present statute could be changed to benefit anybody?

A. It probably could be some few things in the law, such as the governing of the issuance of securities and things of that sort. I am no lawyer, I could not suggest very well what to do.

MR. TURNER: Mr. Evans, we have had a lot of exhibits as to earnings of these companies and I notice this seems to be one not very much above the 7% return. I wondered if you had any of these exhibits if you could ask Mr. Shearer if he could give us any idea of the correctness of these figures as found.

BY MR. EVANS:

Q. Have you made any check of the evidence that has been introduced before this Committee as to the rate of over all returns on the fixed capital of the Penn Central.

A. I think it is about 7¼%.

Q. So far as you know the evidence introduced here before the Committee, regarding your company, is correct?

A. I feel that way. I would like Mr. Parkinson to check up on these figures. Mr. Parkinson is our auditor and he is familiar with the figures that I am not quite familiar with.

M. H. PARKINSON sworn

BY MR. EVANS:

Q. What position do you hold with the Penn Central?

A. I am the auditor.

Q. You signed the annual report for the year 1930 to the Public Service Commission?

A. Yes sir.

Q. According to that report, the company has outstanding 166,600 of common stock.

A. That is correct.

Q. Of a stated value of \$3,700,973.29.

A. These shares are no par value stock. The value placed on the shares is \$3,700,973.29. If you will let me look back here a moment. You are talking about common stock?

Yes sir, common stock.

A. In addition there is \$4,485,572.19, representing a capital surplus, which must be added to the value of the common stock for figuring any ratio of dividends to the capital invested in the business.

Q. That was obtained by a write up in your books after the Stone and Webster appraisal.

A. There was no write up on the books of the company.

Q. How is that surplus carried from appraisal.

A. That separation was made by order of the Bureau of Accounts of the Public Service Commission.

Q. In other words, it is a write up on your books.

A. No sir.

Q. Was it not written up on your books as a result of the appraisal.

A. No sir, the value placed on the books of the company is the past cost to the Penn Central Light and Power Company, the present Penn Central Light and Power Company, of the property received from the old Penn Central Light and Power Company.

Q. I don't think that answers the question.

A. That was merely a segregation for accounting purposes only, at the request of the bureau of accounts of the Public Service Commission.

Q. This surplus, which is marked created from appraisal, is the excess of the appraised value over the former book value.

A. The value is on the books of the company—

Q. Just answer the question.

A. That is what it is termed.

Q. That is what it is.

A. Will you please let me explain?



Q. Answer first and then you can explain—answer yes or no and then explain.

A. I cannot answer yes or no.

Q. Is this an earned surplus?

A. No sir.

Q. Is it a cash paid in surplus?

A. It is a paid in surplus.

Q. How was it paid in?

A. Through property.

Q. In other words, you had your property appraised, and then in that way increased the book value of the property and created a surplus.

A. The present Penn Central Light and Power Company, which was the former United Lighting Company, paid a price to the former Penn Central Light and Power Company for its facilities. That price was approved by the Public Service Commission. It is that price which is on the books of the company at the present time.

Q. Were you connected with the company at that time?

A. I have been in the company through Day and Zimmerman, Inc., since 1914.

Q. Then perhaps you can answer the questions in regard to the situation at the time the property was taken over by the Albert Emanuel interests?

A. I was with Day and Zimmerman up until the property was sold. Since that time I have been with Mr. Shearer in Altoona.

Q. It is true that the United Lighting Company took over the Penn Central Light and Power Company in 1925?

A. Yes sir.

Q. The United Lighting Company had a total capitalization of \$50,000?

A. I believe that is correct.

Q. The Penn Central Light and Power Company at that time had outstanding stock and bonds of \$19,570,310.52?

A. I presume that was taken from the October, 1925 reports, at the time the old company passed out of existence,—yes sir.

Q. A company capitalized at \$50,000 acquired a company of \$19,570,310?

A. That is correct.

Q. As Mr. Shearer has stated, this United Lighting Company was owned by the Emanuel interests?

A. That is correct.

Q. Under the original proposal set up, which the Public Service Commission was asked to approve, an issue of 5½% bonds, in the sum of \$5,500,000 was to go to the purchasing company was it not?

A. That was part of the consideration for the purchase of the property.

Q. The Public Service Commission at that time refused to allow that?

A. I believe that is correct, yes sir.

Q. Mr. Charles H. English represented the applicant at that time, did he not?

A. I believe he did.

Q. The United Lighting Company changed its name to the Penn Central Light and Power Company?

A. It changed its name to the Penn Central Light and Power Corporation, then acquired the old Penn Central Light and Power Company; then changed its name back to the Penn Central Light and Power Company.

Q. When the Public Service Commission refused to approve this financial set-up, it was agreed that the purchasing company should pay cash for the stock, and it should not receive \$5,500,000 of bonds?

A. Yes sir.

Q. Do you remember the capitalization of the new Penn Central Light and Power Company after the sale?

A. Yes sir.

Q. It had outstanding par common stock of \$5,319,619.62, did it not?

A. \$5,319,619.62.

Q. And preferred no par stock, \$6,247,740?

A. 780.

Q. Or a total of stocks, \$11,567,399.62?

A. That is correct.

Q. And then an increase from the combination of Penn Central Light and Power Company and the United Lighting Company in the outstanding capital stock of \$5,756,089.10?

A. That is correct. The principal increase there is in the preferred stock, which is calling in and retiring the preferred

stock of the old Penn Central Light and Power Company, was the price fixed for the stock that was called in.

Q. Now, the common stock increased \$3,785,474.62, did it not?

A. That is correct.

Q. And there was an increase of only \$2,020,614.48 in the preferred?

A. That is correct.

Q. So the principal increase was in the common stock, was it not?

A. That is correct.

Q. Now, take the bonded indebtedness, there remained an issue of 5% bonds in the amount of \$2,034,000?

A. That is correct.

Q. And the first 5½%, \$1,000,000?

A. That is correct.

Q. And the first 6% of \$10,300,000?

A. That is correct.

Q. And some underlying bonds of the Mifflin County Gas & Electric Company, 5%, \$175,000?

A. That is correct.

Q. And added to this were bonds in the amount of 5½ million dollars?

A. That is correct.

Q. So the bonded indebtedness of the company was increased 5 million dollars?

A. That is correct.

Q. And the total stocks and bonds were increased \$5,756,089.10?

A. The sum of the two, yes.

Q. Now, this increase of \$5,756,089.10 in the capital stock represented nothing but a writeup on the books of the fixed capital over the original book value.

A. The price was fixed for the total property, which was purchased from the United Light Company, and that is the price which is recorded in the books.

Q. Well now from this total increase of \$5,756,089.10, you should deduct the surplus of the old Penn Central Light and Power Company, should you not, in order to determine the writeup, and which resulted in a writeup of \$5,106,919.19?

A. That is not a writeup, that is the price which was fixed on the property at the time the property was sold to the present Penn Central Light and Power Company.

Q. Well, it was over and above the book value of the original Penn Central Light and Power Company, was it not?

A. The price was agreed upon, yes.

Q. There was no additional cash or property which had gone into the system?

A. You are talking about the common stock?

Q. I am talking about the common and preferred stock combined?

A. You are not talking about the bonds?

Q. No.

A. That is correct.

Q. If that is what you mean by writeup, there was a writeup of \$5,106,991.19?

A. The question is what you call a writeup I call it the price that was paid for the property.

Q. In other words, Mr. Parkinson, there was that much additional stock outstanding over and above the capital stock of the old company?

A. Well, the price was determined, and from that, of course, was deducted the value of the liabilities; the preferred stock was fixed at the value at which we had to call in the stock of the old company, and the balance was shown as common stock, which is accepted accounting practice in arriving at the value of the common stock.

Q. I am not criticizing the accounting, I am merely trying to get the facts, that without any additional cash or property going into the system, the outstanding common stock of the company has increased by over \$5,000,000?

A. Well, you must understand that in this old proceeding there is a matter of sale and purchase.

Q. We understand that I think.

BY MR. COOKE:

Q. There was an appraisal by Stone and Webster?

A. That was used in determining the purchase price.

Q. If I am not very much mistaken, they discovered water rights in that property that the former owners did not realize they had, amounting to in the millions?

A. There was a value placed as to water rights, which the company owns.

Q. Which they had not inventoried before?

BY MR. EVANS:

Q. The correct figure here shown is \$3,760,000 for water rights. Now, Mr. Parkinson, under this original agreement of September 30, 1925 for the sale of the Penn Central Light and Power Company to the United Electric Company, there was to be an exchange of preferred stock, share for share, was there not?

A. On that basis, yes.

Q. There were 89,279 shares of preferred stock outstanding?

A. Of the old capital stock?

Q. Yes.

A. 89,254.

Q. 89,254 you have?

A. Yes.

Q. And then the common stock which they accepted of 61,140 shares was also to be exchanged share for share, was it not?

A. That is correct.

Q. And the new common stockholders were to get 5½ million dollars in 5½% bonds?

A. You are talking about the original agreement?

Q. The original agreement?

A. I believe that is correct.

Q. And the Public Service Commission as it then existed refused to approve that?

A. I believe that is correct.

Q. Then there was a supplemental agreement dated October 27, 1925, and what was the change in this supplemental agreement?

A. The bonds were to be sold for cash.

Q. And the acquisition was then approved on that basis by the Public Service Commission?

A. Yes, I believe after that one change that you referred to.

Q. Now, as you understand it, was it the intention of the new owners of the stock, the National Electric Power Company, to reduce their investment in the new company by the amount of 5½ million dollars in bonds which they paid and agreed to be sold?

A. That is something I cannot tell you, that is the National Electric Power Company's affair.

Q. And after that the 5½ million of bonds were sold, were they not?

A. Yes.

Q. So the effect of it was to reduce their investment by that amount?

A. Well, now, they put up money for that; they paid money for the bonds.

Q. They didn't get the 5½ million dollars of bonds that they originally were to get as part of their gravy?

A. No the plan was changed, and the bonds were sold for cash.

Q. And who sold the issue, do you remember?

A. I believe it was a syndicate headed by A. C. Allen & Company.

BY MR. EVANS:

Q. Wasn't the Michigan holding company involved in that?

A. I believe they were concerned in connection with it—yes sir.

Q. Do you know who owns the Michigan holding company?

A. No; I do not.

MR. TURNER: Do I understand, then, that they took five and one half million more than they had expected under the first agreement?

MR. EVANS: Mr. Turner, they originally were going to put a five million and one half dollar bond issue on the company, and just take it over themselves; the common stockholders were going to take those, and the Commission refused to approve it, and then they said all right, "we will sell these to the public."

MR. TURNER: What became of the five million and a half dollars?

MR. EVANS: We were just coming to that.

MR. TURNER: Pardon me.

BY MR. EVANS:

Q. Do you remember at what price these bonds were sold?

A. I do not at this time.

Q. Will that appear in your reports there?

A. It will appear in the certificate of notification to the Public Service Commission. The price was 88½, plus accrued interest.

Q. And the cash received by the company, excluding interest was \$4,867,500; was it not?

A. That is correct.

Q. And what did the company do with the cash received from the sale of these bonds?

A. Placed it in the treasury of the company.

Q. Did they invest it in some six and one-half demand notes of the National Electric Power Company?

A. I believe that is correct.

Q. In the amount of four and one-half million dollars?

A. That is correct—yes sir.

Q. And used the balance for capital additions?

A. As needed.

Q. Was it needed then?

A. Maybe; not at that particular time.

Q. Now, then, did the new owners of this common stock of the company, Central Light and Power Company, ever attempt to reduce its investment in the new company; and if so, how?

A. What do you mean by that?

Q. Well, we will be very specific. On February 28, 1926, the company retired 28,640 shares of this common stock for a price of \$139 a share resulting in a total cash payment to the National Electric Power Company of \$3,980,960; did it not?

A. That is correct—yes sir.

Q. If you will look at your 1926 report to the Public Service Commission—what is the stated book value of your common stock as of January 1st, 1926?

A. \$5,319,619.62.

Q. Now, allowing that stated value, the 61,140 shares of common stock had a book value of \$87 a share did they not?

A. That I presume is correct. That is dividing it.

Q. Then, how do you account for the fact that 28,640 shares of this stock retired by the National Electric Power Company in February of 1926 at \$139 a share?

A. There was an agreement made covering that transaction.

Q. In other words, the company, having been prevented by the Public Service Commission from taking five and a half million dollars of bonds, it accomplished the same result by redeeming this stock at \$139 a share and getting \$3,950,000 for it.

A. That agreement was carried at \$139 a share and the stock retired at that figure.

Q. Was this agreement that you refer to, approved by the Public Service Commission?

A. I cannot recall at this time.

BY MR. RHODES:

Q. Doesn't the witness know whether the stock sale was an alternative of the bond issue?

A. This was a case of retiring the stock; and not selling the stock.

BY MR. EVANS:

Q. As long as all of the common stock was held by the National Electric Power Company, it did not make any difference to them whether they held 61,140 shares or 28,640 shares less than that, did it?

A. It didn't make a great deal of difference how many shares they had, as long as the total stock was owned by the same interests.

Q. Was not this, in your opinion, merely a method of getting around the refusal of the Public Service Commission to allow the first plan to go through and accomplish the same result in another way?

A. I wouldn't say that was—

BY MR. RHODES:

Q. What was it then?

A. Well, it was a different, separate and distinct transaction, which occurred some time later.

Q. This became treasury stock didn't it?

A. No; the stock was retired and cancelled.

Q. Well, I mean it was eliminated?

A. That is correct.



Q. And the interests of the parties in the company was not minimized one iota?

A. No.

Q. They still had one hundred per cent of the stock outstanding?

A. That is correct.

Q. In other words, they just took back out of the treasury that amount of money and cancelled so much money and it didn't affect the status of their holdings?

A. That is correct. The stock was bought back by the company.

Q. And they did that because they could not issue the bonds they had originally contemplated?

(No answer)

MR. COOKE: Mr. Evans, isn't this the same thing that took place in the Hanover-McSherrystown?

MR. EVANS: It is very much so, but to my mind, it is more flagrant. I happened to be a member of the Commission at the time that this first transaction came before us, and we refused to permit, and we allowed the sale to go through on the distinct understanding that the new owners would pay cash for the stock, and would not take it out of the company, and within—my remembrance, Commissioner Scattergood and I ceased to be members of the Commission on January 17, 1926, and on February 28, 1926, this same crowd accomplished the same result in another way, by redeeming this stock and getting \$3,500,000 in their treasury, and if it is not a perfectly plain case of thumbing your nose at regulations—if you can put it that vulgarly—I don't know what it is.

BY MR. EVANS:

Q. Have you any further explanation to make of it?

A. No sir; only the entries in connection with the transaction were recorded on the books in the proper manner for those particular transactions.

Q. Do not misunderstand me. Nobody is blaming you in the least for it. You have made the entries or audited the entries as they should have been made, and if there is any blame, it attaches to some body quite different than you.

MR. MEMOLO: I don't get that clearly in my mind. It is just the same as if they bought the stock from themselves, it was treasury stock, or did they have to go out in the open market and buy it?

MR. EVANS: What they did, they took out of the company the cash which they paid for securing the stock of the company.

BY MR. TURNER:

Q. I think that is clear. What effect has that had on the rate question?

A. The present rates of the company give a return on the book value of the capital invested in the business of slightly in excess of 7%.

Q. And the only valuation you have had is this Stone and Webster valuation upon which this whole financial structure was predicated?

A. Yes sir.

FATHER COX: Will this be another case for the attorney general?

MR. TURNER: I would like to ask Mr. Parkinson, we have found some difference between the returns made by the companies to the Department of Revenue for capital stock tax purposes and to the Public Service Commission. Can you give us any explanation of your company?

A. There are no differences between the report which we render to anybody. Our reports to the Department of Revenue and the ones to the Public Service Commission and the ones to the Department of Internal Affairs and to our stockholders and to everybody concerned with them have the same figures.

Q. Of course without the exhibit I cannot tell whether there were any differences or not.

MR. DIETRICH: I don't think there were any.

MR. MOORE: Just before we adjourn, from the trend of testimony advanced this afternoon, it appears that much of the information we are seeking can be supplied by Major J. S. S. Richardson, who has been asked to appear as a witness but who has declined on the grounds of pressure of business.

This Committee wishes to be fair to the utilities in this investigation. If the utilities have any testimony which con-

troverts or rebuts any previous testimony before the Committee, they have a right to be heard.

However, the experience of this afternoon indicates that answers to relevant questions can be evaded by passing responsibility to Major Richardson, who it appears is out of the jurisdiction of this Committee.

In order, therefore, that the Committee can proceed intelligently and expeditiously, it is advisable that Major Richardson appear as a witness before the utilities are heard. It is suggested to those desiring to appear that they use their offices in having Major Richardson before the Committee.

RECESS

MR. MOORE: This meeting will now take a recess until eight o'clock this evening.

AFTER RECESS

The Committee reconvened at 8.00 o'clock P. M.  
Chairman D. Glenn Moore, presiding.

MR. EVANS: I would like to have the following letter copied into the record from Mr. Louis Tevell, acting Secretary of the Public Service Commission:

THE PUBLIC SERVICE COMMISSION  
(seal)  
of the  
COMMONWEALTH OF PENNSYLVANIA

Harrisburg,  
April 23, 1931.

Harold Evans, Counsel,  
House Utilities Investigating Committee,  
Room 601 South Office Building,  
Harrisburg, Pennsylvania.

Dear Mr. Evans:

In compliance with your oral request made at the hearing yesterday, I am submitting herewith the draft of the proposed Commission report in the Scranton-Spring Brook Water Service Company case which was adopted December 9, 1930. This copy contains the corrections which were made at the executive session of the Commission on that date and the final official draft of the report and order was made from it.

You will note that it does not contain on the first page the usual pencil notation of adoption by the Secretary or check by counsel. At the time this proposed report was adopted by the Commission, John G. Hopwood, the Secretary, had been called out of the room and I was acting in his place. I did not have a copy of the proposed report. Immediately after adoption the Chairman, in the presence of the Commissioners and of Counsel Weiss, handed a copy of the report to Assistant Counsel Mather and directed him to note on the copy the changes adopted by the Commission and to ask Mr. Morgal, in whose bureau the mimeographing work is done to have the report prepared for distribution as promptly as possible, after checking the report to insure that arithmetical changes made in the body of the report were carried into the tabulations.

I have no personal knowledge of the handling of the report after the executive session, but after consulting Mr. Hopwood and others who assisted in the preparation of the final draft, I am advised that the corrections were made by Mr. Mather and the report prepared for signature and distribution in the usual manner, with the exception that, due to the size of the report and the desire for prompt release, the usual pencil notation by the Secretary and the Counsel or Assistant Counsel was not placed on the corrected copy.

Sincerely yours,  
(Signed) Louis Tevell,  
Acting Secretary.

Enclosure

J. B. GINDLESBERGER sworn.

BY MR. WALKER:

Q. Mr. Gindlesberger where do you live?

A. Johnstown.

Q. By whom are you employed Mr. Gindlesberger?

A. Pennsylvania Railroad.

Q. Mr. Gindlesberger it has come to the Committee that during the Fall campaign in 1930 you were working in behalf of the candidacy of Mr. Pinchot, is that correct?

A. Yes sir.

Q. And information further states that the officials of the Pennsylvania Railroad Company ordered you to work for Mr. Hemphill, is that correct?

A. Absolutely no.

Q. What happened, did they say anything to you?

A. Yes sir.

Q. Who?

A. Well, the committee.

Q. Who do you mean by the Committee?

A. The Republican Committee of Cambria County.

Q. Do you know who they are,—would you name them to the Committee?

A. Our county chairman, Mr. Gouchenour.

Q. Were they employed at that time by the Pennsylvania Railroad Company?

A. No sir.

Q. Did any of the officials of the Pennsylvania Railroad speak to you, about your political activities?

A. No sir.

Q. Did anybody connected with the Pennsylvania Railroad speak to you in any way?

A. Yes sir, some of the men in my own department, that I worked with, sure.

BY MR. TURNER:

Q. What is your position with the Pennsylvania Railroad?

A. I am a fireman.

Q. On a locomotive?

A. Yes sir.

Q. Where do you run,—out of Altoona?

A. No sir, out of Conemaugh,—Johnstown, rather.

Q. In Cambria County?

A. Yes sir.

Q. Do you hold any office in the Republican County Committee?

A. Yes sir.

Q. What are you,—local committeeman?

A. Yes sir.

Q. In what precinct?

A. In the Seventh Ward of the City of Johnstown.

MR. RICHARDS: Did you ask the witness what time it was that the man spoke to him,—was it in the Primary or in the General Election?

THE WITNESS: I didn't say when.

BY MR. RICHARDS:

Q. When was it?

A. At the general election.

Q. You say your Republican County Chairman spoke to you?

A. Yes sir.

Q. Was he for Pinchot or against him?

A. He surely wasn't interested in Mr. Hemphill's interests.

Q. That wasn't unusual. That is the reason I am trying to get it straightened out.

BY MR. EVANS:

Q. Did you work for Mr. Pinchot right up to the time of the election?

A. Yes sir.

Q. Were you out on election day working for him?

A. Yes sir.

Q. Where did you work?

A. In the Seventh Ward, in the City of Johnstown.

Q. Nothing was ever said to you at any time by anybody connected with the Pennsylvania Railroad Company in regard to your working?

A. Nothing, only just the employes that I worked with.

Q. Did your foreman say anything to you?

A. No sir.

Q. Nobody superior to you ever said anything to you?

A. No sir; they never asked me.

BY MR. TURNER:

Q. Who is your immediate superior?

A. In Pittsburgh.

Q. What is his name?

A. My superintendent's name is Dodson.

Q. Who is your immediate superior,—who is your boss?

A. Mr. Jeanness.

Q. Did he ask you?

A. No sir, he didn't say anything; he don't know me.

BY MR. RICHARDS:

Q. Your road foreman of engines knows you?

A. No sir; he is just new over there; personally he don't know me.

BY MR. TURNER:

Q. Was the Republican County Committee of Cambria County for Pinchot or Hemphill?

A. They were for Pinchot, surely I would imagine so.

Q. Don't you know,—you are one of the members of the county committee?

A. So far as I know they all were. Nobody told me anything to the contrary.

BY MR. EVANS:

Q. Was your classification in any way changed just prior to the election?

A. You mean my service?

Q. Yes sir.

A. No sir.

Q. What are your initials?

A. J. B.

Q. You say you are a fireman, and not an engineer?

A. No, not now.

Q. What are you now?

A. Fireman.

Q. What were you then?

A. Fireman.

Q. What do you mean by saying, no, not now?

A. There are a lot of fellows, us fellows, we are engineers by name, by title, but we are actually engaged in firing.

Q. Is that your situation?

A. Yes sir, that is my situation, right now.

Q. What was your situation last October and November?

A. The same as now.

Q. You were listed as an engineer, but you were engaged in firing?

A. Yes sir.

BY MR. RHODES:

Q. When were you last an engineer?

A. 1925, 1926.

SAMUEL S. WYER sworn

BY MR. WALKER:

Q. What is your occupation?

A. Independent consulting engineer.

Q. Several years ago you made a survey of textbooks in Pennsylvania pertaining to the public industries, did you not?

A. I didn't.

Q. Did you have any part in any investigation of textbooks in Pennsylvania?

A. I didn't. I can shorten that very quickly by telling you when I got the report of it from the Committee, I threw it in the wastebasket, because I thought it was nothing but nonsense, and all statements made heretofore in regard to my connection with regard to it are absolutely untrue.

BY MR. RICHARDS:

Q. What Committee Report do you refer to?

A. Some Pennsylvania Committee, Utility Committee, made a survey of Pennsylvania textbooks.

Q. The Committee referred to here this afternoon in the testimony?

A. Yes, I had nothing to do with it.

BY MR. TURNER:

Q. Are you an author or publisher?

A. I just told you I had nothing to do with it, and when I got this copy I threw it in the wastebasket, because it was silly.

BY MR. WALKER:

Q. Do you know why they sent you a copy, Mr. Wyr?

A. I originally suggested that such a survey should be made, but not along the lines that the Committee pursued.



Q. In what way do you feel that the lines the Committee pursued are wrong?

A. Many of the things in the report I felt were entirely beside the point, merely quibbling about words, and missed the real matter at stake.

Q. What was the real matter at stake?

A. Misleading information of various business relationship in typical textbooks in use in the schools. It was started, the suggestion was started by my 13-year-old boy, who used a textbook on science in the Columbus Public School that was prepared by a woman in Philadelphia, and the book was being used in Philadelphia. He brought the book home and threw it on the table with a bang, and in his slangy expression, he said, "That dame does not know her onions." He was referring to her misstatements about natural gas.

BY MR. COOKE:

Q. What was the dame's name?

A. Miss Dr. Clark.

BY MR. TURNER:

Q. What was the statement?

A. She made a statement that natural gas was occasionally used for cooking west of the Allegheny Mountains, and the fact of the matter was that at that time natural gas was the principal fuel in the United States.

BY MR. WALKER:

Q. And then did you suggest to this Committee that they make an investigation?

A. I suggested it because the textbooks in use were woefully defective in some of their engineering statements. For instance, at the present time, although I cannot check within the last 12 months, most of the textbooks that you will find on physics and chemistry and general science are not clear in their statements in regard to Boyles Law on natural gases. In fact there is many a high school instructor that has gone off and gotten himself into serious trouble because he did not appreciate that the Boyles Law applies not to gauge pressure, but to absolute pressure.

Q. Now, to whom did you make your suggestion, Mr. Wyer?

A. I cannot answer now as to that specifically, but I made it a number of times to different executives, and I might have made it to the Committee, and I cannot even tell you the personnel of the Committee.

Q. Do you recall the title of the Committee?

A. No.

Q. Do you know whether or not they were connected with the Pennsylvania Electric Association?

A. Undoubtedly.

BY THE CHAIRMAN:

Q. Undoubtedly, or do you know?

A. Undoubtedly, because I talked to a number of their executives at different times with regard to the desirability of making the investigation.

BY MR. TURNER:

Q. Do you remember the name of any of them?

A. I don't now.

BY MR. COOKE:

Q. Was it to Mr. Thompson?

A. Yes.

BY MR. TURNER:

Q. Pardon me, how long has it been?

A. I cannot answer that, probably eight or nine years ago since the thing was started.

BY MR. COOKE:

Q. And beside Mr. Thompson, to whom did you speak?

A. I am quite sure I discussed it with Mr. Richardson.

Q. That is Major J. S. S. Richardson?

A. Correct.

BY MR. WALKER:

Q. Mr. Wyer, in the hearing before the Federal Trade Commission, Major Richardson was testifying on page 161 of the record, and the question was asked him, "Do you recall that he (referring to you), was interested in the subject of a survey

that was being made of school books in Pennsylvania while acting as secretary of the Publicity Bureau of that city?"

"Answer. He probably was familiar with it, yes. He made a survey." Question: "Did your assistants correspond with Mr. Wyer on that subject?" Answer: "In all probability, yes." When Major Richardson stated that you had made such a survey, when he made that statement before the Federal Trade Commission, was he in error?

A. He was, just like a lot of other fiction, in the Federal Trade Commission Hearing.

Q. Do you remember sending a letter to Mr. J. S. S. Richardson, on December 3, 1925, which is exhibit number 697 in the Federal Trade Commission's report which read as follows:

"Columbus, Ohio, December 3, 1925.

Mr. J. S. S. Richardson,

Director Pennsylvania Public Service Information Committee, Philadelphia, Pa.

Dear Sir:

J. L. Barnhart, director of civics, state department of public instruction, has prepared a first draft of a manuscript of a text book on civics for use in public schools of Pennsylvania. This tentative manuscript is most objectionable from a public utility viewpoint and I wrote strongly to Mr. Barnhart, calling his attention to errors, misstatements and unwarranted conclusions. One of the most objectionable features was the flowery language used in boosting the work of Morris L. Cooke. I was told that the J. C. Winston Company of Philadelphia is to be the publishers.

Yours truly,

Samuel S. Wyer"

A. I wrote that letter, and did it on my own responsibility, without responsibility to any committee in Pennsylvania.

MR. COOKE: What did he say now?

MR. WALKER: Mr. Wyer says in his letter, Mr. Cooke, "one of the most objectionable features (he is referring to the features in Mr. Barnhart's book) was the flowery language used, boosting the works of Morris L. Cooke."

BY MR. WALKER:

Q. Now, do I understand from that letter that you objected to the flowery language used in boosting the work of Morris L. Cooke?

A. The language speaks for itself. It does not require any interpretation. You have had dirty linen here today, and you are not going to get any more of it from me.

Q. I do not propose to, I am merely asking you what you were objecting to in Mr. Barnhart's book.

A. That is one of the things.

Q. Can you recall at this time any of the objectionable features of that that you meant in your letter?

A. I cannot.

Q. Did you receive a reply from Mr. Richardson?

A. I cannot answer as to that; it is so long ago.

Q. I read you exhibit 951 of the Federal Trade Report, dated October 27, 1924:

"Dr. Samuel S. Wyer.

Consulting Engineer, Columbus, Ohio.

Dear Doctor Wyer: Major Richardson told me the other day that you are making a survey of the schoolbooks of Pennsylvania to examine in them material that may be construed as harmful to the public utility industry. I suppose that means biased and prejudicial statements about public ownership, the granting of franchise, the conduct of legislative bodies and so on.

This Committee is planning a survey along similar lines, like the surveys undertaken by the Missouri and Illinois committees, and the Major has asked me to get whatever information I can get. Have you made any progress in forming an opinion or getting any date about schoolbooks used in Pennsylvania?

Whatever you can do to help us would be most sincerely appreciated.

Very truly yours,  
Assistant Director."

Q. Do you recall whether or not you received such a letter?

A. Undoubtedly I did.

Q. Do you recall replying to it?

A. Undoubtedly I did. I have no distinct recollection now. If that letter was mailed it undoubtedly came in. But I am

testifying to, I didn't go ahead with the report regardless of any preliminary discussion. That fact is absolutely closed. I have told you frankly, we discussed it, and I had told you likewise, frankly, to go ahead with it.

BY MR. EVANS:

Q. If you were interested in the text books used in the schools, and it was a purely scientific, why didn't you take the matter up with scientific societies, rather than with the public utilities?

A. I have had this matter up three or four times with the American Society of Mechanical Engineers.

Q. You are referring to the Boyles'—

A. I am answering the question.

Q. You are referring to—

A. I am answering the question.

BY THE CHAIRMAN:

Q. Now, Mr. Wyer—

A. Let me answer the question.

Q. You answered the question.

A. All right. I haven't finished the answer to the question.

BY MR. EVANS:

Q. I will give you plenty of time to answer it.

A. I have had the matter up several times with the American Society of Mechanical Engineers.

Q. And you said—

A. I am answering the question put; once with the Institute of Electrical Engineers; once with the Institute of Mining Engineers; of the desirability of appointing a committee of independent engineers to cooperate with authors dealing with engineering subjects in text books. I have never had a particular of cooperation from them on that.

Q. Except the utilities? You had some cooperation from the utilities, didn't you?

A. I certainly did, and other business groups.

Q. So, none of the scientific societies would pay any attention to your suggestions, but the utilities took them up? (No answer).

BY THE CHAIRMAN:

Q. I understood you to say that you were an independent consulting engineer?

A. Yes sir.

Q. Will you state your qualifications?

A. Graduate of the Engineering College, Ohio State University, 1903.

Q. Of what University?

A. Ohio State University; had two years shop work, three and one half engineering experience before graduation; have done nothing but engineering work since that time; since 1906, maintaining my own office at Columbus, Ohio, dealing largely in public utility problems—almost entirely in fuel, power and transportation during that time.

By Independent Consulting Engineer, I mean that I am entirely independent of any corporations, and I have repeatedly refused to do what I have been asked to do by various public utilities corporations.

BY MR. EVANS:

Q. What have you been asked to do that you refused to do?

A. Things that I have objected to. For instance in my home town, in Columbus, Ohio, what is now the Columbus Gas and Electric Company, after I made an appraisal of the plant at \$60 a consumer, they asked me to come in and raise my appraisal to \$120 a consumer;

Second in that particular case, after I had made a report on their West Virginia holdings, that they had the largest gas reserve in the world—six weeks after that time the management asked me to go on the witness stand and swear that it was necessary to shut the plant down.

Third, after a great deal of natural gas research work, they asked me to go on the stand and swear that natural gas mixed with artificial gas would be better, which was untruthful;

Fourth, they asked me to go on the witness stand and swear that old manufacturing gas plant there where I had made a recommendation about ten years before was in such a rotten condition it should be discontinued; that is the mains, the old mains which I regarded obsolete and of no value they wanted me to give them a value and I refused in all these

cases to testify, and their answer was that they could get another engineer to do it. I left them do it.

BY MR. COOKE:

Q. What is the name of the company?

A. The Columbus Gas and Fuel Company, which is a part of the Columbia Gas and Electric System. Incidentally you have in Columbus, Ohio, the most stupid natural gas rate situation anywhere on the globe.

Q. Was this matter before the West Virginia Public Service Commission?

A. No, the Public Service Commission of Ohio. First it was before city council, then the Federal court, and then to the court of public appeals and now it is back to the Public Service Commission.

BY FATHER COX:

Q. Do you have any of those things in writing?

A. Certainly not; they don't put such things in writing.

BY MR. EVANS:

Q. Are we to infer from the statement you made just now that it is the practice of the utilities to ask engineers to boost prices for rate making purposes?

A. Not generally; that is an exception rather than the rule.

Q. You seem to have had a great deal of experience?

A. I have.

BY MR. COOKE:

Q. Have you been connected with any rate cases in this State?

A. I testified here in the Potter Gas case. I was ready to testify and as I recall, I won't say positively whether I did or not, in some litigation of the Fayette County Gas Company. I was ready to go on the stand but did not go on for the People's Gas Company. I was ready to go on for the Pennsylvania Gas Company and was kept off until the last minute and then put on in that particular case clashed with the company's lawyers and made a lifelong enemy because the lawyers insisted that I should testify to certain things which I refused to testify to in that particular case. I was ready to go on for the village of Johnsonburg and on my recommendation that litigation was settled out of court.

Q. Did you ever have any work to do for the city of Erie?

A. I did considerable work for the Erie Chamber of Commerce, not for the municipality.

Q. That was a case against the municipality in any way?

A. There was a case between the municipality and the gas company, but when I did the work for the Chamber of Commerce, it was not in any way a matter of litigation. It was an effort to get the situation ironed out behind the scenes, and I got everybody together and I got them to meet on a common ground, but when we got the city together and I got the Chamber of Commerce together, the gas company refused to cooperate and it fell through.

Q. Did you have any work to do for the city solicitor in Erie?

A. My compensation came from the Chamber of Commerce in Erie, but at this time the whole program was to prevent litigation and try to get the city and the Chamber of Commerce and the gas company together, and to get them to meet on a common ground. I did have a great deal to do with the city solicitor, but my compensation came from the Chamber of Commerce. If the gas company had co-operated with the then city solicitor and the Chamber of Commerce that litigation would have been settled out of court. After having a complete agreement as to the general common meeting ground, the higher officials of the gas company repudiated the whole thing.

Q. At the time we had the giant power case here, I spoke in a small town in Chester County one night and somebody came in and distributed pamphlets that were written by you.

A. I don't recall which one you refer to. I gave an address at Pittsburgh that was reprinted by A. W. Thompson and another at the Lehigh University that was also printed by A. W. Thompson.

BY MR. RICHARDS:

Q. Doctor—

A. Mister, if you please.



Q. Mr. Wyer, do you recall it L. B. Denning ever talking to you about coming to Pennsylvania to testify to the Pennsylvania Fuel Gas and Supply Company—

A. Yes sir.

Q. You didn't come, I believe.

A. I did not, for some reason the company was not willing to go ahead.

BY MR. COOKE:

Q. Did Mr. Thompson superintend the printing of that giant power pamphlet or did you have it printed for him, I mean the actual printing?

A. That was all printed in my own office.

Q. So Mr. Thompson bought them from you?

A. Correct. He paid the printing bill himself.

Q. Do you recall how much Mr. Thompson paid you during that period for literature?

A. I cannot answer, I have no record, I did a great deal of work for Mr. Thompson.

Q. I recall seeing a mail bag carried into the Engineers club in Philadelphia crammed full of your pamphlets for distribution among the members?

A. I probably sent them to all the members in the Philadelphia Engineers Club. I remember distinctly we made some arrangement with the Secretary or whoever is in charge of the list of the members for the names to get a mailing list.

BY MR. TURNER:

Q. How does regulation work out in Ohio, is it successful?

A. In a general way.

Q. I understand the commission has not the broad powers that the Pennsylvania Commission has?

A. They not only do not have the broad powers, but they never have had the high personnel you have in Pennsylvania. One of the reasons for that was that we had a pin-headed Governor who cut the salaries down so that the only people he could get to serve on the commission were country lawyers. That salary was put back eventually but you do not get the high type of men of the Ohio Commission that you do have in Pennsylvania.

BY MR. RHODES:

Q. Do you think it takes a city lawyer to serve on these commissions?

A. My observation has been when you put the salary down to a small amount you get a smaller type of man to fill the position.

Q. Physically or mentally?

A. Mentally. One of the outstanding needs in all Public Service Commissions is long tenure of office accompanied by a large enough salary that a man can feel that he is independent without looking after a future office. I will add one other condition. I would anytime prefer to put a case before a commission entirely made up of lawyers than a commission having on it an engineer or a business man because lawyers are trained to weigh evidence and you would have a better chance to get justice.

MR. TURNER: I think you have solved the problem. Evidently all of the troubles have been with the engineers and I think we should try to remedy that by legislation.

BY MR. COOKE:

Q. What other publicity work have you done for utility companies in addition to the work you did for the Duquesne Company in connection with the giant power legislation?

A. I prepared a study of the Philadelphia Electric Company which was afterwards printed. There was a number of things for A. W. Thompson.

Q. What was the character of that study?

A. It was a reprint that is, a print of the manuscript of an address I gave in Pittsburgh before the Engineers Society of Western Pennsylvania. And that address was based on, first, a first-hand study I made on the property. You understand I did not do the actual work; I merely formulated the program. Their own engineers and accountants went ahead and worked up a very elaborate and detailed study of gas allocations.

BY MR. COOKE:

Q. You printed the report in your own printing shop?

A. I have no printing shop.

Q. Aren't you interested in the printing plant?

A. I am not.

Q. I understood you to say that you had done this printing for Mr. Thompson,—I understood you to say, in your own plant.

A. I did not. There are plenty of printers in Columbus, Ohio. I have an arrangement with one that handles all of the work in my office on a non-competitive basis. It goes to that one printing shop,—it has been going there for twenty-one years. A great many people have things reprinted and pay the printer. I don't operate a printing plant.

Q. What other literature have you prepared for Pennsylvania utilities?

A. I made a very elaborate study of the whole natural gas situation of the Philadelphia Company. That was printed. They had only a small surplus. I cannot now testify as to the exact number, but it was relatively small. It discussed everything from the field clear thru to the ultimate consumer's meter. They had so many requests for them from Pennsylvania school teachers it was rather expensive,—the school teachers were not interested in the companies materially that was in, but merely in the general discussion,—with some of those fundamental facts put in,—they were put in the Pennsylvania Gas Primer,—containing the same fundamental facts of the gas situation in Pennsylvania.

Q. Who paid for that?

A. A. W. Thompson.

BY MR. EVANS:

Q. Were those mailed out to the schools?

A. They were not. They were sent merely to the people who asked for them. They were mailed if some school teacher asked for it.

BY MR. COOKE:

Q. I seem to recall further some other piece of literature.

A. There is still another report.

MR. TURNER: On Giant Power?

MR. COOKE: This has nothing to do with Giant Power.

THE WITNESS: There is still another report. When the Public Service Commission started to make a study of the natural gas situation in Western Pennsylvania, they arranged for a hearing at Pittsburgh in January 1919. For the Commission at that time I prepared a series of charts showing various physical relations, various natural gas companies in Pennsylvania. To this we added, so as to save time, a reprint of my Smithsonian Bulletin on natural gas, its production and conservation. This was first printed by the State Printery at Harrisburg, according to the imprint. There was added the transcript of the hearing in Pittsburgh, that put out by the Public Service Commission.

BY MR. COOKE:

Q. By the Public Service Commission? Of Pennsylvania?

A. Yes sir. Later on a number of gas companies reprinted, not the report as a whole, but merely my part of this, beginning after page 85 of the Commission report.

Q. Before you get off that,—that is the first time that I ever heard of the Commission putting out anything of that kind.

A. It is out of print, you cannot get it any place. This copy that I have here is the only copy that I have. They have all gotten out of my office.

BY MR. RHODES:

Q. What year was that that it was published by the Public Service Commission of Pennsylvania?

A. The file number is File C 2572, 1918. The hearing was on January 8, 1919, in the William Penn Hotel in Pittsburgh. It is a combination of three things. One Mr. Rilling was on the Commission he had taken a great deal of interest in natural gas conservation, and because of the imminent crisis in western Pennsylvania and the enormous waste in natural gas, he suggested that we get the various interests together and see if we could work out, in a friendly way, a common meeting ground, in order to prolong the life of natural gas. This is the first step in the natural gas conservation program. Secretary Lane about a year later started the natural gas conservation committee program. At that time I became the consulting engineer for the United States government, and remained there until I received a telegram during the Teapot

Dome mess that my resignation has been accepted the day before. Unfortunately I had to return all of the pencil memorandums relative to the whole oil controversy at that time, and was kept out of the whole Teapot Dome mess.

BY MR. RHODES:

Q. Who accepted your resignation?

A. Bane, director of the Bureau of Mines.

BY MR. COOKE:

Q. Are you still associated with the Smithsonian Institute?

A. No sir.

Q. When was your resignation accepted there?

A. As I recall, in 1925.

Q. Was that just subsequent to your report on Ontario-Hydro-Electric?

A. Afterwards.

BY MR. TURNER:

Q. We have been studying the question of introducing in Pennsylvania the prudent investment theory, can you tell us whether you believe that that—

A. Define it.

Q. I will have to submit to Mr. Cooke to do that.

A. Remember that Aristotle said that definition was the basis of systematic reasoning. What do you mean by prudent investment? It is a legal question and you can discuss it from now on until doom's day.

BY MR. COOKE:

Q. Have you used it in your valuation?

A. No sir.

Q. Have you used the reproduction cost new?

A. No sir.

Q. What have you used?

A. It is what would be called a compromise. I have repeatedly refused to use reproduction cost new because I think it is asinine, in a literal application, and I have advised a number of my clients in the last five years that it was a two edged sword, and when you got on a toboggan, that the other fellow could use it with a vengeance. What I mean by that is that you are in a period now where we will have a declining price. For illustration, I am buying farm produce today in my home for just exactly one-half of what I paid for it a year ago. I had a fence painted for two-thirds of what it cost three years ago.

BY MR. TURNER:

Q. Did the labor cost come down?

A. Both the labor and material. You are in a period when you are going to have a declining price, and incidentally the most serious social readjustment that the world has ever known. Prosperity is now around the corner.

BY MR. COOKE:

Q. Have you always had this idea about reproduction cost new?

A. Yes sir.

Q. The other day when we were cheering about guessing that was inherent in the reproduction cost new method, my memory carried me back to a case in West Virginia. Will you refresh my mind,—what the judge said to you at that time, about the valuation,—do you remember the case.

A. No sir, I do not, because I have been in so many cases in West Virginia.

Q. You don't remember any in which the court took exception to the indefiniteness of the data,—valuation data.

A. They took direct and vigorous exception to the whole program that we had up there, that is not a criticism of the position I took of reproduction cost. I took in that case a very decided stand against an application of the reproduction theory, because it would have given an absurd answer. There are a lot of things about a natural gas plant, you simply cannot reproduce it, therefore, you cannot follow that through literally, as you can some other type of public utility plant like an electric plant.

BY MR. RHODES:

Q. What is the method that you utilized in determining fair value?

A. It is a compromise of the various methods, and harking back to the idea that what you are getting at is not cost, not investment, but present fair value of property.

Q. What kind of formula do you use?

A. You don't have any formula, you have nothing you can reduce—you can never reduce valuation routine precisely, as Chief Justice Hughes has stated, you can never reduce it to a matter of formula, it is always a matter of judgment.

Q. Pure judgment?

A. Absolutely.

BY MR. TURNER:

Q. When you say valuation, do you mean under any system?

A. Under any system.

Q. Even under prudent investment?

A. Yes, you are—in the last analysis it is a man's judgment, you can put in all the arithmetical calculations you want, but they all rest on judgment, and there is no better illustration of that than unit price, and unit price is judgment.

BY MR. RHODES:

Q. What elements do you take into consideration in considering fair value?

A. Fair value is what the property can do in making a fair return to its owners.

BY MR. MEMOLO:

Q. Mr. Wyer, do you know what going concern value is?

A. Going concern value has just as many different concepts as the general property value. My understanding of going concern value is precisely as Justice Brewer had when he made the expression, there is a difference between the bare bones of a physical plant and a live going business. In other words, when you fix a rate, or establish a rate basis, there are two distinct aspects, one is physical plant, that is, as plant, the other is the business as a whole which makes up the property. In other words, the property value is the combination of the physical plant and something else, they are involving the bare bones constant, and you cannot figure it on any definite arithmetical basis.

BY MR. RHODES:

Q. Do you know Dr. Snow of the Pennsylvania Commission?

A. I do.

Q. Have you and he ever discussed this sound value proposition, going value?

A. Yes, years ago, not recently. Just as an illustration of that, let me warn you that this so-called cost of developing business, which was so very generally used in the early days of regulation, and I was forced to use it in the Kansas Natural Gas Case, where I represented the Court, that you very quickly get an absurd answer. In other words, the more money that they lose the more valuable the business is, which of course, on the face of it is absurd. Therefore, the idea was developed that going value was in terms of compensation for loss, I think is unsound.

BY MR. COOKE:

Q. Going back to the Pennsylvania literature that you have prepared, is there anything further that you have gotten up for the benefit of our people in this field?

A. Well, the Smithsonian's study of Pennsylvania resources is the largest single contribution.

Q. Just tell us about that?

A. For a number of years prior to that—

Q. Are you—

A. Let me finish this question. Prior to 1922 there were numerous requests coming in for information on various developments in Pennsylvania, and I was doing a great deal of engineering work here—

Q. They were coming in from where?

A. Coming in to me.

Q. In Columbus, Ohio?

A. In Columbus, Ohio.

Q. Originating in Pennsylvania?

A. Yes, because I have studied quite a number of independent resource situations here, and these were discussed with Dr. Walcott, secretary of the Smithsonian Institution, for the simple reason that we had worked together on a program that was planned—



Q. If there are any other of your publications, summarize them if you can?

A. Let me finish this in detail. If you summarize it, you lose it. Dr. Walcott had the plan, or the idea of a series of studies for the various states. That plan was very broad, so broad as to require an enormous amount of time, so finally it narrowed down, after discussion with him, and after discussion with Mr. A. W. Thompson, who agreed to arrange to get the money from various businesses in Pennsylvania, to limit the study to one state. In other words, the school people here were very anxious to have such a study made, because you have here the most diversified industrial situation—

Q. How did you get that, from the teachers of the public schools?

A. Discussed the matter with Dr. Finnegan, and the various teachers.

Q. Did you go to him, or did he come to you?

A. I went to him. I was in Harrisburg and discussed the matter with Mr. Ashley,—and I want you to appreciate that the school teachers are different now than when we went to school.

MR. COOKE: That is not so long ago.

THE WITNESS: They are teaching generally out of obsolete text books, therefore the underpaid teacher is always looking for collateral matter, and therefore it is most natural and the most normal thing in the world for them to look for this additional material. As a result of that, there was a great interest in Pennsylvania in this idea.

Q. That is, after you had talked to Dr. Finnegan and to the other school teachers, you found that there was a need for this?

A. Yes.

Q. Did you talk that idea over with Dr. Walcott?

A. Yes.

Q. And with A. W. Thompson?

A. Yes.

Q. In other words, you were the salesman?

A. If you want to put it that way, yes.

Q. If I want to put it that way?

A. Yes.

Q. Have you got a copy of the book there?

A. Yes, as well as the letter of approval from an individual that I am quite sure all of you will be very much interested in hearing, and which I will read, dated December 9, 1922. "Thanks for the copy of the book of the Smithsonian Institute study of natural resources applying to Pennsylvania resources. It contains a great deal of exceedingly interesting information and I am greatly indebted to you for sending me a copy. After the inauguration I should be very glad to have you drop in sometime when you are in Harrisburg. Signed, Governor Pinchot."

Another letter of December 15th, 1922, "Thanks for your letter of December 13, and for the copy of the newspaper story which is being sent out on the Smithsonian new publication. It should do a lot of good throughout the state. I am looking forward to seeing you in Harrisburg. Signed, Gifford Pinchot."

And another letter that I am quite sure the entire Commission will subscribe to, dated January 4, 1923. "My dear Mr. Wyer, through the courtesy of Mr. Walcott, I have received a copy of the Smithsonian Study of Natural Resources applying to Pennsylvania resources, of which you are the author.

"You are certainly to be congratulated on having brought together by illustrated chart and otherwise an exceedingly interesting lot of material. It seems to me that if we are ever to educate our people to the point where they can take an intelligent interest in industrial development, it will be because we have learned the technique of presenting the facts in such a way as to actually carry their full and true import.

"I have only had a chance to glance at the text. As you have advised me that the book is to be used in the public schools and libraries of Pennsylvania, you certainly had an adequate inspiration for putting in the book the best you had in your locker.

(Signed) Morris Lewellyn Cooke."

and which, Mr. Cooke, proves that Senator Norris lied when he wrote that piece in the Congressional record wherein he stated that Pinchot opposed the use of this book.

BY MR. COOKE:

Q. I have just opened this book—this book as I understand was sent to all libraries and schools am I right?

A. Well, not all the schools. It went automatically to the libraries that are on the Smithsonian mailing list. It likewise went automatically to a large number of schools immediately who had requested to have it because a large number of school people were in consultation in the preparation of the book. Every page of the proofs was examined by various Pennsylvania school teachers. Time and time again they would make requests. All of this accumulated requests were kept and they immediately got this first edition.

Q. I turn to the first page I opened, which reads: "Part one, Pennsylvania Natural Gas Resources, creation of value in a natural resource. In the last analysis a man has not made or created anything. He has merely used what nature has made available by its natural processes. Many of the resources now in use required millions of years for their formation. Man took no part whatsoever in their production or creation nor has he added to them in any way. A natural resource is valueless until someone has spent money or arranged to do five to six things; one to discover the location; two to get it under control; third hauling it to market; fourth holding the market; prepared for the proper handling and use of it; the creation of value and property right in resources constituted in making the resources available; not in the resource itself;" I am just wondering whether that material formed the text for that volume.

A. That is the text, and I will add one supplementary thing, namely that there is no inherent right for any firm, individual or corporation to waste any of our God given resources and there is a moral responsibility for the use of it to benefit the public.

Q. You probably would not agree with the valuation shown here, where water rights on a new valuation are listed at three and one half million, where they had not been listed at anything before, they were revalued.

A. Well, I don't know any of the facts; so I can't answer.

Q. Nothing has been done on them.

A. It would require very much more than the one or two statements you have made to enable me to give an opinion as to whether I would or would not. A water right is a property right. The difficulty is in the use of the yard stick to measure the monetary value by water.

Q. Can you tell me about when; just the date you did your first work for Mr. Thompson of the Philadelphia Company in Pittsburgh?

A. It started early in 1920.

Q. And—

A. Let me finish. I will give you just exactly how it came about, so you will have the background.

Q. Now, please, Mr. Wyer the information asked you for was just the date and you have answered the question.

A. All right.

Q. Will you tell me the last date, approximately, when you did your work for Mr. Thompson of the Philadelphia Company at Pittsburgh?

A. It would be in 1925 when he left Pittsburgh.

Q. Have you done any work for the Philadelphia Company in Pittsburgh since 1925?

A. No.

Q. As I understand it, Mr. Thompson made a contribution to this Smithsonian Institute Research on natural resources, did he not?

A. He no doubt did from his group. He was the instrumentality of raising the money, it was not from any one business group, but from a large number. You must remember that this Pennsylvania Resource Study is largely a study from a general business viewpoint and the business interests, outside of the utilities, are by far the most important. For instance out of one hundred and eighty-two pages there are ten pages on gas; ten pages on electrical power; three pages on transportation. The balance is generally resource information.

Q. Can you tell us approximately the number of volumes of this work that went out to the schools of Pennsylvania?

A. 37000—

Q. And—

A. I will qualify that answer, 37000 copies were printed. A few of those were sent into other states; a number of state geologists, a number of State Superintendents of public in-

struction in a number of states, a number of libraries in other states asked immediately and got copies; so that not all of the thirty-seven thousand came into Pennsylvania.

Q. Can you tell me how much Mr. Thompson's group contributed to this work?

A. I couldn't now from memory; this long period afterwards. I can give you it approximately.

Q. If you will.

A. The first five thousand copies cost around \$25,000.

BY MR. COOKE:

Q. What is the date of that issue? It is not shown in the book?

A. It came out in 1922; just at the end; because Governor Pinchot got his copy; he was in such a hurry that we sent him a copy between boards, before the binding was dry and I had to send him another one because the binding buckled. His letter is dated in December.

BY MR. WALKER:

Q. Now, as to how much Mr. Thompson's group contributed to that fund.

A. I don't know. I dealt with Mr. Thompson not as an individual. He got from various business groups, manufacturing, transportation and public utilities groups in Pennsylvania, to make up this fund to pay for the entire cost of the book.

Q. In order to refresh your memory, I read from your testimony before the Federal Trade Commission:

"Q. I have some correspondence between yourself and Mr. Gadson. Did you make a study of the Pennsylvania resources?

A. I did. Q. Did somebody pay you for making the study? A. They did. Q. Who paid you? A. A. W. Thompson was the chairman of the committee that controlled the finances. Q. And that was printed as a study of the natural resources as applied to Pennsylvania resources?

A. Yes sir; worked out in the Smithsonian Institute."

With that in mind Dr. Wyer—

Q. Mr. Wyer. I have been calling you doctor because that is how you are referred to here. (indicating).

BY MR. WALKER:

Q. Would you mind explaining to me the Federal Trade Commission's exhibit No. 962, which is a letter presumably signed by you and sent to Major Richardson: "Dear Mr. Richardson:"

A. I don't know what the details were. It is evident that he wanted to quote me and I objected to having the Smithsonian Institution brought into the case.

Q. That does not refer to the Smithsonian study but refers to the Niagara Falls report which the Smithsonian Institution published later?

BY MR. COOKE:

Q. Is their Niagara Falls report the same as the report on Ontario?

A. No, it is a report of the power situation at Niagara Falls and makes a comparison between the private ownership in the United States and the public ownership in Canada without drawing any conclusions or recommendations as to the desirability of either.

Q. You say this letter did not refer to this work here?

A. Evidently the thing he wanted was to refer in some way as to who I was and I told him to keep the Institution out of it. He refers to Samuel S. Wyer, author of "Smithsonian Study of Pennsylvania Resources," and this was for the reason that I wanted to keep the institution out of the fight.

Q. Then your reference there as being the author of this study does not indicate that Mr. Richardson was quoting you on that fact?

A. No, he merely wanted evidently some additional identification, and I was warning him not to bring the Institution in as it had nothing to do with it.

Q. Were there two reports on Niagara Falls?

A. No.

Q. It was after the Niagara Report that you ceased to have any relation with Smithsonian Institute?

A. Yes. Also let me give you something that you are apparently groping after that people do not understand.

MR. COOKE: I am not groping.

THE WITNESS: Well, this is something that does not seem to be generally understood. The Smithsonian Institution did not send me into Ontario to make that study. I went in there and all along the eastern part of the United States for a group of bankers who paid me for my services. I have mentioned that time and again. All of that elaborate study was paid for by A. W. Thompson's group of bankers, and they paid me, not \$3,000, but considerably over \$15,000. Some of those facts were taken and a professional paper was prepared, and I am perfectly willing to disclose my letters on that subject with Mr. Thompson. That is the Smithsonian Institution study and Niagara Falls which they published as a professional paper. That is entirely apart from this.

Q. Are they still using it?

A. It is out of print. I recommended it to the National Electric Light Association and suggested that they have 25,000 copies printed at their expense, but they thought so little of it that they refused to have it reprinted and the result was that there were no funds for the purpose of its reprint.

Q. Mr. Wyer, in addition to the contributions which A. W. Thompson's group made, were they any other utilities that contributed to this study in Pennsylvania's natural resources.

A. The United Gas Improvement Company I understand made a contribution through Mr. Thompson.

Q. Did you ever have any direct communication with the U. G. I.?

A. I did. I tried to get them to raise some additional money because we had more requests than we could fill. After this book became out of print the accumulated requests from teachers in and out of Pennsylvania was something over 5,000 who wanted this particular study.

Q. Do I understand these books are furnished free to schools?

A. Yes sir.

Q. And the cost was paid entirely by contributions from utilities?

A. Yes sir, not only furnished free, but delivered free, and addressed either to some individual or a larger quantity delivered.

Q. To be used by them in their regular courses?

A. Yes sir.

Q. And did the U. G. I. ever make any contribution to you on this work?

A. I did a great deal of work during this period for the U. G. I. not only during this time but before and afterwards.

Q. Was this work preparing pamphlets such as this?

A. No sir. I did prepare another one that was never used, namely, a study of the advisability of the coking and transit and the shipping situation so as to take the by-products out in transit as you do with wheat and then ship the resulting product as you do coal. That was paid for as straight engineering work.

Q. This work that you did for Mr. Thompson in 1920 to 1925, can you tell us about how much you received from him for his company for your literary studies, the studies from which these reports were published?

A. In the first place, except for this Pennsylvania resources book, your use of the term literary is misleading. I was doing various pieces of engineering research work and developing data, and from this later usually in an abbreviated form, reproduce that afterwards in a printed report. The Pennsylvania Gas Primer represents an immense amount of work in the study of natural gas resources which was done for a group of bankers.

Q. Do you know the individual banks making up that group?

A. Ladenthal and Weirman, were the individual bankers of Mr. Thompson. In this Smithsonian report I used a lot of material that I had in my office, collected in various studies, and all of that was thrown into the pot. Just as an illustration: I made a study for Mr. Thompson of the Clarion River Power project. He often kidded me because I lost a large fee through it. In my preliminary study of five days I found what was perfectly obvious a joker, and I made a verbal report to him and he decided that that being the case, he didn't want to go ahead with a detailed study. One of the stories that he told at Washington off the record was that he had on his desk a check for a half million dollars written out and signed to go to the promoters, but that it did not go on account of this report.



BY MR. WALKER:

Q. You said you shortly discovered the joker that was in it; is that right?

A. Yes sir.

Q. Was that joker that you discovered very obvious after five days study?

A. Perfectly obvious if you looked at it, and it is in the Pennsylvania resources book. A Pennsylvania teacher had his life savings ready to invest in the bonds of this company and he was using one of these Pennsylvania resources books which has the illustration on page 65, and he didn't make the investment, mainly on the graph of the stream's flow.

Q. If this joker was so obvious in the plan and river project, then should not the Public Service Commission have noticed it?

A. I don't know whether it was up to them. I made this comment at the time. When the Clarion River project was open, they had the chairman of this Commission go up there and make a speech. I wrote a caustic comment at the time that the Chairman of the Commission and the other members of the party passed a steam plant on the way up that was running so smoothly and so quietly that they didn't know what it was—and this was a steam plant that was turning out a very much larger amount of electric power than what would be generated at Clarion River. That is one of the reasons you have such an enormous amount of misinformation on water power. The public has been obsessed with the idea that when you have water power you have a bonanza. Many water power companies are white elephants, and the exploitation of the Clarion River project, in its inception, in its formal opening, had almost the elements of a fraud, in it. Understand, I am not stating that it is fraudulent, I say it had almost the elements of a fraud.

Q. Would you say it was a white elephant now?

A. I don't know what the situation is now.

BY MR. RHODES:

Q. Still our Public Service Commission passed on that proposition?

A. I don't know what they did to it.

Q. You say they went up there to the opening, and did not see these things that you saw?

BY MR. COOKE:

Q. What Commissioners were there?

A. As my memory serves me, I would not be positive about this. It is a long time ago, but I think Chairman Aimev went there to deliver an address in the power station. You must remember this, that a part of this water program was part of the urge of some of the utilities to get water power, and is in the last analysis a stock selling inducement. A utility that has a number of salesmen out, selling their stocks, bonds, had found that about ninety-five per cent of the sales resistance is removed, if that salesman can state, "My company has a water power," because the prospective purchaser has the usual idea that when you have water power you are getting something for nothing.

BY MR. COOKE:

Q. You spoke about these companies selling—

A. Selling securities.

Q. That is quite incidental.

A. Selling securities is very necessary, to get the necessary money to run the company, to get the enormous amount of capital that must be brought in, and some of the stock selling methods pursued by some of the utilities have been very undesirable.

Q. Have you noticed anything of that kind in the State of Pennsylvania.

A. I do not live here and I do not come in contact with it here, I do know this, at the time that the Clarion River project was opened that I had quite a number of rather regular and sometimes caustic letters from school people that read the picture in here and compared this picture with what they saw up in Clarion County. For instance, when I was speaking one time at the normal school at Clarion, arrangements were made for me to meet at the local luncheon club.—I am not sure whether it was the Rotary or Kiwanis.—and at that time Clarion was carrying on a slogan "the dam city." I poked fun at that slogan and referred to it as a little insignificant water power—like that as being of any value to the city. The local luncheon club refused to allow me to

speak because I was going to say something that would hurt that community. If I had stated it, so I was told afterwards, some money would have been saved.

BY MR. RHODES:

Q. How much was the Clarion proposition capitalized?

A. I could not answer that.

Q. Why was the Public Service Commission there at the time?

A. It was a formal opening.

Q. Did they have anything to do with the approval of the project.

A. I don't know.

Q. What was the joker in the Clarion—

A. Why,—the fluctuation in the stream flow—

Q. What caustic comment did you make at the time of the opening?

A. That group of business men, public utility officials, and state officials should become so excited over a little insignificant water power, when they passed a huge steam plant, and I was told that somebody asked when they were passing, what they were passing, when they passed Colfax Station.

Q. When you speak of the state officials becoming excited who do you mean.—the Public Service Commissioners.

A. My own feeling is that it was giving too much importance to a little insignificant water power project to go up there and address, deliver an address. I think that gave it the idea of importance, that was entirely at variance with the facts.

Q. Do you think the Public Service Commission of Ohio would become excited over that?

A. There are no water powers in Ohio to get excited about.

BY MR. RICHARDS:

Q. There is no storage at Clarion?

A. There is a dam. The engineer has two definite and distinct expressions for storage. There may be storage referring to water that you can hold back and bale out for several days or weeks, and sometimes months. Pondage refers to fluctuation from hour to hour. There is no storage back of the dam except the pondage, which gives you a fluctuation, or leeway.

Q. The pondage as I recall is something like 84,000,000 millions.

A. I could not figure that. It is a fact, and it was so misused by various promoters, mainly that Pennsylvania has a water fall that is higher than Niagara Falls. That is a perfectly true statement,—in short space. In other words, they had everything there except the one thing they needed,—water.

BY MR. WALKER:

Q. When you mentioned Mr. Thompson, A. W. Thompson you mean the Duquesne Light Company,—

A. Mr. Arthur W. Thompson, who was president of the Philadelphia Company, which in turn operated the Duquesne Light Company, the Equitable Company, the Pittsburgh Railways Company, and a number of other corporations.

Q. Can you approximate now the amount that was paid to you by Mr. Thompson and his associates during the five year period?

A. No sir, I have no record of that at all. The fee on the study of the eastern power situation, I can give you one, was \$10,000. This was a study of the eastern power situation, throughout the eastern part of the United States, which included the range from Muscle Shoals, to Montreal, Canada. For this piece of work I was paid \$10,000 of a fee, plus expenses, and the expenses were over \$5,000.

Q. Paid by Mr. Thompson?

A. Yes sir, and not by the National Electric Association, any statement by the Federal Trade Commission or by publishers to the contrary notwithstanding,—including one publisher of a text book who has settled a libel action out of court.

Q. Did you get a pamphlet out on that study?

A. Yes sir.

Q. Was that pamphlet distributed in the schools?

Q. Was it a pure scientific study?

A. So that you get the record straight, Governor Pinchot—

Q. Pardon me.

A. I am answering this, just a minute—

Q. You can make any explanation you want, just please answer my question, was this pamphlet distributed in the schools of Pennsylvania?

A. Not by myself nor by Mr. Thompson. Governor Pinchot got my getting a \$10,000 fee.

BY FATHER COX:

Q. Maybe that is the reason why Governor Pinchot let Mr. Finnegan go shortly afterwards, when he found out it was sort of a mistake.

A. When Governor Pinchot wrote the letter to Smith, asking or inquiring, when all Pennsylvania gets its fair share of Niagara Falls power, he threw the fear of the Lord into a great many of the New York bankers—

BY MR. RICHARDS:

Q. What Smith did he write to?

A. Al Smith, Governor of New York. The net result was a number of bankers who had put up many millions of dollars in this new program by Mr. Thompson in Western Pennsylvania—

BY MR. TURNER:

Q. Was that the Giant Power Project?

A. No sir, and as so often happens, the bankers are the biggest moral cowards in the whole business group, they become panicky.

MR. COOKE: Go as far as you like, there are no bankers here.

MR. TURNER: It is all right, nine to one, so go ahead.

THE WITNESS: They became panicky and they criticized Mr. Thompson for putting these millions in the investment in steam plants, and he made the practical suggestion that he could get a rather complete picture of this whole power situation in advance of any future program, and at the same time one of these bull artists that goes around to luncheon clubs had spoken in Pittsburgh, and he referred to Muscle Shoals, that the power from there would shortly come up and live the smoke business in Pittsburgh, that his claim, and that is the first background that Mr. Thompson put up to me, to make this study. Arrangements were made during the summer of 1925 and in the Fall of that year we went ahead and started that work, to make this general study. The only report that was written, because it was the only report that was needed, was a letter which gave the summary of the facts. If you want those three letters, I will read them into the record for you.

THE CHAIRMAN: We will take your word for it.

THE WITNESS: Muscle Shoals as a project is not large enough to supply Columbus, Ohio. If you had Muscle Shoals outside of Columbus for three months out of the year, you could still have to operate an auxiliary steam plant. It would take about six Muscle Shoals furnishing power to give you the amount that you now have in Philadelphia County. That gives you some sort of yardstick for measuring the distance between the fiction in the Congressional Record and what the engineering facts on the most discussed power project on the face of the globe are.

BY MR. RICHARDS:

Q. You are referring to Senator Norris' statement in the Congressional Record?

A. The Congressional Record on that as well as the Congressional Record in general on the whole Muscle Shoals question, it certainly labels it as America's premier fiction sheet.

MR. TURNER: I thought it was a joke book.

THE WITNESS: Very little humor in it.

BY MR. RICHARDS:

Q. I take it you are not a supporter of Senator Norris?

A. I am not.

BY MR. TURNER:

Q. You read a couple letters, one from Mr. Pinchot and one from Mr. Cooke here, and I was just interested to know when those letters were written. I don't know whether that is in the record or not, and I was going to ask you for copies of those, because I thought we might ask Mr. Evans if he could start an investigation of propaganda on that matter?

A. The first letter from Mr. Pinchot is dated December 9, 1922, and the second is on December 15, 1922. The latter from Mr. Cooke is on January 7, 1923. While we are speaking of

letters, I might also remind you that within four weeks after Governor Pinchot wrote this letter, that he wrote another letter to Mr. Wolcott in which he condemned this book from A to A, and sent it on to Washington. Senator Cousins likewise sent a letter in which he used precisely the same English. They also received a letter from Mr. Cooke, so that we know that Mr. Cooke furnished the information for the Pinchot letter, because the English in the Pinchot letter, in the Cousins letter and in the Cooke letter, which Mr. Cooke has signed, so far as the body of the letter was concerned, was identical, even to the position of commas.

BY MR. TURNER:

Q. Perhaps that is the reason why the Governor is cutting out commas.

BY MR. RHODES:

Q. Have you got those letters too?

A. I don't. One of those is in the Congressional Record.

Q. You only kept the complimentary ones?

A. No, the Congressional Record has the others, the others didn't come to me.

BY MR. EVANS:

Q. This letter, was it written before it was publicly known that you received money from the utilities for the matter for which you were publishing under the name of the Smithsonian Institute?

A. It was not coming from utilities, it was coming from a Pennsylvania business group, of which the utilities were a very small part.

Q. Did not the Duquesne Light Company pay you the sum of \$15,000 for your Niagara study?

A. Not for the Niagara study, they paid me 15,800—

Q. And that was disclosed after you had gotten that money, you had the Smithsonian Institute publish a great deal of it under its label—

A. Let me answer fully—

Q. Well, answer yes or no?

A. I cannot.

Q. Answer the question yes or no?

A. I cannot answer it yes or no.

Q. You can answer it yes or no, and then you can make any explanation that you want to afterwards.

A. I will answer fully.

Q. Did you or did you not receive the sum of \$15,000 from the Duquesne Light Company for preparing a study of Niagara Falls?

A. I didn't.

Q. From whom did you receive the money?

A. I didn't receive the money for preparing that study, I received the money for preparing a power study of the entire eastern part of the United States, ranging from Muscle Shoals in Alabama to Montreal, and part of non-confidential material collected in that way, was used in preparing a professional paper, and that professional paper was published by the Smithsonian Institute with the full knowledge that I had obviously been paid for doing the engineering work that was in the document, in getting the information.

Q. In your testimony before the Federal Trade Commission you referred to the Duquesne Light Company as your Santa Claus didn't you?

A. I may have used that expression.

Q. And they paid you \$10,000 for your services?

A. Yes.

Q. And your total bill was \$15,800?

A. Correct.

Q. And \$5,790 of this was for cash outlay and expenses, and \$9,700 for your services?

A. Well, you are splitting it up.

Q. That is your testimony before the Federal Trade Commission?

A. I am doing the testifying.

Q. And I am asking you, is that true?

A. And when I was on the witness stand—

Q. Answer that question.

A. I will answer the question fully—

Q. Here is your testimony, I will show it to you.

A. I don't have to see it.



O. And you testified that \$5,790 of that was paid for cash outlay, expenses, and \$9,700 was for services, was that true or was it not true?

A. That was true.

Q. All right sir.

A. But that was—

Q. And you also—

A. I am answering the question.

Q. That is all right, I am asking you the questions. And you also testified that Mr. Thompson arbitrarily added \$400 for interest?

A. Yes.

Q. Because you had carried the account?

A. Yes.

Q. And without disclosing any of this to the Smithsonian Institute, you had substantially all of this published by the Smithsonian Institute and put out under its name?

A. That is a lie.

Q. Is it not—

A. That is the only term to apply to that sort of a charge, because I disclosed fully and freely and frankly to Chester Walcott, just exactly how the report was prepared. He knew exactly that all of these facts came in as part of a huge study and he knew that I was not working for nothing.

Q. Was there any of the money of the Smithsonian Institute paid for the printing of this?

A. It developed afterwards there was not. They thought there was not, but they found that the fund had been earmarked, and couldn't use it.

Q. How much did the printing cost?

A. I couldn't answer you now.

Q. Here is your answer (indicating)

A. I would prefer to use what are the facts here (indicating)

Q. Here is your sworn testimony. Are you going back of that?

A. My sworn testimony might not be the printed report. The Federal Trade Commission did some deleting. One whole sentence that I used there went out.

Q. All right, can you tell us what you paid for it?

A. All right I will give it to you.

MR. COOKE: Is the witness doing any work in Pennsylvania now?

(No response)

FATHER COX: To me this seems to be a high class manner of doing educational work. The Smithsonian Institute is so highly regarded everywhere and their word would certainly be accepted without question.

THE WITNESS: I don't have the figure in my memorandum.

BY MR. EVANS:

Q. There it is (indicating)

A. That is probably correct.

Q. So, the printing cost, was \$489.50.

A. Yes.

Q. Who paid it?

A. I did with a personal check.

Q. Who reimbursed you?

A. Mr. Thompson.

Q. So, the actual printing of this Smithsonian pamphlet was paid by the Duquesne Light and Power Company?

A. Yes sir.

Q. How many copies were printed?

A. I couldn't answer that, because I have no record.

Q. You testified that the first edition was \$5,000?

A. I didn't testify to that at all. That has not any bearing on the Smithsonian.

Q. You were asked how many copies were printed, and your answer was I am not sure, but my recollection would be the first edition would be five thousand.

A. But not dollars five thousand.

Q. I said "dollars," that is my mistake.

A. All right. That is probably a correct statement.

Q. Who distributed it?

A. The Smithsonian. Some people wanted some reprints.

Q. How many copies were distributed at a subsequent time?

A. I couldn't answer that. I asked that twenty-five thousand copies be printed.

Q. There was a later edition?

A. A few days after the first edition the whole thing was rushed, because a government,—a cabinet officer wanted it rushed through the government printing office.

BY MR. COOKE:

Q. Who was the cabinet Officer?

A. Lansing.

Q. Who paid for the first edition?

A. I am perfectly willing to answer that question if the Chairman will assume the responsibility.

Q. Who was the cabinet officer?

A. I must decline to answer that, unless you assume the responsibility.

Q. I will assume it.

A. All right; Mr. Hoover.

BY MR. RICHARDS:

Q. There was nothing particularly wrong about that, was there?

A. There was nothing wrong under the sun.

Q. Then why should there be any hesitancy in answering that question, if it was a legitimate outlay of money or a legitimate printing?

A. For the simple reason that there are a lot of people who are trying to make political capital out of what was a perfectly normal thing. Since the slam was made by my friend, the priest here, I am going to answer that question of his. The manuscript for this report was changed into the Smithsonian Institution. I had previously written a letter, stating that it would probably be ninety days before any thing would be done. Very much to my surprise we rushed the manuscript out at eleven o'clock on Monday morning. Dr. Walcott stated that because of the very live and vital interest in Washington at that time in the St. Lawrence Water Way Project, and all of its implications on the coal situation, because it has a very direct relationship, and you build the St. Lawrence Water Way Project, and fifty-eight thousand coal miners would be out of work; that the cabinet officer wanted to see the manuscript. Arrangements were made at five o'clock that afternoon, I met Mr. Hoover. He was then the Secretary of Commerce. He said because of his vital interest in the St. Lawrence Water Way Project and because of all the things in this (indicating) that give quick easy readable picture including the water resources in Chicago, which at that time was a very acute question, the thing was rushed through the printing office. Arrangements were made, and it was rushed through the printing at the request of the cabinet officer. That is how the thing happened to come out prematurely, because ordinarily it would have taken its routine place and come out in about ninety days. Contrary to what the Catholic priest here has said, the Smithsonian was as clean as a hound's tooth in that transaction.

MR. RICHARDS: I think he would agree with that and I resent the implication that there was anything that was off color in the Smithsonian Institution transaction.

THE WITNESS: There was a very good reason why the Secretary of Interior, Mr. Hoover, wanted it, and there was a very good reason why it should be rushed through, and it was rushed.

FATHER COX: We do not cast any aspersions upon any body. I believe that we all feel that there was a system of propaganda on behalf of the public utilities to educate school children here. We do not think it is right and we object to it.

MR. RICHARDS: And further than that, if the Smithsonian Institute had any part in it it was not exactly ethical, they can withhold just as can somebody else. They might have been fooled.

FATHER COX: It might be a good thing to write to the Smithsonian Institution and get their angle on this.

BY MR. EVANS:

Q. At the time that you received a telegram from Mr. Lane or your immediate superior, Mr. Bain, to the effect that your resignation had been accepted the day before—

A. Yes sir.

Q. When was it?

A. Well, it was way back about 1921 or 1922.

Q. And had you resigned the day before?

A. I had not.

Q. Then, in other words, you were dismissed?

A. I was.

Q. And for what reasons?

A. Because I wouldn't agree to certain things that certain politicians in Washington wanted.

Q. What did they want you to do?

A. I don't want to enter into that Teapot Dome case, because it is closed.

Q. I think we are entitled to know why you were dismissed from the government department?

A. I am not going to discuss that here.

Q. You are unwilling to discuss the reasons why you were dismissed from the government department?

A. The Teapot Dome case is closed.

Q. Will you just answer the question? Are you unwilling to state why you were dismissed from the government department at Washington? Are you or are you not?

A. If the Chairman wants me to answer I will answer.

THE CHAIRMAN: Go ahead and answer.

THE WITNESS: At that particular time a group of public utilities, as I viewed the situation were using the bureau of mines as a rubber stamp and I thought that it was a very unfair situation, and I resented it.

BY MR. EVANS:

Q. What utilities?

A. A number of natural gas companies.

Q. What particular group?

A. It was the Natural Gas Association of America.

Q. And why did you feel that they were using the Bureau of Mines unfairly?

A. They wanted the advantage of governmental control of the natural gas without responsibility of company co-operation.

Q. What did the government ask you to do that you refused to do?

A. To O. K. a number of things that I felt were certainly not in accordance with public interests.

Q. What was this information?

A. Information in regard to the natural gas waste situation.

Q. What was that information you had?

A. The natural gas waste at that time was from a public viewpoint simply damnable because of leakage in pipelines, which the companies denied and because of the immense waste in the field.

Q. Who told you to suppress it?

A. Various people I was in contact with in the Bureau of Mines.

Q. Who told you?

A. Largely from the Natural Gas Association crowd.

Q. Who in the Department of Mines told you to suppress this information?

A. No one in particular. It was a situation that was developed where the Director of the Bureau of Mines at that time arranged for a secret conference with a group of natural gas operators after Secretary Lane had started up the whole thing for confirmation.

Q. When you stated you resigned because you were asked to suppress information, that was not the case?

A. It was the case to this extent, because they had wanted a larger program and the Bureau of Mines and was opposing it.

Q. Who asked you to do anything that you refused to do?

A. Bain asked me to do a number of things I refused to do.

Q. Along what line? You stated to this Committee that the reason you resigned was that Mr. Bain asked you to suppress information?

A. Not in the sense that Bain was responsible. He was simply carrying out what this natural gas group wanted done which I felt was not fair because the whole thing had been started with the cards on the table face up and no joker in the deck.

Q. You testified you were dismissed from the Bureau of Mines?

A. It amounted to that in effect.

Q. Because you refused to suppress information which they wanted suppressed?

A. That is one scope. I did not approve of the program that they wanted to put through.

Q. Who asked you to suppress any information in the Bureau of Mines?

A. I have already answered that.

Q. Answer it again.

A. I will answer it again as often as necessary. Your question is not in the proper form. What happened was, they had

that program due to a group of natural gas operators who were trying to get all the credit they could from conversations and trying to tell the Bureau of Mines not to carry out some of the recommendations I had made in regard to natural gas uses.

Q. In fact, no one in the Bureau of Mines asked you to suppress any information?

A. They did to this extent, that when the situation came up in what I thought was the public interest, I stood on one side and the group of officials stood with the utilities, which I did not.

Q. Which ones stood with them?

A. Bain, who is the director of the Bureau of Mines, and them that were with him.

Q. Who were with him?

A. I could not name them now, but men who were there knew the details.

Q. That is the only explanation you can make why you were dismissed by the Bureau of Mines?

A. Yes sir.

Q. Why was your connection with the Smithsonian Institution terminated?

A. Because it terminated. I never received a dollar from them.

Q. You were using their name to put out your publications?

A. I was doing some work at the Institution because I was developing some models.

Q. After you published these various public utility pamphlets in the name of the Smithsonian and the fact that that was brought out, your connection with the Smithsonian was severed?

A. Yes, and was not renewed but terminated automatically at that time.

BY MR. CRAWFORD:

Q. Do you know why you didn't make a report for the Pennsylvania Fuel Supply Company?

A. No I do not; I was called off.

MR. CRAWFORD: I hauled you off. As soon as I heard you were coming, I hauled you off.

H. S. RAUSHENBUSH, recalled

BY MR. EVANS:

Q. Mr. Raushenbush, the committee requested from the Public Service Commission on March 4th information in regard to all cases started by the Commission since January 1st, 1926, which were instituted more than one year before the date of decision. That information has been furnished, and have you made any study of it?

A. Yes, sir, I have made a very brief compilation of those cases, of the rate cases involved in this document presented here. There were altogether about 360 rate cases of various kinds involved. I have here about the average length of time between the time the complaint was filed and the final decision. The average was two years, eleven months, twenty-four days. I also prepared a few copies of this compilation of the cases, which took over four years. There were a good many cases running to seven years, several into eight, a good many into six and five. There was altogether about seventy-four cases running over four years length of time.

Q. There were 74 cases that you have listed running for over four years?

A. Yes, sir.

MR. EVANS: I offer this in evidence as Exhibit No. 167. Probably it will be convenient to have the Commission's tabulation immediately adjoining this, rather than put it in with the answers to the letter of March 4th. So, I will offer the Commission's reply as Exhibit No. 168. Exhibit No. 167 is merely a list of the 74 cases that have been before the Commission more than four years, during the period from January 1, 1926, on.

BY MR. EVANS:

Q. Have you prepared,—have you anything more to say in regards to that?

A. Not in regard to that.

Q. Have you prepared an Exhibit, showing the interstate movement of electric energy, as it effects the Pennsylvania?

A. Yes, sir, when I was on the stand before, I was asked about that. It is a very simple exhibit of one page, taken from the figures compiled by the Federal Trade Commission, show-



ing the exports from Pennsylvania, and the imports into it. The exports being about 14% of the amount generated and the imports being 25.88% of the amount consumed. The exhibit also shows the net movements each way between various pairs of states such as Delaware and Pennsylvania, Maryland and Pennsylvania, and so on.

BY MR. COOKE:

Q. You spoke about the average being 15%.

A. I said a little over 14% of the amount generated is exported, and the amount of imports is reckoned in relation to the amount consumed. It is almost 26%.

MR. EVANS: I offer this in evidence as Exhibit No. 169.

MR. COOKE: I think it is worth while to put on the record the fact that 15% of outgoing—or rather the 25% of incoming—was absolutely beyond the scope of regulation.

MR. TURNER: How do you mean, Mr. Cooke?

MR. COOKE: That is 25% of our problem, as far as electricity is concerned.

MR. TURNER: Why is it absolutely beyond the scope?

MR. COOKE: Because it is interstate flow of current, over which there is no present regulation.

MR. TURNER: Doesn't it come in for distribution?

MR. COOKE: You cannot control the rates at which it is sold, because you cannot ascertain the cost of its production.

MR. TURNER: Doesn't that come in under a contract with a local company or distribution?

MR. COOKE: No, because a great deal of this, Mr. Turner, is exchanged.

MR. TURNER: That gets back to the question, it has to be exchanged for a light commodity, which would come under regulation.

MR. COOKE: You would be surprised to know how loose those exchanges are.

MR. TURNER: That may be in the broad principle. I just was trying to find out.

MR. EVANS: I think the difficulty is that the price at which the foreign company sells to the Pennsylvania companies is not subject to regulation, because that is interstate commerce.

MR. TURNER: That is true, but as I recall the testimony here, that cost is so small a part of the rate that it doesn't enter very largely into the question.

MR. COOKE: In the case of Milford, Pennsylvania, a very distinguished community,—

MR. TURNER: Is that in this state?

MR. COOKE: Milford, Pennsylvania, the home of the present executive,—the selling price is 15c and the price of the current coming across the border is 4c. I suppose that our Commission could regulate the 11 cents, but they cannot regulate the four cents.

MR. TURNER: It would regulate itself, if it were put down.

MR. EVANS: The question is whether they can refuse to allow as an operating expense to the distributing companies the price which is paid to the foreign generating company.

Q. Have you also prepared a statement in regard to domestic water in Pennsylvania cities?

A. Yes.

Q. And you prepared such an exhibit?

A. Yes, for both private and municipal plants, according to the size of the city.

Domestic water rates in Pennsylvania municipalities, 1930, produced and marked Exhibit No. 170.

MR. EVANS: I offer this in evidence as Exhibit No. 170.

THE WITNESS: May I say in this connection that it is somewhat difficult to make comparisons here; very difficult to make comparisons between cities that are served by gravity systems, and cities being served by pumping systems, and also difficult to make comparisons between private companies and municipalities, except in a very general way. The first table on the first page, for instance, Philadelphia shows a figure of \$12 for the annual use of 20,000 gallons, and for that sum of \$12 those consumers get as much as 60,000 gallons. So, taking the 20,000 all the way through, it would show some very high figures in some cases, and in other cases where there is an "M," the minimum charge exceeds that consumption of 20,000 gallons. On the next sheet, private companies, we have taken both the metered rates at the right hand column for 20,000 gallons, and the flat rate, which is not supposed particularly to amount to 20,000 gallons. We don't know how much it amounts to. The consumer usually has a first tap, a bath tub, a wash basin, a water closet, and they are paying in

Scranton \$32.50, and so on down the line. I think it is important perhaps to point out in passing that most of the people, the consumers of that Scranton-Springbrook company that we have heard so much about, is something like 72% get a flat rate rather than the metered rate, which is quite a good deal lower.

Q. Why do you take a consumption of 20,000 gallons?

A. Because that is generally accepted and used by the Commission to be about the average family use. One other rough comparison can be made here, if you will notice on the third page of this exhibit, the averages are put at the bottom, and they show that the flat rates run from \$20 to \$24.50, and the metered rates run from about \$11 to about \$15. The municipal rates are only metered, and they show a good deal lower, so I say the comparison is not absolutely 100% because of the difference in pumping systems.

Q. Have you explained the last page?

A. The last page shows that the various companies, the various classes of consumers, both metered and unmetered, and shows which of the rates is metered for most of the people in the community.

Q. Now, have you prepared any exhibits in regard to household appliances?

A. Yes, I have prepared two exhibits on that to show the amount of usage of household appliances that can be paid for at various rates throughout Pennsylvania, and these tables are not inclusive. They compare a city that is just a little way beyond the borders of our state, Jamestown, with a good many, but not all of the Pennsylvania cities, and it shows here—

BY MR. COOKE:

Q. What is that system at Jamestown, New York, is that public or private?

A. That is a municipal plant, but it is pretty close to our border, and it is rather a larger plant than most of the plants of Pennsylvania, and it compares reasonably in the cost of coal, and so on, with a good many of the Pennsylvania companies. I mean it gets coal from West Virginia and pays \$3.80 a ton, which is about the price the Metropolitan Edison pays, which is \$3.90. That is a little less than what the Philadelphia Electric pays for coal, \$4.20, but it is about just twice as much as the company around here, the Pennsylvania Power and Light Companies pay for their coal, these tonnage figures, of course, have to be checked again in the sense that while the Pennsylvania Power and Light reports \$1.64 for its coal, Jamestown reports over twice as much, \$3.84, still it may be a different kind of coal, that is not separated in the reports.

MR. EVANS: I offer this in evidence as Exhibit No. 171.

BY MR. COOKE:

Q. Do I understand that the \$3.81, the Jamestown people get 25 kilowatt hours and the Pennsylvania towns get this number of kilowatt hours in the left hand column?

A. This sheet—this appliance sheet is furnished to show how much about it would cost the people in Pennsylvania to have some of these appliances. Now, in Jamestown at the present time, 1931, the woman is able to use all of these things in her home, every one of them, and in 1931, the rates in these Pennsylvania cities, they simply are not able to use more than an electric light and a flat iron. In some of those towns, in Jamestown, that woman can use four more things; New Castle, they can use three more things; Norristown and Erie, one more, and in Scranton, two more, but most of them cannot use all of them, or use as much as Jamestown for the money that they pay, \$3.81, which they would if these squares would be filled up. This is just a story of showing that there is a possibility of comparing the appliances. I have also worked out a similar chart for smaller cities.

BY MR. COOKE:

Q. You have good authority for the use of power by the refrigerator?

A. Yes, that is from the Electrical World studies that were made some time ago.

Chart, "Pennsylvania Housewives can buy much less electricity for \$3.81 than housewives in other places, Jamestown, N. Y., for example, produced and marked Exhibit No. 172.

MR. EVANS: I offer this in evidence as Exhibit No. 172.

MR. COOKE: This last one that is being distributed?

MR. EVANS: Yes.

THE WITNESS: The same thing shows here that shows on the rate figures, and it shows that some of the smaller cities got much more power for their money than some of the bigger places. The bigger places are here on the first sheet, and the smaller ones are on the second. We tried to group together most of the cities.

BY MR. RHODES:

Q. Where is Old Forge?

A. Old Forge is down here. (Indicating on exhibit.)

MR. COOKE: He means what part of the state.

THE WITNESS: Up near Scranton.

MR. TURNER: There would be no use of putting in a washing machine in Old Forge.

THE WITNESS: This is not a complete picture. There are some companies that have promotion rates that drop quite a lot, that we talked about before, but in the western part of the state, and the Philadelphia Electric drops off if a lot of current is used.

BY MR. HAGMAIER:

Q. Where does Bradford get their power?

A. Bradford, I think, comes across the border, from the Niagara outfit. It is very close to Jamestown. If I remember correctly. That is one of the notable things about Jamestown, that there is a private company competing with it; it has forced the Niagara-Hudson to bring down rates in the surrounding territory and the Niagara-Hudson has taken these people into court for keeping the rates so low.

MR. EVANS: The Tri-State Power Company, Mr. Hagmaier, map shows that Bradford is in the territory of the Niagara-Hudson.

(Discussion off the record.)

BY MR. EVANS:

Q. Have you anything else you want to say about the Jamestown plant?

A. Well, I could say a whole lot, but it is late.

MR. TURNER: Thank you very much, Mr. Rausenbush. We have enjoyed your frankness, and hope you will come again next week.

BY MR. EVANS:

Q. Is that all?

A. Mr. Cooke usually asks what the generating costs are and what—

MR. TURNER: You tell him that privately.

THE CHAIRMAN: The hearing will stand adjourned until ten o'clock tomorrow morning.

(Adjourned until Friday, April 24th, 1931, at 10 o'clock A. M.)

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Friday, April 24th, 1931, at 10.00 o'clock P. M.

There were present:

Messrs. D. Glenn Moore, Chairman,  
Chester H. Rhodes,  
Martin Memolo,  
Ellwood J. Turner,  
Louis W. Hagmaier,  
Harry J. Crawford,  
Morris L. Cooke,  
Rev. James R. Cox,  
Harold Evans, Esq.,  
John M. Walker, Esq.

A. B. MILLAR recalled.

BY MR. EVANS:

Q. Mr. Millar, will you please explain to the Committee the connection between the Pennsylvania Electric Association and the Public Policy Committee of the Pennsylvania Electric Association?

A. There is no Public Policy Committee of the Pennsylvania Electric Association at this time. There was prior to my connection with the Pennsylvania Electric Association a committee that was known as the Public Policy Committee.

Q. When was that Committee dispensed with?

A. To my recollection some time in 1929—yes, in 1929.

Q. After the Legislature had adjourned?

A. I cannot fix the time, because so far as I was concerned there was no connection between the Legislature and the Public Policy Committee.

A. Oh, there was no connection between the Legislature and the Public Policy Committee?

A. So far as I know.

Q. Now, what was the function of the Public Policy Committee?

A. The Public Policy Committee, as I understood it—

Q. Just a minute, Mr. Millar. Do you know what the purpose of the Public Policy Committee was?

A. I would say no, definitely—let me put it this way. I went with the Pennsylvania Electric Association, I think it was in December of 1928, and the Public Policy Committee was discontinued shortly after that, and therefore I had no connection with the Public Policy Committee, although I knew there had been such a committee.

Q. Now, did you have any connection with the Public Policy Committee prior to December, 1928?

A. I am trying to fix the date, Mr. Walker, in my own mind, when I went with this electric association. Of course, prior to my connection with the Pennsylvania Electric Association, I had no connection whatever with the Public Policy Committee.

Q. Now, are you certain in your own mind that your connection with the Pennsylvania Electric Association commenced in December of 1928?

A. I am trying to get back to it. Yes, I would say approximately December 1, 1928.

Q. And your connection with the Public Policy Committee commenced at the same time, is that right?

A. Yes.

Q. Had you ever received any money from the Pennsylvania Electric Association prior to December, 1928?

A. Prior to my connection with the Pennsylvania Electric Association, I had received no money from the Public Policy Committee. Let me say this, if I am wrong in saying December 1, 1928, I wish you would—

Q. The point is this, Mr. Millar. I want to find out when you came with the Pennsylvania Electric Association. I don't want to charge you up with any of their sins that predated your association?

A. I cannot fix that in my mind.

Q. Do you have anything with you that would show that?

A. No sir.

Q. Do you have any in the office, in your office, that would show that?

A. Oh, yes, and I will be glad to give you the exact date on that.

Q. All right. Now, in order to refresh your memory just a little bit, Mr. Miller. I show you here Federal Trade Exhibit No. 1113, on page 861 of the Federal Trade Exhibit, under date of January 18, 1923: W. E. Long, expenses to A. B. Millar, \$250. Will you tell the Committee what that was for, Mr. Millar?

A. I am assuming that is exactly what it says. To and from Harrisburg.

Q. To where from where?

A. Philadelphia and Harrisburg.

Q. From Philadelphia to Harrisburg. Now, on January 18, 1928, by whom were you employed?

A. I wish you would let me check from my records exactly, from the office. I want to be perfectly fair, and open with you, and I am not positive.

Q. I don't want to take any undue advantage of you, Mr. Millar, but that is only a couple years ago, that you should know by whom you were employed?

A. My recollection is December 1, 1928, that I was employed by the Pennsylvania Electric Association.

Q. And in January, 1928, by whom were you employed?

A. If I am correct on the first date, I was employed by the Philadelphia Rapid Transit Company.

Q. If that is true, and you were not employed by the Pennsylvania Electric Association until December, 1928, can you explain why you were receiving \$250 from this Public Policy Committee in January of 1928?

A. I didn't receive—let me put it this way, Mr. Walker, I didn't receive any money from the Pennsylvania Electric



Association or any of its affiliations prior to my connection with the Pennsylvania Electric Association.

Q. Just explain to me, so I understand, why was Mr. W. E. Long receiving \$250 which he had charged up against Mr. A. B. Millar?

A. I don't know, if those dates are correct, and if it was prior to my connection with the Pennsylvania Electric Association. I did not receive the money. I did receive \$250 from Mr. Long, and I did receive a subsequent check from Mr. Long, subsequent to my association with the Pennsylvania Electric Association, there is no question about it, Mr. Walker.

Q. All I am trying to do, Mr. Millar, is to get it straightened out.

A. If you will let me get on the phone for about a minute, I will give you the exact date.

MR. WALKER: Go ahead.

(The witness was excused in order to obtain the information requested.)

Q. And now, Mr. Millar, do you devote all of your time to the Pennsylvania Electric Association?

A. Yes sir.

Q. Are you employed by any other firm or corporation?

A. I am.

Q. By whom?

A. The Pennsylvania Gas Association, and on a retaining basis with the Philadelphia Rapid Transit Company.

Q. You are on a retaining basis with the Philadelphia Rapid Transit Company?

A. Yes sir.

Q. And what is your official title with the Philadelphia Rapid Transit Company.

A. I have no official title with the Philadelphia Rapid Transit Company.

Q. What are your duties?

A. I am consulted, asked for advice whenever they deem it necessary.

Q. Along what lines?

A. Oh, I would say in connection with matters affecting bus operation; generally along the line of bus operation.

Q. And what is your annual retainer?

A. \$6,000.

Q. Can you approximate how often during 1930, they consulted you on bus operation?

A. That would be rather difficult, because I am called on the telephone many times and usually on Saturday, when I am in Philadelphia. I am consulted on those matters.

Q. Then, your association with the P. R. T. is an active one, is it?

A. Fairly so. I wouldn't say it was active in the sense that I participate in all matters down there—no; but whenever they think I have the information or may be able to advise them on matters they consult me.

Q. The Pennsylvania Gas Association, as I understand it, is an organization similar to the Pennsylvania Electric Association, only that the Pennsylvania Gas Association protects the gas industries; is that right?

A. I don't know about protecting the gas industries.

Q. They do not harm them, do they?

A. The Pennsylvania Gas Association is a organization similar to the Pennsylvania Electric Association; one affecting gas and the other electricity.

Q. And they are organized for the purpose of advancing the art of the industry; is that right?

A. That's right, sir.

Q. Do they have Constitution and By-laws?

A. They do.

Q. Is that phrase Mr. Shearer used yesterday, incorporated to advance the art of the industry—is that in the Constitution and By-laws?

A. Of which are you speaking now?

Q. Either one.

A. Yes sir.

Q. It is?

A. Yes sir.

Q. Do they have any other purposes besides advancing the art of the industry?

A. Let me put it this way,—

Q. Wait a minute.

A. Will you let me read the purpose?

Q. Will you just please answer my question: Do they have any other purpose beside the advancing the art of the industry?

A. No; that is the purpose.

Q. And now, included in the art of the industry is also a committee known as the Public Policy Committee; is that right?

A. Yes sir.

Q. And the Public Policy Committee has gone out of existence; is that right?

A. That's right, sir.

Q. And what new committee was incorporated to take its place?

A. No new committee.

Q. What committee or what group of members of your Pennsylvania Electric Association are carrying on the duties that were formerly performed by this Public Policy Committee?

A. You asked me about the Public Policy Committee before, and I told you that I was not familiar with the functioning, coming so shortly. Now I will say this, that the Pennsylvania Electric Association, like all associations, has its offices and executive committee. The direction of the association is lodged, of course, in the hands of the officers and the executive committee, and they direct, in the main the activities of the other committees of the association.

Q. You are thoroughly familiar with the personnel of this executive committee, are you not?

A. Yes sir.

Q. Now, Mr. Millar, will you please tell me who does the job that Mr. Johnson used to do?

MR. TURNER: What job is that, Mr. Walker?

MR. WALKER: Mr. Millar, knows.

THE WITNESS: No; I don't.

BY MR. WALKER:

Q. He used to be a member of this Public Policy Committee.

A. I believe he was.

Q. Chairman; as chairman of the Public Policy Committee, he performed certain functions for the Pennsylvania Electric Association, didn't he?

A. I assume he did.

Q. Now, did he or did he not?

A. I assume he did, because as I told you before—

Q. All right. Who is performing those functions now?

A. Again, it is an assumption. I assume that he did perform certain functions for the Pennsylvania Electric Association. The Direction of the Pennsylvania Electric Association is under the officers and executive committee of the association.

Q. You heard the testimony in Washington before the Federal Trade Commission, did you not?

A. Some of it; yes sir.

Q. You heard the testimony regarding the expenditures of the Public Policy Committee of the Pennsylvania Electric Association, did you not?

A. Yes sir.

Q. Then, you are familiar with the fact that this Public Policy Committee of the Pennsylvania Electric Association did receive contributions from members, are you not?

A. Yes sir.

Q. And you are familiar with the fact that they did make expenditures to certain individuals, are you not?

A. Yes sir.

Q. Now, who takes care of those expenditures now?

A. I do.

BY MR. TURNER:

Q. I am still at sea. You may have gotten into some of this examination before I came in and I am apologizing for any delay I may occasion, but I am still at sea as to what these particular things are that are being done?

BY MR. WALKER: We are just coming to that.

Q. One of the items that is listed in this Federal Trade Exhibit No. 1113 under date of March 22, 1926, is, Herman P. Miller, advance copies legislative bills, \$200.00. Who pays Herman P. Miller now?

A. I do.

Q. How much did you pay Herman P. Miller from January 1st, 1931, to date?

A. Nothing.

Q. Am I to understand you have not received any advance copies of legislative bills this year?

A. No.

Q. You did receive advance copies?

A. I did. When you speak of advance copies, let me qualify that to this extent. Bills are introduced as I understand the procedure in the Legislature, bills are introduced by a member of either branch and then are referred by the presiding officer to a committee. When that is done the bills are printed. Then they are taken and what is termed "picked" in order to be distributed, and everyone gets them. In order that we may be sure that I get all of the bills the system is for me to get the bills sent at the same time that they are sent to everyone else, members of the Legislature and other persons.

BY MR. TURNER:

Q. I never heard before of the term "advanced copies of bills." We speak of pink and white bills, but advance copies is a new term to me.

BY MR. WALKER:

Q. Mr. Millar, do you mean by advance copies, pink bills?  
A. Yes sir.

BY MR. TURNER:

Q. Are they bills before they are printed or copies of bills as they are introduced?

A. It is what is known as a pink bill in the Legislature after they are printed.

Q. They mail them direct to you?

A. Yes sir.

BY MR. WALKER:

Q. How much are you to pay Mr. H. P. Miller for furnishing you with these advances?

A. I presume I will pay him.

Q. How much?

A. I asked him to let me have the courtesy of letting me have the bills as soon as they are printed.

Q. Do you happen to know of any other of your associates that are on Mr. Miller's mailing list?

A. No sir, I do not.

Q. Do you also obtain these bills for the Pennsylvania Gas Association?

A. No sir. I get these bills for the purpose of informing myself and keeping the member companies informed as to what is introduced in the Legislature. I use the pink bills for myself and thereby be in a position to answer any questions that may come to me regarding pending legislation.

Q. Mr. Millar, perhaps this will shorten the thing a little, if I read to you from the testimony before the Federal Trade Commission on page 343:

"Q. What is your connection with the N. E. L. A.?

"A. I am managing director of the Pennsylvania Electric Association which is a part of one of the divisions of the N. E. L. A.

"Q. And is the N. E. L. A. the National Electric Light Association?

"A. Yes sir.

"Q. How long have you held that position?

"A. Since December 1st, 1927.

"Q. Before that you were connected with some utility company?

"A. I was connected with the Philadelphia Rapid Transit Company."

Q. Were you secretary of the Pennsylvania Public Utilities Commission at one time?

A. I was secretary of the Public Service Commission from the time of its beginning and creation in July, 1913, down to the time that I went to Philadelphia with the Philadelphia Rapid Transit Company. I think there is one change that might be made. I am not sure that November 1st, 1920, is the correct date.

Q. You are still affiliated with the Phila. Rapid Transit Company?

A. As an advisor and consultant when they desire my information.

Q. Now, do you have a list of the companies that we requested in your subpoena?

A. Yes sir.

Q. Can you tell me how many Class A members are in the Pennsylvania Electric Association?

A. Forty-two.

Q. Can you tell me how much was contributed by all of your members of the Penna. Electric Association in 1928?

A. I wonder. Mr. Walker, in order that you may be advised and that the Committee may be advised, if you would permit me to digress and explain just how we get our money. You are putting a date that I cannot specifically answer, because our fiscal year starts on June 1st.

Q. How much did you collect from June 1st, 1927, to 1928?

A. We collected no money from members of the Penna. Electric Association in the year from June 1st, 1927, to June 1st, 1928, but we did receive \$40,000.

Q. From whom did you receive that?

A. The National Electric Light Association.

Q. That was a contribution of the National Association to the State organization?

A. Correct.

Q. How much money did the Penna. Electric Association get from June 1st, 1928, to June 1st, 1929?

A. Practically the same amount.

Q. And from the same source?

A. Yes sir.

Q. Did it receive any contributions or assessments from its members?

A. I think it was about that time, Mr. Walker, that the need for additional information to be given to the rural communities in the State of Pennsylvania was found to be very advisable, therefore as I say I am not sure of my date, but the member companies of the Penna. Electric Association directly contributed for the purpose of putting advertisements in the Pennsylvania Farmer and the Pennsylvania Grange News as to the use, utility and utilization of electric energy on the farm. That sum was approximately \$12,000.

BY MR. COOKE:

Q. Was that in the year 1928 or 1929?

A. If Mr. Walker got me up to twenty-nine—I would be glad to give that to you and I would be glad to give you the amount and all of the information concerning it including the companies by whom the contributions were sent, but I hesitate to give you dates and amounts from memory. I will be glad to send it to you.

BY MR. WALKER:

Q. Will you tell me how much money the Penna. Electric Association received from June 1st, 1928, to June 1st, 1930?

A. Subject to only that \$12,000, as far as when it was received, whether it was in 1928, 1929 or 1930, practically the same amount was received from the National Electric Light Association as in previous years.

Q. Then am I to understand that from June 1st, 1927, to June 1st, 1928, you received \$30,000 from the National Electric Light Association?

A. Approximately so.

Q. And from June 1st, 1928, to June 1st, 1929, you received approximately \$40,000 from the National Electric Light Association?

A. Yes sir.

Q. And from June 1st, 1929, to June 1st, 1930, you received approximately \$40,000 from the National Electric Light Association?

A. Correct.

Q. Now, you say your public policy committee is no longer functioning?

BY MR. COOKE:

Q. May I ask where that \$12,000 came from?

A. It came from direct contributions from member companies in the State of Pennsylvania exclusively. The reason for collecting it from them rather than going back to the National Electric Light Association was that that money was to be used for the advertisement of rural electrification exclusively in Pennsylvania and therefore these companies deemed that they were the ones to pay for this advertisement which appeared in those two papers.

BY MR. WALKER:

Q. And the contributors were put in the treasury funds, were they not?

A. They were.

Q. \$12,000 was put in back to the form fund.

A. No sir.

Q. Carry it in the general fund.



A. My recollection it is was put in the funds, but that separate checks, a separate for that \$12,000 has been kept and the money expended that way.

Q. Approximately the \$40,000 that has been received each year, was that put in the general fund.

A. Absolutely.

Q. Were there any other funds?

A. No sir.

Q. This money that was formerly contributed by members of the Pennsylvania Electric Association to the public policy committee, in what fund do you carry that?

A. I have no such fund.

Q. You mean that fund has been dispensed with?

A. Absolutely.

Q. There are no more contributions or assessments or donations?

A. Except those that I have thus far explained.

Q. All of the members of the Pennsylvania Electric Association are also members of the National Electric Light Association.

A. Necessarily so.

Q. They all make contributions or assessments or payments to the national association,—the national association, the National Electric Light Association?

A. Yes sir.

Q. Instead of receiving your dues from your state direct, from your state membership, you receive them from the national organization?

A. Yes sir.

Q. Can you tell me off hand what is the average annual payment or assessment from the members in Pennsylvania?

A. I would rather refresh my memory if you will permit me. There are Classes A, B, C, D, E, F, and G, of the N. E. L. A. Let me go back a minute so that you will have the whole picture. The N. E. L. A. as you inferred a little while ago, is an association of companies and individuals who are interested in the advancement and progress of the generation, distribution, transmission and use of electricity. To become a member of the N. E. L. A., you must become a member, first rather to become a member of the association, you must become a member of the N. E. L. A. The N. E. L. A. receives dues from member companies, based upon the classification in which they are entered, and then makes an appropriation thru either geographic divisions, where there are such, or state organizations. Class A members are those members companies engaged in the generation, production and distribution of electricity. Their dues are approximately 50 cents on \$1,000 of operating revenue. Class B members are the employees of the Class A companies. Their dues are \$3.00 a year.

BY MR. COOKE:

Q. Are these dues paid by the members companies? For their employees?

A. Not always.

Q. Quite frequently.

A. I would say about fifty-fifty, from what I can understand. I am not familiar with all of these details, because that doesn't come under me at all. The Class C are practitioners of engineering or related sciences or of other professions who are interested in the use of applied electricity. Class D are members, member companies of firms, engaged in the manufacture of apparatus, machinery, equipment, supplies or material for the production or use of electricity. Class E,—they are officers or employees of Class D members. The dues of Class D members are 1/50 of 1% of sales. Class E members are officers or employees of Class D. They pay according to my recollection, \$3.00 a year to the N. E. L. A. Class F companies or firms of electric wholesalers, contractors, dealers whose dues are 1/100 of 1%. Class G, they are officers or employees of Class F members.

Q. You do not mean that the association of Class members pay \$50 out of every \$1,000.

A. 50c; I think it amounts to 1/50 of 1%.

BY MR. TURNER:

Q. This money is paid in, is it, to the national association, and then in turn it supports the State association.

A. Yes sir. At the first of each fiscal year we make up a budget of what we deem will be our expenses for the following. That budget is submitted to the national association,—the

executive committee. That committee lets us know in a few days how much of that budget they are going to let us have. They then send us that money. With the exception of the \$12,000, that is the only income of the Pennsylvania Electric Association.

Q. The Pennsylvania Electric Association is the representative of the electrical industry in Pennsylvania?

A. Yes sir.

Q. Representative of the companies, that sell, manufacture and distribute?

A. Yes sir, the generating companies in Pennsylvania.

Q. All of them?

A. I think I am safe in saying all of them. Let me put it this way, I would say 90% of all power generated in the State of Pennsylvania is represented by the Pennsylvania Electric Association.

Q. Would you say that the Pennsylvania Electric Association is comparable to the Pennsylvania Manufacturers Association?

A. Yes sir, I would say so.

Q. The same idea.

A. Yes sir, or any other association, with a particular line of work, who come together for their advancement.

Q. You have local groups, like they have in the Pennsylvania Manufacturers Association? For instance, down in Delaware County we have—

A. No sir, we have committees, similar in name and form to the national association: These committee may be composed of members from any part of the State, generally limited to seven members to the community.

Q. Is the Pennsylvania Electric Association an incorporated body?

A. I think not.

Q. Just an association?

A. Just an association.

Q. Does it have by-laws.

A. A constitution and by-laws.

Q. That is published.

A. Yes sir.

Q. Is it in the record here?

A. It is not, I don't think.

MR. TURNER: I would like to ask Mr. Walker if that could not be put on the record. You may put it in as an exhibit, if you want to.

MR. WALKER: I do not want to spread it on the record of the committee.

BY MR. TURNER:

Q. Was it the Pennsylvania Electric Association that sent representatives here a week or ten days ago to asked to be heard?

A. Yes sir.

Q. By this Committee?

A. Yes sir.

Q. It was that association?

A. Yes sir.

BY MR. HAGMAIER:

Q. What were some of the items included in that budget to make up the \$40,000, a year?

A. Administrative,—expenses, maintenance of the office, printing. When I say printing, I mean printing reports, general, annual proceedings, yearly reports of the committee. Let me suggest this, Mr. Hagmaier,—let me send you a copy of our financial statement, showing you exactly how every penny of that money was spent.

MR. TURNER: I think it would be well to have that done, because there seems to be a feeling that these associations are created for some sort of an improper or sinister purpose, and I think that we ought to relieve the situation of all suspicion if we can. The thing I am particularly interested in in this investigation is to get the facts. Generalities do not mean a thing to me. You may put all of them you please on the record, but they do not mean a thing to me, I have been trained too long in the law to not want to have some kind of specific testimony along that line. If you people can come here, if you can give us something specific, if you can give us something that will show that this atmosphere of suspicion should be dispelled, I would appreciate it. I think that is the thing that should be done, both for the benefit of the Pennsylvania and for the electric industry.

A. That is our entire purpose, Mr. Turner. If there is any information from the Association that you want or have in mind, I will be glad to furnish it.

Q. It is not a question, Mr. Millar, of what we particularly want, as I see it. The difficulty that we are up against is this: That we have had presented a long record of some 4000 pages, and it is impossible to remember every bit of the detail of this testimony; it has not been possible to present it in a logical sequence as in the trial of a case, because of the necessity of putting in testimony at different times. Now, it is impossible for me to take 4000 pages of a book and review every bit of it, but there must have been in your organization, you must have seen the newspaper accounts, and you have people who have read this testimony, I have no doubt, and I think you would have been darn fools if you didn't, you must have had places where you saw certain things that were or were not as you thought they ought to be. Now, if there are such places in the testimony, I think you owe it to the Committee to come and tell us, if there are any, and then if we are right in taking the testimony, if the testimony is correct, I think you would have to be judged on the testimony.

THE WITNESS: When this investigation started, in fact when the Senate Investigation started, and the testimony came in, we arranged to get a copy of the daily testimony, and then when it was indicated that we were going to be given an opportunity to be heard, our expert studies the testimony, analyzed it, not only for themselves, but for the enlightenment of the Committee, and that has been done and is being done, but we understand now that we are not going to be permitted to put that in.

MR. TURNER: What do you mean by that, Mr. Millar, that you understand now that you are not going to be permitted to put that in.

THE WITNESS: By the letter we received, for instance, last Saturday we discovered, our special counsel discovered that one of our most important witnesses who had been studying the record—

BY MR. COOKE:

Q. What was that?

A. Mr. Jacobs.

Q. Who is Mr. Jacobs—

BY MR. WALKER:

Q. Nathan Jacobs?

A. Yes.

BY MR. COOKE:

Q. Who is he?

A. I understand he is an expert on taxation and valuation matters.

Q. He operates independently?

A. Oh, absolutely, he is not connected with any independent company.

BY MR. WALKER:

Q. He is connected with Morris Knowles?

A. I think he is.

Q. Valuation engineer from Morris Knowles?

A. I assume that that is his title. They learned that he was going to go abroad, to leave the country on Monday.

Q. With Major Richardson?

A. And they therefore requested an opportunity to have him present it this week, and we were not given any time to put that in this week, and I cannot—

MR. TURNER: What do you mean by that, I have been here at these meetings, and I have been here at the Executive Sessions, and I have never heard any question raised as to any request by you as to time. I don't quite understand.

THE WITNESS: Wednesday a week, I think it was, Mr. Chas. H. English of Erie—

MR. TURNER: Yes, I was present at that time when they came in here.

THE WITNESS: And Colonel Holding, their statement was that they desired to be heard, and subsequent to that— I think it was on Friday, Mr. English got in touch with me and said that he had learned that Mr. Jacobs had been called to Europe on a governmental mission, so he wrote a letter to counsel for the Committee and asked an opportunity to be afforded us to present Mr. Jacobs this week. In response to that we were told that the Committee's time was filled up,

and that Mr. Jacobs could not be given an opportunity this week to put any of his testimony in. Therefore unless we can arrange, or if he finds it possible to wait over until such time as the Committee desires, we lose the value, whatever value there is, of Mr. Jacobs' testimony.

BY MR. EVANS:

Q. When is he sailing, Mr. Millar?

A. My understanding, Mr. Evans, is on Monday, the 27th.

BY MR. TURNER:

Q. That is this Monday?

A. Yes.

BY MR. EVANS:

Q. Is he in town today?

A. I think not.

BY MR. COOKE:

Q. Has he been here at these hearings?

A. He may have been at one, but I am not sure.

MR. EVANS: In order to clear the situation up, it is not correct, as Mr. Millar states—

THE WITNESS: I am sorry if I made a mistake.

MR. EVANS: Mr. English did write me a letter, which I got in Philadelphia the first of this week, if I remember correctly, perhaps on Saturday, when I got back to the office, and stated that the Electric Association had presented its request to be heard at the hearings, and they had been told they would be given an opportunity, and that they demanded an opportunity to be heard this week and that they had a witness, unnamed, who would be present to present testimony on a date unnamed, and they demanded an opportunity to have him heard this Friday. I replied to Mr. English, that as he had been told by the Chairman of the Committee, an opportunity was going to be given to the Electric Association to be heard, that invitations had been issued to the responsible heads of the industry, that insofar as this week was concerned, I thought our schedule was full, and I did not believe that we could hear them.

MR. TURNER: That is a different interpretation than I got from the newspapers, Mr. Evans, and if it had not been for other things in the earlier part of the week, I would have taken it up with you before, but I would like to clear this up. I am sorry you were not in the room, because I asked Mr. Millar some questions, and I have not been very clear in my mind as to the relationship of the Pennsylvania Electric Association and just what has been done. Now, I have heard you say in the meeting, that you were going to call the responsible heads, and then I understood that Mr. English and Mr. Holding represented the Pennsylvania Electric Association, and I wondered why they were not asked to be heard, why we were not calling them to come before the Committee to be heard.

MR. EVANS: Mr. Turner, that is a matter entirely for the Committee.

MR. TURNER: I had felt you had assumed the responsibility for determining what should or should not be heard, and just wondered—

MR. EVANS: I didn't in any way assume the responsibility of who should be heard, except to the extent that I took the responsibility of feeling that this Committee would want to notify the responsible heads of the industry, whether or not we also heard the Electric Association was another matter.

MR. TURNER: I think you are perfectly right, in wanting to invite these men to come here who are the responsible heads.

MR. COOKE: Mr. Turner, we got more out of Mr. Zimmerman than we have got out of almost any other witness before the Committee.

MR. TURNER: I appreciate that that was particularly true in one way, and I don't doubt from your standpoint there was a lot in what Mr. Zimmerman said was of value, and I don't want to prolong this thing by setting forth my technical views on some things, but I think I stated to counsel and the other members of the Committee before, that there are some things in this testimony that I would like to see the Electric Association come in here and say that they have a defense, or if they have not, of course, they will have to keep quiet, but I did want to have certain things on the record in order to clear up my mind.



MR. RHODES: It seems to me this kind of discussion had better take place in Executive Session, more properly, than in the Committee.

BY MR. COOKE:

Q. How many of these classes of members that you mentioned have a vote?

A. One.

Q. Class "A" members.

A. I think that is the only—Class "A" and Class "B" members have a right to vote.

Q. Who are the Class "B" members?

A. The Class "B" members are the officers and employees of Class "A" members; Class "A" members being the operating companies.

Q. You are sure that Class "B" members have a vote?

A. Have the same privileges as Class "A" members, except the right to vote at executive sessions of the association.

Q. In other words, they can vote on technical matters?

A. Yes.

Q. But the real stuff done at executive sessions, they don't—

A. Of course, Mr. Cooke, the members of the executive committee are also Class "B" members.

BY MR. WALKER:

Q. Representing Class "A" members?

A. Yes, sir.

BY MR. COOKE:

Q. At secret meetings?

A. No, sir; I wouldn't say secret meeting.

Q. Let us call them executive meetings?

A. Executive; sir.

Q. They both mean the same thing?

A. No; I don't think so.

Q. But meetings at which the public is barred only Class "A" members vote at those meetings?

A. At the meetings of the executive committee, only the members of the executive committee attend, of course.

Q. Is the revenue of the National and Electric Light Association—we are interested in the National Electric Association really more than we are in the Pennsylvania Electric Association, because they provide the funds and presumably control the Pennsylvania Electric Association; is that right?

A. They provide the funds. I won't go any further than that.

Q. They provide the funds?

A. Yes, sir.

Q. You said they raised their funds by an assessment of fifty cents per thousand—one-fifth of the gross receipts—gross income?

A. Let me say "yes," subject to checking that with the National Association.

Q. Yes. They never make any assessments?

A. Not to my knowledge; no, sir.

Q. Any special assessments?

A. Not to my knowledge, no, sir; excepting special—you are referring now entirely in your remarks to the National Association?

Q. Yes.

A. I don't know.

Q. You would not say positively that the National Association did not make a special assessment?

A. I don't know, Mr. Cooke.

Q. But you would not be surprised to know that the President of the Philadelphia Electric Company at one time did raise \$100,000.00, in addition to the dues?

A. I have no knowledge of it, Mr. Cooke.

Q. In answer to a question of Mr. Turner's you said that the National Electric Light Association was like all other trade associations?

A. Generally, yes.

Q. You do not want to be too specific about that, do you?

A. No; I do not, of course.

Q. It has some characteristics that are special to that particular association?

A. Not knowing the other associations, Mr. Cooke, I can't say.

Q. If I was a resident of Newark, N. J., and wrote to the President of the Philadelphia Electric Company, and asked him

what the smallest meter was that he had in use, you would expect him to answer that inquiry?

A. Why, certainly.

Q. Would you be surprised to know that he is prohibited from answering that kind of an inquiry?

A. Of course, I don't know.

Q. I know, but I suppose that you would not know, because you are only two years on this job, and no electrical company can answer an inquiry addressed to it, except it gets permission from the New York office of the National Electric Light Association?

A. I never heard of that.

Q. You never heard of that?

A. No, sir.

Q. You get some friend to write the simplest question that you can think of to a Pennsylvania Electric Company, and see whether he gets a reply, and then check up and find out what the rule of the N. E. L. A. is. In that respect would you say it would be different from other trade associations?

A. I don't know what the other trade associations are.

Q. If a man, sir, in the grocery business, the sugar business—a man wrote from another state and asked him what he sold sugar for, or some similar simple question, you would expect him to get a reply, wouldn't you?

A. Sure. I get many letters out of the state, and I always make a reply without asking anybody.

MR. TURNER: Mr. Cooke, I thought after you heard Mr. Wyers' testimony last night, you did not write any letters.

MR. COOKE: I was rather proud of that letter.

FATHER COX: That letter was not only courtesy but he said in there that they favored that sort of thing; as long as he told the truth—

MR. COOKE: Frankly, I thought at the time it was a letter of Gifford Pinchot's.

BY MR. HAGMAIER:

Q. After all this discussion, I understand you said you would mail me that pamphlet?

A. Yes; just for the year?

Q. Yes?

A. Yes, sir.

Q. Thank you.

A. Let me suggest this, we are now approximately three-quarters of the way through for one year. Let me send it to you for the previous year, up to June 1st, 1930, and for this year if you want it.

MR. HAGMAIER: We want to cover this as Mr. Turner has suggested here.

BY MR. WALKER:

Q. Will you send me a copy of it so far as you have gone, which would cover from June 1st, to date; also from June 1st, 1929, to June 1st, 1930, and also from June 1st, 1928, to June 1st, 1929?

A. Would you mind sending me a letter to that effect.

Q. I would be glad to.

A. I would be glad to send it to you.

MR. WALKER: On the condition that you do not read the last letter back into the record some day.

BY MR. COOKE:

Q. There was a joint committee in the House and Senate that considered the Giant Power legislation, do you recall that?

A. I don't know anything about that. It was prior to my time.

Q. You were not familiar with that?

A. No, sir; not at all.

Q. This joint committee asked the American Engineers Council to give them special advice, and they sent up here selected engineers. I was going to ask you how you account for the fact that the bill for one of these engineers, Farley Osgood, was paid by the Pennsylvania Electric Association?

A. I have no knowledge of that at all, Mr. Cooke.

BY MR. WALKER:

Q. You were present in the Federal Trade Commission when Walter Johnson testified, were you not?

A. Yes, sir.

Q. And you heard him testify about the \$25,000 cash fund that was spent, he knew not how?

A. I am not sure about that.

Q. You recall his testimony to that effect?

A. I recall his testimony to the effect of collecting and spending that fund, but the amount I don't know.

Q. By the Public Policy Committee of the Pennsylvania Electric Association?

A. Yes, sir.

Q. And they received that money through contributions from members of your Pennsylvania Electric Association, didn't they?

A. I am testifying now to something I don't know anything about, you know, Mr. Walker.

Q. You heard Mr. Johnson's testimony?

A. I am willing to rely on Mr. Johnson's testimony.

Q. And the payments that were put in there, as exhibits before the Federal Trade Commission indicate that this Public Policy Committee of the Pennsylvania Electric Association did pay it to experts who came down and testified before the Giant Power Commission.

A. I am assuming that is correct.

Q. And the exhibits also show that they paid to the Honorable Francis Burke money for coming down and testifying before the Giant Power Commission?

A. Again, if that is in the testimony that is correct.

Q. And again, they paid for advance copies of bills?

A. With the exception of the word "advance" being correct.

Q. I am only reading from the exhibit.

A. I explained to you what I understood by "advance."

Q. W. E. Long, these expenses, attorneys and agents for services, \$2,500. Have you any idea what these agents—

A. Not in the slightest.

Q. Who is Mr. Long?

A. Mr. Walter Edward Long, I understand, again from that testimony, here, was treasurer of the National Electric Light Association.

Q. He is the man who turned the \$25,000 over to Mr. Johnson?

A. If it was \$25,000.

Q. I am taking from the testimony, I don't know whether it was \$25,000 or not?

A. Well I don't know, I can only refer you to the testimony.

Q. Do I understand that none of the work that was done by this public policy committee is being done by the Penna. Electric Association?

A. Again I say I don't know what the duties of the policy committee were.

Q. Do you mean to say that you assumed the position as managing director and that there were no files or reports that were turned over to you as to what has been done in the past?

A. No sir.

Q. That you went in there without knowing what the duties were or what your predecessor had done?

A. Exactly.

Q. And with no knowledge whatever as to how the committee had functioned in the past?

A. No sir.

Q. And they didn't tell you what to do in the future?

A. No sir.

Q. As a matter of fact, all this material that we have been discussing here this morning and which I discussed with Mr. Shearer yesterday, relating to the Penna. Electric Association, that was produced before the Federal Trade Commission, and that was taken from your files?

A. No sir.

Q. Are you positive of that?

A. When you say oral, I say no.

Q. What was it?

A. As I understand it, that which was taken from the files of the Penna. Electric Association was what I testified to at Washington.

Q. That is with regard to rates prior to 1914?

A. I don't recall the testimony, but I shall corroborate it if you will let me have the testimony.

Q. The point I am getting is this, do I understand that all this work done by the Public Policy Committee has been abandoned?

A. There is no such payment now.

Q. I asked you about the work?

A. Again I say I don't know what the work was.

Q. What do you do with the advance copies of these bills?

A. I read them.

Q. After you read them?

A. I read them for the purpose of trying to inform myself as to what is going on and then I am in a position if a question is asked me to be able to answer it.

Q. Suppose you found a bill that you thought is detrimental to the association, what is your procedure?

A. The chances are I would notify the companies.

Q. Is that all?

A. That is all I do.

Q. Do they communicate with you again?

A. Sometimes, in corroborating and correcting my impression as to what the bill may mean.

Q. The same is true of your Penna. Gas Association?

A. Yes, but not to the same extent as the Penna. Electric Association, but I would say yes; was generally.

Q. These payments made to all these attorneys and agents, as are listed on here by Mr. Johnson, for instance, the Daniel C. McKelvey, are now paid by you?

A. I don't know what they were for, but any payment made by the Penna. Electric Association is made over my signature.

Q. Is Daniel C. McKelvey still on the payroll?

A. He is not.

Q. Was he?

A. Not so far as I know.

Q. You heard Mr. Johnson testify in Washington?

A. Part of it.

Q. He was on the payroll then, was he not?

A. My understanding was that he was not on the payroll of the Penna. Electric Association.

Q. Whose payroll was he on?

A. From my understanding and from Mr. Johnson's testimony, he was paid by the policy committee.

Q. In other words, whatever the policy committee did, the Penna. Electric Association is responsible for?

A. I don't want to equivocate with you, Mr. Walker, but I have repeatedly said that I did not know what the duties of the policy committee were.

BY MR. RHODES:

Q. When you speak of the public policy committee hiring Mr. McKelvey, the public policy committee is a part of the Electrical Association?

A. There is no such thing, Mr. Rhodes.

Q. There was?

A. Yes, sir.

Q. Did they function independently of the association?

A. It functioned as a committee, and it might have been functioning independent of the association.

Q. From what source did it get its money?

A. I understood that it came from direct contributions from the member companies.

Q. How does the association get the money?

A. Except the \$12,000, it gets its money from a budget appropriation from the National Electric Light Association.

Q. And you think the public policy committee got its money direct from the utilities of the State?

A. I think so because that is what the testimony says.

Q. How long has that been out of existence?

A. I think in 1928 or 1929.

Q. As I understand it, the policy committee was recognized as part of the Association?

A. Yes, sir.

Q. If that is the case, you had an organization functioning within an organization and having its own budget?

A. I don't know about the budget, but it apparently spent money it received from the member companies.

BY MR. WALKER:

Q. Is that your theory, that this Penna. Electric Association is not accountable for something that one of its committees says?

A. You are getting too broad.

Q. Don't you think they are bound by what this policy committee did?

A. Now listen, you are getting me on a subject I don't know anything about, when you talk about the public policy committee.

Q. This was a committee of the Penna. Electric Association? And I say to you, that the association naturally is bound by something the committee does?

A. That is your testimony, not mine.



Q. I asked you, is it not?

A. I would say no.

Q. This public policy committee went out of existence shortly after Mr. Johnson's testimony before the Federal Trade Commission?

A. I would be glad to give you the exact date.

Q. Is it not functioning now?

A. It is not.

Q. It was functioning prior to the investigation?

A. From the testimony I would say it was.

Q. After the publicity it got down there it ceased to function, is that not a fact?

A. I would be glad to supply to you the information as to when it went out of existence.

BY MR. RHODES:

Q. I understand that you had no connection and no knowledge of the situation at that time, and no knowledge of how it functioned only from hearsay?

A. No sir.

BY MR. WALKER:

Q. Your testimony before the Federal Trade Commission says, "You became affiliated with the Penna. Electric Association December 1st, 1927."

A. I think that is right.

Q. And you received money from the public policy committee in 1928?

A. I am assuming that is right. May I say this with regard to my connection with the Penna. Electric Association. It was December 1st, 1927, when I went with them.

Q. When you came into the Phila. Electric Association, this public policy committee was there and was functioning?

A. Yes, I think it was.

Q. And you received money from the public policy committee in 1928?

A. I received a check from Walter G. Long in 1928.

Q. He was the treasurer?

A. Yes sir.

Q. And Mr. Johnson was the chairman?

A. I think that is correct.

Q. You don't know how long after that this committee continued to function?

A. I said I have no definite date in mind, but I will be glad to let you know.

Q. Before the Federal Trade Commission you testified as to the removing of some of the papers from your files to the Public Service Commission files. Will you just briefly explain that to the Committee?

A. As I recall it, the Commission had sent for me to gather some data, I think it was in connection with the ten-cent flat rate, I am not certain about that. If that was the incident, we were to collect data in connection with about ninety-four companies which were charging more than ten cents which the committee said should be reduced to a ten-cent flat, and in order to do that it was necessary to get some tariffs in order to check up our records and start this attempt to get the companies to reduce to the ten-cent flat.

Q. These files were gathered together by you, they were in your files, in your office in Harrisburg?

A. All of the records I was using were in my office.

Q. You removed them from your files to the files of the Public Service Commission.

A. Those which had been loaned to me in my checking, I returned.

Q. I will read to you part of your testimony before the Federal Trade Commission. I am reading from volume 3, page 347. The testimony is as follows:

"Question. Were you present in your office when Mr. Wooden came there?

"Answer. The first day he came I was not.

"Question. Were you there some time?

"Answer. I was there the next morning.

"Question. Were some of your files removed from that office to some other office?

"Answer. No files; no sir.

"Question. Were some papers?

"Answer. Yes sir.

"Question. Did you have some correspondence in February and March with Mr. Charles Oakes of the Pennsylvania Power & Light Co.?

"Answer. I did.

"Question. In regard to this investigation?

"Answer. Yes.

"Question. And the probable needs that the Commission would have for certain data relating to Mr. Oake's company?

"Answer. Yes.

"Question. Where was that data put; what become of it?

"Answer. May I explain that in my own way?

"Question. After you have answered my question.

"Answer. The Public Service Commission of Pennsylvania.

"Question. It was sent to the Public Service Commission?

"Answer. Yes sir.

"Question. Data referred to in this correspondence, originally it was sent there?

"Answer. Yes.

"Question. The original part of it, when these letters were written, the data referred to was in your office, wasn't it?

"Answer. Judge, I can not recall whether it was in that office or in the office of the Public Service Commission.

"Question. Didn't you have copies of certain data in the office of the association?

"Answer. At one time, yes.

"Question. And that it was removed at somebody's suggestion?

"Answer. No.

"Question. At whose suggestion?

"Answer. I removed it at my own suggestion.

"Question. Where did you remove it to?

"Answer. The Public Service Commission files.

"Question. What did it relate to?

"Answer. It related to the tariffs of the various smaller companies making up the other companies as of January 1, 1914, and prior thereto."

Q. Do you wish to corroborate that?

A. That is correct, I think.

Q. Can you explain to me this hook-up between your files and the Public Service Commission files?

A. As I recall that study, Mr. Walker, it was necessary for us to go back and examine many of the papers of the companies, which made up the then operating companies. In the early day of the industry—smaller companies were dotted all over the State of Pennsylvania. They did not use the efficient methods which are being used today. Tariffs meant nothing to some of the smaller companies. Many of the papers and books of account were kept in a rather haphazard fashion. In writing to the companies to check up on the date in order to bring it up to date, we could not find many of the tariffs. Many of the smaller companies in the early days, and by early days I mean 1914, 1915 and 1916, merely typewritten copies of tariffs were sent to the Commission. In order to make our data start back to the beginning it was necessary for us to consult the files of the Public Service Commission.

Q. And these papers, these files, and this data that you had in your files were removed at your own suggestion during the Federal Trade Commission over to the files of the Pennsylvania Public Service Commission?

A. No sir.

Q. Some of this data, some of this stuff, that you had prepared, was moved during the Federal Trade Commission, from your files to the Public Service Commission files?

A. Yes sir. I said before, Mr. Walker, it was necessary to go to the Public Service Commission files in order to obtain the data which was deemed necessary to make a complete study, and the files or data, which I received from the Public Service Commission were returned to the Public Service Commission.

Q. As a matter of fact, Mr. Millar, the stuff that you took over to the Public Service Commission was data that you had compiled from statistics furnished to you by those companies of rates prior to January 1, 1914.

A. No sir, not necessarily.

Q. I don't want to take any undue advantage of you. Are you positive about that?

A. We may have given the Commission the result of our study.

Q. You had this study of this stuff prior to the time the Public Service Commission documents went into effect?

A. We may have.

Q. It was the data and the study that you were making?

A. We were studying that.

Q. You were compiling this data from the statistics furnished to you by the different electric companies all over the State?

A. Yes sir.

Q. That was the data that was transferred from your files during the Federal Trade Commission investigation over to the files of the Public Service Commission?

A. Copies of it may have been.

Q. As a matter of fact, the originals were turned over there?

A. The originals that I received from the Public Service Commission were.

Q. How about the originals you received from the companies?

A. Some of it may have gone over there.

Q. When you were before the Federal Trade Commission did you not testify the reason you got rid of it was because they were the only copies in existence, and you did not want the responsibility placed on your shoulders?

A. No sir.

Q. I will read to you beginning on page 348 of the testimony before the Federal Trade Commission, as follows:

"Question. What was the recent investigation?

"Answer. Approximately the middle of December I was asked by the Public Service Commission to make an investigation of the companies in Pennsylvania to ascertain what data, if any, they had of the smaller companies making up the larger companies, showing the tariffs in effect June 1, 1914, and whether or not those tariffs subdivided so as to show the residential and commercial lighting features.

"Question. Did you furnish that to the Public Service Commission?

"Answer. I immediately sent to the various companies and found it an enormous task, but I got the information. Each time the company would send me its original tariff it would do so either by telephone or otherwise, and so do not forget this is an original document, the only one we have in our files. We are holding you responsible for it that it be returned to us."

Q. Is that correct.

A. Yes, sir.

Q. I will continue reading from the testimony: "All the information shown in these papers is contained in the report you made to the Public Service Commission?"

A. You skipped something there. What do you mean by these papers?

Q. I did not skip anything. I started reading from the question at the top of the page. I will continue your testimony:

"Question. All the information shown in these papers is contained in the report you made to the Public Service Commission?"

"Answer. I made no report to them.

"Question. What was done with the material you compiled in that manner?"

"Answer. What I did was to take those tariffs and an information furnished in those tariffs to the Public Service Commission and turned over to them for the matter on which they were working.

"Question. So it was not compiled by you and turned over by you?

"Answer. Yes.

"Question. And should be in the hands of the Public Service Commission?"

"Answer. No sir.

"Question. Why not?"

"Answer. These tariffs should not. I requested that the tariffs be retained in the office of the Public Service Commission. Let me say this, Judge, in explanation, the Public Service Commission Law in Pennsylvania was passed in July, 1913. It did not become fully effective, however, until January, 1, 1914. The various bureaus in that commission did not begin to function until approximately the middle or end of 1914. Therefore the Commission had not in its files the information which it desired as of January 1, 1914.

"Question. That is all interesting, but the only thing we want to find out is where this material you sent out from your office is.

"Answer. It was sent to the Commission.

"Question. What was done with it?

"Answer. I returned it then to the various companies."

Q. Is that correct?

A. Yes, sir.

Q. So this data was handled by these companies, were original tariff schedules, were they?

A. Some of them, yes.

Q. You sent them back to the companies because you didn't want the responsibility for them?

A. Yes.

Q. And others you had copies of you turned over to the Public Service Commission?

A. Yes.

Q. It was not done for the purpose of getting rid of the files, of the tariffs, these papers, so that the Federal Trade Commission could not get their hands on them?

A. Of course not.

BY MR. COX:

Q. From what you have said, and earlier witnesses have said, it seems to me that the Electric Association would be glad to come here and give information before this Committee?

A. Yes.

Q. Is Mr. Richardson a member of this Pennsylvania Association?

A. He is not.

Q. He has nothing to do with any Pennsylvania Companies?

A. He has not.

Q. Not concerned with any Pennsylvania company?

A. No, sir.

Q. Would it help you if he came here, would it help the Association, does he not know a lot about the companies?

A. I really don't know what Mr. Richardson knows.

Q. Would it not help and be a good idea if he came here and gave us some of this interesting information?

A. If the Committee wants me to—

Q. Will you have him come here?

A. I cannot answer for him, because I have no affiliation whatever with him, except very remote affiliation with Mr. Richardson and his activities.

BY MR. EVANS:

Q. You were conferring with him Wednesday?

A. I was not conferring with him Wednesday.

Q. You saw him Wednesday?

A. I saw him Wednesday.

Q. You talked to him on Wednesday?

A. Yes.

Q. What did you talk to him about?

A. I saw Major Richardson twice—was it Wednesday—he was not here yesterday.

Q. I think he came Tuesday.

A. I left my office about a quarter of twelve on Tuesday, and I am assuming it was Tuesday, it was not last night nor the night before—Tuesday night, and I bumped into Major Richardson in the hotel, and I just shook hands with him for three or four minutes, and the next morning he came into my office merely to pay his respects, as he said, and that was all, and he left. I was busy, and I had not conversation with him.

Q. You knew that Mr. Gadsby of the U. G. I. was also here in Harrisburg on Wednesday, do you not?

A. Oh, yes.

Q. And he and Major Richardson conferred?

A. I don't know.

Q. You don't have any idea of why any of these men were here on Wednesday?

A. No sir, except what I read in the papers.

FATHER COX: There has been the impression gone out that we don't want them to come here and present their side, and we don't like that feeling to go out among the people, and if we could get Major Richardson, I don't see what he needs to be afraid of—

THE WITNESS. I don't either.

FATHER COX: I think he should voluntarily come here even without an invitation, and I think that you ought to use your influence to see that he comes.

MR. TURNER: I was just going to ask that of Mr. Millar, whether there is any way to get Mr. Richardson?



THE WITNESS: If the Committee wants me to, I shall be glad to immediately get in touch with his office. Will you fix the time for him, that I may transmit it to him?

MR. TURNER: That is up to Mr. Evans.

MR. EVANS: My only hesitation is, I don't want to interfere with the schedule which we have already fixed for the heads of these companies, because I don't think it is fair to keep them waiting.

MR. TURNER: You did not get Mr. Richardson the other day when he was subpoenaed, and now your testimony must be advanced that much farther.

MR. EVANS: I want to look at my schedule and make sure. These gentlemen have been asked to come here on Wednesday and Thursday, and I think we can have Mr. Richardson in all right on one of those days.

THE WITNESS: You give me the time, and I will be glad to do that, Mr. Turner.

BY MR. COOKE:

Q. Mr. Millar, are you familiar with the rural electrification work?

A. Generally, yes, Mr. Cooke.

Q. Do you know what literature has been sent out? You referred to these advertisements that were put in the agricultural papers; have you any recollection of what you sent out?

A. I think, Mr. Cooke, we have one—the Joint Committee has issued two pamphlets in connection with that, and I will be glad to furnish that.

Q. Do you know who prepared those pamphlets?

A. The Joint Committee. When I say Joint Committee, may I explain what that is, so that you understand?

Q. Yes.

A. The Joint Committee, following or immediately preceding General Order No. 28, was formed. I cannot give you the exact number, but 50% were representatives of farm organizations, and 50% representatives of electric light and power companies. Now, these two aggregations which represented their own interests, got together at stated times, and they are the ones who formulate the policy of rural electrification in Pennsylvania.

Q. It is a fifty-fifty arrangement?

A. Exactly.

Q. Now, have you personally seen this literature that you sent out?

A. Yes.

Q. Is there any mention of rates in that literature?

A. Oh, they are pamphlets, and I would not like to say from memory. Would it be all right for me to submit both of those to you?

Q. Yes.

A. I will send you copies of them.

Q. Do you happen to know how they were distributed?

A. No, I don't. That was done under the Joint Committee, and not under me, Mr. Cooke.

Q. Were they sent out under the franking privileges?

A. I don't know about that, no.

Q. Would you be surprised to know that I think there have been literally hundreds of such pieces of literature issued in the United States, and that there has not been one in which the rates were mentioned?

A. That would surprise me, yes.

Q. If I was able to demonstrate that to you, you would be interested in finding it out, and would you consider that a mistake?

A. I would be very much interested in seeing such literature.

Q. Would you consider it a mistake on the part of the industry?

A. Why, surely.

Q. You have testified, and it had been testified before that this Committee is constituted on a fifty-fifty basis of the industry and the farmers?

A. Yes.

Q. And the implication in that is that the fifty-fifty result was not a fact, would not you say so?

A. No, I would not, Mr. Cooke.

Q. I think there are 23 such State Committees, and in no instance had the question of rates been included in the literature?

A. I know that the question of rates has been discussed in these Joint Committee meetings.

Q. But nothing said in those advertisements about the effective rates and the use of current?

A. I don't know about that; I know this, that if these advertisements that we issued, the question of rates was gone into in those advertisements.

Q. Yes, I would like to see those?

A. I will be glad to let you have copies of them. There are three more yet to come—I think three or four.

BY MR. HAGMAIER:

Q. I would like to clear my own mind, you became associated with the Pennsylvania Electric Association in 1927, did you not?

A. December, 1927, yes.

Q. And the Public Policy Committee did not go out of existence until 1928?

A. That was 1927 or 1928. I had nothing whatever to do with the Committee at any time.

Q. But during that time you got some money from that Committee?

A. From that Committee, yes.

Q. You would know something about some of their workings then, would you not?

A. They gave me that money purely for expenses. Now, I was then, and indeed still am, as a matter of fact, living in Philadelphia, and when I started in, they asked me, for instance, to go to Pittsburgh to interview companies, or to Erie, or some other place, and that was the purpose of the advance of that money at that time.

Q. You know that it was in existence and that it was doing some work?

A. Yes sir.

Q. But outside of that, you had nothing to do with it?

A. No sir.

BY MR. WALKER:

Q. Is the association still making surveys of text books?

A. To my knowledge it has not, nor does it now make any reference to text books.

Q. They are not making any more surveys of text books in Pennsylvania, are they?

A. To my knowledge, since I have been with the association, it has not made any survey of text books.

Q. Are you familiar with the fact that very shortly prior to your affiliation with the association they did make a survey of text books?

A. Only by testimony and newspapers, sir.

Q. And that practice has been discontinued, has it?

A. I again say, Mr. Walker, that since I have been associated with them, we have not made any reference to text books.

Q. Do you have a committee on education?

A. I think not.

Q. When was that abandoned?

A. I don't know.

Q. Was there a committee on education when you became affiliated with the association?

A. I think there was.

Q. And what were the duties of that committee?

A. My understanding of the duties of that committee were to arrange courses in various places for the purpose of permitting employees of the various electric light companies to receive that particular technical education.

Q. Was there any effort made by this committee to educate the public?

A. Any information that we sent out is for the purpose of enlightening the public.

Q. Was any of it sent into the schools to educate the school children?

A. To my knowledge, no sir.

Q. I will show you these minutes from your meeting of the Pennsylvania Electric Association, at the time that Mr. Kuhn—

A. That date of that, is what?

Q. —Was chairman. The date is October 20, 1927. Mr. Kuhn was the chairman of that committee.

A. Before you read that, I want to say I know nothing about it, because it was prior, again to my affiliation with the association.

Q. Two months prior thereto?

A. Well, whatever it was.

"Mr. Kuhn mentioned that he believed it would be a good idea to check up on the trend of teaching as imparted in the colleges and universities, especially in economics and liberal arts schools in relation to the utilities. So many courses in these schools are in the form of lecture courses and unless the professors have the right viewpoint immense damage will be done to the industry. Most of these lecturers are not based on textbooks, consequently the textbooks, will not disclose the main source of trouble.

"Mr. Kuhn stated that the needs of the educational institutions should be called to the member companies' attention and every effort be made to assist the institutions. He also stated that the leading instructors in the engineering, economics, and liberal arts schools should be placed on a mailing list for the releases of leaflets and literature relating to the electric light and power industry and that the libraries of educational institutions and other libraries in the State should not be overlooked. It was suggested that Mr. Baumm arrange to carry out the recommendations of Mr. Kuhn to the highest practicable degree."

Q. And I ask if that was done?

A. To my knowledge it was not.

Q. Do you know when the matter was abandoned?

A. No I do not. Again, I say, since I became connected with the Pennsylvania Electric Association there has been no reference made to school books or text books.

BY MR. TURNER:

Q. There has been no reference, but has there been propaganda?

A. No sir.

BY MR. WALKER:

Q. So, these recommendations of Mr. Kuhn or Mr. Baumm just two short months before you became affiliated with it were entirely abandoned?

A. I don't know.

Q. Could they have carried on this work without your knowing it?

A. No sir.

Q. They could not?

A. No sir.

Q. And you say now that they were not carrying it on?

A. They were not.

Q. Can you tell me what prevented Mr. Kuhn and Mr. Baumm from carrying on this work when you came in? Did it fly out of the window?

A. I don't know.

BY MR. TURNER:

Q. Who was Mr. Kuhn?

MR. WALKER: He was chairman of the committee on education.

MR. TURNER: All right. Does the executive committee have meetings?

A. Yes sir.

Q. Do these committees like this committee on education, have meetings?

A. Yes.

Q. Is Mr. Kuhn still chairman of the committee on education?

A. He is not. There is no such committee.

Q. There is no such committee?

A. No sir.

Q. When did it go out of existence?

A. I can't give you the exact date. I will be glad to furnish it.

Q. Let us get that and get it on the record, as to the date when it went out of existence. And now, after you came into this association, was Mr. Kuhn still a member of the executive committee?

A. I think not.

Q. Can you get that for us, can you get that fixed?

A. I don't think he ever was on the executive committee.

Q. All right. Was he the chairman of this education committee? After you came in?

A. I would say no, with this correction coming from the record.

Q. Did he ever attend any executive meetings that you attended?

A. I think not

Q. Do you attend the executive committee meetings?

A. I do.

Q. Has this subject ever been brought up in the executive committee meetings?

A. No; not once.

Q. Since you have been a member?

A. No sir.

BY FATHER COX:

Q. Has there been any such thing as insidious propaganda being put out?

A. To my knowledge there is no propaganda being done by the electric association. They do have committee meetings, they do issue a serial report with these advertisements, as I said before.

BY MR. TURNER:

Q. Do you put out a bulletin?

A. Yes sir.

Q. To whom does that go?

A. All our member companies.

Q. Only the companies?

A. Only the members of the association.

Q. It is not distributed to the public in any way?

A. It is not.

BY FATHER COX:

Q. Now what the committee, I think, has in mind, is that they do not think propaganda should go out that is building up a sort of power for the corporations and hurting the people. And now, there is nothing more wonderful in the world to read than the magazines and stories and your little circulars, and all that kind of thing, but at the same time if it is done to hurt the people, then there is an objection to it, and that was the objection to this—

A. Any time that the electric light and power industry hurts the people, they are hurting themselves; and, therefore, it is incomprehensible that they would do that.

Q. I think that you said prior to your association with the company, Mr. Baumm was not connected with the executive committee; is that right?

A. My recollection is that he was not; I am not positive of that. It is two years ago. Our records will show it. We have printed lists, and I will be glad to submit them.

Q. As a matter of fact, this propaganda was being carried on prior to your affiliation with the Pennsylvania Electric Association. Has it ever been brought up, if it was brought up, since your connection?

A. No.

Q. This is the first time it ever come up?

A. I don't know.

MR. RHODES: To get the record straight, what do you mean by propaganda?

MR. WALKER: Propaganda in these schools.

MR. TURNER: Mr. Walker, I don't recall any propaganda in the schools.

MR. WALKER: Mr. Turner, I will read out of yesterday's record.

MR. TURNER: You call my attention to it.

MR. WALKER: I will be glad to and I will be glad to submit all of these submits that were brought up before the Federal Trade Commission.

MR. RHODES: I just wanted your question to be specific, when you referred to propaganda.

FATHER COX: Mr. Shearer denied that anything of that kind happened during his time; is that not true?

MR. WALKER: Nothing happened during anybody's time.

FATHER COX: That is the thing to do, to pin the responsibility somewhere, because these very men seem to know all about the organization since the beginning.

MR. RHODES: I think that when we speak about propaganda, there are two kinds of propaganda: one may be improper and one may be proper, and I think we want to make some distinction. I don't see that there is any objection to utilize disseminating information any more than a baseball club tried to get open Sundays.

FATHER COX: I think you are right. That there is a right way and a wrong way of doing it.

MR. TURNER: I don't think we would like to see propaganda go into the schools, whether it is put out by the best kind of an organization or the poorest kind of an organization.



I think there is a tremendous amount of radicalism socialism that runs through our school system today, and I don't think that is the proper way of combatting it.

MR. RHODES: And there are some in the Legislature.

FATHER COX: There is propaganda and "proper-panda."

BY MR. WALKER:

Q. There is one thing more, you said when you found bills that were inimical to your association that you notified the companies to that effect?

A. Yes sir.

Q. And that is all you have to do with it?

A. Yes sir.

Q. Part of your duties here in Harrisburg is not to discuss legislation with members of the Legislature?

A. No sir.

Q. You never talk to members of the Legislature regarding legislation?

A. Rarely.

Q. I say, never?

A. I may have.

Q. In what way?

A. In regard to what the bills mean. Very often many of these so-called picked bills, there will be amendments, and cut-outs, and strike-outs, and to endeavor to read them and ascertain the definite purpose of the same, requires more time than you can get in one day.

BY MR. RHODES:

Q. Can you tell what they do mean?

A. No sir.

Q. I thought if you could we needed you up in the Legislature?

BY MR. TURNER:

Q. Anytime you read a bill and can tell me what is in it, I hope you will come right to me and tell me?

MR. RHODES: Yes, and me too.

BY MR. WALKER:

Q. You and your association never attempt to interfere with legislation?

BY MR. EVANS:

Q. Is it not true that the individual members try to influence legislation?

A. No sir.

Q. Was there not a bill introduced in the 1929 Legislature in regard to printing appeals for the Public Service Commission?

A. I had nothing to do with the introduction.

Q. A bill providing that in case of appeals from the Commission the applicant need not print any more of the record than was necessary for his appeal and allowing the Public Service Commission what was necessary?

A. I believe there was such a bill.

Q. And it passed the House?

A. I am not sure about that.

Q. And went to the Senate and passed two readings in the Senate and then was killed. I have discussed the bill with you, have I not?

A. My recollection is that you have.

Q. Was not the reason for that bill being killed, because certain utilities in the western part of the State had matters pending before the Public Service Commission and did not want to have the cost of the appeals lessened?

A. To my knowledge, no.

Q. You never heard of that?

A. No. You are taking me back two years on bills, and in this session there are close to three thousand bills already and that session was close to three thousand.

Q. You have no recollection of that?

A. Not of your last statement.

Q. Have you any reason or any knowledge of why that bill was finally killed?

A. No sir.

Q. And you don't know that the utilities used any influence at all in regard to it?

A. I do not.

BY MR. TURNER:

Q. Did you have anything to do with killing my aeronautic bills in 1929?

A. No sir, I am up in the air far enough.

BY MR. WALKER:

Q. Mr. Millar, I call attention to a letter directed to your office on April 20, 1931, and ask you when that material and data will be submitted?

A. We are working on that now. I might also say it is a stupendous task to get all of the data together which is asked for in this letter. And in so far as we are able, we will be very glad to supply it.

BY MR. EVANS:

Q. Mr. Millar, has your association had any representative keeping in touch with these hearings?

A. I endeavor to get copies of the testimony, I do get copies of the testimony, and we have been studying the testimony.

Q. Has anyone been delegated to have anything to do with these hearings?

A. No sir.

BY MR. WALKER:

Q. Doesn't your association have an observer here at every one of our hearings?

A. No sir.

BY MR. MOORE:

Q. Mr. Millar, this man Jenkins you refer to is he an employee of the Penna. Electric Association?

A. He is not, except that he is specially retained for this occasion.

Q. The day Mr. English and the other gentleman were here, the statement was made at that time by the chairman and a fuller statement was made the next day to the effect that we had a program made out which included an opportunity for persons to appear, and that invitations had gone out or would be sent out to the executives of the large utilities or anyone who felt they had been misrepresented. It seems to me, speaking for myself, that that gave about two weeks notice?

A. Excepting, Mr. Chairman, as I understand it, this is all done under direction of our counsel. As I understand, he has made a special study of certain portions of the testimony that has been introduced before your committee and to put another expert on the same thing would consume as much time as he has already consumed.

BY MR. EVANS:

Q. Who designated him to make a special study of this testimony? You just testified no one was designated to keep in touch with these hearings or do anything except yourself?

A. I didn't intend to say that if I did, I was asked about observers. I said we had not. I was asked about other matters, and I said I got a copy of the testimony each day and it was being studied.

Q. I asked you whether anybody had been delegated by your association to attend or keep in touch with the progress of these meetings?

A. I misunderstood that entirely.

Q. Who is?

A. Who is what?

Q. Delegated by your association to keep in touch with the hearings before the investigating committee? Who is that special counsel?

A. Mr. Charles H. English, of Erie, and Colonel A. M. Holding of West Chester.

Q. Have they got authority experts for your association?

A. Yes sir.

Q. What appropriation has been made to them.

A. None as yet.

Q. Who have they employed?

A. To my knowledge they have employed Mr. Jacobs and the committee of experts from the various member companies who have been and are studying the testimony.

Q. Who are the members of that committee?

A. President, Mr. Reininger.

Q. What company is he with?

A. Pennsylvania Power and Light Company, William H. Wade, of the Penn Central Light and Power Company; A. J.

Althouse, of the Metropolitan Edison Company; Ira L. Craig, of the Philadelphia Electric Company; H. P. Smith, of the Duquesne Light Company. There may be others in connection with that particular work, whose names I just cannot recall off hand.

BY FATHER COX:

Q. If Mr. Jacobs has been delegated to study this work, don't you think it is a poor time for him to go away?

A. He is going away, as I understand it, on a governmental mission or matter, which he cannot afford. We think it is a poor time for him to go away. Of course, he cannot afford it,—he tells us.

BY MR. WALKER:

Q. You have no further information as to the nature of this governmental mission of Mr. Jacobs?

A. No, I don't think so.

BY FATHER COX:

Q. Is he going abroad to study electrical systems of any of the foreign countries?

A. I don't know his mission,—what his mission is Father Cox.

BY MR. WALKER:

Q. Will you please now let me have the balance of what we asked you for,—

A. I am sorry to have to give it to you in this form. Our membership is taken, contained on a card record. This is a take off of all the cards. I have tried to arrange them so that you will get them as simply as possible, into Class A, Class B, Class C, Class D, Class E, Class F and Class G.

BY MR. COOKE:

Q. Which is the college professor class?

A. Class C, the member are teachers or practitioners of engineering and related sciences, or of any other professions who are interested in the art of applied electricity.

Q. Are they still elected year by year?

A. It is purely voluntary.

Q. They were formerly elected for the year at a time,—they must pay their dues each year.

A. Yes sir.

Q. Do you know of any other organization in the world that elects members a year at a time?

A. I assume all other organizations.

Q. Do you belong to any clubs?

A. Yes sir.

Q. Would you resent having to be re-elected every year?

A. If I want to belong to a club for a year and pay my dues all right. If I want to stop at the end of that year, it is my privilege to stop. It is the same way with these people. I do not think they are elected each year, in the sense that they must come before the membership and be elected.

Q. Their tenure is for a year at a time?

A. Their tenure is as long as they want to stay there.

Q. Unless you want to change it, that is not what you have said,—they were elected for a year at a time and allowed to remain on good behavior?

A. You mean I said that?

Q. In the by-laws of the National Electric Light Association.

A. I don't know about that. I know they are elected. Class E.

Q. Class E. are elected, according to by-laws for a year at a time?

A. That may be the wording, but in practice that doesn't hold.

BY MR. WALKER:

Q. Do you know if the National Electric Light Association have any other representatives in Harrisburg?

A. To my knowledge, no sir.

Q. You would know, if there were?

A. Yes sir. I would say, no sir.

BY THE CHAIRMAN:

Q. Is this membership list simply an addressograph?

A. Yes, sir. There are two thousand six hundred sixty-two members.

BY MR. WALKER:

Q. 42 Class A.

A. Yes sir. They are operating companies.

Q. They do the voting in the executive session?

A. I am rather confused with Mr. Cooke's statement rather than with yours, with regard to the executive session. There is no such executive session, except the session of the executive committee.

BY MR. COOKE:

Q. You have testified here that your knowledge doesn't go back but a couple of years?

A. Three years.

Q. It is a matter of record that the National Electric Light Association not only holds executive sessions, but that they have held sessions where the representatives of company members were admitted on cards, signed, good for this day only?

A. I don't know about that.

Q. I might further add that at these sessions the matter of rates was discussed?

A. I don't know.

BY MR. WALKER:

Q. It is at the executive sessions, the executive session meetings, where the policies of the association are determined?

A. I don't know about being determined, of course they are discussed here.

Q. Your policies are not submitted to all the rest of these classes for a vote.

A. They are usually submitted,—the policies adopted by an executive committee is usually submitted at a convention, at a meeting of the entire organization.

BY MR. COOKE:

Q. What policy is there that you know of that has ever been adopted other than in executive session?

A. I cannot recall off hand, Mr. Cooke.

BY MR. EVANS:

Q. You do not want to leave the Committee with the impression that you do not think that the utility companies attempt to influence the legislation at Harrisburg, do you?

A. I don't know what the utility companies do, Mr. Evans.

Q. Let us be a little frank about it. What was your position before you were secretary of the Public Service Commission?

A. I was secretary to Governor Stuart.

Q. From there you went and became secretary to the Public Service Commission?

A. I first went as secretary to the predecessor, the State Railroad Commission,—

Q. How long were you secretary of the Public Service Commission?

A. About eight years.

Q. So, from what period to what period were you in Harrisburg, as either Secretary to Governor Stuart, Secretary to the Railroad Commission, or Secretary to the Public Service Commission?

A. From 1907 to 1920.

Q. In 1920 you went with the Philadelphia Rapid Transit Company, did you not?

A. Yes sir.

Q. In 1927 you came back to Harrisburg as managing director of the Pennsylvania Electric Association?

A. Yes sir.

Q. You have been in close touch with matters in Harrisburg, legislative and otherwise, ever since 1907.

A. I don't know about close touch; I have been in touch.

Q. You do not want to leave this Committee with the impression that you are such a woolly lamb, that you have been in Harrisburg for that number of years, and don't know anything about the influences that are brought to bear on legislation?

A. I don't know whether you are testifying or not—I don't know what the question means.

Q. Do you want to leave this Committee with the impression that after all these years of contact with affairs at Harrisburg, over a period of twenty-four years, you know nothing about any influence brought to bear on legislation here by utility companies?

A. That is correct.



1. You are not as frank as Mr. Johnson, Mr. Millar.

R. D. COBLE sworn

BY MR. EVANS:

Q. Mr. Coble, where do you live?

A. Camp Hill, Pennsylvania.

Q. What position do you hold in the organizations in Harrisburg?

A. Secretary of the Commercial and Industrial League.

Q. And you were one of the complainants against the rates of the Clarks Ferry Bridge Company, were you not?

A. One of the three original complainants, yes.

Q. Will you tell the Committee the circumstances back of that case and leading up to it?

A. The chief source of dissatisfaction with the schedules thus far in effect on the Clarks Ferry Bridge in 1925 was the 25-cent charge for passenger automobiles, which in view of the traffic over the bridge we considered excessive. The 25-cent charge really kept us off the concrete road leading on the eastern side of the Susquehanna River, and obliging a number of us to drive the old macadam highway that was laid on the West Shore, and we felt that since as taxpayers we had contributed to the cost of the concrete road, that keeping us off of the highway by means of a 25-cent toll was rather unnecessary, and we filed a complaint with the Public Service Commission against the existing schedule.

Q. When was this new bridge built approximately?

A. It was thrown open to the public, as I recall, on June 1 of 1925.

Q. And prior to that time there had been an old wooden bridge in the same locality?

A. Yes.

Q. This old wooden bridge was sold at public sale, was it not?

A. It originally was the property of the Pennsylvania Canal Company, and was sold at public sale in, I believe, probably 1915, to Christian W. Lynch, in a public sale at Philadelphia.

Q. And then Mr. Lynch proceeded to form a corporation, did he not?

A. With three other persons, William W. Jennings, P. F. Duncan, and William Wills.

Q. And at what price did Mr. Lynch sell the bridge which he had bought for \$4,500 to the new company?

A. \$45,000.

Q. And what was the capitalization of the company?

A. The consideration that was paid for the bridge, which was what I presume you mean by that was \$3,000 in cash, \$20,000 first mortgage 6% bonds, and \$22,000 of common stock in the Clarks Ferry Bridge Company.

BY MR. EVANS:

Q. What was the capitalization of the company in 1925, when you filed your complaint?

A. Capitalization of the company then was \$450,000 of first mortgage bonds; \$175,000 of preferred stock and \$250,000 common stock.

Q. And how much of this represented new money, which had gone into the company?

A. \$450,000 of bonds, that had been sold to the public; \$175,000 of preferred stock that also had been sold to the public—the most of it.

Q. What did the \$250,000 common stock represent?

A. That was an increase in the number of common shares that were outstanding and as mentioned in the report of the Commission, represented a 900% stock dividend.

Q. As a result of your complaint, what order did the Public Service Commission issue on its Complaint Docket No. 6611, effective as of July 1, 1926?

A. The Commission ordered that the bridge company fix a schedule of tolls designed to yield not in excess of \$85,905 a year.

BY MR. COOKE:

Q. On a bridge that had cost what?

A. The new concrete structure was valued by the Commission, in its report and order, \$767,000 and some few odd hundreds of dollars.

BY MR. EVANS:

Q. The Clarks Ferry Bridge Company took an appeal to the Superior Court, in this case, didn't they?

A. Yes sir.

Q. And that appeal was finally withdrawn, wasn't it?

A. Yes sir.

Q. What reduction in its rates did the company make as a result of this order?

A. The company put into effect a new tariff, that reduced the schedule of tolls on the type of vehicle that had been the chief source of the complainant from twenty-five cents to fifteen cents; that type of passenger motor vehicle representing 68.6% of the traffic from the bridge.

Q. What was the gross revenue of the bridge company for the year 1926 as shown by its report to the Public Service Commission?

A. \$118,718.71.

Q. As compared with the \$85,905, which the Commission ordered?

A. Yes sir.

Q. What was the revenue for 1927?

A. I would like to call your attention, Mr. Evans, to the fact that the order became effective as of July 1, 1926, and this report of the company for 1926 of course, includes a half a year previous to that.

Q. Under the old rates?

A. Yes sir.

Q. Just let me ask you in connection with that; Did the Commission make any order with regard to rebates that should be paid by the company, or refunds of over-charges?

A. There never has been any order issued by the Commission, which I have been able to gain any knowledge concerning the refund of over-charges. I have brought to the attention of the Commission in a subsequent complaint that was filed in April of 1929, the fact that the Public Service Company Law provides a penalty of \$50 a day for every day which continues to be a violation of the order of the Commission.

Q. Now, just before we get to that, Mr. Coble, what I would like to find out is this, the company during the pendency of the first rate case, continued to charge the twenty-five cents?

A. Yes sir.

Q. And it took an appeal?

A. Yes sir.

Q. And still continued to charge the twenty-five-cent rate?

A. Yes sir.

Q. Up to what date?

A. Up to March 1, 1926, and in the meantime—or about March 1, 1927, but in the meantime had been issuing rebate certificates that were to be redeemed if and when the appeal to the Superior Court was not sustained.

Q. So, really, the 1926 revenues were all on the basis of twenty-five cents, were they not?

A. Yes sir.

Q. And the people who used the bridge had rebate slips which the company redeemed later as they were presented?

A. Yes sir.

Q. I would like to say, enlarging on that, answer, that the yearly reports of the Clarks Ferry Bridge Company show that they still have the sum of \$22,730 in unredeemed rebate slips.

Q. What were the total revenues of the company for the year 1927?

A. \$122,808.95.

Q. And what for the year 1928?

A. \$135,499.76.

Q. All as compared with the \$85,905, which the Commission had ordered?

A. Yes sir.

Q. And that you filed a second complaint in April, 1929; did you not?

A. Yes sir.

Q. Have you got the Docket number of that?

A. Yes sir; it was docketed under File number C8002.

Q. A preliminary hearing was had on this complaint, was it not?

A. Yes sir.

Q. Then, what happened?

A. Nothing happened that I was able to discover until the end of the calendar year 1929, and on January 4th, 1930, I petitioned the Public Service Commission for an order on the bridge company to furnish us with the figures representing the gross income for the year 1929.

Q. Had there not been a still further reduction in the toll rate?

A. There had. After we had filed the complaint on April, 1929, I was invited to come into the office of George Ross Hull, who was the counsel for the bridge company for the purpose of discussing a proposed reduction in the rates of toll. I went with another member of the Commercial and Industrial League. Mr. Hull has a proposed new tariff prepared which he said his clients had told him would yield eighty-five or eighty-six thousand dollars a year, and he wanted us to withdraw the complaint, if they would put the schedule of tolls into effect. I told him that I would take the figures, that I gathered from our discussion about the proposed new tariff, and think them over and study them, and if I found they were to yield the approximate amount ordered by the Commission, we would withdraw the complaint, but after I had studied the tariff, and had given what I thought was due consideration to the yearly increases in motor traffic and the economic fact that the reduction and the cost of the commodities would increase its use, I reached the conclusion that the new schedule would not yield eighty-five or eighty-six thousand dollars a year but approximately \$130,000. So, I called Mr. Hull on the telephone and told him that as a result of my study what we had said with reference to withdrawing the complaint was void; that we would continue on with the complaint. They had a new tariff—

Q. That was a reduction, was it not?

A. Yes sir; that was a reduction on toll on passenger automobiles from fifteen to ten cents.

Q. When you asked the Commission for an order on the company to produce its figures on the 1929 revenue, what was that revenue as you later found out?

A. \$141,538.92.

BY MR. RICHARDS:

Q. Was that under the new rates?

MR. HAGMAIER: Under the ten-cent rate?

A. That included a half year under the fifteen-cent rate, and a half year under the ten-cent rate.

BY THE CHAIRMAN:

Q. That is about \$10,000, more than you estimated?

A. That is correct.

BY MR. EVANS:

Q. But that was partly due to the fact that half of this year was at the fifteen rate?

A. Yes sir.

Q. Then in 1930 while your complaint was still pending, what action if any did the Commission take?

A. In an interim report the Commission on complaint Docket B-802 and on the January 14, 1930, the Commission retained its jurisdiction under our complaint and instituted an investigation on its own motion.

Q. And this is one of the cases which the Committee will recall the Commission states was instituted on its own motion. It was instituted while a complaint was pending. Now, under this new proceeding, have you had any conversations with any members of the legal staff of the Commission?

A. Yes sir. A gentleman by the name of Mather, who I believe is assistant counsel of the Public Service Commission and was assigned to handle the Commission's investigation of the schedule of rates at the Clarks' Ferry Bridge. I kept in touch with Mr. Mather as closely as I considered necessary. I didn't burden him I don't believe but I did indicate to him that we wanted to and insisted on getting some decision on our complaint. In the course of one of our discussions which we had, he pointed to a pile of papers that had accumulated in the Clarks' Ferry Bridge case which were resting on a supplementary desk in his office, and he said, "There they are, accumulating dust," which confirmed to me the conclusion of what was happening to our appeal in this case.

Q. The company had put in a new valuation on its property?

A. In the course of hearings held in the investigation conducted by the Public Service Commission, technicians for the bridge company introduced a mass of testimony that tended or attempted to establish a new valuation on the bridge. I really didn't see that we were particularly interested in any such attempt on the part of the bridge company for the reason that for all practical economical purposes the value of that bridge had been fixed; the Commission had determined on the

basis of a contract for reconstruction new, to determine on a value of \$767,800, and the unit prices for what had been used in the bridge had had a tendency to move downward since the original valuation had been determined. The Commission, after it had submitted the introduction of this mass of testimony that had to do with delivered prices of bar steel and all that kind of thing, sat back in what I considered a rather helpless way and said we don't have a technician with which to combat this testimony. I felt that our cause probably would have been advanced if the Commission had made some serious effort to enforce the Commission's order issued effective as of July 1, 1926.

Q. Mr. Curry, one of the waterworks engineers of the Commission, however, did make a report on the value of the bridge which was introduced as evidence?

A. Yes, sir.

Q. As I understand, both your complaint and the complaint of the Commission on its own motion are still pending?

A. Yes, sir.

Q. What was the gross revenue of the company for the year 1930 as shown by its report to the Commission?

A. \$130,304.20.

BY MR. HAGMAIER:

Q. That is at the ten-cent rate?

A. Yes, sir.

Q. How much did this water works engineer set the figure at?

A. I don't have that information available here. I can get it readily for you, I believe.

BY MR. EVANS:

Q. You will remember that Mr. Curry was the engineer who did not take a valuation of the Scranton-Spring Brook Water Company case. Just going back a moment to this question of your suggestion of a penalty of \$50 a day. Will you explain that to the Committee?

A. I took up with the assistant counsel of the Public Service Commission who is handling this case, several times the matter of a refund of the overcharge that was being collected by the Clarks Ferry Bridge Company, and I was advised that they didn't know of any way in which that overcharge could be refunded. There is a provision in the Public Service Company Law that states that the company who violates the order of the Commission shall be fined \$50 for every day of a continuation of the violation, and that was the only feasible means that I was able to discover whereby the public could recover a portion of the overcharge that had been collected. The penalty of \$50 a day since July 1st, 1926, would amount to something approximating between \$80,000 and \$85,000. There is no likelihood of their being able to recover all the overcharge that has been made, but the eighty to eighty-five thousand dollars could be paid into the Treasury of the State of Pennsylvania in which we all have an interest.

BY MR. RHODES:

Q. Did the Public Service Commission ever tell you at any time why they permitted this overcharge?

A. No sir.

Q. Did you ever discuss it with anyone?

A. I have discussed it in the hearings we have had and I have discussed it with the attorney assigned by the Commission to handle the case.

Q. What was said in the hearings when this was discussed?

A. You mean now with reference to the overcharge?

Q. I mean with reference to permitting the company to go on collecting from thirty to fifty thousand dollars a year more than was permitted under the order?

A. No sir.

Q. What excuse did they give?

A. No excuse was ever offered.

Q. Was it never discussed in the hearings?

A. I drew their attention to the fact that these overcharges were going on but there was no action taken by the Commission, and so far as I recall nothing was said.

Q. After 1926 they have received from thirty thousand to fifty thousand dollars a year more than the \$85,000 which was authorized by the Commission; do you mean that the Commission never gave either a reason or an excuse for permitting that condition to exist?

A. No sir.



Q. Did you call that to their attention?

A. Yes sir, in the complaint of April 2, 1929, I drew their attention to the order that had been made under the previous complaint docket and said, "That the annual reports filed by the respondent with the Public Service Commission since the said date all have shown gross earnings very considerably in excess of the limit set by the Commission as aforesaid; that the disregard of the respondent for the said order of the Commission is resulting in the collection of a schedule of tolls that is exorbitant and imposes an unnecessary burden on the users of the State-improved highways; and that the petitioner respectfully requests a renewal and strict enforcement of the aforesaid order of June 8, 1926."

Q. What response did you get to that?

A. We held a preliminary hearing in which I set forth the information that we have already given you here available from information of the Company and drew the attention then to the general condition that existed.

Q. Do you happen to remember what value the company is claiming in the present case?

A. I have just an impression that I obtained from different hearings that were held that they are striving to fix the valuation and appoint one that is slightly in excess of the one already fixed by the Commission, and when I say slightly I have in mind there may be a difference of possibly \$25,000; I don't think more than that.

BY MR. HAGMAIER:

Q. When you were consulting with Mr. Mather who was the attorney, did the question ever come up of this \$50 a day penalty with him?

A. I have raised that question at practically every hearing we had, because as I said and as I see it is the only prospect that we have of obtaining this revenue.

BY MR. RHODES:

Q. What is the status of that case now?

A. It is held in abeyance.

Q. And has been how long?

A. I don't know that; from time to time I have had to spur the Public Service Commission to get action.

Q. Did you accomplish that result?

A. Yes sir. On January 4, 1930, I petitioned the Commission for an order on the bridge company to furnish us figures that resulted in some more hearings in 1931, but finally we were driven to the extreme of sending a man over the Clarks Ferry Bridge and having him pay five cents, and after sending that man over in that manner, they did go ahead and we had some more hearings.

Q. But each time it relapsed into a condition of repose?

A. Yes sir.

BY MR. EVANS:

Q. Your complaint has been pending since April, 1929?

A. Yes sir. One thing I would like to add. Christian Lynch paid \$4,500 for the bridge. It was resold to the Clarks Ferry Bridge Company for \$45,000, and the \$45,000 was paid in the way I have mentioned. The common stockholders subscribed to \$10,000 of bonds in 1917 and \$20,000 of bonds in 1918, making a total bond holding of \$50,000, first mortgage bonds against the wooden structure. They traded the \$50,000 of bonds 6%, for \$60,000 of 7% preferred stock at the time of the refinancing of the company. No 7, the common stock that the four common stockholders in the Clarks Ferry Bridge Company hold and own, has not cost them anything, but in 1930 they paid \$42,500 of dividends on that common stock, and they listed it in their reports as being a 12% regular dividend and 5% extra dividend. The \$42,500 represents the 17% on the outstanding \$215,000.

BY MR. RHODES:

Q. You say there are only four stockholders?

A. Four common stockholders. Two of them have since died, and I presume their estates are holding it. The others are P. F. Duncan, John Wills who has since died, William Jennings, Harrisburg, and Christian Lynch of Harrisburg. One other thing, the total over-charge approximate \$230,000, which is sufficient to prepay our tolls on the Clarks Ferry Bridge for a period of in excess of two and one half years. They could run absolutely free,—the traffic could run absolutely free on the Clarks Ferry bridge for a period slightly in excess

of two and one-half years, and they would still have everything that the order of the Public Service Commission says they should have. One thing more the average percentage of increase,—taken from reports that are submitted by the company to the Public Service Commission—the average per cent. of increase in the traffic year from July 1, 1930, on eight months is 19% over the same periods in the preceding traffic year, from July 1, 1929. The January receipts for 1931 were the largest receipts for any January, regardless of the schedule of tolls that was in effect, which showed an increase of 44% over January of 1930, notwithstanding the fact that there had been a reduction in the tolls.

Q. The day that you sent a fellow over there with a nickel and one of these rebate slips, what happened?

A. They arrested him. There was criminal prosecution brought us. He was hauled before an alderman, and was fined, notwithstanding the fact that the rebate slip was guaranteed by a board of the United States Fidelity and Guaranty Company, and there could not have been any question as to the payment of it. The 5c toll is entirely justified. They have got \$230,000 of our money to guarantee them against any possibility of loss. Incidentally we appealed to the Dauphin County Court in that prosecution, and the criminal prosecution against the man was thrown out of court.

W. M. DIETRICK recalled

BY MR. EVANS:

Q. Mr. Dietrich, you have prepared an exhibit showing the earnings of the Clarks Ferry Bridge from 7-1-26 to February, 1930?

A. Yes sir.

MR. EVANS: I offer this in evidence as Exhibit No. 173.

BY MR. EVANS:

Q. You have prepared this exhibit on the basis of tariff years, which commence on July 1st?

A. Yes sir.

Q. What is the over-charge above the tariff rate for the period from July 1, 1926 to February 28th, 1931?

A. \$209,380.41.

Q. Mr. Dietrich, you also made some examination of the report of this company to the Public Service Commission, did you not?

A. Yes sir.

Q. The Company in its report shows a deficit, does it not, in its surplus?

A. Yes sir, it does.

Q. Will you explain to the Committee briefly how, with such a profitable business, it shows a deficit?

A. The deficit as shown by the Clarks Ferry Bridge Company under balance sheets submitted to the Public Service Commission at December 31, 1930, is somewhat misleading, due to the fact that there are a number of rather intricate entries in this surplus, which if adjusted to show the true surplus of the company, would not show a deficit, but would in reality show a surplus of practically \$80,000.

Q. What deficit does the balance sheet actually show?

A. The balance sheet on the page which I gave shows a deficit of \$63,662.54.

Q. This should be, you say, a credit balance of \$80,000 and something?

A. Yes sir. Every year since the year 1925, this company had charged its surplus with an amount of \$27,155.78, which they call amortization of old bridge.

Q. That was that wooden bridge which they bought for \$4,500, was it?

A. Yes. To the end of 1921 the total amortization was \$162,934.68. In 1927 this company debited their surplus with \$82,407.36, which they termed credit of old bridge, and adding these two together, we have a total debited to surplus of this old bridge of \$245,342.04. The Commission in its valuation of the property of the Clarks Ferry Bridge Company, in which rate case Mr. Coble testified to, allowed approximately \$70,000 on this bridge, but they have already added the surplus of \$245,342.04 for this bridge. They have another intricate entry that is impossible for me to explain, I don't know how they arrived at it, they credit their surplus account yearly with an amount which they call interest on balance in old bridge, and to the end of 1930, this amount was \$57,163.45. Another thing which they charge is debit from surplus of an excess depreciation

tion. The Commission allowed depreciation yearly of \$7,678 on this bridge. To date, or to the end of 1930—

Q. That is on the new bridge you are speaking of now?

A. Yes sir. There was excess depreciation over this order of \$42,543.32, and this added to the debits for the old bridge gives us \$145,630.27, and if we throw the deficiency of \$63,662.54 against this, we have surplus left of \$81,967.73, which in reality would be the surplus of the company if it was handled in the manner set out by the Commission.

Q. Those figures are all taken from their reports to the Public Service Commission?

A. Yes.

The Chairman declared a recess until 1.30 o'clock P. M.

Harrisburg, Pa.,  
Friday, April 24, 1931.  
1.30 o'clock P. M.

#### AFTER RECESS

W. M. DIETRICK recalled.

BY MR. EVANS:

Q. Do you want to make a correction in your testimony you gave before lunch?

A. Yes, sir.

Q. Will you please state what correction you wish to make?

A. In my testimony, given just prior to the recess, I stated that if the surplus of the Clarks Ferry Bridge Company, as set out in their report to the Public Service Commission of December 31, 1930—if this surplus was adjusted to eliminate the entries for the old bridge and for the excess depreciation, that the company would have a surplus of \$81,967.73, instead of a deficit of \$63,662.54.

I wish to correct this testimony to the effect that if these adjustments were made to their surplus, they would have a surplus of \$167,064.37 instead of \$81,967.73, to which I testified before.

MR. EVANS: Mr. Chairman, before we start with Mr. Attwill, perhaps I had better read into the record a telegram which has just been received, addressed to me, dated, 1.05 P. M. today:

"Am prepared to appear before Pennsylvania House of Representatives Public Utility Committee at any time that is mutually convenient, after Tuesday next week.

J. S. S. Richardson."

I also have received a telegram from Mr. J. T. Hopson, vice-president of the Associated Gas and Electric Company, New York, dated today, stating that it will be impossible for either him or Mr. Manges the president of the company to appear before the Committee next week.

MR. RHODES: Do they say that they can appear at any time?

MR. EVANS: Mr. Hopson says neither he nor Mr. Manges feel that it would be possible for them to appear at any time, sir. And I also have a letter dated April 7th, from him, stating that the press of his duties is such that he cannot spare the time to come.

HENRY C. ATTWILL sworn.

#### REGULATION UTILITIES IN MASSACHUSETTS.

BY MR. EVANS:

Q. You are the Chairman of the Massachusetts Department of Electricity and Gas, is that right?

A. Department of Public Utilities is the technical name.

Q. That is the Department which is charged with the regulation of public utilities in Massachusetts?

A. Yes; largely.

Q. How long have you been chairman of the department?

A. Since December 1, I think, 1919.

Q. And you were a member of the department prior to that time?

A. In a sense, and then, again, no. I resigned as Attorney General in August 1919, with the understanding or the intimation to me that when the new consolidation took place in December, became effective, I would be made chairman, and

temporarily I filled a vacancy on the Public Service Commission, to December 1, 1919; a vacancy on it which occurred by reason of Mr. Eastman being appointed to the Inter-State Commerce Commission, but didn't do much work, because everything was sort of at a stand still because this other act had been passed in July to become effective December 1.

Q. The Committee, I think, is very much interested to hear how utilities are regulated in Massachusetts, and the methods which you have found effective, as they will have before them legislation on this subject; have before them at the present time here in Pennsylvania. Would you be good enough to give a general picture of the situation.

A. I think one to understand the situation in Massachusetts has to understand somewhat the traditions of the state and how they developed.

Now, Massachusetts, in a sense began regulating utilities as far back as 1804, when they proceeded to make provisions for turn pike companies, requiring them to furnish to the Governing Council their original costs and their expenses of operations, and originally in the acts of the legislatures they used to fix the rates, and in those acts there were provisions that after twenty years, or whenever the turn pike company had earned, had got the cost back, plus, I think 12% on the cost, then the turnpike should automatically become the property of the Commonwealth. Later, when we started having railroads in Massachusetts, we had what is known as a recapture clause, which provided that the Commonwealth at any time could take over the railroads at the original cost of the enterprise, plus an annual earning of 10%. Now, you see, those, in their nature were sorta limitations, upon the earnings of the corporations, and as time went on with gas companies and electric companies it was natural that the legislature of Massachusetts and the people should visualize rather differently than I think the rest of the country—we sort of visualize that what we were doing in a sense, was borrowing investors' money; that the public utility property was really a sort of trust property held for the benefit, not only of the stockholders, but the public, and so, we have traveled along on that sort of an idea; that when we come to regulate a utility, we seldom give any consideration to what is known as the value of the property either present, past or in the future. We deal with the proposition largely from the investment, what has been put in the property, and what the people, who put the money in the property, should really have as a return.

And now, if I can explain what I mean, how that works—I might put it another way: to my mind the regulation of public utilities is an economic one rather than a legal one. So long as the utilities are growing and the community is growing there never will be any difficulty or ought not to be, because there is no legislative power to cut down the rates so that an adequate return will not be paid upon the investment. The public want extensions and improvements, and under the way we issue stock in Massachusetts, it can't be issued for less than par, and it is obvious, in order that the public may have additions and improvements, that the company must get additional capital, and that can only be obtained if the public are paying rates sufficient to keep the stock at par. This is only—

BY MR. TURNER:

Q. Pardon me, you said that the legislature could not. Did you mean—

A. I mean as a practical matter.

Q. But legally could they make less than what we term a fair return under that law, and get by with the Constitutional inhibition?

A. Well, I am going to approach that. We never paid much attention to the Federal Constitution in Massachusetts. What I am trying to arrive at is the economics of the situation; that is, we never arrive very close to the point of saturation, that in justice may be done to the company, and as I say, as the public are not seeking additions and extensions, the public may, in a sense, deal and rob from the public utilities unless there is some provision to prevent it.

I can see the public utilities' end of it, also.

Now, in reply to your question, all that I can say is that we had a gas and electric commission created in 1885 in Massachusetts, and it was given the power to fix rates, and that power has gone along unto the present time, and they served 45—46 years; and in that period of time, there have only been



three cases where appeals have been made to the Federal Courts, and in those three we were fortunate enough in Massachusetts to have the cases dismissed before they got out of the district. And so, we have never been bothered by cases going to the Federal Court or down to Washington. We have, as I say, for over half a century, we have been working on our theory of effective regulation, and we have been very fortunate until two or three years ago, when there seemed to be a real assault against our method of doing business. And we were successful in getting that out of the way. We have since got a little legislation which I think will be helpful to move the possibility of its return.

Now there is another feature as I think I ought to speak of here, we have what the people refer to in connection with Massachusetts as regulating utilities on the prudent investment theory or a fair return on the prudent investment. I don't think that that exactly expresses it, in this sense, Massachusetts I think—it is seldom that the Commission has ever talked about rate bases, or seldom have the Commissioners talked in the technical language that has grown up in the utilities. We look upon the situation that if the company is fairly managed and prudently managed we ought not to regulate its rates so as to deprive the company of a fair return upon the investment. Now the limit below which we ought not to go is considered, and as a matter of fact we give them considerable more. Otherwise, you have a higher efficiency, and if one is better than another you have to take that into account. Furthermore, we have a peculiar situation in Massachusetts. I never have liked it altogether although I think it has worked pretty well, which came into effect in 1893 as to railroads and street railways, and in 1894 as to gas and electric companies, and that provides that whenever there is any increased issue of stock it shall not be offered to the stockholders at a price less than the department feels is not so low as to be consistent with the public interest. What that means I really don't know. The courts have attempted to define it, but not very successfully. Practically what that means is that it shall not be issued so low as to be inconsistent, consequently if we think it ought to be sold at a higher price we raise the price. Now, in connection with a company whose stock is being issued at a par of \$100, and we say to the company in this increase of stock, "You have to sell that at \$150," I am speaking for myself. Regardless of what the other members of the Commission may feel, I have always felt that it is not equitable and fair where the company is conducted in a successful and intelligent manner, if the State by stamping its valuation in a sense on the stock at \$150, through our regulating the company, that it would deprive it of earning a fair return or a return which would maintain that stock in the market of 150, if it prudently and successfully managed its property.

BY MR. TURNER:

Q. Mr. Attwill, if it does not break in, if it is not too cumbersome, what would be the process by which, the reason by which, you would increase that, and what would be the circumstances?

A. Well, I will give you an illustration. We have what we know as the Edison Electric Illuminating Company, which is our biggest company in Boston. That is selling on the open market on the stock exchange at places it is sold at, at around \$280 a share, and we don't feel we ought to allow them to sell that increase of stock to the stockholders at \$100 a share. As a matter of fact, the price we put on the Edison Electric Illuminating Company, the highest price is \$215 a share, although its par is 100.

BY MR. EVANS:

Q. What effect does this have on stock dividends?

A. There can be no stock dividends in Massachusetts, the law prohibits any stock dividends of any kind or nature.

BY MR. TURNER:

Q. That is where you have some gauge?

A. We get gauges pretty well; although they may not be listed on the stock market, they are sold and auctioned in unlisted sales. We have some places that sell stock in Massachusetts and unlisted securities.

Q. In other words, you find out what the market is for it?

A. Yes; and when it has no market, which you are apt to get nowadays, the fashion is to have holding companies and

they try to get all the stock of the operating company, then we have to deal with it from the standpoint of its earning power, and what it is earning. We say this stock, if they are paying 6% dividend, an electric company, we are quite likely to say that is about par. If it is paying up between six and ten per cent., then it appears to us that it ought to be up to about 150.

Q. What would you do with no par value stock?

A. We have no such thing in Massachusetts. The utility companies did endeavor to have bills passed for no-par stock, but I, and my associates on the Commission, have always opposed no-par value stock, so we have nothing of that sort.

BY MR. EVANS:

Q. What do you do with a company when it wants to split up its stock?

A. Sometimes we let them and sometimes we don't. Now I think we do let them split it up. There was a statute which provided they could split it. You mean to reduce the par value so that if it is \$100 they can make it \$25 and call in the stock and do issue four instead of one? We did that pretty generally until we were confronted in 1929, October 1929, with an application from the Edison company which we denied for reasons which were set forth in the opinion. I have a copy here if you should like it.

BY MR. RHODES:

Q. Do you remember what effect that had on the stock market when you made that order?

A. Some people accused us of causing the financial panic throughout the country. I have always felt the financial situation was on pretty thin ice if our activities with relation to the Edison Company—it did make the Edison stock go down ninety points for the day. I will leave a copy of our order here and I think that that will explain in it much better that I can explain it.

BY MR. COOKE:

Q. Could you not tell us in a few words?

A. There had been a good deal of speculation. We had allowed them to issue 1000 shares and that had sold in the market at auction for some unheard of and unknown reason for \$411 a share. Now we felt convinced that the people would likely be buying that stock on that high rate on the theory that by reason of the splitup they were going to get—we were going to permit higher rates of dividends by the Edison Company and we felt it was undesirable in that high market to have the stock split up and give it an additional boom, and we thought that at that time it was ridiculously high and that they had better wait until it got down to some reasonable level.

BY MR. TURNER:

Q. You must have very great powers over the issuance of securities under the Massachusetts law?

A. And no public utility in Massachusetts, can make any increase in its stock without the department approving of it. The statute I recall, says "without the approval of the department," that the increase is necessary for the purpose for which it is proposed to be issued. That is rather a wide latitude.

Q. Does that give you control in these holding companies?

A. No, because no holding company is an operating company. I personally am rather indifferent about the holding companies. I simply visualize them as a large stockholder,—not particularly interested in them.

Q. Don't you feel that it has,—they have some aspects upon the operating of costs in these companies.

A. Personally no, so far as our State is concerned, up to date,—what it will be in the future, that is another thing. Of course, there may be danger of having a wide political influence; there may be danger because their securities are so thoroughly broad cast,—their trust certificates,—that they would have political advocate in every hamlet and village, because when I used to be in politics, I found that a fellow who owned a few shares, he was rather an eager fellow for something to be done in the Legislature. So, if they have thousands of holders of those securities, they have got quite a strong political body to get something that they might want in the Legislature. There may be dangers from that standpoint, but up to the present time personally I have not been bothered with them.

BY MR. COOKE:

Q. We had a good deal of testimony in these hearings on the subject of the method of valuation, known as reproduction cost new, less depreciation. Now, that is a legal approach. You said that you used the economic approach in Massachusetts. You are familiar with the reproduction cost new?

A. Yes sir, I have heard a great deal of it.

Q. Will you tell us what you think about it?

A. Personally I think it absurd and ridiculous. My own view is, if we are to regulate under this doctrine that has been enunciated by the United States Supreme Court, we cannot regulate, we are through, because it give such a high return or guarantees to the utilities such a high return that there is nothing for the regulatory body to do except to remove discriminations. If I might illustrate what I mean,—we have an electric company in my state. There are in my state some electric companies which sell as high as 75% of their output for power, and power is largely in a competitive position. Large manufacturers are in a position to argue and debate on what they are going to pay. They threaten the electric company, if you do not make the rate so and so, I will put in a plant of my own, or I will put in a Deisel Engine. So that any large manufacturer is in a position to force the company to sell electricity at about twelve or thirteen mills, if it is a big and substantial industry and powerful and assertive enough. It is obvious, if they are going to be allowed a fair return of the fair value of the whole property, 25% in non-competitive part of the business has got to furnish this fair return, for the 100%, and the matter of fact, I do not think that the 25% can do it.

BY MR. RHODES:

Q. That is usually the domestic consumer?

A. Yes sir; he has no protection except the regulatory body, and if the regulatory is confronted with that situation, I do not think it can do much for the domestic consumer; I think the regulatory body is practically stopped. We got over that in the Worcester case somewhat. It never went to the United States Supreme Court. We do not know what might have happened, but we made a finding that we were only dealing with the higher rates namely the commercial rate and the domestic, and counsel asked for findings of facts and rulings of law, which they had a right to make, and we finally stated that we found this,—what we allowed them would give them a fair return under the decisions of the United States Supreme Court on that proposition of the property devoted to commercial and domestic purposes. The Master found that on that proportion of business, the rate was not consistory, but that has not been determined by the nited States Supreme Court, as to whether it can split it up in that way, or whether or not the company can say, we are entitled to make up in the profitable part of the business what we cannot be in the fair return in the unprofitable part of the business.

BY MR. COOKE:

Q. Why didn't that case go to the Supreme Court?

A. Largely because of tumult. That has a great deal to do with influencing opinion, on this earth. These companies started in to the Federal Courts, and we had a statute in our Commonwealth, which said that a municipality, if it wanted to go into business and voted to go into business two successive votes, then the company should tender a deed of its property in the community. Then it was referred to the department acting as a Master—

Q. You said the company,—didn't you mean the municipality?

A. No, the companies tendered the deed to the municipalities of all the property it has within the limits of the municipality. Then they apply to the court for a determination of the value of that property. Then under the old statute it was referred to the department, which acted as Masters of the court, or subject to review of the court, and the result was the company was entitled to a fair value of the property within the municipality before the municipality would go into business. So, as a result our department, because of the activity of these two companies, resorting to the Federal Court, we subjected to the Legislature that they pass a bill providing for a contract between the gas and electric companies and the Commonwealth by which the electric companies and gas companies after a valuation of their propertites by the department, and recapitalization, would agree that there after

they would submit to whatever regulation the state might see fit to impose upon them, provided that the regulation did not so reduce income of the utility to such an extent as to prevent the utility from paying dividends, which would mention the stock at par, and we suggested that in that bill they should provide that those companies assented to this arrangement, the state would contract with them, that any time the state went into business, it would pay the value of their property, the value of the company's property, and those companies that did not assent would be left in the cold, and would get what they could in the future from their property, after the state went into competition with them. We were met that year by the assertion of the lawyers representing the utilities that our proposition was unconstitutional because of, and I think they based it on the case of the Frost Trucking Company against the Railroad Commissioners of California, 271 U. S. 583, because they said that act would be coercive; it would act in the way of forcing the companies to go into this contract. The Commissioners of the Department, we went out, and we made speeches—

MR. TURNER: You mean the Commissioners went out and advocated the passage of legislation?

THE WITNESS: Yes, in trying to bring home to the public that under this Washingtonian idea there was no such thing as regulation. The next year we suggested, if they said it was unconstitutional, we would repeal all its provision that were provided for in the act for the municipality to go into business and to buy out the company, and after that was repealed then we could propose our original act and there could be nothing coercive about that. As a result, after a good deal of agitation, a bill was passed in 1929 modifying the original statute, so that now the act provides that when a municipality wants to go into the electric business and votes to go in, if they cannot agree with the utility as to what shall be paid for the utility's property, then either side can apply to the department to determine the price that shall be paid; the department's decision is final. If then the utility does not want to pay that price, it don't have to, or if the municipality does not want to pay that price, it can withdraw the proposition of going into this business. If it wants to go in and it offers the money to the utility and the utility does not take it, then it is free to go in without paying anything.

BY MR. TURNER:

Q. Have you ever had any cases under that?

A. No, and I doubt if we will have in a hurry. I think the sentiment in Massachusetts, I don't think is very strong for public ownership, but I think it is very strong for the feature that it should not pay for electricity any more than is reasonably necessary to encourage people to furnish it. I think the sentiment in Massachusetts is very strong and very pronounced that the United States theory, that the 14th amendment, entitled utilities fair return upon cost of reproduction of the present property acts in such a way that we will have to pay them under that theory more than we reasonably need to pay in order to get the electricity.

MR. TURNER: Now, Mr. Attwill do you have many complaints? I mean, what we call complaints here, cases brought before the Commission?

MR. ATTWILL: Oh, we have them all the time; all the while.

MR. TURNER: You have?

MR. ATTWILL: Oh, yes. I have never known anyone yet that was satisfied with the price of anything.

MR. TURNER: Well, in these cases you don't find any valuation then for the property?

MR. ATTWILL: None whatever, unless the company forces us to do it. Now, I will give you an illustration of that, how ridiculous it is that we should have any valuation inquiry. In 1923 the New England Telephone Company was in bad shape; in got in such shape that they could not get their dividend requirement, and they brought proceedings in order to increase the rates by about 19 or 20 per cent., and they started in to lay the scenery, or the indications of the scenery for a Federal case in court. I brought the lawyers in, I got the corporation counsel of the City of Boston, and I said, "You don't contend for a moment, do you, that the property of the New England Telephone Company is not worth the par value of its stock, plus its indebtedness." And they said, "Absolutely not." I said, "It is obvious that you cannot, because you are contending here that the depreciation reserve is too much,



and so, of course, you could not go both ways." They said, "Absolutely not." Then said, "Gentlemen, why should we be bothering around about the fair value of the property. You gentlemen who represent the telephone company, all you say is that you want enough income to maintain the financial integrity of your company, in order that you can pay dividends, to keep stock up to something near par. Now, why do you want to go and make a valuation?" Well, they made no satisfactory answer. They said, "You would not take the responsibility, would you, if you were representing the telephone company?" "Why," I said, "Of course, I would, anybody would here in Massachusetts, but I can see your trouble. You are controlled largely from New York, and New York does not understand Massachusetts, and they have been so in the habit of taking valuations that they think a case is not running properly unless you do. So they persisted in it, and it cost very nearly \$2,000,000 to the telephone company; it didn't amount to a hurrah. As a matter of fact the public has got to pay that \$2,000,000, because the only thing the New England Telephone Company gets anything from is from the ratepayer. Why, every time you have these valuations, engineers running around and making a guess at it, the ratepayer in the last analysis has got to pay for the useless work, which in my judgment is absolutely useless, and it protracts the hearings listed, delays, and regulation is not worth anything unless it is prompt and efficient. You have got to wait two years before you decide anything—

BY MR. RHODES:

Q. How long?

A. Two years before you get a decision. Why, that is ridiculous.

Q. We consider that expeditious.

A. Well, I don't think you can find any in Massachusetts, the last ten years has taken two years. I doubt if you can find any that take a year. Usually I think you will find it don't take much more than three or four months.

MR. TURNER: I don't see why it should take very much time, if all you have to do is to compute the amount of stocks and bonds they have out.

THE WITNESS: You have to do a little more than that. You always have to inquire concerning the operating expenses?

MR. TURNER: Yes, that is true.

THE WITNESS: Whether they are sufficient, and then you have got the arguments of counsel, they have got to earn their money, and sometimes they want to earn profits, and in Massachusetts we run the thing as a Legislature Committee would, sort of a free-for-all, anybody can come in, it is like an Irish fight, so that we hear everybody before we get through.

BY MR. TURNER:

Q. How many Commissioners do you have?

A. Five.

Q. How many companies come under your jurisdiction?

A. Well, I came prepared for that, because I didn't know, and I could not say off hand, and I was afraid you would think I was rather dumb if I didn't know. We have apparently at the present time, what are known as gas companies, 53; electric companies, 56; I am now talking about gas and electric.

When I speak of gas companies, most of those gas companies are combined companies; that is, they manufacture both gas and electricity. So, I should judge at the present time, or as of January of this year, we had one hundred and nine. I think that has been reduced by two, because I think we permitted two consolidations since that time, which would bring it down to 107.

Now, in addition to that we have forty-three municipal plants in Massachusetts?

Q. Do they come under your regulation?

A. Well somewhat, but not much. In other words, a citizen who can't get the local managers to supply him with electricity can come to us, and if he can show he ought to be supplied we can order it.

Q. Do you have water companies under your jurisdiction?

A. Yes; we have some of those in Massachusetts, not many because our water is furnished largely by the public. I am astonished. There are fifty-two water companies.

Q. So you possibly only have a couple hundred companies?

A. I was looking at it here. This total is 412, but if we take out of that 70 motor bus lines—we also have the regulation of motor busses, carrying passengers; and if we take out what

are known as voluntary associations—that is rather meaningless, because we have little or no regulation over them, but certain ones have to make a certain type of return—that would be one hundred. You take those out, and we have 312 public utilities companies, from that statement, under our regulation.

BY MR. EVANS:

Q. And do you have jurisdiction of railroad rates.

A. Oh yes.

Q. Do those come under—

A. Oh yes.

Q. Do you have jurisdiction over taxi cabs?

A. No; but it looks as if we would. We have a bill now pending in the legislature to wish taxi cabs on us. We are rather the waste basket of Massachusetts. When they don't know to whom it goes they give it to us. Our department also administers what is known as the sale of securities of security acts, which is known as a blue sky act, and we also administer a smoke act, by which we try to reduce the emission of smoke in the metropolitan district in Boston. So we are rather, as I say, when the legislature don't know where to put it, they generally give it to us. We are long suffering in that respect.

MR. TURNER: Mr. Evans, here in Pennsylvania, as I recall the testimony, we get about 3500 reports, don't we, in the Commission in a year?

MR. EVANS: I think so.

MR. TURNER: Now, that might not be entirely 3500 companies a great deal of them might be separate companies that are reporting to one company?

MR. EVANS: Yes, I think that includes all the taxi cabs.

MR. TURNER: I am trying to get some comparison of the operations.

THE WITNESS: You know, we are a small state.

BY MR. HAGMAIER:

Q. You did not say anything about the railroads, did you?

A. We have many of those. You see, railways we call street railways, and railroads, railroads. We have steam railroad companies, 26. How we can have so many, I don't know. I suppose there are some of them that have technical existence, although they have been leased by other companies. As a matter of fact we really have in Massachusetts only four real railroads that come under our jurisdiction.

The street railway companies are 37, but of course, two of our street railways companies are largely operated apart from us—the elevated and the eastern Massachusetts because public trustees have been appointed to operate them.

BY MR. TURNER:

Q. How much do they pay the Commissioners in Massachusetts in salaries? I do not want to be personal, but as a general thing?

A. They pay the Commissioners \$7,000, and the Chairman \$8,000; very inadequate.

Q. I should think so. How long a term do you Commissioners serve?

A. Each of the Commissioners under the act is appointed for a term of five years.

BY MR. RHODES:

Q. By whom?

A. By the governor.

Q. Removal by the governor at any time.

A. Really, I don't know. We are appointed I know by and with the advice and consent of the council, and now, I doubt if he can remove, except with the advice and consent of council.

Q. What do you mean by "the council"?

A. We have a governor's council in Massachusetts; eight councilors and the lieutenant governor constitute the council.

BY MR. RHODES:

Q. And the legislature has nothing to do with your appointment?

A. No; but it can legislate us out at any time.

BY MR. EVANS:

Q. Going back to the Worcester case, what was the rate you fixed there for domestic consumers?

A. Five cents a kilowatt hour—five cents a kilowatt hour for the domestic consumers.

Q. And on the subject of control of operating expenses do you attempt to control operating expenses, pretty generally?

A. No; except indirectly. In other words, in determining what we think the company ought to have, if we think they are spending more money in operating expenses than they ought to, we only allow them what we think they ought to have, in coming to our conclusion.

BY MR. RHODES:

Q. You would not permit them to attach to their operating expenses, \$40,000 pension for a superannuated employee, would you?

A. No; I couldn't say. I think we have got to deal with each individual situation. I wouldn't want to say.

Q. You have control over the situation?

A. In a sense, yes, because if we thought that the operating expenses as they calculate them for the next year and the years to come—if we thought we ought to knock off the pensions, we would knock them off, and have the stockholders take care of them, but I wouldn't say right off that the pension system is justified, or not I would want to know more.

BY MR. TURNER:

Q. \$40,000 for an individual?

A. I expect what you are talking about is that some holding company—the old president or the old manager—

MR. TURNER: That is bull's eye.

MR. RHODES: You did not happen to know anything about the incident to which I referred?

A. Oh, no; we have them there. That is nothing unusual, but sometimes you might feel gracious, it was a God-send even to get rid of him.

BY THE CHAIRMAN:

Q. How about if one of the elements of that was to keep his mouth shut?

A. Well, perhaps so.

BY MR. EVANS:

Q. On this subject of holding companies, do you run into management contracts?

A. Oh, yes.

Q. Do you regulate those?

A. We haven't much up to date. And now, they are rather a new thing in Massachusetts, but management contracts are rather old things. For instance when I first went on the board ten years ago, I ran across the fact that Stone and Webster were managing several companies in Massachusetts, although they didn't control them. They are management contracts, and there are two other concerns that had management contracts. I was just speaking on that yesterday afternoon before a legislative committee. I was troubled about this Stone and Webster management contract. It seems to me in certain phases too high; it seems to me one could argue very strongly against it, but much of the trouble was that the Stone and Webster companies, on the whole, were doing better than the others. In other words, proof of the pudding is in the eating thereof; and so, it may be very difficult, it may be that three or four companies may have better management, better engineers foresight, by reason of a management contract may get better engineers. I don't know. I know that it is the the thing you can't pass upon in any general way. I think you have to take them up individually and fight it out.

Q. In all events it would be within your jurisdiction to regulate the managing company, for instance, where there is a company operating another subsidiary of a holding company?

A. I don't think we could. That involves management. I think we could say to them, we don't like such things and you have to change it, and if you don't change it we won't allow you so much as we otherwise would in rates. That would have a moral effect, perhaps an economical effect, to change it.

Q. Did you not say you would not allow that as an operating expense?

A. Absolutely.

BY MR. TURNER:

Q. You could not measure it by any amount; it would depend on what you found in each case?

A. I don't like these managing companies' contracts; they have an element of a fellow contracting with himself, of being on both sides of the bargain, and I think it was Grover Cleve-

land who said, "That constituted a badge of fraud," but in the southwest telephone case, the United States Supreme Court said they didn't want any evidence of fraud where the American Telephone Company and a local telephone company were contracting together although the American Telephone Company dominated the operating company.

BY MR. EVANS:

Q. Has that decision not been somewhat modified?

A. Yes sir, recently by the Chicago case, but I don't know what the law really is.

BY MR. COOKE:

Q. You certainly feel that there ought to be a relation between the value of the service and the charge therefor?

A. Absolutely, absolutely, and I fancy our department is going to take the thing up some day and tell them that they ought to limit their exercises, but just how to do it I have not yet formulated in my mind what is the wise thing to do, but undoubtedly I think something has got to be done about it and in some way limit these contracts.

BY MR. RHODES:

Q. Do you find any tendency to have applications made for increase of rates when a holding company acquires an operating company?

A. No, all of our rates are downward and not upward now. I am talking about electric rates. Now for the last seven or eight years the tendency in electric rates has been uniformly downward in Massachusetts. I won't say that in the case of gas rates.

Q. What about water rates?

A. Those poor fellows don't amount to much anyway. I think we have had to raise more than reduce in the water rates. It has generally been a matter rather of getting more income for them instead of less. For one thing, labor costs have gone up.

Q. Are many of your water companies owned by holding companies outside of the state?

A. I never heard of it until a few years ago when I heard that someone came in and bought some of our water companies, and I thought that they had courage. I could not see what anyone wanted with any of our water companies in Massachusetts. You see they are very small. There is not a city in the whole state but what has its own water supply or is a part of some system that is operated by a public district, and so they relate to towns and small communities.

BY MR. COOKE:

Q. Did these people who had the temerity to come in and buy them, did they make anything out of this transaction?

A. Really I don't know. I think we have one now on there for an allowance where they want some small increase, and I think we probably will have to give it to them. Down at Scituate there was a company called the Scituate, and then there was one at Cohasset, and there was another one at Hingham, all down on the shore there and they are all private companies. I don't think it will be many years until we have no such thing as private water companies in Massachusetts.

BY MR. RHODES:

Q. Municipal operation is acceptable and proves satisfactory in Massachusetts?

A. In so far as water companies are controlled, absolutely.

BY MR. TURNER:

Q. You mentioned a while ago in the early days you had a recapture clause. You meant by that the ability to take the property itself and not the earnings?

A. Take the property over, paying the cost of investment plus a certain per cent. for each year they operated.

Q. You have no recapture of earnings?

A. Yes, we had everything up there. It really doesn't work out now. In 1898 there was a commission appointed to study the street railways situation and my recollection of that is that Charles Francis Adams was chairman, and as the result of their report, we have a street railway law which provides that a street railway that pays anything over 7% dividend has to pay an amount equal to the excess over 7%



into the treasury of the Commonwealth, but I don't know of any of it that ever went into the Commonwealth.

Q. They always find some way to keep it down to 7%.

A. That was the object of it. It was to induce them to create proper reserves for depreciation and pile back their earnings into capital improvements. That is all to the advantage of the public so long as the public doesn't have to pay a return on it. But this theory, the court theory, that we have now compels us to pay on what we put in ourselves. That is one of the troubles in the reproduction theory. We put in the amount and put up a handsome reserve for depreciation and surpluses to be plowed back into the company and then they come along and say you have to pay for that cost. I don't wonder that the public says, "Not by a jugful." "If we have to do that, we will give them the poorest earnings we can." If they have some sense about it the public gets the benefits of that surplus and large reserves for depreciation, and get something like this state house or a city hall. In Massachusetts I think they say you have to pay for it in twenty years, and we have a ridiculous situation up there. The city of Boston builds the subway and the law compels these subways to be paid for in fifty years, and right in the subways we have tracks of the street railways company and outside tracks and yards, and the law in effect says they never shall be paid for. Something must be wrong somewhere. They are both utilities, and are both public utilities.

Q. There has been a suggestion made that we institute in Pennsylvania the prudent investment theory.

A. I think you will be going in the right direction. You will be going in the direction of Massachusetts—the Premium Law which I never liked. I have reported successfully to the legislature, in my judgment it ought to be repealed, because it acts in such a way that the boys raise their dividends and that raises the price of the stock, and then after you have raised the price of stock, they say it is outrageous, you have put this stock at this price, that you could reduce our dividends so that we cannot maintain it there. There is a good deal of justice in that. But curiously, the figures work pretty good. We blunder along, but they worked pretty good. You look over the companies in Massachusetts. Most all of them have splendid reserves for depreciation, and splendid surpluses, and I think the reason we have got those surpluses—well it might be New England thrift, but I think that more than likely that were a little fearful if they tried to increase the dividends much, they would have a rate case on their hands. In a sense it has worked pretty well. But if you went on with the prudent investment theory—and you could find some way that you could do it, without the intervention of the Federal courts. I think it would be a fine thing for the people of Pennsylvania. But the question is, how can it be accomplished.

Q. We have in Pennsylvania the thing that these stock issues and so forth may have no relation to the value, because they have been made throughout the years when there was not control?

A. Start controlling them now. After all, most things come out in the wash. Property which you have had in the past years and the new at least will be controlled by somebody. I think we can say so far as Massachusetts is concerned there is no stock watering in our public utilities. I feel very confident of that. I think that all of our companies, with the exception of street railways, which have been dying out, petering out, their properties are worth in excess of the par value of their stock and bonds. I think that is a pretty safe thing to say.

BY MR. RHODES:

Q. I presume you have never heard in Massachusetts where they put out a bond issue and utilized the proceeds to declare a dividend on stock.

A. They cannot do it. Our statute specifically provides it. It says that you cannot use the proceeds of the sale of stock or the proceeds of the sale of bonds for the purpose of declaring dividends.

Q. We thought that there was such a law here, but they do it anyway.

A. I think we have got a penalty attached to ours. I rather think it applies to the directors. A statute is no good unless it puts somebody in jail. Don't simply have one of these statutes that fines the corporation, because all that does is to fine the public. In order to make the statute effective, somebody should be appointed to go to jail.

BY MR. EVANS:

Q. You speak of there begin thirty to forty municipal gas or electric plants.

A. Yes sir.

Q. Have you found the existence of those municipal plants in any way helpful in regulation.

A. Yes sir, in a way, they are very helpful. For instance, we have got the only real municipal plant that I know of in the East—it is in Massachusetts, the Holyoke Municipal Plant—it has steam generation, all of the fixings of a private company. I think it generates some by water and buys some. That company, I think, is selling electricity at about 4 cents to the domestic consumer. It used to be 4½ cents. I think it has gone down to 4 cents per kilowatt hour. It is very helpful because a private company says, we cannot sell around five cents, and you naturally are able to turn to them and say, you ought to be ashamed of yourself.

BY MR. RHODES:

Q. When you speak of 4½ cents, you mean the top step?

A. The maximum—you ought to be ashamed of yourself, you have been telling me that a municipal plant was inefficient, filled up with politics, and you with all your experience and with an absence of politics, cleanliness, elaboration, cannot make five cents, we cannot understand it. Of course, it is helpful; it makes the private owner ashamed that he cannot approach the public owner.

Q. You say that your private companies have a maximum rate of about 5 cents to the domestic consumer?

A. I am happy to say we are getting most of them right around in that vicinity. The Worcester Company is five cents. The Cambridge Company about 5½ cents, but they have also got an optional rate which, if one uses 45 or 50 kilowatts, they get it a trifle lower. New Bedford has got a rate, which I think is 8 cents an hour for the first fifteen kilowatts—8 cents less discount; then 5 cents less discount; up to 45 or 50; then it goes on to 2½ cents rate. Fall River, I think it is 8 cents or 8 cents for the first 25; then it goes on to 5 cents. Lynn my home town the other day started filing a rate at 7 cents for the first 25—for 6½— for the first 25; then 5 cents and that subject to a discount. Our trouble has been curiously the Edison Company. We got them down with a room rate arrangement for the domestic consumers about 6 cents. There is going to be danger in this thing. There is a place where you ought to hesitate about going too low, because you are going to run into the commercial fellow. You probably have an office somewhere, and you only run lights in the winter time, and then you don't run them any more than twenty minutes. You are simply a nuisance, coming in on the peak. They come in for a certain length of time on the peak. They are a nuisance. I don't think there is any profit in them.

BY MR. TURNER:

Q. There are a few places in Pennsylvania where the lighting customer comes on the peak?

THE WITNESS: Now, don't the stores come in on the peak?

MR. COOKE: Not in Pennsylvania, you see—

THE WITNESS: When do your stores keep open here in Pennsylvania?

MR. COOKE: Our peak is an industrial peak about 9 o'clock.

THE WITNESS: Is that so? Most of our places have their peak about 4.30. We do have some other peaks during the day, as you say, but the high peak is about 4.30.

MR. COOKE: Our high peak here is in the morning.

THE WITNESS: So when you get down to the domestic rate, get it down about 5 cents, I think we begin to think about the small power user, and some of them ought to have our solicitude, because he has no protection except what the regulatory body can give.

BY MR. RHODES:

Q. Are those plants principally steam generated?

A. Yes.

Q. What kind of coal do you use?

A. Really, I don't know. New River, I guess, and Pocahontas.

Q. That is soft coal?

A. That is soft coal entirely used in steam generating plants. Yes, I was looking at some figures the other day, and I was astounded that the Mountain Top Company, which

is largely using oil, which is down in Fall River, was generating electricity at a production cost, and by that I mean the labor and the fuel and the maintenance, not taking into account the interest on the plant, around 3 mills a kilowatt. Now, a hydro-electric plant cannot do much better than that, and I don't know that it can do as well.

BY MR. HAGMAIER:

Q. Do most of these companies have a discount?

A. Yes, most of them have a discount for prompt payment in ten days from the time of the bill.

Q. In this state they put a penalty on instead of a discount.

A. It means the same thing.

Q. They don't get anything off, they charge seven or eight cents, and they don't have a discount.

A. I think it results in the same thing. If I say to somebody that the price is five cents, but if you don't pay in ten days it is five and a half. It is about the same thing as if I say the price is five and half cents, but if you pay in ten days it is five cents.

Q. Don't you think it is better for the average public to have a discount instead of a penalty?

A. Well, it may be. I think there is something in what you say, because I have some people come in and say that this company this company is charging a penalty, because they had arranged it the other way, but so long as the penalty is reasonable, personally I see no objection to it.

BY MR. MEMOLO:

Q. What would you call a reasonable penalty?

A. Well, I think about half a cent a kilowatt is alright.

Q. Here in Pennsylvania if a person don't pay his bill within ten days, in some sections, and he pays it on the eleventh day, he is charged a penalty of 10%, and he just misses it by a day?

A. In other words, you have to have a line somewhere. I don't know how you are going to deal with it otherwise, you have got to be practical about this thing, you cannot have to do too much bookkeeping, or you had better eliminate the penalty altogether. Now, some companies don't have any penalties at all in Massachusetts, and some don't have any discounts. We have got companies that do it on that basis, but that is the sort of company that is more vigorous in shutting off the supply.

BY MR. COOKE:

Q. Mr. Attwill, our Commission has gotten into the attitude of looking upon itself pretty conclusively as a court, a quasi judicial body, and it seems to interfere with the administrative feature of their work. Do you have that difficulty?

A. I don't look much like a judicial fellow, do I? Personally, I think it is a mistake to deal with the thing as if you are a court. I don't think you are a court, I think we are an agency of the legislature, we are sort of a committee of the legislature, and anybody up in our state comes in and calls me anything that he wants to, we don't have anybody in the hearing—

MR. TURNER: They call ours a lot of names too.

THE WITNESS: We don't have anybody in the hearing room with a stick to eject anybody. We are often insulted and called all sorts of things, but that is our job, to listen to them and keep our temper. I think the formality of court procedure, personally I don't think it is as effective in regulating utilities as a more liberal policy, such as you have in a legislative committee, informal method of dealing with it.

BY MR. COOKE:

Q. The suggestion has been made to us that we adopt in this state the Maryland idea of a public defender, somebody to represent the consumer. Do you feel the necessity for that in Massachusetts?

A. No, I think it is inadvisable, because again the more fellows you have to ask questions, the more protracted your hearings are, and if you have proper returns and proper supervision of the expenditures, capital expenditures, if your accounting department is strong and effective, as a matter of fact you are about as able to deal with it by looking at the report, as you are to have a hearing for six weeks, as a practical matter.

Q. What use do you make of the annual reports that come in?

A. Why, we have—are a little gun shy, of some court saying we acted without evidence, and I always suggest to a complainant that he had better introduce the return of this company for the last five years in evidence, and that furnishes a basis to make an investigation.

BY MR. EVANS:

Q. Has the Commission in Massachusetts ever acted on its own initiative, or does it always wait for a complaint to be filed?

A. Oh, we have once in a while, we have the power, but I doubt the wisdom of doing it much, because both the prosecutor and the judge cannot very well be the same fellow, he is apt to get himself in a wrong attitude being the prosecutor. We use it in various ways, because somebody may come in and have an individual complaint, and we say that the only way to reach this is that we start a proceeding on our own initiative, but the beauty of it largely is that with the power you may talk to the company's official at times, and say: "It looks to me as though you fellows ought to reduce some rates; you are doing pretty well up there, and I am inclined to think we ought to start some proceeding here unless you do reduce some rates."

BY MR. TURNER:

Q. Do you ever do that by private conference?

A. Oh yes, certainly. When the occasion arises, they come in, and they may want to have an issue of stock, a new issue of stock, and you are dealing with them, and it may be involved in the question of the price at which we are going to put out the stock. We say, "Here, we don't want to put this stock too high, and yet the earnings are such, but we will be compelled to do so, unless they are reduced somewhat." You send for a fellow now and then and say, "Here, we think you ought to reduce those rates somewhat. If you reduce those rates, we will put this stock out at 105, otherwise we will have to put them out at 150." We are apt to get some reaction when they think the rates will go down.

BY MR. TURNER:

Q. Do some Yankee horse trading?

A. Well, I don't know that we do what you call Yankee horse trading, we accept the situation as we visualize it.

Q. Of course, in Massachusetts, your rate cases as you have said, are no where near as expensive as they would be in a jurisdiction where you were trying to find the valuation. Now, one of the difficulties in Pennsylvania seems to have been the great amount of costs to these municipalities or to complainants; and, therefore, that has been claimed to have been a deterrent?

A. I think you are bound to have it, and you are bound to have it, judicial proceeding and formalities, just so long as you are required to test rates upon the cost of reproducing that property.

Q. All right, but if you go into—

A. Prudent investment?

Q. The Prudent investment theory?

A. You eliminate that.

Q. But don't you still have a valuation?

A. Well, you probably have the valuation, but you have it once and that largely will eliminate it. After that once it is largely a sliding of the index figure up and down.

Q. Yes; but until we get to that, there will be a large number of valuation cases?

A. True, but how are you going to get out of it?

Q. I don't know how you are going to get out of it.

A. You are in the mess, and you have to climb out in some way, don't you?

Q. Yes; but what I am getting at is that I think we need some assistance to the municipalities and to the individual consumers.

A. You might, in order to get proper valuations.

Q. That is, without putting a great burden upon your municipalities?

A. That is true. The state ought to have some interest in the inventories.

Q. Or a public counsel that would help them to prepare their cases?

(No answer).

MR. RHODES: The people's counsel would only aggravate it.

MR. TURNER: I think that is more or less fiction.



MR. EVANS: You would not think so if you practiced before the Commission.

MR. RHODES: There is a great comparison between the way in which Mr. Attwill is describing functions of his Commission—

THE WITNESS: Oh, we have the lawyers; don't misunderstand me; we take evidence, and we have lawyers, and some times the petitioners are represented by lawyers also, but if we can get away from this interminable discussion of inventories, that would shorten up the proceedings very quickly.

BY MR. COOKE:

Q. In other words, you look rather with suspicion upon valuation engineers.

A. We are bound to, aren't we, sir?

BY MR. HAGMAIER:

Q. Isn't a great deal of the trouble eliminated by your conferences you have with your people without sitting up on a high bench somewhere, and have them come prepared to try?

A. Oh, no; we are up as high as you are here.

Q. I know, but you have somewhat more of a democratic system?

A. Well, we have hearings, and we have arguments, and sometimes briefs, we discourage the briefs, a good deal, because they delay things, but we do have conferences. It is true that many hearings are apt to result in conferences and in the adjustment of rates, both sides concurring that they will try them for a while. We try to expedite things as well as we can; that is true. In other words, I am not a theorist; I am a practical administrator. I reckon it is better to be practical and do the best you can.

BY THE CHAIRMAN:

Q. You referred to the fact a moment ago, that you do not initiate many cases on your own motion?

A. No; we have plenty of them coming in without initiating them.

Q. I appreciate that, but does it not follow as a result of your democratic attitude that you get the information, and that it is not necessary for you to initiate them?

A. Well, for instance, we instituted an Edison rate case a while ago. It came in this way. Somebody brought a petition in relation to certain rates, that would have been confined to certain classes. We immediately said if we are going to deal with this, we ought to deal with it as a whole, and so we immediately issued an order initiating a proceeding in relation to the whole schedule. And now, it works in that way. It conveniences the administration, I think, by having this initiative power. We have had the initiative power so far as street railways, telephones and railroads are concerned ever since 1913, but we are not using it all the while, simply because we have got away from it; but it is a handy thing to have around.

BY MR. EVANS:

Q. Have you any information at all as to the approximate rate costs of an ordinary rate case to the complainant in Massachusetts? We have had evidence here that one water case which is now pending in the appellate courts, has cost the complainants between one hundred and fifty and two hundred thousand dollars to present.

A. Who were complainants; the consumers?

Q. The consumers.

A. Well, I should think it extraordinary if a case cost \$500 in Massachusetts.

Q. And so, the complainant in Massachusetts has comparatively little expense to go through in a proceeding before your Commission.

A. In my judgment, a man can get about as good a decision by not spending any more than his car fare. As I said, if he would come down and be satisfied to introduce those returns for five years, running we can come pretty nearly to making as intelligent a decision as if we were to spend five months listening to testimony. That is what the returns are made up for, but I can't tell the petitioners and lawyers that, because, gracious, we can't destroy lawyers.

BY THE CHAIRMAN:

Q. It has been brought out in the testimony here that in the case of any number of boroughs—we heard from about

300—that many of them complain and apparently with justification, that the cost is too much and they just simply grin and bear it, because they can't afford to go before the Public Service Commission. Does any situation such as that obtain in Massachusetts?

A. No, our state is small. Originally the old gas and electric commission used to travel around to the local communities and have hearings there. When we were consolidating we found that we couldn't do it; we didn't have the time to do it; it was physically impossible; so we now hold all our hearings in Boston, but you see it is only one hundred and fifty miles the whole length of Massachusetts and most of them come in an automobile. It is no great difficulty in coming down and I think they rather welcome it, particularly in the fall season if there is a ball game that day, I think they rather welcome coming to the hearing. So I don't think there is much difficulty. I think the question of expense is greatly magnified.

THE CHAIRMAN: It is not magnified in this state.

MR. EVANS: Mr. Cooke had a case some years ago. How much did that cost, Mr. Cooke?

MR. COOKE: The City of Philadelphia gave me \$43,000 at the end of it.

MR. EVANS: To cover your expenses?

MR. COOKE: To cover my out-of-pocket expenses.

MR. EVANS: As complainant.

THE WITNESS: Of course the time is coming and I think I ought to qualify a little what I have said here about the expenses. Largely up to 1927 or 1928 our department could only deal with maximum rates. But now under a statute passed in 1927 or 1928 we deal with the classification of rates, the whole rate structure, and the time is coming when we have got to go into some probably intricate study as to the apportionment of costs and all that sort of thing. Now, that may well call for intelligent engineering and study and advice, if you can find good engineers to do the studying for you, of course we have some engineers and we put them to work on things of that sort but it may be that the public may want their own engineers, so with relation to that phase of it I can well see that when dealing with the various classes of rates, that one might have to go to considerable expense unless the department itself is well fortified with engineering ability.

BY MR. TURNER:

Q. I was going to ask you what appropriation you get and whether it is for one or for two years?

A. I think every year. It is very small. I am one of those who believe that the smaller the personnel generally the better efficiency you get. We spent last year in the administration of the public utilities in all our activities, \$201,567.27. The total we spent was \$251,699.99. That took in the securities division and the smoke abatement. That compares with 1929, for the public utility end of our activities \$182,423.19. That was an increase of about \$19,000 in the nine or ten years.

Q. Do you have bureaus like engineering and accounting? And a bureau of law?

A. No sir.

Q. Are all of your commissioners required to be lawyers?

A. No, but in fact four of them are, and one is an engineer. We have some engineers and railroad inspectors and telephone inspectors, and we have some gas engineers, but we don't confine them to the stalls that they are appointed to. Wherever we can utilize them to help out in things we want done, they all help out with their other activities. Of course as I say we are a small state and we can get along with much less money, of course, than a state like Pennsylvania could.

BY MR. COOKE:

Q. One of the bills passed by the New York State Legislature last year provided for a research bureau. Do you have an activity corresponding to that?

A. We never knew what research was. I once saw that someone in our department was hired for research work and I inquired just what it was and I never could get a really satisfactory answer. I don't know just what you mean by research work.

Q. One of the problems I know they have attacked is an attempt to get uniform rate structure for electric companies so that presumably in the course of years they can approach a system where each company will not have exactly the same rate but their rates will be based on a similar classification?

A. That may be a good thing, I don't know. I don't know that I am very much enamored with standardization. We learn a good deal by someone experimenting, experimenting here with one thing and there with another, so the time may come when you can standardize pretty effectively, but we have not got to that place yet in our state. We have very difficult situations at times. You see along the coast we have got places which have very high summer populations and then the population shrinks violently during the wintertime. That involves oftentimes quite a problem how to arrange the rates in those communities; and the arrangement of rates in those communities would not work at all in our industrial cities, nor would our industrial structure work at all in these seashore communities. I doubt if we could if we would. In any event we would have to have two or three formulas for rates in our state, I think.

Then we have other situations. We have residential communities which are an entirely different problem from the industrial communities. I rather doubt the wisdom of having a standardized system of rates at the present time anyway. Perhaps it can be worked out sometime, but I don't think we could do it.

MR. EVANS: Mr. Attwill, I don't think it would be fair to keep you much longer. We appreciate very much your coming here.

MR. MOORE: The Chairman, speaking for himself and for the committee, and I know I voice the sentiment of the entire committee, I know we appreciate very much your coming down here and we have found your testimony exceeding illuminating.

THE WITNESS: Do you have the Massachusetts Supreme Court reports. I happened to run across a little note I have here which gives some thought back of regulation in Massachusetts. It was a case of Worcester versus the Western Railroad and is No. 4, Metcalf 464, decided in 1842. That is by Chief Justice Shaw, a man of a great reputation in the East, in which he discussed railroads and whether the property belongs to the stockholders or to the public. It is very interesting where he discusses that in a short paragraph.

#### ADJOURNMENT

MR. MOORE: This hearing will now stand adjourned until next Wednesday, April 29th, 1931, at 2.00 o'clock P. M.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION No. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Wednesday, April 29th, 1931, at 2.00 o'clock P. M.

There were present:

Messrs. D. Glenn Moore, Chairman,  
Chester H. Rhodes,  
Martin Memolo,  
Ellwood J. Turner,  
Louis W. Hagmaier,  
Harry J. Crawford,  
Rev. James R. Cox,  
Harold Evans, Esq.,  
John M. Walker, Esq.,

GEORGE W. WOODRUFF sworn.

BY MR. EVANS:

Q. Judge Woodruff, you were formerly Attorney General of Pennsylvania and are now special counsel to the Governor on utility matters?

A. Yes.

Q. In his testimony before the Committee, on page 3194 and following, of the record, Chairman Ainey in discussing the Commission's power over security issues, testified as follows: "That matter was referred by Governor Pinchot to me, and a suggestion that the Attorney General's opinion be obtained," referring to you as Attorney General. "In connection therewith, however, there was the opinion of Mr. Wells, then Deputy Attorney General, in which he stated in his opinion that the Public Service Commission had no authority whatever over security issues." He then introduced as Exhibit 157 certain correspondence pertaining to the Conowingo matter and including an opinion from you and an opinion from Deputy Attorney General Wells. Would you be good enough to state to

the Committee the facts in regard to that opinion and what was covered by it?

A. In 1925 there was a project under foot to establish a very large hydro electric plant on the Susquehanna River just below Conowingo. It was complicated by the fact that it would involve both the states of Maryland and Pennsylvania, as well as the United States, through the Federal Power Commission. This led to considerable correspondence and negotiations between the three governmental powers involved. Deputy Attorney General Wells, who had mostly to do with water questions at that time carried on practically all of this negotiation, consulting with me, however, continually.

The Public Service Commission finally, as Mr. Ainey stated, asked me definitely for the opinion of the Attorney General concerning eight questions, the first of which was just mentioned, namely, the request for an opinion "What authority has your Commission, (Public Service Commission) over the securities of public utilities, electric corporations organized within the State?"

You will note that the question is directly addressed to the issuance of securities, not to the control over utility securities—

Q. After they have been issued?

A. After they have been issued. Or the protection of the public as far as possible, after issuance of the securities; in various ways, of which I will speak of in a moment.

There was only one answer that could be given to the question, and that was that the requirement of the law is met in a certificate of notification, fully responsive to all the questions contained in the Commission's form is tendered for filing accompanied by the statutory filing fee.

Immediately after the filing of this certificate of notification, it might be by immediate telephone conversation with the financial institution underwriting the securities, they could be issued, you might say, without the passing of more than a few minutes of time. You can visualize how that could easily happen, by the use of a phone and the filing of a certificate, calling up Drexel & Company, who happened to be the ones underwriting this issue that is now under consideration.

There is only one possible answer to the question, and that is the answer that is given. There was no thought at the time of going on to discuss the further question of what are the powers and the duties of the Public Service Commission with regard to the very many provisions concerning security issues which are contained in the Public Service Company law. According to the practice, with no intent to dodge answering questions, it has been deemed wise, I think from time immemorial, for the Attorney General to confine himself as a rule to the answering of a question asked. Therefore this question was answered, that they have no direct regulatory power over the issuance of securities.

Q. Now, if may interrupt you a moment, the question then before the Commission was whether or not it had power to prevent or control a proposed issue of securities, was it not?

A. That was what was before the Commission.

Q. And it was that question which you were answering in your opinion?

A. That question, and that question only. Now, if the Commission would permit, this matter having come up, and it bearing, as it seemed to do, very much upon the question of this investigation, as far as I can see it, namely, as to whether the Public Service Commission has performed fully and zealously its duties in the protection of the public under the law, which gives it its rights and its powers, I would like to go a little further and speak about the later phases of the very same question which was not before me at the time the opinion was given. I will take only a very few minutes, but I would like to be allowed to do that, because otherwise it might leave a wrong impression as to the fact, as I would state it, that the Public Service Commission has a great both legal and practical power in the way of regulation of utility security issues after at least they have been issued.

I would like to say further that from my observation of the conduct of financial transactions, action of that kind would very soon and very fully reach backward and make it practically impossible for any great corporation which also is a utility to obtain the underwriting and the co-operation of the financial institutions, if they knew that the wrongful action of the corporation in the issuance of its securities would result almost surely in subsequent discovery and even punishment for the illegal issuance of securities.



First of all, the Commission is deprived of this power to control the issuance of securities in the beginning. The Public Service Company law itself takes away this power, in Section 4 of Article 3, where it states specifically that it shall be lawful for any public service company to issue securities, and it goes on to state a little later that the precedent requirement is the filing of a certificate of notification, which shall give a very extensive and complete list of items of information. The Act also, in enumerating some of the powers definitely of the Public Service Commission, states that its power to regulate securities shall be as specifically provided in this Act. There being therefore no specific provision with regard to the issuance of securities, I must conclude as I did, that in the beginning the power does not exist. But that question and the answer to the question were very wide of the gist of what is sought to be found out in this investigation.

There is great legal and practical power over security issues after once they have been issued. In the beginning, at the very time that this power to issue is granted to the public service companies, it provides, "That they may be issued for and only for money, labor done, or money or property actually received." I apprehend that nobody will claim for a moment that the words, "labor done and property actually received" mean fictitious prices for the labor done and the property actually received. Therefore I would say that there is understood at that point that the labor and the property must both be counted in the issuance of the securities at their actual values. It also provides—

BY MR. TURNER:

Q. What would you call actual value, Mr. Woodruff?

A. Actual value as determined with some reasonable degree of prudence, as to what a number, or even one—a number of good business men who do not desire to do anything but get labor done and get property into possession at reasonably near the lowest figures at which they can be obtained at the time, would have exercised it.

Q. Well, that would be going back to the start then. Suppose, just take for example one of the cases that we had here—suppose Stone and Webster made an appraisal of a property—I don't remember what the exact figures are—but suppose they made an appraisal that increased the property, we will say, from \$500,000 to \$1,000,000—that is, I won't say increase the value; suppose when they valued it, they said it was worth \$1,000,000. Now, if there were \$500,000 worth of outstanding securities, if the property were sold to somebody else for \$1,000,000; would that be the value?

A. It would, if that was a reasonably prudent investment of the money, of \$1,000,000. I take it for granted that there is always a leeway, but it must not be so ridiculous that it condemns the whole transaction just, merely by the fact that it is known what anything is worth, and they pay more for it, that would not mean the payment of money for property actually received. If pipe is worth \$30.00 a ton and they pay \$50.00 a ton for it, that would not be—and stock was issued to pay for it, that would not be the payment for property actually received. That is all—I take it for granted that we will all—

Now, the law immediately goes on to provide that all fictitious issues shall be void. Now, fictitious perhaps comes nearer expressing what I used with the word prudent. The word prudent means something to me, and some day I do really believe, to almost everybody, it will be an acceptable word, but fictitious certainly is known.

BY MR. TURNER:

Q. The only difficulty with that is,—I think we all understand what the definition of prudent is, but has it ever been legally determined what prudent is?

A. I don't think it is necessary that it shall be legally—you mean by the Courts?

Q. Yes.

A. Because when the Courts do finally pass upon that word as they probably will some day, with regard at least to the Federal Water Power Act, which was in consideration at the time this case we are talking of, when this opinion of the Attorney General was given, which uses that very expression. It says, it uses the expression, actual, legitimate, prudent cost—and I would say that by actual it meant, was it paid? By legitimate, was it paid like to Stone and Webster, who were not affiliated, or was it paid to ourselves, having formed a construction company with the intention of doing the public.

That would not be legitimate. And was it prudent, namely, with good business people, with a full knowledge of the transaction, have been willing to have paid that much when their own interests were at stake?

Q. In other words, it is like in a negligent case, it is a question of whether a man would have reasonably done that under the circumstances?

A. Yes, Mr. Turner, I have just said that the Public Service Commission has great power over security issues. I want to draw attention very briefly, and we will then be through with this question. Not only do these provisions with regard to money, labor or property, at, say, their actual value as nearly as can be determined—and the provision that fictitious issues shall be void, and a provision for the Public Service Commission to receive a very full and detailed certificate of notification of what the issues are to be, and the purposes of the issue—

Q. Mr. Woodruff, I don't want to interrupt you or annoy you in any way in making your statement, but is the certificate of notification that exists in the State of Pennsylvania today in compliance with the Act?

A. I would think that it is reasonably near in compliance. I haven't given it special study, but as I understand it, the difficulty is not so much that the certificate of notification is not reasonable, but the other powers which I am about to mention have not been exercised subsequent to the filing of the certificate, and to the issue of the securities.

Q. I understand your point.

A. The Public Service Commission is given, first of all, general power to supervise and regulate public service companies. That, of course, is just the general grant, but they also provide power to inquire and investigate security issues. You will notice that that begins to bring us right to the very subject at hand. They have powers granted them almost a nauseum in this law, which many people have written and said they consider it the best law in the United States, as public service company laws go, and I do not gainsay that, although I said that it can be made so much better and so much stronger that the public can be protected as they are not at present.

Q. Would you mind telling me what section you are referring to?

A. First of all I will give you by sections, if you would like it.

Q. I mean the one you just referred to.

A. You mean the general power to supervise and regulate?

Q. Yes.

A. That is Section 1 of Article 5, on page 33 of the book you have in your hand. Having given the general power, the law provides to give examples of what it means, amongst those examples, it provides the power to regulate the issuance of stocks, and so forth, which is a long definition of securities. Later, on page 46 of the same pamphlet issued by the Public Service Commission, Section 14, you will note, that not being satisfied with this grant of the general power, the law provides that the Commission shall have the power, on its own motion or upon complaint, to institute any inquiry or investigation, and to determine, upon hearing or rehearing had for that purpose, whether any public service company has, at the time this Act shall become effective, issued securities in violation of any of the provisions or requirements of this act, and so forth.

Then, not being satisfied yet, the law seems to want to drive home this power to regulate security issues, if not to control the issuance of security issues, they on page 12, a sub-section "L", it is really a section, of Section 1, at the bottom of that page,—

MR. EVANS: This is all Article 2?

A. That is Article 2, Section 1, sub-section "L", at the bottom of page 12, it provides that the companies are to account or report to the Commission when required so to do, for the disposition and application of the proceeds of all sales or pledges of all securities. They do not leave anything to the imagination here—and I am only going into this to show you that I was not foolish enough in 1925 to think, when I said they had no control over the issuance of securities at that time, to think that therefore they have no control over the security issuance after once the issue has been made.

BY MR. TURNER:

Q. I think we understand that clearly, that you were referring to the issuance and not the control afterwards.



A. Yes. I don't know but what the matter may be almost a special privilege which I don't think exists for me, at least at this time, but I wanted to make that plain. Now, since we have got this far, I would like to draw attention to page 52, section 22, of the same pamphlet. You will not there that they were not satisfied with having told the company that they must account for the use of the monies secured from their security issues. It in Section 22 gives the Commission full power and authority—

MR. EVANS: This is Article 5?

THE WITNESS: This is Article 5, Section 22, on page 52. The Commission shall have full power and authority to require public service companies to report or account to the Commission for the disposition and application of the proceeds of all sales or pledges of securities.

On page 47 the law provides, in order to make this complete—this is in Article 5 as yet—

MR. EVANS: Section 14?

THE WITNESS: Section 14 of Article 5 on page 46, beginning, "The Commission is given the power on its own motion to institute any inquiry or investigation," and so forth, almost ad nauseum, it gives the power to look into all these questions, undoubtedly by direct reference to the securities.

On page 47, in Section 15, immediately following, it provides for requiring a system of accounts, and so forth, by which it can find out all things with reference to securities or anything else it wants to know with regard to it.

BY MR. EVANS:

Q. Does not Section 14 also give the Commission power to certify to the Attorney General any violations of the Act in regard to security issues?

A. It does. On the top of page 14 it gives it that power, when, as it says, as shall be necessary or proper to enforce the provisions of this Act, and to restrain and prevent such public service company from consummating or continuing any act or acts alleged to have been done or to be contemplated in violation of the provisions or requirements of this Act or of the laws or constitution of the Commonwealth.

I don't believe that I need take up the 10 or 15 other sections, occupy the space of your record and your time with them; but I will merely say that this is only beginning to touch upon the multitude of provisions in here for the protection of the public. I would like to emphasize the protection of the public.

BY FATHER COX:

Q. In other words, the law was very good, but the enforcement of the law was very bad by the Public Service Commission?

A. The law as it stands could have protected the public. It can be strengthened and made into a law that can be said without hesitation, I think, by anybody in the United States, that it is the best public service company law in the United States, as Attorney Generals who are thinking of a new law, like Iowa, have written saying, "I don't see why you find fault with this law; it is very good."

BY MR. TURNER:

Q. In what ways could the public have been protected? I think that is important to us?

A. Now, I am going right on to that.

Q. Of course, they could refer to the Attorney General; you have mentioned that as one?

A. If you turn to page 56—we already had a section in which it provides for utilizing the Law Department of the Commonwealth. On page 66, you will find that beginning—that is Article 6, Section 33—you will find that there was an attempt made to almost exhaust methods of tending to enforce this law by criminal and civil action. Article 6, Section 33, provides that in case there is either violation of the law or the public service company is about to violate the law, or if they have failed to obey any lawful requirement or any final order of the Commission, that then the Commission may proceed in the Court of Common Pleas of Dauphin County, by injunction, mandamus, or other appropriate legal proceedings, to restrain such violation of the provisions of this Act, or of the orders of the Commission. Rather a strong power granted directly in Section 33. In Section 34 the Attorney General is, besides the other powers and duties now conferred upon him by law, which are very great, he shall also, upon

request of the Commission, or of his own motion—and there, as a former Attorney General, I blush somewhat myself—proceed in the name of the Commonwealth by mandamus, injunction or quo warranto or other appropriate remedy at law or in equity, to restrain violations of the provisions of this act.

Section 35, still on page 67, provides further for a penalty of \$50 per day to be exacted from a public service company in case it shall fail, omit, neglect or refuse to obey the orders and requirements of the Commission or the Courts.

Then it proceeds in Section 36, on page 68, to make every day's continuance of this violation a separate offense, with a penalty of \$50 a day.

Section 37 brings very heavy penalties upon the officers and directors of a public service company if they allow securities; that is, if they sign their names to securities or allow the securities to be issued contrary to the provisions of this act, which I take it means for anything except actual legitimate money or service or property. Section 38 goes on, well, the penalty, by the by, there, is a fine not exceeding five thousand dollars and imprisonment not exceeding five years, either or both. Rather drastic. Section 38 goes ahead and provides with regard to the same securities, that if they shall assent to the application or disposition of any of the securities or the proceeds of the sale thereof in violation of any statement, or contrary to any purpose in relation thereto set forth or contained in any certificate or notification, they shall be liable to a fine not exceeding five thousand dollars or imprisonment not exceeding five years or either or both.

Notice that we talk about the certificate of notification, and here they say that if the proceeds of the sale are used contrary to the purpose set forth in the certificate of notification, they shall be liable to this extreme penalty.

BY MR. EVANS:

Q. By that you mean the directors or officers?

A. The officers or directors, any of them.

MR. RHODES: In connection with these certificates of notification, so many of them have in them "or for other corporate purposes."

BY MR. EVANS:

Q. Giving the purpose of the securities, they state the purposes, and then, as Mr. Rhodes says, they say "and for other corporate purposes."

A. Yes, but there is ample provision here, after it is once filed, for the Public Service Commission to immediately start investigations and hearings, and require reports of the use to which it was put, and follow it up.

BY MR. RHODES:

Q. Yes, but so many of these certificates are vague in that connection; they don't give the Commission any information as to what those corporate purposes are?

A. There was a question asked me as to whether I thought that they complied with the law, and I said as far as I know they were reasonably good. I haven't them. If they don't give the full information required by the law, of course they fall short; but even if they fall short, it does not cut off the right of the Public Service Commission to proceed.

Q. But when a certificate is filed to that effect, that the proceeds are to be utilized for other corporate purposes, it does not mean a thing to the Commission. Now, if the Commission wants to know for what the proceeds are to be applied, they should inquire what the other corporate purposes are?

A. I should say if that is incorporated in one of these certificates of notification the Public Service Commission might say "Hold on we don't think this is a compliance with the rule that the certification of notification must be filed before the issuance of the securities, and we require that you shall give us in detail the purposes for which this is to be used."

Q. That clause has not been in only one case, but in many that have been brought to our attention?

A. I would say that it was up to the Public Service Commission to find out reasonably soon after the certificate was filed; but note, as I said in the beginning, that you can easily imagine the certificate being in the one hand and the telephone being held in the other, and they telephone, "Is this Mr. Jones of Drexel and Company? Everything is all right. The certificate has been issued." Whereupon, I suppose Drexel and Company would have the faith to have handed out millions of dollars of securities, among which probably the mes-



sengers were all waiting to receive, upon the receipt of this notice. It is up to the Public Service Commission, that is the answer, and up to their conscience and up to their good executive policies.

This section 39 that has just been read goes on to provide for punishment for any person, whether an officer, agent or employe of any public service company or not, who shall fail to comply with any order of the Commission, or with any order of the Superior or the Supreme Court, to be punished by a sum of not more than five hundred dollars and not more than twelve months, either or both.

Now, I have failed in what I intended to do, if I have not drawn your attention to ample law whereby there is control of—a kind of control of utilities securities after they have once been issued. I myself believe there should be some opportunity for control before they are issued.

MR. TURNER: I think are all in concurrence with you.

THE WITNESS: And there is a provision which does not cut off the chance for them to at least reach the time when they may issue them, but does give the Public Service Commission ample time,—that is, by ample time I mean a very considerable time to look into the certificate of notification and call them up and determine, and finally, if they deem it wise, to disapprove these; and if they issue them after disapproval, then in that same amendment the provision about their being void is brought over to the issuance after disapproval.

MR. TURNER: Well, that is locking the stable after the horse is out.

THE WITNESS: Yes sir.

MR. TURNER: The present law, I wonder if you will give me one minute more, to call your attention to how clearly the position which I am now explaining, which I do not claim to be anything original at all, was in the mind of the Deputy Attorney General who had most to do with the drawing of that act, back when Honorable John C. Bell was Attorney General, Mr. William N. Trinkle, who was then Deputy Attorney General, and in 1914, about the time that this act took effect, but not as an opinion, he merely, as a statement, you might say, of his view, wrote this:

"There are respectable authorities who still maintain that the sole function of a public utilities commission should be to regulate service and rates to the end that the service shall be reasonably adequate and the rates of compensation just and reasonable, and that the regulation of the subject of capitalization for the issuance of stocks, bonds and other securities of public service corporations has no proper place in a public utility statute."

He is advancing one school of thought, that is, there should be no control of these; but he goes on to say: "But it cannot, I think, be successfully contended that overcapitalization, say of a gas or an electric light or power company, does not have a direct tendency either to stint the adequacy of service or the justness of the rates to the consuming public and thereby greatly increase the occasion for the regulation of such service and rates by the Commission. If this be true, then the regulation of the issue of stocks and bonds becomes in effect a regulation pro tanto of the service and rates, and moreover it gets rid of many embarrassing moral obligations having a tendency to confuse what should be the real issues in rate and service regulation. The bona fide investing public, who owns the securities, are entitled to some measure of protection against what might be the effect of regulation by the government in the interests of the consuming public."

"The Attorney General devised the plan of dealing with this matter which is the distinguishing feature of the Pennsylvania statute. This plan is an adaptation and modification of the certificate of notification or publicity plan, which the railroad securities commission (of which President Hadley of Yale University was chairman) after much study and solemn deliberation had recommended to Congress for the regulation of issues of stocks and securities by the Interstate railroads of the country."

By the by, the United States did not accept Hadley's recommendation, did they? I think not.

Now it goes on to say, "The Commission may then, upon complaint or its own motion, investigate and determine whether any such issue has been made for other than money, labor done or money or property actually received, in violation of the constitution and the law of the Commonwealth. In the event of such violation, it may take the appropriate

steps prescribed by the act for the drastic punishment of the individual and the corporate offenders and the restraint of the consummation of the unlawful purpose. These provisions are supplemented by the requirements that the company shall report and account to the Commission for the proper disposition of the proceeds of such issues in accordance with the purpose set forth in the published certificate of notification which remains on file with the Commission."

I want to say that this was written, mark you, within a very few months after the passage of this law, and was written, it clearly shows that the man who really wrote this law did not consider that they had control over the issuance, but that he considered they had control and should exercise it afterwards.

BY MR. TURNER:

Q. Now, in the time since the Commission was formed, or since the act of 1913, have there ever been any proceedings by the Commission under any of the provisions of this act in reference to securities, except that I have cognizance of the fact that Mr. Evans has mentioned a number of times a proceeding during the time when he was on the Commission—I don't know whether you would call it exactly a proceeding—it was merely an action on the part of the Commission—not a proceeding—but has there ever been any proceeding, either to refer these matters to the Attorney General, or have there been any proceedings by the Attorney General at any time under the provisions, or has the Commission, in your search of this question, ever of its own volition started any proceedings?

A. I can't find that the Attorney General was ever called upon, except for opinions now and then. It may possibly be that there is some instance which has escaped my attention. As Attorney General myself for four years, I was not called upon, and not having been called upon, failed to note that upon its own motion—which I said caused me to blush a while ago, the Attorney General naturally would not know much about what was happening in the Public Service Commission, unless he received the information either by a report from the Commission itself or in some similar way. I have heard, but I have not been able to run it down, of one or two instances where they attempted to enforce this \$50 per day, but when I heard about that—I haven't been able to run it down.

Q. Security issues we are talking about?

A. Oh, security issues.

Q. I am not talking about the penalty.

A. The \$50 was for a failure to obey the orders of the Commission, and as I understood it, although they could have assessed a great many days at \$50 each, it was closed at by compromise for practically one \$50 and the promise that they would proceed to obey the order; but I cannot find that there has been any use of this tremendous power which Mr. Trinkle, back in 1914, called particular attention to, as his excuse, as the draftsman of the law, for having failed to provide for control of the issuance of the securities.

Q. The amazing fact to me is that every one of the members of the Commission that we have had here before us,—I think they have all been asked a question on this—at least in the beginning, before this question was mooted quite as much as it has been,—they all answered that they had no control over the issuance of securities.

A. Well, of course, that is true in one sense.

Q. And then, when we had Mr. Weiss here the other day—and I understand Mr. Weiss has been with the Commission since 1913 in one capacity or another, as chief counsel—he said until the hearing before the Senate, he had never viewed this act from that standpoint. Now, that is rather an amazing statement, when you compile all of the different provisions that you have here, as to the provisions in this act that would give a Commission control.

FATHER COX: After listening to the Commissioners, there is nothing amazing about it. They didn't seem to know very much about anything in reference to their department.

MR. EVANS: I think, Mr. Turner, there is one case in the Pennsylvania Water Service Company, which, as I remember it, was in September, 1927, or 1928—I will not be sure about the exact date—when the Commission refused to receive a certificate of notification from the company; but my remembrance of that situation is that the company went right ahead—

MR. TURNER: Well, they had no power under the act, as I would interpret it, to refuse to receive a certificate.

MR. EVANS: Well, they attempted to do it then and then did not press the matter after that.

PAUL W. LEITCH recalled

BY MR. EVANS:

Q. You are Chairman of the Securities Commission, are you not?

A. Yes sir.

Q. How long have you been connected with the Securities Commission?

A. Since the Commission was established, May 16, 1927.

Q. Did you have any connection with the Securities Bureau that proceeded it?

A. No, I did not.

Q. The attention of this Committee has been called at various times to what appeared to be improper issues of securities by certain utilities. Will you state briefly to the Committee the extent of the authority of Securities Commission over Security issues.

A. In brief, the securities act, the title is a misnomer. It is a registration act of dealers and salesmen, as defined by the act. It has control of the securities which the dealers offer under sections 14 and 15. The term dealer includes those corporations selling their own securities—today, if a public utility or a hardware company or a mining company or oil company is engaged in the sale of its own securities, it would be a dealer in the same sense as the term security dealers is ordinarily implied. We have no jurisdiction over any special business. The Supreme Court in the Insurance shares decision stated that—which defined the powers of the Commission, said that it was not a regulatory of business, that apply to regulator of any business, and it also said at that time, that we did not have any power over the issuance of securities, but our purpose was merely to institute an investigation to find if the securities offered by a dealer or salesmen were made honestly and in good faith.

Q. So that your power over the registration of dealers, the powers of the Securities Commission are limited to cases in which the securities are not honestly and in good faith offered to the public?

A. Yes.

BY MR. TURNER:

Q. By honestly and in good faith, do you mean the honesty and good faith of the person offering them or as to the security itself?

A. No, the securities were not offered—if there was any misrepresentation in the sale of the securities, they could not be deemed offered honestly and in good faith by the persons offering those securities.

BY MR. EVANS:

Q. What has been your practice in regard to securities of public utilities? Have you dealt with them in any way differently from the securities of other corporations.

A. No different than any other. Most of the securities of public utilities are sold by dealers. In other words, when they underwrite the securities, they pay for them, have committed for them, and then sell them themselves. We have had a few cases of utilities selling their own securities. In that way we can regulate the sale of their securities to the public. That is, if they make any misrepresentations in the sale of those securities to the public.

Q. Do you check up at all the Public Service Commission to see whether certificates of notification have been filed with the Public Service Commission?

A. In case a public utility applies for registration as a dealer, that is to engage in the sale of its own securities, it has been the practice to find out if the certificate of notification has been filed, merely by a call to the Secretary of the Commission from his office. So far as making any further investigations we haven't done it.

BY MR. TURNER:

Q. Why not, Mr. Leitch?

A. There was no occasion in my mind to go further in the matter, as I was under the impression that the Public Service Company Law fully covered the situation.

Q. Well, did you ever go into the question? Did you ever ask for an opinion?

A. No, I never asked for an opinion. Public Service issues are just one of the number of things we have to deal with.

Q. Well, I appreciate that. The issuance of stock is one of a number of things that the Public Service Commission has to do with. In other words, if you had the power to determine whether there is any misrepresentation, it becomes your duty to find out whether or not it is lawfully issued, is it not?

A. Right.

Q. Now, as I understand it, you went no further to inquire whether there was a certificate of notification filed with the Public Service Commission. That wouldn't mean anything to you?

A. I have now found out that it doesn't mean anything.

Q. Did you ever inquire what they said in the certificate of notification?

A. No; I haven't. I am not an attorney and I have never—

Q. The Bureau has access to the Attorney General, does it not?

A. Right.

BY MR. EVANS:

Q. Mr. Leitch, have there been any court decisions on the power of the Securities Commission to look into the value lying back of the securities, that are being issued?

A. Every time we have taken that in one of our decisions refusing an application as to the valuation the establishment of values, the court has ruled that it is a matter of business expediency over which we have no authority, that pertains to the issuance of securities, and they maintain while securities might be issued for anything, so long as they tell the public that they are being issued for those things, it is perfectly all right.

BY MR. TURNER:

Q. Yes, but the contention here is that a great number of the securities have been illegally issued; that is, they were not issued for things that were required under the Constitution, therefore, that would not be going into a question of value; it would be going into the purpose for which they were issued.

A. Well, we would have no access, unless we kept a man in the office of the Public Service Commission, day in and day out, to determine what has been filed there. The results of their findings could be certified to us at any time.

MR. TURNER: If we are holding that is no excuse for the Public Service Commission, I don't see how we can hold that is any excuse for you.

BY MR. EVANS:

Q. Mr. Leitch, there have been called to the attention of the Committee several cases where the proceeds of securities issued by operating utilities in Pennsylvania, have been used either to pay dividends to the holding company, controlling that operating company, or, in some other way to reimburse the holding company, for the price it has paid for the stock of the operating company. If in such a case those securities were marketed without an adequate disclosure of the purpose for the security issue, would you not then have power to go into that question?

A. Certainly. If in their representation to the public they did not make a complete statement or they made a false statement of the application of the proceeds we have every right to go into the issues.

BY MR. TURNER:

Q. How could you do that then without inquiry in these public utility issues, without going into the question of the Public Service Commission?

A. As I said before, the act itself applies to the registration of those people who are determined dealers within the meaning of the act.

Q. Well, people who come under your registration sell these securities, don't they?

A. Right. Under section 14, a dealer is required to file circulars. If these circulars in our mind contain no statements to deceive and defraud the reader, that is all. We merely file them. Now, if we know nothing about the financing of the utilities, it would mean a question that we would go into each utility separately, as well as each issue of any other company, no matter whether it was a utility or not. But the law does not make it mandatory for us to make an investigation in each separate case.



BY MR. EVANS:

Q. Well, Mr. Leitch, has the Securities Commission as it is now constituted, sufficient personnel to go into the questions of the purpose of security issues and so on and make a detailed inquiry?

A. It has sufficient personnel to carry on, but if we went into every issue, we would have to have additional employees. We could not give the quick action to dealers in the matter of the securities and all securities, when a circular is filed they will be sold tomorrow, it means we have about twenty-four hours to go into the offering of these securities.

BY MR. TURNER:

Q. How much more would it take? Have you ever figured out?

A. It would all depend on the quality of the employe and if we were allowed—

Q. I know that, of course, but you never made an estimated budget of what you would—

A. No.

Q. What is the budget of your department for the next biennium?

A. About \$90,000 a year.

BY MR. HAGMAIER:

Q. You said that when a statement or circular is filed it is a question of judgment, then only with you, whether you can issue a certificate?

A. Yes, it is assumed that a security dealer when he is registered, that he is of good repute, and that his plan of business is fair, just and equitable; in other words that a dealer himself is not engaging in illegal practices.

Q. Or that his statement is correct? You haven't gone into the matter to verify the statement? You take it as a matter of judgment, that it is all right?

A. Yes.

BY MR. TURNER:

Q. If the assumption as taken from the evidence here is correct, then your assumption of that fact is not right, is it?

A. I fail to understand you on that point.

MR. EVANS: I think that Mr. Turner means is that if your dealers have handled securities which are certainly open to question as disclosed by the testimony before this Committee.

THE WITNESS: Well, any of those—if there is any dealers we have registered, I would be glad to have any evidence of their dealings, where their securities have not been offered honestly and in good faith.

MR. TURNER: After this proceeding, perhaps some member will send to you his copy of the testimony.

BY MR. MEMOLO:

Q. In your opinion, Mr. Leitch, there would be some better results; if there were a little more cooperation between your department and the Public Service Commission?

A. Certainly. They govern the regulation of public utilities, just the utility companies, just the same as the Banking Department regulates the banks and the Insurance Department the insurance companies. We have no more power to go into banks and insurance companies than we do public utilities.

FATHER COX: In other words, you respected their authority and accepted their decisions without question?

A. Yes sir.

BY MR. EVANS:

Q. In the case of an ordinary issue, if there is nothing on the face of the circular to make you suspicious, you do not make any further inquiry as to the purpose for which the security is being floated, do you?

A. No.

MR. CRAWFORD: I cannot see where that gives the security buyer any protection at all. It is just a matter of form.

BY MR. RHODES:

Q. The bureau relies primarily upon getting a good grade of securities dealers?

A. Certainly; that is the basis on which the law was passed. It was passed to remove the situation with the bucketshops and the fly-by-night dealers.

Q. You cannot analyze and pass upon every security that every security dealer offers the public?

A. I think it would be a giant sized job.

BY FATHER COX:

Q. You never called the attention of the Public Service Commission to any case, did you?

A. No.

Q. Did you ever think of it?

A. No.

Q. I suppose, too you thought it would be of no use calling their attention to it, after they had decided.

A. I can't well answer that.

HENRY L. MITCHELL sworn

BY MR. EVANS:

Q. You are president of the West Penn Power Company, are you not?

A. Yes sir.

Q. And you are also vice president of the West Penn Electric Company, are you not?

A. Yes.

Q. The West Penn Electric Company controls the West Penn Power Company?

A. Yes sir.

Q. Does it own all of the floating stock or only part of it?

A. Just part.

Q. How much?

A. I cannot give you the exact percentage right now in my mind, but the voting stock is represented by approximately 2,750,000 shares of no par common stock, of which the Western Railways Company, up to December 1930, owned 1,200,000 shares, and that is all the outstanding stock owned by the West Penn Electric or the West Penn Railways.

Q. Then am I correct in understanding that they do not own fifty per cent. of the stock.

A. They own more than fifty per cent.

Q. Then all of the common stock is held either by the West Penn Railways or by the West Penn Electric?

A. Yes sir.

Q. What is the relationship between the West Penn Railways and the West Penn Electric?

A. The West Penn Railways is owned by the West Penn Electric Company.

Q. So that directly or indirectly the West Penn Electric has complete control of the West Penn Power Company?

A. That is correct.

Q. Are you an officer of the American Water Works and Electric Company?

A. No sir.

Q. This company controls the West Penn Electric, does it not?

A. Yes.

Q. What is the extend of that control?

A. I think the American Water Works and Electric owns all of the common stock of the West Penn Electric.

Q. And how much of that stock is there outstanding, if you remember?

A. I just can't tell you off hand.

Q. Do you know approximately?

A. I have the American Water Works corporate manual. I can read from that, if you wish to have it. The common stock of the West Penn Electric consists of 1,070,105 shares of no par value.

Q. All owned by the American Water Works?

A. Yes.

Q. Are you an officer of any other company connected in any way with the public utilities?

A. Yes sir.

Q. What other companies?

A. I am President of the West Penn Railways Company.

Q. And any others?

A. I am President of every subsidiary of the West Penn Power Company.

Q. How many of these subsidiaries are there?

A. I think there is about nine.

Q. Are they operating utilities, all of them?

A. No sir.

Q. What are those companies?

A. One company is the West Virginia Power and Transmission Company.

Q. Briefly, what business is that engaged in?

A. That company operates the hydro electric property of the West Penn Power Company located in West Virginia, known as Lake Lynn. It also has made application to the state of West Virginia for the right to develop water power on the Cheat River and owns considerable land, but its only operation consists at the moment of leasing of the Lake Lynn Electric Plant to the West Penn Power. Another subsidiary is the West Penn-West Virginia Water Power Company, that is a corporation of the state of Pennsylvania for the purpose of owning that portion of the hydro electric development that is north of the West Virginia line and located in Fayette County, Pennsylvania. It is a nonoperating company. It is merely a paper company, until some construction follows.

The Beach Bottom Power Company. It is the operating company of a power house located at Windsor, West Virginia, owned jointly by the West Penn Power Company and the Ohio Power Company. The Windsor Power House Coal Company, Windsor, which owns some coal lands adjacent to the Windsor plant, and is the operating mining company of that coal.

Also the Windsor Coal Company, which owns coal land. The Windsor Coal Company, by the way is a direct subsidiary of the Windsor Power House Coal Company.

Then there is the West Penn Appliance Company. The Allegheny Pittsburgh Coal Company.

Q. What does the West Penn Appliance Company do?

A. That is a corporation, that is engaged in the selling of appliances to customers of the West Penn Power Company. The Allegheny-Pittsburgh Coal Company, the Ohio County Fuel Company and the Potomac Transmission Company.

Now, I would like to check to make absolutely certain that I am president of each of those companies. I doubt it in so far as the Potomac Transmission Company is concerned.

Q. Now, Mr. Mitchell, the American Water Works and Electric Company is a corporation of what state?

A. I think it is Delaware.

Q. With headquarters in New York?

A. Yes.

Q. Are you an officer of the West Penn Securities Department?

A. I am not.

Q. The West Penn Securities Department is owned by the West Penn Electric Company, is it not?

A. Yes.

Q. What does the West Penn Securities Department do?

A. The West Penn Securities Department may hold or may own securities which are intended, if and when to be sold to the public.

Q. In other words, does it purchase securities of the West Penn system?

A. Only for that purpose.

Q. Does it market securities of the West Penn System?

A. No sir.

Q. Well, for that purpose does it hold the securities?

A. The West Penn Securities Department is not an active company. A number of years ago we sold preferred stock to employees, to customers. That company was the selling agent of whatever company was selling the stock.

Q. Then, to that extend it does market securities?

A. Only to that limited extend. It does not market securities of a company as a regular function.

Q. On what terms does it market these securities? To the customers and to the employees? Does it receive a fee for that service?

A. At, I would say, about cost to it. No particular fee. At a cost, whatever that service is.

Q. Now, the West Penn Electric Company also owns the West Penn Construction Company, does it not?

A. Yes sir.

Q. Are you an officer of that company?

A. Yes sir; vice president.

Q. What business is the West Penn System Construction Company engaged in?

A. Practically none. A paper company, without any particular function.

Q. Has it never engaged in business?

A. I think it has never engaged in business. It at one time was the thought of our interests to use that as an agency for the holding of the stores and supplies of the properties, but it never did function.

Q. It is not used as an agent to construct properties for the system?

A. No sir.

Q. Now, the American Water Works and Electric Company also owns the water works and the electrical securities corporation, does it not?

A. I don't know that.

Q. You are not familiar with that?

A. I am not familiar with it.

Q. Would not your chart of the American Water Works and Electric Companies show you that?

A. There is such a company in the bracket here showing the underlying companies of the American Water Works, but I never heard of it, and I don't know how it functions.

Q. Who owns the South Penn Power Company?

A. I think the South Penn Power Company is owned by the Potomac Edison Company.

Q. And who owns the Potomac Edison Company?

A. West Penn Electric Company.

Q. So it in turn is indirectly controlled by the West Penn Electric Company?

A. Yes.

Q. Now, in 1927, you bought control of the Keystone Power and Light Corporation, did you not?

A. I can't speak very much with regard to that. I know, as being identified with the interests, that the West Penn Power Company did acquire that company, but at that time I was not an official of West Penn Power Company.

Q. How long have you been an official of the West Penn Power Company?

A. Since January, 1929.

Q. So that anything prior to January 1, 1929, you have no knowledge of in the West Penn Power set up?

A. No, no direct knowledge of it; no sir. I couldn't speak authoritatively.

Q. In 1930, you did acquire a little company called the Center Electric Company, did you not?

A. Yes.

Q. How much did you pay for that company?

A. My recollection is about seventy-five thousand dollars.

Q. Was there any write up of the property of that company on its books or on the books of the West Penn Power?

A. I think not. I think there was an appraisal of the property made and we put it in at whatever the property was appraised at.

Q. Well, if that appraisal was higher than the book value, isn't that what you call a write up?

A. Well, I presume so, but the cost of that property represented what we considered the value of the property to us.

Q. Well, now, suppose you must give us,—it is a small transaction, and it might be illuminating—just how did you buy that property. Did you buy the stock?

A. I am not quite certain about that, but it runs in my mind that we bought the physical property. I doubt if we acquired the corporation. I am not clear on that at the moment. I can find that out and tell you.

Q. And then you had it appraised?

A. I think that was the manner in which we acquired it.

Q. And then regardless of what you paid for it, you entered it on your books at the amount at which it was appraised?

A. I think that is price we paid for it. The property was appraised, and in our judgment was worth seventy-five thousand dollars, and we paid that much for it, and added it to the West Penn Power property.

Q. So you think it was a purchase of property entered on your books at the price you paid for it?

A. Yes sir.

Q. Will you check up on that and let us know?

A. Yes.

Q. Mr. Mitchell, were you familiar with the books of the Center Electric Company at the time you purchased it?

A. No. I didn't see the books of the Center Electric Company at the time.

Q. So you have no knowledge as to how they dealt with their property on their books?

A. No sir.



Q. Are you familiar at all with that company and its controlling interests at the time you purchased it?

A. No, I had no knowledge whatever of its corporate affairs.

Q. With whom did you deal in purchasing it?

A. Well, personally I didn't handle the negotiations myself. It was done by some of our subordinates in contact with the local officials of that company.

Q. So that your knowledge is only a general knowledge of the situation?

A. Yes, a general knowledge of the situation.

Q. Does the West Penn Power Company pay any management fees?

A. No sir.

Q. Does it pay any purchasing fees to any affiliated corporations?

A. I think I possibly better explain quite fully the corporate relationship between the West Penn Electric and the West Penn Power. The executive officers of both are located in the same building.

A good many of its officers are common to each. The expenses and costs of the joint operation are borne directly and indirectly by the subsidiary companies, and the costs are borne, or rather, its expenses are charged to those subsidiary companies without profit.

Q. So, all of these services are performed at actual cost to the West Penn Electric Company?

A. There is a co-ordination of management between those companies, and no company makes any profit at the expense of the other. Their costs are apportioned.

Q. In this case you are president of the West Penn Power Company and vice president of the West Penn Electric Company?

A. Yes, sir.

Q. Do you receive a salary from each?

A. No sir; I receive one salary, and for the convenience of our pool operation, I am paid on a check of the West Penn Electric Company. My salary is divided directly to the various functioning subsidiary companies. There is a direct charge for that. Then, those charges, which are not directly apportioned, go into what we call joint subsidiary expenses and then these are pro rated to those companies after the West Penn Electric has paid or assumed its share of those expenses as its own corporate expense.

BY MR. TURNER:

Q. Apportioned on what basis?

A. It is apportioned on the basis of the gross earnings.

BY MR. EVANS:

Q. What dividends has the West Penn Power Company paid from 1925 on? I am referring to the dividends paid on the common stock.

A. From 1925?

Q. Yes?

A. On the then number of outstanding shares—141,000 shares of a par value of \$100—there was a dividend of 16% declared.

Q. Amounting to \$2,256,000?

A. I haven't that here (indicating), but it is 16% on 141,000 shares of the par value of \$100, whatever that may be.

Q. And now then, 1926, what dividend did it pay?

A. 17.13%.

Q. In 1927?

A. 13.93%.

Q. 1928?

A. In 1928 the common stock was changed from \$100 par value to a no par value, and dividends were paid on two bases. There was an outstanding 277,500 shares of \$100 par value, or which a dividend of 9.37% was paid and on 2,775,000 shares of no par, there was a dividend of 7.25.

Q. What was the stated value of that no par stock?

A. I can't give you the stated value.

Q. Was there an increase in the amount of stock outstanding when it was changed from par to no par?

A. No sir. The number of shares outstanding at the beginning of 1928 was 277,500 of \$100 par value. Now, that stock was changed from \$100 to \$10 par value, making 2,750,000 shares, and then after it was reduced to \$10 par value, it was changed to no par value, and the same number of shares existed. So, it is just two times the number of shares they had before.

Q. So, on this old stock, there was between 16 and 17 per cent. paid in dividends in 1928?

A. I presume that is correct, I haven't checked it.

Q. Didn't you say there was 9% on the old stock?

A. Yes.

Q. And then 7 and some per cent—?

A. That would be correct, I would say.

Q. In 1929 it was paid on the basis of the old stock?

A. On the basis of the old stock, that would be one-tenth of the number of outstanding shares, and that would be \$2 on the no par value stock.

Q. And in 1930?

A. \$2 per share on no par value stock.

BY MR. TURNER:

Q. Is all of this common stock held by the public or by the company?

A. There is on common stock held by the public.

BY MR. EVANS:

Q. I think you mentioned, earlier in your testimony, that you owned the Windsor Coal Company and the Windsor Power House Coal Company, did you not; if I have the names correct?

A. These companies are owned jointly by the Ohio Power Company.

Q. And that you also owned two other coal companies directly; Allegheny Pittsburgh Coal Company and the Allegheny County Fuel Company?

A. That is correct.

Q. Have you got your coal costs from 1926 on?

A. Yes sir.

Q. What was the cost of your coal in 1926 as shown by your report to the Commission?

A. \$2.43 a net ton.

Q. And in 1927?

A. \$2.23.

Q. And in 1928 it was \$2.13?

A. Yes sir.

Q. And in 1930?

A. \$2.08.

Q. So that it cost \$2.43 in 1926 and \$2.08 in 1930? There has been a drop of 35c in the cost of the coal consumed. It has been testified before the committee that during the same period the cost of coal to the Duquesne Light Company dropped from \$2.89 a ton in 1926 to \$1.84 in 1930, a decrease of \$1.05 a ton, or approximately three times the decrease that the West Penn has experienced. Have you any explanation of why that should be?

A. I have no knowledge of the operations of the Duquesne Light Company in its coal properties; so I cannot explain that or reconcile it.

BY MR. TURNER:

Q. Do you operate in the same territory?

A. Yes sir; not competitively—

Q. I understand that, but I mean, in the same section of the State? What counties do you operate in?

A. We operate in Butler, Armstrong, Westmoreland, Greene, and the border lines in Allegheny county.

BY MR. EVANS:

Q. From whom do you purchase most of your coal?

A. The coal for the Springdale plant in Pennsylvania is all purchased from the Allegheny Pittsburgh Coal Company; a direct subsidiary. We purchase no coal on the open market—well, I will correct that later.

Q. Is the Allegheny Pittsburgh Coal Company a subsidiary of the West Penn Power or the West Penn Electric?

A. The West Penn Power.

Q. And so that is a wholly owned subsidiary?

A. Yes sir.

Q. And from what other company do you purchase your coal?

A. The only coal which we purchase is a very small amount which is delivered at the Connellsville, Pennsylvania, plant, and that plant is generally standing idly on the line, and steam is kept up there for emergency purposes. That coal is bought in the open market.

Q. Do any of the profits that are made by the Allegheny Pittsburgh Coal Company come back into the treasury of West Penn Company?

A. There are no profits. The coal from the Allegheny Pittsburgh Coal Company to the West Penn Company is at exact cost.

Q. And sold at cost?

A. Yes sir.

BY MR. TURNER:

C. Could you buy cheaper than that on the market?

A. We might buy spot coal from time to time cheaper than the prices, but I don't think it would be good business judgment to do it. We are assured there of a continuity of service. It is a mine mouth plant. We are not depending on railroads, or freight, or any form of transportation, except that of the mine cars, which deliver the coal to the tipple of the company.

Q. That is, your power plants are near your coal?

A. The power plant is directly at the mouth of the mine.

BY MR. EVANS:

Q. I think you mentioned another company: West Penn Appliance Company, did you not?

A. Yes sir.

Q. And it is wholly owned by the West Penn Power Company?

A. Yes sir.

Q. Does it finance the appliance sales of the West Penn Power Company in any way?

A. It makes the sales for the West Penn Power Company. The West Penn Power Company does not engage directly in the appliance business. The business goes through a subsidiary, the West Penn Appliance.

Q. How does the West Penn Appliance Company obtain its funds?

A. Advanced by West Penn Power.

Q. Does the appliance business pay?

A. It does not. In direct return to the power company, there is no profit from this business. It does not pay.

Q. Have you any idea at all as to how far it comes from paying?

A. The West Penn Appliance, over a number of years, has a deficit of approximately \$100,000 a year.

Q. Which is absorbed by the West Penn Power Company?

A. Yes sir.

Q. And charged as an operating expense?

A. Charged as a deduction from non-operating revenue.

Q. In other words, in one way or another, it is a loss which is absorbed by the rate payers of the West Penn Power Company, is it not?

A. Well, that depends entirely on what that would be in a rate case, whether that would be excluded or included. We don't know. We follow the classification of the state, and wherever that falls would be the answer to your question. We don't know, I don't know.

Q. Is the property of the West Penn Power Company used for stores and so on for the sale of these appliances?

A. Where the property is owned directly by the West Penn Power Company, the appliance company makes use of that property and is charged about, I think one per cent. of its gross sales as rent. Where the West Penn occupies other office property, it in turn rents, the portion of that rent is charged to the West Penn Appliance Company.

Q. Do you think it is an advisable thing for utilities, such as the West Penn Power Company to engage directly and indirectly in the sale of appliances?

A. It is a very necessary thing for a utility company to afford its customers some means or some outlet for the purchase of appliances. It is the most effective way we know of for load building.

Q. And you sell your appliances at the same prices that the other independent electric stores sell?

A. We sell our appliances at the list prices, which I presume are the same.

Q. Do you offer credit terms to customers?

A. We do.

Q. Then, in conducting this business at loss of \$100,000 a year, are you not to that extent subsidizing the customers to buy appliances and charging it against all your customers?

A. I think not. I think it is a perfectly fair way to do it, and I see no injustice to any customer through that method.

Q. Well, it is a matter that has been up before this Committee at various times and I was interested in getting your views in regard to that.

(No answer.)

BY MR. HAGMAIER:

Q. It is put on the light or water bill, whatever it may be, and collected every month, and it is made a preferred creditor bill over the other bill, is it not?

A. In that connection it has not been our practice to include the appliance bill with the electric light bill. On one division of our property there was a decided demand on the part of the consumers to have it included, because they didn't want to make two trips to the office or make two separate payments. So, it was included we have since adopted that, within the last month. That is a policy affecting all of our property, and it came at the request of the customers. We have agreed with them that there is no more satisfactory way to do it.

The West Penn System also serves in the following counties: McKean county, Elk county, Clinton county, and Potter county and Center county.

Q. You say you put it all on one bill. Supposing in times just like this, a man could pay his light bill and cannot pay for the stove, or the iron, or something else he bought, what would be his standing?

A. His standing, he just simply is a debtor to the company for that portion of his debt to the company. It does not affect him as a customer. For instance, if he is delinquent in his payments for an appliance, his service would not be disconnected, it would only be disconnected for non-payment of his electric bill. If he continues to refuse to pay for the appliances of course, that would be covered in the usual manner of any chattel.

Q. The same as a lease; the same as anybody else?

A. Yes.

Q. If these subsidiary companies are losing \$100,000 as you say you fellows do, how do you expect the small merchant to get along? Now, a lot of you have come in here and say that you are losing money, and you fellows buy in a large quantity and ought to be able to sell at much less than the little fellow.

(No answer.)

BY MR. EVANS:

Q. The reports of the West Penn Power Company to the Public Service Commission show a rather large growth in the item of "other general expenses." For instance, in 1923, "other general expenses," amounted to \$95,676 in round figures out of a total operating expense of about \$8,498,000 or approximately 1%; 1930, "Other General Expenses" had jumped from \$95,000 to \$306,715, out of a total operating expense of \$12,073,000, or about 2½% of the total operating expense. Have you any explanation as to why that increase should have taken place?

A. I can't explain that over a period of eight years. I would want to see the account broken down into its component parts. I imagine that it is the growth of doing business eight years.

Q. Is there any reason why when the total operating expenses increase less than 50%, that "other general expenses" should have increased 250%?

A. I don't see that they would have any particular bearing to each other. Some accounts might have had practically no charges in 1923, and considerable charges in 1930.

Q. Well, the "other general expense" according to your reports to the Public Service Commission, have shown a rather steady growth. In 1923 they were \$115,000 in round figures; 1925, \$159,000; 1926, \$233,000; 1927, \$231,000; '29, \$272,000; 1929 it dropped to \$235,000, and in 1930 they jumped to \$306,000?

A. I would have to see the various items going into that account before I could answer that question.

Q. That is the account into which a good many odds and ends of expenses are put, is it not?

A. Yes.

Q. The Public Service Commission has submitted to the Committee as Exhibit 5, a statement that it had the earnings of the South Penn Power Company under review in March, 1931. Have the Commission ever taken this matter up with you?

A. I would not know in the case of the South Penn Power Company. I have no direct connection with that company.

Q. Who is president of the South Penn Power Company?

A. Mr. Riley, Hagerstown, Md.

Q. So, you are not familiar with any negotiations that may have taken place affecting the rates of the South Penn Power Company?

A. I am not. I am not familiar with the rates of that company.



Q. Has the Commission ever taken up with you the rates of the West Penn Power Company, which, as has been testified here, in 1929 amounted to, I think, something like 12½% on the depreciated book value of the property?

A. We have never had—

MR. TURNER: Page 83, on this Exhibit No. 4.

MR. EVANS: For 1929?

MR. TURNER: 1929, according to the reports of the Public Service Commission.

BY MR. EVANS:

Q. I have my figure wrong there. 1033 Mr. Turner says.

A. What is your question?

Q. As to whether or not the Commission has ever taken up with you the question of any reduction in your rates?

A. The Commission has never taken up with us the question of any reduction in our rates. We are usually before the Commission with proposed reductions.

BY MR. TURNER:

Q. How many reductions have you had since 1925?

A. Well, we have had in that time, I should say, approximately six or eight different reductions in rates in different classes.

Q. Has it been general or just a specific class?

A. Practically every rate has been reduced during that time, although all rates were not reduced at that particular time. I can give you the information—I have it here—if you desire it.

Q. Let us have it.

A. Beginning with 1925?

Q. Yes.

A. There were 21 separate rate reductions since 1925; from 1925 to 1930, inclusive.

Q. I did not get that. You said the last was quite low?

A. There have been 21 separate rate reductions from 1925 to 1930, inclusive.

Q. Are they among domestic consumers or power?

A. They were residential and power.

Q. How many of each?

A. Nine reductions in power rates; four reductions in domestic; six commercial; one street lighting, and one rural, making a total of 21.

BY MR. EVANS:

Q. There were 21 different—

A. 21 different rate reductions from 1925 to 1930, inclusive.

BY MR. COOKE:

Q. Have there been any increases since that time?

A. No sir, not during that time.

Q. When five rates are reduced at a time, you call it five rate reductions?

A. Yes; that is, our various schedules of rates each reduced, each would be counted as one.

Q. Suppose you just give us, for instance, what the reductions were in domestic rates on a kilowatt hour basis?

A. I can't give you the reductions in the domestic rates on a kilowatt hour basis. I can give it to you in dollars and cents, reductions to consumers; total.

Q. How can you calculate the reductions to the customers unless you know the number of kilowatt hours?

A. We would apply that to a customer, the average, and then base it on per kilowatt hours.

Q. That is, you mean the average to the customer?

A. I can't give you that now, because the information I have before me does not give those domestic rates. We simply take the date of the change in the rate, and the annual savings to the customer.

Q. How can you calculate the average annual savings to the customer unless you know the rate paid and the number of kilowatt hours consumed?

A. We know at the time, but it is not now before me in enough detail to give you that. I can give it to you simply summarized. For example—

Q. I can't see how the gross reduction, which you claim amounts to anything unless you are prepared to substantiate it by showing the number of kilowatt hours sold and the reduction in rates?

A. That can be done. In other words, if it is desired to have it, I can have this summation here broken down into

its various parts, if you wish, but that would take a long, long time to give it to you.

Q. The reason I ask is because that question has come up before the committee at various times as to the basis on which companies advertise that there is a million dollars saving to consumers by a given rate reduction, and the committee is desirous of getting that information, as to just how those calculations were arrived at and whether or not they could be substantiated, or whether it was good advertising?

A. I think we can do that. I don't think my company would make a statement to that effect unless it had its own records to show that at the moment the reduction was made, that that rate brought a revenue on so many kilowatt hours sales, and the new rates on the same number of kilowatt hours sales, and that the difference would be the amount saved to the customer.

Q. Has it been your experience that a rate reduction, particularly in domestic rates, is pretty apt to produce an actual increase in operating revenue?

A. It will ultimately. There is an immediate valley that is finally built up; that is, the number of customers has never remained the same; it is constantly growing. Now, if in one year we made a rate reduction and if we maintained exactly the same number of customers, that rate reduction would stand there, and it would be what it indicated, but all of our customers are using four kilowatt hours and there are more customers coming in, so that that valley quickly builds up, with an increased consumption to the consumers.

Q. Has it not been your experience that decreases in rates are very quickly made up in increased consumption, especially in the case of domestic consumers?

A. Yes; that is true.

Q. I know that is the case with some companies?

A. It is the case, and I think it is good judgment for the company when they feel that they can make these rate reductions, to pass on to the consumers the efficiencies which have been developed and these economies. Now, the economy, the direct economy comes from a direct increase in production. That should be passed on to the domestic consumer, and is consistently being done by us, and I think it is good business judgment to do it.

Q. What is your present domestic rate?

A. Our present domestic rate starts out with a top of 8, 5, 3 and 1½ cents, in four blocks.

Q. How many kilowatt hours per month are covered by the 8 cent rate?

A. That is based on a room rating. Take the average residence on our lines, we will assume it probably to be a seven room house, and I think it takes probably 15 kilowatt hours as the first step and then on down. It varies with the size of the house. The minimum is a 5 room house, and the maximum is a 15 room house. Just what these steps are—I can't tell you just now what the first step is without reference to the schedules. There are a good many of them to bear in mind.

Q. How many hours of consumption at the five cent rate?

A. I would say that the proportion is something like this: for the first hour, 50, and for the second it would probably be 25 or 30, and then to the 3 cent rate.

Q. Do you know what the average rate for your domestic customers now is, approximately.

A. The average rate paid to us, I think, is very close to 5 cents—slightly under; a little less than 5 cents.

BY MR. HAGMAIER:

Q. How much do you have to consume to get a 5 cent rate?

A. We arrive at it in this way: the average domestic consumption on our lines is about 52 or 53 per kilowatt hours per month, and that averages about 5 cents. In other words, 50 kilowatt hours brings us down to an average of 5 cents. Anything in excess of that is going below 5 cents.

BY MR. EVANS:

Q. Do you have a minimum charge?

A. Yes; \$1.00 per month.

Q. Is that service rate or—

A. It is a direct minimum. We have no service charge. Mr. Evans, I started to give you these figures. Do you still want them?

Q. The totals do you mean?

A. The totals.

MR. HAGMAIER: I don't think we want them unless you have a schedule prepared at a certain time, and then show

what the average family pays for the same amount. The kilowatt hours is the only thing we are interested in, unless you have those schedules.

THE WITNESS: I haven't the detail of those at all now. I simply have the dates and the amount saved to the customers at his different rates of consumption.

Q. Do you have schedules in your business, which you could file with the Committee?

A. Yes.

Q. What did you charge in 1925? Could you furnish that? That is the information we would like to have.

A. I would be very glad to give that.

MR. HAGMAIER: Mr. Evans, I think we should have that information showing the amount of consumption.

MR. EVANS: As to domestic consumption?

MR. HAGMAIER: Yes.

BY MR. EVANS:

Q. Would you be good enough to furnish that to the Committee?

A. I would be glad to.

BY MR. COOK:

Q. Do you have a department of public relations?

A. We don't have any department so named. We have a department termed a department of public information.

Q. What is the purpose of that?

A. To inform the public, through some form of advertising, the direct nature of the business.

Q. Is it for the purpose of disseminating information to the public?

A. Yes.

Q. How does it function?

A. Well, for instance, we maintain a very close contact with our customers, either directly with the customer or through local official representatives of the city. Very, very frequently we are asked if we would not send a man, well, rarely to a council meeting, but ordinarily to the various civic clubs, and this department will select a man to go there and speak.

Q. To talk on utility matters?

A. Not always; on any matter of public interest to that particular body.

BY MR. TURNER:

Q. Have you been engaged in putting out propaganda and getting your data into schools?

A. Not at all. I can recall the matter, text matter which was given to schools a number of years ago. I wasn't then identified with that work in connection with our power company, but I can explain that if you wish.

Q. Yes; we are interested in that.

A. I don't know that I could just recall at the moment the name of the committee, but a committee was formed in Pennsylvania, and I think—well, to answer it this way, call it the public information bureau. In the minds of a number of people of this state it was apparent that there seemed to be an attempt to write into the text books of schools what you might call propaganda; anyhow, we knew of the activity of an association which I might term were advocates of municipal ownership. There seemed to be at that time—I can't recollect whether it was 1925 or 1926—a desire on the part of school teachers to be informed on this subject, with the result that I think four small pamphlets were prepared, one covering the railway industry, one the telephone; I think the gas; and the electric light. Now, there was nothing of a nature that would pervert the mind of any one reading it. It was perfectly good information which any one should have, and it set forth how these companies were created, how they secured their franchises, how they were operated. It was simply—you would not call it a textbook; it formed no part of textbooks used anywhere in the ordinary school curriculum. It was there, and the principal of each school was asked if he cared to have it.

BY MR. EVANS:

Q. Were you a member of this committee?

A. I wasn't a member of this committee. I didn't prepare the text matter at all, but I was instrumental in negotiating with some of the principals of the various schools and asked them if they cared to have them, and after looking them over, they thought they would be very informative, and we furnished

a number of copies, and they requested in some instances that additional copies be furnished.

Q. This was the committee of which Major Richardson was the head?

A. Yes; he was on that committee.

Q. And after its activities were made public, the public information committee ceased to exist?

A. Well, it didn't function but for a very short time, and so far as I know, all it did was to prepare this pamphlet. I never heard of it again in any connection.

Q. You could not have been very closely connected with it, because it carried on its activities for several years, and, as I understand it, was engaged in other activities than putting text books into schools.

A. That's the only connection I ever had with it. Just when it ceased and how long it existed, I can't say.

Q. What position did you hold in the industry at that time?

A. I was vice president of the West Penn Railways Company.

Q. And you were asked to take the matter up with the school principals in your territory?

A. Yes sir.

BY MR. HAGMAIER:

Q. Do you remember any efforts being made where it was to be added to the textbook used by the Peabody High School of Pittsburgh?

A. I am not familiar with that. I never heard of it.

BY MR. EVANS:

Q. What was the organization that you spoke of that was trying to get municipal ownership into public schools?

A. I can't identify that as an organization. There were those who were opposed to private ownership of utilities, and who very firmly believed that the utilities should be owned and operated by the municipalities.

Q. What evidence do you have that any organization was trying to put that propaganda across in the public schools?

A. I never saw that particular—any textbook that had that particular reference in it. I simply went along and accepted the opinion at that time that it was to the best interests of the utility companies to tell their story, and to tell it in a manner that would be plainly written, so that any one could read it and have an understanding of what this whole public utility idea is. A great many times there is too much mystery surrounding it.

Q. In other words, your only knowledge of the situation is that you were asked to get this pamphlet into the public schools of your territory?

A. Yes. In the schools in the territory which we served, I never saw anything particularly damaging in text books. I think this probably came from some other cities. I have heard a great deal about Chicago having foreign matter getting into its text books; I don't know that, but that seemed to be the impression at that time.

BY MR. TURNER:

Q. That was about King George, wasn't it?

A. That's part of it.

BY MR. RICHARDS:

Q. A man named Thompson was mixed up in it?

A. I don't know. I don't know him. You mean Mayor Thompson?

Q. Ex-mayor Thompson?

A. I have heard of him; yes.

BY MR. WALKER:

Q. Did you see these four pamphlets that you spoke of?

A. Yes sir.

Q. And you read them?

A. Yes.

Q. And in your opinion, did they represent the true utility situation in Pennsylvania?

A. Yes.

Q. Do you recall who were the authors of these four pamphlets?

A. No; I don't know that they were accredited to any particular author. I think they were written by men in the utility business, with various ideas put in, and if I recall I think they were checked by probably some college professors



with the idea to see that they were in proper form; what the text should be.

Q. You don't know whether or not that was done?

A. That's my impression. I didn't sit in the actual functioning of this thing. That's the idea I had at the time.

BY MR. COOKE:

Q. Have you any copies of those?

A. I have none. I haven't seen any for years.

BY MR. TURNER:

Q. Were they handled as coming from the utilities or were they handled quietly on the side?

A. They were handled by the utility man going to the principal and asking him if he wanted them. "These will tell you the story of the utility business. If you want them, you may have them. If you don't want them, you don't need to take them."

Q. Did you read the one in reference to the electric utilities?

A. I probably did.

Q. Was it an argument or a statement of fact?

A. A statement of fact; no argument to it.

Q. Was it an argument that municipal ownership—

A. No.

THE CHAIRMAN: The chairman is familiar with those pamphlets. He has had copies of them. They are purely harmless. They were sent out to the newspapers as well.

BY THE CHAIRMAN:

Q. Are you familiar with a book entitled "Aladdin U. S. A." I don't know the author of it?

A. I don't think I ever saw it. I never heard of it.

Q. I happen to know that it has been put into some of the colleges and some of the schools, and it is absolutely propaganda.

A. I don't know that book.

BY MR. WALKER:

Q. Have you ever received a copy of this survey of these text books that Major Richardson's committee prepared?

A. No; I don't recall it.

Q. Are you a member of the National Electric Light Association?

A. Our company is, and I am an individual member. I think it takes the classification of "Associate" or something of that character.

Q. Is your company also a member of the Pennsylvania Electric Association?

A. Yes sir.

Q. Can you recall what your contribution was to the National Electric Light Association in 1929?

A. It was probably about \$16,000.

Q. And that would be charged to operating expense wouldn't it?

A. Yes sir.

Q. Do you recall what your contribution was to the Pennsylvania Electric Association in 1929?

A. We paid dues to the National Electric Light Association and no dues to the Pennsylvania Electric Association. The Pennsylvania Electric gets those funds by yearly appropriation from the National Electric Light Association, and the Pennsylvania Electric might assess its members for some expense probably not covered by the appropriation from the National.

Q. Do you recall any assessment that the Pennsylvania Electric Company made against your company in 1930?

A. I think we paid to the Pennsylvania Electric Association in 1930 about \$1,700, which was our pro rata share of defraying the expense of advertising in one or more farm journals on rural electrification.

Q. That was charged in your "Back to the Farm" account, was it?

A. Well, I don't have in mind any farm account.

Q. Was it charged to operating expense?

A. It was charged to operating expense, yes.

Q. Do you recall any assessments that were made or any contributions that your company paid to any committee of the Pennsylvania Electric Association?

A. No.

Q. You never made any contributions to any committee of the Pennsylvania Electric Association?

A. No.

Q. Did you ever take any active part in the Pennsylvania Electric Association?

A. No; I have not been an official in it or a committee member of it.

Q. You never served on any of the committees?

A. No sir.

Q. Do you recall any other information that was disseminated through your company to the public schools, in addition to the four pamphlets that you have mentioned?

A. No.

Q. Do you recall whether you or any of the officials of your company or of your affiliated companies received this survey of text books prepared by Major Richardson's committee?

A. I never heard of it.

A. I never heard of that. How long ago is that alleged to have taken place?

A. It took place about 1925 or 1926, Mr. Mitchell.

A. I don't recall it. Of course if there was any function between—there must have been Penn Power in that but I don't recall to what you refer.

BY MR. EVANS:

Q. You were not connected with West Penn Power?

A. I was with the West Penn Railways, which was an affiliated company but I don't recall that. My interest was only in introducing these pamphlets, you cannot call them text-books, in the schools.

Q. The West Penn Power, were they active in the preparation of these pamphlets?

A. I can't answer that; I don't know.

Q. Mr. Mitchell, a statement prepared by the Public Service Commission which has been offered here I think as Exhibit No. 9, indicated that you in 1928, or that the West Penn Power Company in 1928, earned about \$2,950,000 over the seven per cent. return on its depreciated book value of its property. This excess on the seven per cent. basis would add some \$42,000,000 to your book value as a fair value. Are you justified in such a return?

Q. What was the amount you said that would be?

A. About \$42,000,000.00. You don't claim any such fair valuation of your property do you?

A. I would say that the fair valuation of our property would be close to that amount.

Q. \$42,000,000.00 over its depreciated book value?

A. Let us start with a figure and build up.

Q. It showed \$83,359,000.00 as your depreciated book value in 1928 and after operating expenses and depreciation that you had a return of \$8,783,000.00, or 10.54 per cent. Now this on a seven per cent. return would have been \$5,833,000. So the excess earnings were, as I stated, about \$2,950,000.00. Do I understand you that to your depreciated book value you added that \$42,000,000.00 you would arrive at a value then of say \$125,000,000.00?

A. I would say that the fair value of our property would be more than that.

BY MR. TURNER:

Q. Is that on the reproduction cost new basis?

A. That would be on the accepted basis of fair value of property less possibly observed depreciation.

BY MR. RHODES:

Q. That would not mean your prudent investment?

A. I don't know what prudent investment is.

Q. What you have already put into the property? Cut out the word "prudent" and call it investment account?

A. Our plant, property and equipment account does not show that large an item.

BY MR. EVANS:

Q. You speak about "observed depreciation." What do you mean by that?

A. I would say that part of the property which would, by sight, indicate that it has possibly seen its useful life and needs replacement.

Q. So it takes into account the property of which fifty per cent. of its life has been used?

A. Oh yes, that is exactly what it means.

Q. How can you go into a power house and look at a generator and by looking at it say how much of the useful life of that generator has passed?

A. My idea of all this depreciation—

Q. Will you answer that question first?

A. You could probably not tell on any particular piece of apparatus whether it had fifty per cent. of its useful life remaining. These things are guided more by obsolescence than by actual depreciation.

Q. On what basis do you charge depreciation as an operating expense?

A. Do you mean as a straight line depreciation?

Q. Where you file accounts every year with the Public Service Commission, on what basis do you charge depreciation in those reports?

A. It is arrived at by a different factor applied to the different types of depreciable property.

Q. In other words, you apply a certain percentage of depreciation to different classes of property?

A. Yes sir.

Q. Wont you agree with me, Mr. Mitchell, that whatever method you use for calculating annual depreciation must also be used in determining the depreciation to be considered in determining the fair value of your property?

A. May I have that question again?

Q. (Read by reporter) "Wont you agree with me, Mr. Mitchell, that whatever method you use for calculating annual depreciation must also be used in determining the depreciation to be considered in determining the fair value of your property?"

A. Yes, in general I agree with that.

Q. But you don't use the observed depreciation in making your annual reports?

A. No.

Q. Then, when you use the word "observed depreciation" in fixing the fair value of your property that is not a method you can justify it?

A. That would depend on what ever authority was passing on it. At least it is our opinion.

Q. You at least feel the same method should be used in determining accrued depreciation as in determining annual depreciation?

A. Of course, any depreciation that has accrued is a deductible item from the property.

Q. And you still feel on that basis as you answered to Mr. Turner's question, that your property is worth, or was worth in 1928 \$42,000.00 or approximately fifty per cent. more than the book value?

MR. TURNER: That is in answer to your question, Mr. Evans, and not to mine.

BY MR. EVANS:

Q. All right, I ask the question?

A. I firmly feel that our property at that time was worth that much money.

Q. Are you an advocate of the reproduction cost new method of determining the value of property?

A. I am hardly what you might say an advocate. I am trying to obtain from those in our organization who are best informed on that—I am not a believer of any of these so-called schools and I would like myself to have a lot of these questions answered, and, without having any fixed opinions myself I would naturally follow those in our organization who are competent and experienced to deal with these questions.

Q. In other words, do I understand that you are primarily an operating man and these questions of policy are not determined by you?

A. You understand that my experience with the West Penn Power has been limited to a period of about two years. I took office without any knowledge of a lot of these much mooted questions.

Q. Doesn't the same thing apply to electric railways?

A. Nothing applies to electric railways any more.

Q. Don't they have values?

A. They have values, but what for.

Q. They still have one in Philadelphia valued at \$100,000.00 and upwards. What are your rates for rural electric service; you spoke of a reduction in rates for rural electric service?

A. The rate we use is that fixed by the Public Service Commission in its general order No. 28.

Q. Now Mr. Mitchell, I think I am correct in saying there is no rate fixed by that order.

A. Your ordinary rates apply to a point, which I mean is where that rate would not give a sufficient return to justify

construction, and then I think General Order No. 28 requires the customer to pay what used to be twenty-four per cent. of the cost. The reduction which I had in mind here is where the rate is twenty-one per cent. and three per cent. is required in the way of a guarantee.

Q. In other words you now only charge 1% instead of 2.00 per cent. a month?

A. That is correct; that has to do with the guarantee. There is a rural rate which we apply to rural customers that was reduced at this time and that rate has been modified—I can't tell you now the details of it—but it was quite a considerable reduction from the rate formerly applying. It would be, the way we calculated it when the reduction was made, which was November 1st, 1930, it amounted to a reduction in the cost of power to rural customers, of about \$20,000.00 a year.

Q. How many rural customers do you have, taking a rural customers those that don't average more than six to the mile?

A. We have a great number but I could not give you the number of them; a great many. They are plenty through the section of the state we serve.

Q. What I was trying to get at, Mr. Mitchell, was whether or not these rates were used primarily by suburban dwellers or whether they are really used by dirt farmers, and to what extent?

A. They are what you might call a rural rate. If they are in a built up territory they enjoy whatever rate prevails in the immediate vicinity.

Q. What are your average costs of construction of rural lines?

A. I can't give you that. They vary according to the topography and the nature of the land, whether wooded or cleared, but I cannot give you the unit cost per mile of construction. It depends on the type of a line we use to reach the customers. Some are flimsy, some are built on any pole lines that may be there, such as telephone company lines.

Q. Could you give us the maximum and the minimum, approximately?

A. I would say that the cost of a rural line might run anywhere from \$1,600.00 to \$3,000.00 a mile.

Q. You never get down under \$1,600.00 a mile?

A. I would say yes, some times, for we make the cost as cheap as we possibly can and use various other facilities and property we can to build lines on; if they are telephone lines we would use them.

Q. As a matter of fact quite frequently the cost is \$1,000.00 or less?

A. I am speaking of standard construction. We will do everything in our power to get the line to the customers as cheaply as we possibly can. We have cases where the customer says "I will dig the holes" and that comes off the cost and others will say they will furnish the poles and of course that reduces the cost by that much.

Q. You base your charges on the actual cost?

A. Whatever it costs us to reach that customer. A standard construction, where we have to acquire a definite right of way and the labor and material it will cost anywhere up to \$3,000.00.

Q. The Pennsylvania Electric Association has asked for an opportunity to be heard before this committee and as you are the head of one of the large operating companies in that association, we would be glad to have any criticisms or suggestions you might have to make as to the regulation or as to the data that has been furnished to this committee.

A. You are asking me if I have any criticisms to make now of these tremendous matters—

Q. Any comments you want to make as the head of this West Penn Power Company?

A. I don't think I care to make any remarks.

BY MR. RHODES:

Q. Don't you have any suggestions in mind that you might care to make that might result in more satisfaction in the regulation of public utilities both from the standpoint of the utilities as well as the standpoint of the citizens and consumers. Don't you have some suggestions to make that you think might result in something beneficial both to the people and to the utilities?

A. In my experience I have not found that the citizens and residents of our community have any particular complaint. There have been no complaints before the Commission except of an informal nature and character and they are usually referred to us and usually adjusted without the intervention



of the Commission; we satisfy that customer as soon as the complaint is made. I don't know of any dissatisfaction from the utilities' standpoint or of that of the communities. We seem to live in peace and harmony with our customers.

Q. You never had any rate cases?

A. There was one many years ago. It is very hazy, something about the adoption of some coal clause, but we have not been before the Commission on any complaint.

Q. Don't you think the Commission should have larger control over the issuance of securities?

A. I see no objections.

Q. And over management fees and contracts between inter-related companies?

A. I don't know that the Public Service Commission don't have that power at the moment.

Q. Assuming that they have not?

A. I would see no objections to it.

BY MR. MOORE:

Q. You have no objections to them exercising it?

A. No sir.

Q. They have not exercised it even if they have it?

BY MR. MEMOLO:

Q. What do you charge for street lighting, Mr. Mitchell?

A. I am sorry I don't have the schedule of rates with me. It is on a sliding scale. I know last year we reduced our street lighting rate and immediately we got more business from the communities at the lower rate than we had before. I find that the municipalities are very rapidly changing from the lower unit of lights, 40, 60 and 100, to the 200 and the 400. That is coming on us and shows the progressiveness of the cities in that part of the state. Rates have been materially reduced. I am sorry I do not have a schedule with me.

BY MR. MOORE:

Q. That was very general throughout Washington county I recall just recently. Was it true all over the system?

A. Yes sir. As I understand it, each company negotiates its municipal contracts with the municipality but does not file a rate. In other words, it is left more or less to the community and the utility what that will be but the contract is submitted to the Public Service Commission for its approval.

BY MR. HAGMAIER:

Q. Your street railways run up through that country to Kittanning?

A. Yes sir, one division.

Q. I know you never had any trouble there.

A. That is true.

BY MR. MOORE:

Q. My next door neighbor is one of your division engineers and we get along very admirably?

A. I appreciate your kind words.

BY MR. TURNER:

Q. Mr. Mitchell, there has been a lot of testimony given here with reference to the electric industry in Pennsylvania, a lot of exhibits showing the earnings and the valuations; have you had anyone go over the testimony given to this committee?

A. You mean anyone in our organization?

Q. Have you had anyone in your behalf?

A. Well, I imagine there is someone who has read all of it; I have not.

Q. Have you any comment to make on that or have you any person you desire to bring here to say anything in connection with that testimony?

A. I do not; I feel a great deal of the testimony was of a rather general character and I don't feel it applied to us and I don't think it hurt us in our balliwick and anything of such a general character I cannot accept as a fact, and I don't know as anyone else does.

Q. In an exhibit shows that the rates are higher in your territory than the average would that be something that would concern your company?

A. It might be if that is the fact.

BY MR. RHODES:

Q. I think the exhibits show the rates in his territory one of the lowest in the state.

A. That was my understanding.

BY MR. EVANS:

Q. It is true that for a time at least in the history of the West Penn Power Company there was considerable dissension with the manner in which the company exercised its power of eminent domain?

A. That will always be the story as long as we have to exercise it. You will find that our company will—

Q. Does that condition still exist. I remember that some years ago, I think perhaps it was more aggravated in your territory than in most sections of the State.

A. I don't recall any particular trouble. Once in a while you will have a rather stubborn individual that doesn't want you there at any cost and will make it hard for you to get through.

Q. It is your policy to exercise the power of eminent domain only when absolutely necessary?

A. Certainly. It takes too much time of the legal and the engineering staffs to get mixed up in condemnation cases.

BY MR. MEMOLO:

Q. These several rate reductions you speak of; were they voluntarily put into effect by the company?

A. Every one. We have never been by any action of the Commission forced to reduce a rate.

BY MR. EVANS:

Q. Mr. Mitchell, is not the Solar Electric Company a subsidiary of your system?

A. No sir.

Q. Is it not of the Keystone?

A. No sir.

BY MR. HAGMAIER:

Q. At the present time you are reducing your street car fares in order to build up business?

A. As far as the street cars are concerned we are making every effort we can in order to attract traffic and provide service and everything else, but practically to no avail.

BY MR. TURNER:

Q. I think you said, Mr. Mitchell, that you had no charge, no ready to serve charge; do you make such a charge or a meter charge?

A. We make nothing except our regular charges.

Q. Then do you have a penalty for failure to pay within a certain time or do you give a discount?

A. We give a discount for prompt payment.

BY MR. RHODES:

Q. What is that discount?

A. Our rate is ten cents top and the discount is two cents per K. W. hour and is allowed if paid on the discount date.

BY CHAIRMAN MOORE:

This hearing will now stand adjourned until tomorrow morning, Thursday, April 30th, at 9:00 o'clock, Eastern Standard Time.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Thursday, April 30, 1931.

There were present:

Messrs. D. Glenn Moore, Chairman

Bart Richards

Chester H. Rhodes

Martin Memolo

Ellwood J. Turner

Louis W. Hagmaier

Harry J. Crawford

Rev. James R. Cox

Harold Evans, Esq.

John M. Walker, Esq.

IN RE DUQUESNE LIGHT CO.

F. R. PHILLIPS sworn

BY MR. EVANS:

Q. You are President of the Duquesne Light Company, are you not?

A. Yes sir.

Q. The Duquesne Light Company is controlled by the Philadelphia Company?

A. It is.

Q. Does the Philadelphia Company own all of the voting stock of the Duquesne Light Company?

A. It owns all the common stock; voting stock.

Q. How much common stock is there outstanding?

A. Approximately two million shares, I believe. I am not sure. I think it is on the report.

Q. Is this par value or no par value stock?

A. It is no par value.

Q. Do you happen to remember what the stated value of that is?

A. I think the stated value is fifty-one or fifty-two million dollars; you can find it in the reports—\$55,750,000.

Q. And what is the total capitalization of the Duquesne Light Company, approximately?

A. I will have to look it up. I don't know. Do you mean the fixed capital?

Q. I meant the bonds and the preferred stock?

A. There is twenty-seven and one-half million preferred stock, and sixty-five million bonds in the stated capital.

Q. What company controls the Philadelphia Company?

A. The Standard Gas and Electric Company.

Q. What company controls the Standard Gas and Electric Company?

A. I don't think there is any one particular company that controls the Standard Gas and Electric Company. I think there are groups of owners that control the Standard Gas and Electric Company. I am merely speculating now; I don't know.

Q. It is true, is it not, that the system is controlled by H. M. Byllesby?

A. It is controlled in so far as the management is concerned, the management and operation.

Q. And they have, directly or indirectly, a controlling interest in the stock of the company, do they not?

A. I don't know. I am not connected with it.

Q. Aren't you aware of the fact, as president of the company that within the last six years, the control of the Philadelphia Company changed hands?

A. Yes.

Q. And who had control previous to that time?

A. There was a group of bankers in New York who controlled the Philadelphia Company. I don't know who they were.

Q. And at that time the Standard Gas and Electric gained control, did it not?

A. Purchased control; yes.

Q. And the Standard Gas and Electric is a Byllesby corporation, is it not?

A. I don't know that they are. The operations of the Standard Gas and Electric Company are controlled by H. M. Byllesby & Company. Now, whether they control it financially or not, I don't know.

Q. How long have you been president of the Duquesne Light Company?

A. Since May of 1928.

Q. And you were vice-president before that time?

A. Right.

Q. How long had you been vice-president?

A. Since September 1, 1926.

Q. And before that you were general manager, were you not?

A. No; I was general manager of the Pittsburgh Railways.

Q. How long were you general manager of the Pittsburgh Railways?

A. Well, for several years; I can't remember; along about 1923.

Q. And the Pittsburgh Railways is also a subsidiary of the Philadelphia Company, is it?

A. Its common stock is owned by the Philadelphia Company.

BY MR. TURNER:

Q. Let me ask you this, is the Byllesby Company an investment banking concern or an engineering concern?

A. It is both. The H. M. Byllesby Company is an investment banking house and the Byllesby Engineering and Managing Company is a management and engineering and construction company.

BY FATHER COX:

Q. But they could not very well control you, unless they had a real financial interest in it?

A. There is no question about that. They must have a very substantial interest in it, but just what their interest is, has never been disclosed to me. I don't know, but they must have a very substantial interest in the Standard Gas and Electric Company.

Q. Would that be shown by the books of the company?

A. Not our books.

Q. No; in their books?

A. The Standard Gas and Electric books?

Q. Yes.

A. I presume it would be.

Q. That is not a Pennsylvania Corporation is it?

A. No; it is not.

BY MR. EVANS:

Q. You are also president of a number of other companies affiliated with the Philadelphia Company, are you not?

A. Yes.

Q. Would you state, briefly, to the Committee what these companies are, and what they do?

A. Well, there is the Duquesne Light Company, first, engaged in electric light and power and steam heating service, through its subsidiary the Allegheny County Steam Heating Company, and there is the Equitable Gas Company, which furnishes natural gas service to Pittsburgh and suburbs, partly; the Pittsburgh Railway Company, which furnishes transportation for street railway transportation for Pittsburgh and vicinity, and the Pittsburgh Motor Coach Company, which furnishes motor coach service in Pittsburgh and vicinity, the Beaver Valley Traction Company, which furnishes traction service in several of the towns of Beaver Valley; the Beaver Valley Motor Coach Company, which is a subsidiary of that company; and the Equitable Auto Company, which furnishes fast car and truck service to all of this group of companies; and then there are several coal companies.

BY MR. RHODES:

Q. Do I understand that you are president of all these companies?

A. Yes; the Harwick Coal and Coke Company, the Warwick Coal Company, and the Ohio River Coal Company, then there is a lot of minor subsidiaries I am also president of, made up principally in the transportation group.

BY MR. EVANS:

Q. What is the Equitable Real Estate Company?

A. The Equitable Real Estate Company is a company which deals in real estate for the group of companies and independently.

Q. And what is the Equitable Sales Company?

A. That is an independent company which merchandises electrical and gas appliances.

Q. When you say "independent" you do not mean that it is not controlled by the Philadelphia Company?

A. No; it is owned by the Philadelphia Company. It is independent of the others.

Q. What is the Philadelphia Oil Company?

A. The Philadelphia Oil Company is an institution that produces oil.

Q. Did you mention the Pittsburgh and Beaver Street Railway Company?

A. We call it the Beaver Valley Traction Company. That is made up of—it has a subsidiary known as the Pittsburgh and Beaver Street Railway Company. I presume you are speaking of the Philadelphia Company. We have other companies, but in other states.

Q. You are president of all these companies that we mentioned?

A. Yes; I am president of the Philadelphia Company.

Q. So that the Philadelphia Company through these various subsidiaries, controls what utility services in the city of Pittsburgh and vicinity?

A. Well, not all. There are other gas companies and other electric companies—

Q. In Pittsburgh?

A. Not in the city, the corporate limits of the city, but very close to it. The Duquesne Light is a very compact system, serving a part of Allegheny county and is a part of Beaver county.



Q. Taking the city of Pittsburgh, what other utilities except bus companies and taxicab companies, furnish service within the limits of the city of Pittsburgh?

A. There is the Manufacturers Light and Heat Company.

Q. That is a natural gas company?

A. That is a natural gas company, and the Peoples Gas Company.

Q. Another natural gas company?

A. Another natural gas company.

Q. And with those exceptions, all the utility services in the city of Pittsburgh are controlled by the Philadelphia Company.

A. With the exception of quite a few independent bus companies and taxicab companies.

BY FATHER COX:

Q. Have you no control over the Peoples?

A. No connection at all.

BY THE CHAIRMAN:

Q. That is the Columbia System?

A. The Peoples, I think, is Standard Oil of New Jersey

Q. The Manufacturers?

A. That is Columbia Gas.

BY MR. TURNER:

Q. What is the Peoples Gas Company?

A. That is a natural gas company.

BY MR. EVANS:

Q. There has been testimony before the Committee that in 1927 the Duquesne Light Company wrote up its fixed capital on its books in the amount of \$14,532,579 net. That is correct, is it?

A. I am not sure about that. I was vice president at that time, and I don't know the details of any such transaction as that.

Q. I show you the report of the Duquesne Light Company to the Public Service Commission for the year 1927, on page 202 of which in the comparative balance sheet appears an item under Capital Account No. 102, "Fixed Capital Arising from revaluation of properties \$24,315,326.95." Now, Mr. Phillips, there is also an increase, as shown in your 1928 report to the Commission under the account "Reserve," item 180 "Reserve and Renewals arising from revaluation \$9,782,747.89."

A. Yes.

Q. The difference between those two items would represent a net write up due to the revaluation, would it not?

A. I couldn't answer that question without I analyze it. The mere fact that he has written a figure as appears on one report, and another appeared on another report, it does not necessarily follow that the difference between the two is a write-up.

Q. Well, then look at the 1928 report, page 202, Account No. 102, under the column "Balance of beginning of year, fixed capital arising from revaluation of property \$24,315,326.95."

A. The balance, at the close of the year is \$23,300,000, with a decrease of \$1,014,000. Is that what you are trying to get at?

Q. No, I am trying to get at, what was the new write up due to revaluation, at the beginning of the year 1928, as shown by this report?

A. Maybe we can get it off of here (indicating).

Q. No; it is here (indicating). It is the gross write up, less the increase in the reserve.

A. Perhaps, Mr. Evans, we can put our controller on here and he can explain these details better than I can. There may be other questions raised.

MR. TURNER: Mr. Phillips, I want to thank you for having someone here that can answer questions. That has been our trouble right along.

THE WITNESS: I will answer any questions that I can as to general policy, but I brought our controller who will be glad to answer such questions as he can.

BY MR. EVANS:

Q. Let me ask you this, Mr. Phillips; according to this report the fixed capital installed prior to January 1st, 1919, was at the beginning of the year 1920, \$11,975,680.87, was it not?

A. You had better ask Mr. Mitchell that question. I will say that is probably right.

Q. Against that there would be certain reserves for renewals and replacements. For the purpose of my question I am going to ask you to assume that the net investment in fixed capital as shown by your 1928 report prior to January 1st, 1919, was \$9,856,475, and assuming that to be the case, that the entire balance of your plant was constructed since 1919, will you explain how you think the write-up of \$14,500,000 in 1927 would have been justified?

A. Probably on an inventory and reappraisal of the property on the valuation at that time when the appraisal was made.

Q. What was the trend of construction costs of properties such as yours from 1919 to 1927?

A. Upward.

Q. Continuously upward?

A. Probably not up to 1927. It began to slope off about that time.

Q. Was not the actual peak of construction costs reached in 1922 or 1923?

A. Yes, but there has not been much of a reduction since that time. Material has fallen off, but labor has gone up.

Q. So you think that with \$100,000,000 of construction since January 1st, 1919, less that \$9,000,000 prior to 1919, that a revaluation of your property in 1927 would justify a write-up of \$14,500,000?

A. I have no doubt of it. Otherwise it would not be there.

Q. Do you know on what basis that valuation was made on which your write-up was based?

A. I do not; Mr. Mitchell will.

Q. Do you know who made the valuation?

A. I expect the valuation experts of our engineering department.

Q. I take from this you are a believer in writing up the valuation of your property to the full reproduction cost new less depreciation in a period of rising prices?

A. That is a question of law. That has been determined by the Supreme Court.

Q. I am talking about the methods of bookkeeping.

A. We try to keep our methods of bookkeeping in line with the orders of the authorities.

Q. You have testified that since 1923 perhaps there has been a decline in prices, but certainly since 1927 there has been a decline in prices?

A. There has been to some degree but not to any marked degree.

Q. Mr. Phillips, do you want this committee to understand that your testimony is that construction costs were the same in 1931 as in 1923?

A. No, in 1931 they were considerably less.

Q. Is it your intention and the intention of your company in 1931 to revalue your property again in order to give to the public the benefit of the decline in prices?

A. I do not know.

Q. Has that been discussed?

A. No, not with me.

Q. It was true in 1930 also that there was a very marked recession in prices?

A. No.

Q. It has all occurred in 1931?

A. I would say there has been a very decided decrease in 1931. In so far as our property is concerned, in 1930—I will give you an example: Before the war (I have these figures in my hand) the approximate cost per kilowatt of capacity was \$80 per kilowatt, and in 1930 the cost was \$163 a kilowatt of capacity. It was higher in 1930 in so far as that particular job was concerned than any station we ever constructed.

Q. Was that the same type of construction?

A. No, bless you no. You must understand that there have been tremendous improvements. We are not talking about type of construction but unit cost of construction.

Q. What would have been the unit cost in 1931 as compared with 1923?

A. I do not know. We have made no estimates and we have no construction of that character to carry on in 1931.

Q. You don't make any attempt to keep in touch costs on a comparative basis?

A. Not unless we contemplate some work.

BY MR. TURNER:

Q. What year does this report speak of construction work?

A. In 1927.

BY MR. EVANS:

Q. Are you familiar with the facts in regard to this write-up? That is, what has been determined on by the Company?

A. No.

Q. Although you were the vice-president at the time, you didn't know?

A. I was vice-president in charge of operations and general manager.

Q. So you cannot give the committee any information as to the reason which prompted the write-up?

A. No.

BY MR. TURNER:

Q. Did you have a rate case on at that time?

A. No.

Q. Had you applied for a n increase in the rates at that time?

A. No. As a matter of fact, I think there was a decrease, I think, in that year.

Q. Have you any record of any increases and decreases in your rates during the last six years?

A. I think I have. There were no increases, but there were several decreases.

BY MR. MOORE:

Q. Did you hear Mr. Mitchell's testimony yesterday?

A. A part of it.

Q. Was that comparable with your decreases?

A. Just about.

BY MR. TURNER:

Q. So that as far as this write-up is concerned, it has no relation to rates?

A. No.

BY MR. EVANS:

Q. Mr. Phillips, you just testified a few moments ago it was done so as to bring your book values in line with what you conceived to be the decision of the courts?

A. I didn't say book value; I said fair value.

Q. I asked you why this revaluation was made and I understand you to say it was done so as to comply with what you understood to be the decision of the court?

A. That is not what I meant. You asked me a few minutes ago if I knew why it was made, and I told you no.

BY FATHER COX:

Q. Why was it necessary to have a write-up if it had no bearing on rates? Why could they not have left the valuation just as it was?

A. May I repeat my answer to Mr. Evans; I don't know what the purpose of the write-up, if it was a write-up, was at the time. I was vice-president in charge of operation and was not consulted with respect to the fiduciary and financial operations of the company. My job was to operate the company.

BY MR. RHODES:

Q. They did not do it to keep your valuation in proportion to your income?

A. Not necessarily.

Q. It would have some relation to your income?

A. No sir.

Q. It would have some relation to your income?

A. No sir.

Q. You are entitled to have a seven per cent return?

A. We may be entitled to have a great deal more than that. Who fixed the rate at seven per cent?

Q. The Public Service Commission?

A. I think not. There is no restriction as far as seven per cent is concerned.

BY MR. EVANS:

Q. The law does not restrict you to seven per cent, but it has been the universal custom of the Public Service Commission to fix it at that figure?

A. May I have that question again?

Q. (Read by reporter). The law does not restrict you to seven per cent, but it has been the universal custom of the Public Service Commission to fix it at that figure?

A. I don't know I don't know that it has been the custom. Q. Then you are not informed in regard to it?

A. I am informed perhaps as much as anybody else on that particular question.

Q. I ask you to produce to this committee where the Public Service Commission in the last ten years has allowed a greater return than seven per cent?

BY MR. RHODES:

Q. Is it correct for us to assume that your theory is, that as the untility head of all of these companies, you think you can get any return you desired?

A. No, you are going to extremes.

Q. What is your conception of a proper return?

A. First, to maintain the property in the highest possible physical condition, to insure the very best quality of service that can be rendered, and second, rates that will be attractive in order to maintain the integrity of the property and to protect the investment of the investors and produce a high credit rating, whatever it is, whether one per cent or fifteen per cent or twenty per cent. Economic law will determine that, not civil law.

BY MR. EVANS:

Q. The Public Service Commission has always held seven per cent was a fair return?

A. Not to my knowledge. Mr. Evans, will you please show me where the Public Service Commission at any time has declared that seven per cent is a fair return?

Q. In every case in which they make an order.

A. Will you give me a case?

Q. Philadelphia Rapid Transit, Philadelphia Electric, Luzerne Gas Metropolitan Electric and Gas.

A. Is that the limit, seven per cent? Is the order limited to seven per cent?

Q. It is.

A. That is news to me.

BY FATHER COX:

Q. This write-up value might keep you to a fair return on your investment. If you had a higher valuation, then the returns would not show up so bad in the public eye?

A. No, I would say the determination of a fair rate must be determined at the time the question is raised; not now, not ten years ago, not fifteen years hence. It is to be determined when the question is raised. You should find the value of the property as determined at that time, not what it was ten years ago, but all those factors are involved; historical value, the average prices of property and materials of construction, the actual construction, the reproduction cost new less depreciation, they are all factors to be considered in the determination of the valuation of the property; not any particular one of them but all of them, in accordance with a decision of the Supreme Court.

Q. If you write up your valuation, and your earnings are great then the earnings do not look to be so high?

A. I think you can draw any assumption you want to, but to draw a fact from them is another thing.

BY MR. TURNER:

Q. I have had great difficulty to determine the difference between a return on fair value and a return on capital?

A. They are two different things. The fixed capital as shown in these reports has no relation whatever to the value of the property.

BY MR. HAGMIER:

Q. You would not go on the theory of what things cost at that time, and you would not want to go into a proposition to have your plants valued at the cost of labor now?

A. Let me repeat, that is a part of the determination of value, what the prices are now, what they were a few years ago, reproduction cost new less depreciation, historical cost and all the various bases on which they are made; the Supreme Court and the Commission say they shall make an estimate of fair value on these bases. It doesn't say anything about fixed capital.

Q. You would not want to have some of your plant valued at what they cost?

A. We are in the hands of the Supreme Court as the court of last resort.



## BY FATHER COX:

Q. If you are making money according to your investment, would it not be a good thing and make it look much better in the eye of the Public Service Commission and to the public, to raise the valuation, and by raising it, it would not look like such an out of reason earning for any given company?

A. May I answer you rather categorically. See if we can get on a proper sort of understanding and basis in reply to that question. In the first place, I am one of those younger groups of executives, there are a few of them coming up, and we have learned throughout our years of school training and our experiences as time goes on, to pay more attention to economic law in the determination of economic values than to civil law. May I explain the reason why? In public utilities, for example, the popular estimation is that the public utility company is a monopoly. Let us see how much of a monopoly it is. It is a monopoly in so far and only in so far as it has a contract with various municipalities to occupy the streets, and there its monopoly ends, for this reason, that perhaps there is no more competitive business right now than the street railway and the electric light and power, and the gas business. Why is it so? Pass over the street railways; the advent of the automobile and the radio and the rest of the modern inventions have all brought a decrease in the earnings of street railways. That is competition, and the modern executive tries as nearly as he can to adopt means that will offset that competition in order to save his property. Now let us take up the electric light and power situation, central stations as we call them. In the first place, the central station again is in competition with the private-owned plant. If the central station expects to get that business, you must do two things, first to give a service to care for the business of that particular customer, and second, he must render that service for less than the customer himself could do or he does not get the business. Is that right? Let us go into the commercial end of the business. The merchant in his store has to watch his expenses closely. Now, if the central station finds it ought to be the one to render service in that particular point, if he is smart and follows economic law, he will first produce a service which is attractive to that merchant and to his customer, and increase his trade by the right sort of illumination and get his rates as low as they can be made. What about the domestic consumer? They are in competition in the case of the domestic consumer with coal and coke for heat and hot water and various other factors. Is that right? If the electric company is managed wisely, it will go after that business on a competitive basis; the central station is in competition with the customer and should be if he wants to live. What percentage do you suppose the electric power and light company gets out of the consumer's dollar? One and one-half per cent. of the family budget.

## BY MR. EVANS:

Q. Your philosophy of rate-making, then, is to charge what the traffic will bear?

A. It is not, and that is not a fair question. I said that we were in competition and we must charge prices to attract business.

Q. What competition is there in domestic lighting?

A. The cost of improper illumination—

Q. You consider that is sufficient to keep your rates down? And do you think there is no need of regulation at all?

A. In my own opinion, the greatest regulator is economic law and not civil law.

Q. By that you mean the Public Service Commission?

A. Any form of civil law.

## BY MR. WALKER:

Q. Mr. Phillips, in cases where the company controls both the gas and the electric light, they would be in competition with themselves?

A. Surely.

Q. If you are competing with yourself, where is there any competition?

A. You are asking that question on the assumption that everyone connected with a public service or or the public utilities is dishonest?

Q. Where is there any competition if you are competing with yourself?

A. Our effort is to please our customers, because if we please a customer we get both his business and his good will.

This business is not carried on for a year or for a few years. This business will be here long after you and I are gone.

Q. Let us hope so. Is there any competition under economic law when you are competing with yourself?

A. I don't try to explain that, you don't believe and you don't want to.

## BY MR. EVANS:

Q. I am sure that it would be very interesting if you could successfully develop the theory that there exists effective competition where both of the competitors are controlled by the same person?

A. Do you want me to submit a brief of that?

Q. Yes; I would be very glad if you would.

A. I would be glad to write you a paper. It is futile to attempt to discuss it here.

Q. I think it is very futile, but we would be glad to have a paper on it.

## BY MR. RHODES:

Q. Mr. Phillips, I do not think you are correct in assuming that we think the management of all or any of these companies is dishonest. They are human.

A. Just how can anyone escape the thought that there are certain elements who are proceeding on the assumption that the utilities are dishonest.

MR. HAGMAIER: I hate to have you feel that way about it.

THE WITNESS: I am not pointing out any particular individual.

## BY FATHER COX:

Q. We think that you are so efficient at making so much money, that if you paid a little attention to the other side of it, the people's side and give them good, fair rates, and think of them occasionally—make money if you will, but don't forget us on the other side entirely.

A. Doctor, I would like to discuss that with you, but I dislike taking up your time with academic discussion, but remember this—this is fundamental that the up-to-date, modern executive of the utility, the interests of the customers are paramount to anything else, in his limitations. That is a very fundamental thing, and it is based on good economic law and merchandising practices.

## BY MR. EVANS:

Q. In other words, am I correct in understanding that your theory of the proper rate practice is to charge all that the traffic will bear consistent with maintaining the good will of your customers?

A. Oh, no; I see how futile it is to talk. Maybe I don't know how to talk.

Q. Isn't it exactly what it comes to.

A. No; it is not.

Q. You admit that there are two bases, both controlled by the same interests, there is no effective competition, and then you say that the interests of the consumers determine the rates, and causes the competition as you call it. Now, isn't that the same as saying that the companies' rate policy should be to charge such rates as will yield all these returns that you have spoken of here while satisfying your customers?

A. No. Now, let me ask you something, if that were the policy of the company, to charge all that the traffic would bear, why did we voluntarily reduce rates?

Q. Because you wanted to avoid the rate case.

A. We were never threatened with a rate case until just a few weeks ago, at any time. Now, let us get away from that.

Q. Your report to the Public Service Commission in 1927 showed, if this write up had not been made, you were earning over ten per cent on the depreciated book value of your fixed capital. We have had here before us, members of the Public Service Commission and evidence that they have made a study of these exhibits, and in cases of that sort they have at certain times ordered reductions of rates or negotiated reduction of rates. By making this write up, your return was reduced on the basis of your fixed capital to 8.97%. Do you not think that that has anything to do with your making that write up in your return to the Public Service Commission?

A. No.

Q. And now, assuming that you are entitled to a seven per cent return, even including this write up, your company has been earning, according to the evidence introduced before this

Committee, 10.13% in 1928; 9.66% in 1929; and 10.08% in 1930 on the depreciated book value of your fixed capital, including the fourteen and one-half million dollar write up.

A. What has that to do with it?

Q. Do you consider that it is essential to maintain that rate of return in order to keep the financial integrity of the Duquesne Light Company?

A. What has that got to do with it?

Q. I am asking you a question now, you are not asking me.

A. Well, now, Mr. Evans—

Q. Will you answer the question, and then make any explanation you wish?

A. All right. I would like to hear that question.

(Question read)

A. We consider it necessary to charge the rates we are now charging, dependent upon the amount of business we do, in order to maintain the integrity of the property; is that the question?

Q. Do you consider it—

MR. EVANS: Just read the question.

(Question read)

THE WITNESS: I can't answer that question without a valuation of the property.

BY MR. EVANS:

Q. In other words, you say you don't know?

A. I don't know.

Q. Very good. Now, then, on this same assumption it has been introduced in evidence before this Committee that during these four years the amount which you have collected from the consumers in excess of a 7% return on the value of your fixed capital, including this 14½ million dollar writeup, has amounted to \$15,880,000. You have had this report examined, I imagine, have you not?

A. I don't recall that particular item. I have read a good deal of it myself.

Q. Yes. So far as the examination has gone, there is nothing wrong with these figures, is there?

A. I don't know whether there is or not.

Q. Well, you have been reading the evidence?

A. You are asking me whether—

Q. Didn't you have your accounting department check these figures?

A. Are you asking me whether I agree with those figures or whether I don't?

Q. I am asking you whether you found any errors in them.

A. I haven't examined them.

Q. Have you not had anyone in your company examine these figures that have been introduced before this Committee?

A. They have checked some of them. Whether they have checked all of them I don't know.

Q. So far as that check has gone, you have not found any errors in the figures I have just given you?

A. I don't know anything about those figures.

Q. Assuming these facts, which have been introduced in evidence before this Committee, and which you have not found any errors in so far, do you wonder that the public are dissatisfied with regulation as it is practiced today, in that way?

A. Who said that the public was dissatisfied? You are assuming that?

Q. Yes; I am assuming that.

A. I haven't heard they were dissatisfied.

MR. TURNER: The jury, five to two, found that they were dissatisfied.

MR. RICHARDS: We had plenty of reasons to do it.

MR. TURNER: In your view.

MR. RICHARDS: Whatever our views, it will be found in the testimony from some 938 boroughs.

MR. TURNER: I heard you make that statement on the floor of the House the other night, but I haven't found any such number of boroughs.

MR. MEMOLO: Is the Committee going to enter into a cross examination of its members?

MR. TURNER: If we care to, Mr. Memolo, and I always discuss everything on your end.

MR. MEMOLO: Whom, me?

MR. TURNER: Yes, everyone of you. I exclude none of you.

MR. MEMOLO: It applies all around?

MR. TURNER: Yes, sure. I have said right along that you can't muzzle me.

BY MR. EVANS:

Q. You have stated that these figures don't signify, because the company was entitled to a fair return on the fair value of this property; that was correct, was it not?

A. These figures are what?

Q. Were not significant?

A. No; I testified on the question of value or of the book value as not significant nor has any part in determining the fair return on a fair value.

Q. You have testified that there has been a decline in prices since 1927, and in 1927 your property was revalued by your own engineers?

A. It was. I don't know whether they were all.

Q. You just testified—

A. All right. Then they were. What difference does it make?

Q. Therefore at the present time excluding additions to the property, since 1927, the fair value would be, anything not less than your appraisal of 1927, would it not?

A. No; I wouldn't say that. I just repeated to you that the fair value is not based on reproduction cost, less depreciation, is it? Is that your construction of that? The United States Supreme Court says it shall be made up of various factors.

Q. Reproduction cost, less depreciation, is the maximum, but it may be considerably less than that, but that is the maximum.

A. That is a question of law.

Q. That is just what I am telling you.

A. Oh, you are telling me?

Q. Assuming that to be a fact, wouldn't the maximum fair value of your plant be less or greater than your valuation in 1927?

A. You are asking me to give you a reply on questionable assumptions.

Q. No; I am not. Here you had this valuation in 1927. You have testified that prices have receded since 1927. Isn't it obvious that a valuation made in 1931 for the same property would show a less valuation than 1927?

A. Not necessarily, Mr. Evans, because there is more than than one factor involved than the one you are making an assumption of.

Q. Wasn't your valuation of 1927 made on the basis of reproduction cost new?

A. Yes.

Q. And prices have receded since that time?

A. Yes.

Q. And, therefore, a valuation made on the basis of reproduction new in 1931 would be a less valuation than—

A. Yes, but that isn't the question you asked me. You asked me on the basis of assumption of reproduction cost new less depreciation.

Q. Therefore, by giving you the benefit of your 1927 valuation, we are certainly giving you the benefit of the doubt, in regard to the value of your property, aren't we?

A. On that one particular item.

Q. That includes \$100,000,000 out of \$112,000,000 of property?

A. That I don't know. I haven't checked that.

FATHER COX: You forget the historical value of four years, 1927 to 1931; then make up the difference.

MR. EVANS: Additions and extensions of all included.

THE WITNESS: Now, what do you want me to tell you?

BY MR. EVANS:

Q. Just state roughly what proportion of your property was installed since 1929?

A. I can't tell you off this report (indicating). I wouldn't attempt to do that.

MR. EVANS: Perhaps the Committee can arrive at those figures.

BY MR. EVANS:

Q. It is shown by your 1928 report to the Public Service Commission, your fixed capital installed prior to January 1, 1919, at the close of the year was \$11,975,680.87; was it not?

A. Right.

Q. And your fixed capital installed since December 31, 1918, was \$106,283,971.84?

A. Right.

Q. So that approximately ninety per cent of your fixed capital was installed subsequent to December 31, 1918?

A. Yes; fixed capital; not value. That is another thing.



Q. And now, let us have a look at the dividends that your company has been paying. What dividend did you pay in 1923, and at what rate?

A. I don't know. Mr. Mitchell can answer that.

Q. It is all in your report.

A. I see, but I don't remember.

Q. You will have to do a little arithmetic Mr. Phillips. Suppose, in order to save time, we do this, give you the calculations of these dividends that we have made and ask you to notify the Committee next week if there are any errors in these figures.

A. All right.

Q. The testimony introduced before the Committee shows that in 1923 the company paid 9% dividends, amounting to \$1,640,340 on common stock—I am only dealing with common stock—in 1924 you declared a stock dividend, amounting to \$1,774,000, and a cash dividend of \$1,793,560, or a total dividend of 19.2% on your common stock. Now then, 1925, '26, '27, you declared dividends, including a stock dividend in 1924 of 10%, amounting to \$2,000,000. In 1928, you declared a dividend of 16%, amounting to \$2,666,666. 1929, 16%, amounting to \$3,000,000, and in 1930 15.8%, which was \$3,800,000 in cash and \$1,850,000 was in stock?

(No answer)

BY FATHER COX:

Q. The company owns and controls all the common stock?

A. The Philadelphia Company owns all the common stock.

Q. And all the profits have gone back to the company itself, whoever the company may be?

A. Well no—approximately so. You see, the public owns a very large share of the Philadelphia Electric common stock.

Q. Of the common stock?

A. The Philadelphia Company's common stock, yes.

Q. What I was thinking of is that there have been statements made time and time again, if too much regulation of these companies was made, the widows and the orphans and the innocent stockholders would suffer. Now, I think the stock, being held by the company and by people who are fairly well off, will not very much affect any widows and orphans. That has been used against those of the Committee who are fighting for a little regulation; not fighting to hurt anyone?

A. You understand, Doctor, that there is a tremendous amount of securities held by insurance companies and trust estates and all that sort of thing.

BY MR. TURNER:

Q. Do your employees hold any of your stock?

A. I really don't know. I imagine some of them do.

Q. You have no system of selling to your employees like a great many of the utilities have?

A. We have one we call an investment bureau, where a great many employees who say, "I have a little money; what will I do with it?" "How will I invest it?" and so forth. We advise them, but we don't confine our advice to our own securities. We pick out a list of securities which are recommended by bankers and those who should know about investment. It is not confined to our own securities, and they buy as they see fit or not.

BY FATHER COX:

Q. Now, another thing which has been mentioned here, which it might be well to explain.

MR. TURNER: Now, we have an economic law and a civil law. Economic law is recognized by business men, but it does not have any recognition on the law books of the country.

A. Unfortunately not.

MR. TURNER: I can't let that pass, if you are correct in assuming that.

BY FATHER COX:

Q. Just a minute. Your economic laws are furnished by your business men?

A. No; they are natural laws.

Q. All right, and recognized by business men?

A. Yes; when they learn about them.

Q. All right; wouldn't it be well if these laws were made to cover all situations, everywhere, and not to just a little group? Wouldn't it be well to incorporate them into the laws of our country, the same as our civil laws?

A. The difficulty is that your economic law is like physical law. It is natural to try and control it, but you can't always do it. We learn more and more every day about natural law—physical law. And now I will explain a little farther and perhaps it will help you. Let us take engineers for example—probably Mr. Cooke will verify this; one of the fundamental laws of physics is that every action—

MR. MEMOLO: Please don't call me "Mr. Cooke."

THE WITNESS: Pardon me. I know there are literally thousands of scientists, men trained in physics, who have spent their lives and fortunes trying to controvert that fundamental law. And now, there are business men who have spent their lives and their fortunes, and a lot of other people's fortunes—

MR. TURNER: Politicians, too.

THE WITNESS: Trying to controvert that fundamental law of economics. They are immutable. We may make different interpretations of the economic law, but the law is immutable, and those who have a false interpretation will suffer. That is all there is to it.

BY FATHER COX:

Q. You say that they are immutable. Are they like the ten commandments?

A. No.

Q. You said they are immutable?

A. They are like the law of physics.

Q. It would be well to read them over.

A. You can get a lot of information if you will read them over.

MR. TURNER: One of them is "Love thy neighbor as thyself."

FATHER COX: We love our neighbor better than ourselves.

BY MR. EVANS:

Q. It has been introduced here that the Pennsylvania Public Service Commission, through its accounting bureau made an analysis of the reports of electric companies in Pennsylvania for the year 1928, and from your report arrived at a depreciated book value of your fixed capital, as of December 31, 1928, \$137,123,528. This report, which is exhibit 9 in this record shows that you were earning a return of 9.99% on that basis.

A. On the book value basis?

Q. Yes.

Has the Commission so far as you are aware, ever taken up with you or your company, the question of a reduction of your rates?

A. No.

Q. Have you ever discussed with them the possibility of a reduction of rates?

A. We have notified them of reductions in rates.

Q. But merely by filing rate schedules?

A. Yes.

Q. And no one on behalf of your company has ever taken up with the Commission any possibility of reduction of rates before the schedule was filed?

A. Not to my knowledge. We have filed a number of rate reductions, voluntarily on one day's notice.

Q. And now, as exhibit 10 in this record, there has been introduced a calculation made by the accounting bureau of the Public Service Commission for the year 1929, in which they found the depreciated book value of the fixed capital of the Duquesne Light Company to be \$136,958,096, to which in this report is added ten percent. of that figure, or \$14,695,860, going concern value. That was done by the Commission entirely on its own initiative, without consultation or conference with your company in any way?

A. Not so far as I know.

MR. TURNER: There was a rate case on which the Commission—

MR. EVANS: This, Mr. Turner, was set up by the Accounting Bureau of the Commission, on which they subsequently took action against the companies.

MR. TURNER: I was going to look for that exhibit. It was one of those companies in 1930 or 1931 against which complaints were issued on its own motion?

MR. EVANS: No. This is a tabulation on the basis of which, in 1930, the Commission took action against certain companies.

MR. TURNER: How much did they allow as going concern value, Mr. Evans?

MR. EVANS: \$14,695,880; an estimated working capital of \$1,619,019, and they arrived at a tentative rate basis of \$103, 233, 575, and on the basis of that base showed that the Duquesne Light Company was earning 9.45%.

Q. On a 7%—suppose we take a 7% return, Mr. Phillips, would a 7% return on the value, not of the fair value of your property, but upon your capital—would that allow you sufficient money to operate and carry on your extensions, and do all the things you say you feel a company should be able to do?

A. I don't think so.

Q. Why not?

A. Because the book value of this company is very considerably less than the fair value.

Q. That might be, but that would not be an answer to my question.

A. You are asking me if 7% on the book value of the property would be sufficient to maintain the high credit rating?

Q. Yes.

A. I don't think it would. That is merely an opinion.

BY MR. RICHARDS:

Q. Wouldn't it reduce the dividends?

A. It wouldn't reduce the dividends, but it would reduce the ability to earn.

Q. Have you any figures there to indicate what the difference would be?

A. No; I do not. I haven't made calculations on that basis.

BY MR. TURNER:

Q. Has your company ever made a study of those figures to determine what it might be? In other words, have you ever studied this question, because it has been agitated now for a number of months, and here it has been agitated for a couple of months? There is an Act that has passed the House that will have a direct relation to that. Has your company made any study of that, and what its possible effect will be?

A. No; not yet.

BY MR. RICHARDS:

Q. If you had a 7% income—

A. Is that satisfactory, Mr. Turner?

MR. TURNER: That is satisfactory one way.

THE WITNESS: We haven't made any study of this thing.

BY MR. RICHARDS:

Q. Why wouldn't it be worked out if you had a 7% income on your investment in capital, after taking care of all the operating expenses? Where would that effect the credit of your company? It would not impair the credit of your company?

A. You are in competition in selling securities and maintaining their values with a great many other businesses?

Q. Yes; but this is a monopolistic business?

A. Not entirely a monopolistic business.

Q. And, therefore, the securities are issued, they are certainly beyond any other securities?

A. To meet the demands of the public we have to invest large sums of money every year, and we have to borrow a good part of it, and we have to secure that money in the money market. And now, if the earning capacity and the earning ability of these companies impaired them the price at which you are selling the securities is impaired.

Q. But you have a guaranteed return; you are allowed a seven per cent return, which the Commission allows you—

A. That is not guaranteed.

Q. It is a guarantee to a certain degree. You are allowed to charge a rate that will bring that income?

A. That is not a guarantee. I would be delighted to have a guaranteed income of seven per cent on railways securities, for instance.

Q. I have not seen any utilities not having a fair income on their capital from all that I have examined here; and not in one have I seen any deficit.

A. Have you looked into the street railway business?

Q. Yes.

A. Do you know of any street railway business that is earning seven per cent?

Q. No; but there is no reason for anyone having money in the street railway business, if it was properly depreciated and amortized over a period of years?

(No answer)

BY FATHER COX:

Q. At one time the railroad companies made a lot of money.

A. There was a time when the railroad companies were making money, years ago.

Q. Just like old stage coach. I don't think they have a right to weep over that fact and talk over their losses. You can make money by your busses and your other means of transportation, like other companies are doing, and the sooner you get your cars off the streets and use automobiles the better.

A. I would be glad to answer that. If this property has amortized throughout the years, if the earnings have been sufficient to do that, there would be no objection to it.

BY MR. RICHARDS:

Q. Proper regulation would bring that about?

A. Proper regulation, which would give a minimum of seven per cent would be a fine thing, but there is no such regulation, and there can be no such regulation.

BY MR. MOORE:

Q. Mr. Evans, I would like to have Mr. Phillips comment on Dr. Bauer's statement on the street railways situation, do you recall it?

A. I was not here, Mr. Moore.

Q. Mr. Bauer qualified as an expert connected with the New York Public Service Commission and in response to a question of Mr. Turner relative to street railways stations, stated that we all know that they were sick. The quotation, I will read it in part, "They had a monopoly; they invested their money in something that was protected, but it was not protected when the automobile came along, and they went busted, and in the same way some of the present utilities may go busted with the use of the air."

"By Dr. Bauer: That is one of the indictments against our system, that the investors in street railways securities lost so much money. The street railway system should have been so regulated as a public utility that investors would not have lost their money. If back in 1890 we had had a prudent investment theory on our books and regulated in a sane, sensible, efficient way, there would not have been the very obvious and conscienceless disregard of public rights over the two decades that followed."

"Second, all the retirements and obsolescence and super-sessions would not have been thrown into securities outstanding. There would have been proper, systematic depreciation of the property as they took place, and second, there would have been proper amortization of the investment as time goes on, and it appears that another agency is going to crowd in. The automobile and the bus didn't come over night. There was ample time for depreciation and amortization. The greatest indictment I think against our present system of non-regulation is that investors can and will lose their money millions and billions of it have been lost by investors because of the idiotic way we have of dealing with an industry which is a utility upon which the public interest, both as investors and as consumers, depend. We think that is the answer. We have got here an industry that is a utility. It is an industry that is fundamental in our social and industrial life, and it is a monopoly. Dealing with that kind of a public proposition, I don't believe really that your standards of normal competitive business apply. You have different forms that you have to apply and then there comes the question (a) what are we going to do about it, and (b) how can we get this accomplished?"

A. I should say that Doctor Bauer's observations as to what should have been done at the time are very pertinent, but the primary fact is that it was not done. Furthermore, to have done it would have incurred larger earnings than were secured by the Street Railways. I am talking about conditions twenty-five years to thirty years ago. With the amortizing of property and in order to follow the changes in the type of property requires money, and the money was not in the business. There was no depreciation reserve set off on the yearly basis. They didn't know what the factor of depreciation and obsolescence was. We don't know all there is to know about it now. We



know more about it now than we did then. The thought of amortizing and the proper anticipating of these changes or the final discarding of property never entered into the heads of any business man in those days. If it had, it would have been necessary, I repeat, it would have been necessary to secure larger earnings in order to write off this property. They did not take into consideration anything for depreciation or obsolescence, and they had no picture in the future of the business being eliminated or being superceded as the street railway business in many places now is. They didn't think of that. Consequently it was not done. The same picture may be true with reference to the electric light and power business now. Who can say that twenty-five years from now we will still be doing business as we are now? Who can say that our investments will be intact and maintained? We don't know. That is one of the hazards of business. That is true in the natural gas business. You will remember three or four or five years ago it was anticipated that the natural gas reserves of this country were disappearing; then in our own case, with our own companies, we advised the domestic users of gas to use other means, such as coal and coke; then the picture changed suddenly and great reserves of natural gas were discovered. As the picture is now, the gas business may come to life again. I don't know. Of course this is going into academic discussion again. This much-talked-of discovery of Prof. Graudahl of Germany where by the use of certain vacuum tubes he proposes to use the energy from the sun and through various processes generate electric power. Of course we have had a good many propositions of that kind of various types; possibly someday we will have it. Then what is going to become of the tremendous investment in this electric light and power business? Are we going to ignore these things and say they will never come? That is what the street railway business did. I remember very well when the electric light and power industry first came into being, from reading, about fifty years ago, it started when Mr. Edison made his discovery and they started out with electric light plants; it took away most of the business of the manufactured gas companies and in our district of the natural gas business, both of street lighting and of home lighting. That was a terrible blow to the natural gas business.

BY MR. MOORE:

Q. You mean, residential?

A. Naturally. But the electric light companies took the business away from the gas companies and I hope my friend at the other end of the table is listening to all of this. As the result of all this the business of the gas companies was depressed. They had huge investments, and those who had invested in them were facing tremendous loss, and some could ill afford to take this loss. We don't know but what the same conditions are facing this wonderful new baby electric light and power.

BY MR. RHODES:

Q. Is that not all the more reason why we should have proper regulation to set up reserves to take care of these possibilities?

A. I think the utilities will get along with what they have.

Q. Are you satisfied with the regulation in Pennsylvania at the present time?

A. This comes from a lay mind, but under the Public Service Law I agree with Attorney General Woodruff, I agree with him in my limited knowledge of law, that the Public Service Law of Pennsylvania is a model for this entire country. I might also say this, that there are certain things about that Public Service Law which I think could be improved on, the one you named, for example, a provision that will give more power and stricter supervision over the issue of securities. As far as my company is concerned, we think it should be done. Another thing too, I don't think our company, certainly, has any objection in the case of an increase in rates to extending the time more than thirty days. We have no objection to that as long as the company doesn't die in the meantime while the operation is going on, in three, four, five or six months. In my own humble opinion, the principle difficulty with your Public Service Commission here is that this Legislature has not provided them with sufficient funds to carry on their duties and responsibilities. I will give you an example. There is an engineer employed by the Public Service

Commission, and he is the only one, whose duty it is to examine all the steam railroads' physical properties, the street railways with their physical properties with respect to all their equipment. One man—why he could not examine even by a reasonably cursory examination all the physical equipment of all of these companies in a hundred years. That one man is all they are allowed. They have not sufficient appropriation.

BY MR. EVANS:

Q. You don't mean to suggest to the committee that the Public Service Commission undertakes in any way to inspect the equipment from the standpoint of safety?

A. I would say that if you require public safety under the law and ask a body to assume the responsibility as to that aspect, you certainly ought to give tools to carry out that responsibility.

Q. I don't think that has ever been suggested.

A. If you place the responsibility on a man you must give him authority.

Q. Going back to the financial needs of your company. In 1928 it put out an issue of 5% cumulative first preferred stock of \$20,000,000 par?

A. No, we didn't put it out at par. It was at \$100 par value.

Q. I show you your 1928 report to the Public Service Commission at page 243, issued first preferred 1927, total par value, \$20,000,000, cash received in consideration \$20,000,000. Does that not mean that the company got \$20,000,000?

A. That is not the net amount they received, because in calling this requirement of the common stock, 8% cumulative stock, they paid considerably more than par.

Q. That is not the price at which they issued the new stock?

A. No, they issued the new stock at \$20,000,000.

Q. Therefore as far as credit was concerned in 1928 they could issue 5% preferred stock at par?

A. Yes sir.

Q. And the bonds were only 4½% bonds, were they not?

A. Yes sir.

Q. If this rate of return was reduced, do you not think they could get the funds they need without the increase in dividends on the preferred stock of 6% and an increase in the interest rate on their bonds of 5%?

A. It is questionable. I would not undertake to give an opinion on that now.

Q. In other words, you don't think the credit of your company is sufficiently good that if it were allowed a 7% return on book value of its property, it could borrow the necessary funds to meet its requirements?

A. Certainly not the book value.

Q. On what basis does your company calculate depreciation in its report?

A. The real setup is 8% on the gross revenue.

Q. As an operating man do you think that the percentage of the gross revenue is the best way to calculate depreciation?

A. I think that method could be improved on, yet we arrive at that 8% of the gross revenue as being based on experience of the money actually expended over a period of years for replacements and renewals. As a matter of experience totally.

Q. Depreciation is not a function of gross revenue at all?

A. No, that is correct.

Q. And in your present practice, out of every hundred dollars your customers pay in, you take from your customers, you set aside \$8.

A. Yes, with the further explanation that that \$8 is arrived at on an actual basis of experience over a period of eight years, but it actually is at the present time between 8 and 9 percent.

BY MR. TURNER:

Q. Mr. Phillips, does that represent only replacements and renewals?

A. That is all.

Q. Where do extensions and betterments come in?

A. That is new capital, new money from whatever source you may get it.

Q. It doesn't go into operating cost?

A. No sir.

Q. And is not an item on your depreciation?

A. No sir.

Q. Renewals and replacements are functions of so-called depreciation reserve; extensions and improvements are functions of new money and new capital.

BY MR. EVANS:

Q. There has been introduced in evidence before the Committee the capital stock tax report for the year 1929, and your report is in the papers stating after that evidence was introduced, that your return to the Public Service Commission and to the tax authorities state they have been made strictly in accordance with the law. Is that a correct quotation?

A. That is right.

Q. Are you familiar with these returns?

A. I am familiar to the extent of the general information in them.

Q. Did you make that statement on your own knowledge, or has Mr. Mitchell told you so?

A. On Mr. Mitchell's statement.

Q. I think you stated that the Duquesne Light Company was affiliated with the Harwick Coal Company?

A. I don't think I stated so, but it is.

Q. Who owns the capital stock of the Harwick Coal Company?

A. The Philadelphia Company.

Q. From whom does the Duquesne Light Company buy its coal?

A. The Harwick Coal and Coke Company, that is, a part of it, not all of its supply.

BY MR. MOORE:

Q. Do you buy any of your coal in the open market?

A. We have not for some time.

Q. Did you buy any from the Frederickstown Coal Company?

A. I am sure we have not for some time. We did have a contract with them.

Q. When was the Frederickstown Coal contract terminated?

A. December 1, 1930. We occasionally buy lots of coal in the open market, if we can get it at a bargain.

Q. At what price per ton, approximately?

A. We have paid recently for soft coal as low as one dollar and a half a ton.

Q. Do you recall the maximum figure that it was in 1927? or 1928 in the open market?

A. Back in 1927 there was a strike on and prices in the open market were up. We didn't buy any at that time on the open market, but was up around four dollars and a half, or five dollars a ton.

BY MR. EVANS:

Q. From whom do you now purchase your coal in addition to the Harvester Coal Company?

A. At the present time we have acquired other coal property.

Q. Are the companies owned by the Duquesne Light Company or the Philadelphia Company?

A. The companies are leased but they are leased by the Philadelphia company.

Q. In other words the Duquesne Light Company attempts to buy its coal from companies controlled by the Philadelphia Company?

A. At this time.

BY MR. TURNER:

Q. Are you familiar with the figures on coal prices?

A. Only in a general way.

BY MR. EVANS:

Q. I was interested, Mr. Phillips, from your report to the Public Service Commission, in getting some information in regard to the cost of coal to your company. Can you or Mr. Mitchell just give us that?

A. He would possibly give you the detailed figured, but I can tell you something about the basis on which the costs are made.

Q. Tell us what you can.

A. The policy is to charge the Duquesne Light Company for its coal at cost after the cost of coal received is determined, with further additional charges.

Q. After the cost of coal received is determined, what further additional charges are there made against it?

A. There are no charges except charges for estimated cost. There is no intention to make any profit out of the coal used by the Duquesne Light Company.

Q. For instance in 1924 your report shows that the cost of coal received was \$3.39 a ton and the cost of coal consumed by the company was \$3.43 a ton. What would account for that difference?

A. Handling charges to the bunkers, and the crushing and the like.

Q. On what basis are those charges arrived at?

A. They are the actual costs of the Duquesne Light Company. When the coal company delivers the coal by car or boat, that is the charge on car or boat, then you have to transfer to the crusher and the bunkers.

Q. Has there been any material change in that cost of handling since 1924?

A. Oh, yes.

Q. What has that change been?

A. You mean for handling charges. The cost of improved machinery, for reducing the cost in a general way. There were periods when we were storing coal where it became necessary to have two or three extra handlings, such as the handling from the cars to the bunkers and from there to the storage place and then from the storage place back to the crusher.

Q. When did you first commence to crush your coal?

A. We began to crush the coal at Colfax, back in 1920 or '21, and at Brunots Island, some time before that, we crushed the coal for the stoker equipped furnaces.

BY FATHER COX:

Q. There is no profit, Mr. Phillips, made on that coal?

A. No.

Q. The company furnishes it to you at cost?

A. Yes.

Q. That is because of your belonging to the Philadelphia Company?

A. Yes sir.

Q. There is an idea in Pittsburgh at the present time that you do make a profit on your supply of power to the Street Railway and the reason for that profit that you are making, that they have to come back on the city on an old contract and pay a lot of money for work the railways company is supposed to do. Do you really make money on this electricity you supply to the street railways?

A. No sir, that is service-at-cost contract.

BY MR. EVANS:

I don't want to interrupt you, but I think if we can finish with the coal first you will have an easier record to follow.

Q. What was the period, Mr. Phillips, that you refer to when the storage costs were increased?

A. That occurs from time to time. Sometimes the Allegheny River freezes up and some years it doesn't freeze up at all, but other years it is stopped for three or four months, and there are times when you get difficulty in the mines. It is a mine mouth proposition, our coal mine is about a mile from the Colfax power station and it is necessary to carry large reserves of coal in anticipation of trouble. In 1927 there was a coal strike and we stored large quantities of coal in anticipation of a strike. We usually carry or try to carry about 60,000 tone supply of coal in our reserve at Colfax, and about the same at Brunots Island.

Q. Were there any such unusual conditions prevailing since 1927?

A. Last year because of the drought we faced the possibility of the shutting down of the Monongahela River, but between the United States engineers and the West Penna. Power Company and ourselves, we kept the river open, but in anticipation of the possibility of the river being shut down, we stored large quantities of coal at Brunots Island.

Q. How about 1928 and 1929?

A. We were then recovering from the effect of the strike. I think the strike lasted, as far as it affected us, for nearly a year, ten or twelve months anyway. In 1927 at Colfax we had 250,000 tons of coal, and now we are carrying about 100,000 tons.

Q. Would you be able to state approximately what the additional cost per ton would be for this storage which you refer to?

A. If it was important, I would rather be certain about it. We have it as a matter of record, and it runs in my mind it



is about 23 cents a ton to take it from the dumping in the bunkers and put it in storage and trim it and pick it up and put it in the car and back to the crushing bunkers and deliver it. It is more economical to store the coal from the railroad car than it is from the river. It costs more to store it from the river because it has to go through an additional process. We add as little to that as we possibly can.

Q. The reason I asked, Mr. Phillips, is because the reports to the Commission indicate that whereas in 1924 the excess of the cost of the coal consumed over the cost of the coal received was four cents a ton, and in 1925 it was seven cents a ton, and in 1926 it was four cents a ton, and in 1927 it was about sixteen cents a ton, and in 1928, thirty-one cents a ton, and in 1929, forty cents a ton, and in 1930 it went back again to eighteen cents a ton. How would you explain the 1929 as being forty cents?

A. The possibility is that in 1929 we put in new handling apparatus entirely at Brontos Island. Whether it was all charged in in that year I don't know.

Q. These are operating costs?

A. It probably took more labor and we were building the James H. Reed station in 1929 and 1930, and we had to change the coal storage at Brontos Island to get it out of the way of the new power station and get it to another part of the island, and that may be part of it. That was done by labor at the plant largely. We installed some additional and new coal handling apparatus at Colfax, and naturally there might have been more or less of an advance as the years went on in the handling of coal from the storage. These costs are actual costs. There is no overhead on them.

Q. They are actual out-of-pocket costs?

A. Yes sir.

Q. I think you will find that the cost of coal as mined is reduced very considerably, as a part of the whole problem. The cost of coal and the cost of handling are pretty hard to draw a line in.

Q. Your cost of coal received has dropped from \$3.39 to \$1.34 in 1930, and the cost of coal consumed has dropped from \$3.43 in 1924 to \$2.02 in 1930?

A. Yes sir, and I think it is still going down, due to these new leases. In fairness to all, I would like to tell you. During that period ending December 31, 1930, there were two coal contracts that we were working under that were made during the war or shortly after. They were made I think in 1919 or 1920, just subsequent to the war. Now, these contracts are over, and we are doing our own mining of coal, and that accounts for some of the change in cost.

Q. They were not in effect in 1926?

A. Yes sir, they were in effect for ten years. One was made in 1919 and another in 1920. One was on the time basis, it was a minimum quantity per month, and the other was on a quantity basis.

Q. So really until 1930 you were not wholly free from these war costs?

A. No, of course, we were reducing the cost after the strike, when the costs began to go down, due to mechanization and closer supervision.

Q. Does the Duquesne Light Company merchandise electrical appliances?

A. No, we have a separate company for that purpose.

Q. What is it?

A. The Equipment Sales Company.

Q. From whom does it get its funds?

A. You mean to carry on its business? It is a self contained Company.

Q. Does the Duquesne Light Company lease its space or have any connection with it?

A. We have joint headquarters. We have stores where the Equipment Sales Company have their sales stores, and you will find them the same stores in the station, our information desk and collection desk.

Q. In your 1930 report to the Public Service Commission, you show merchandise sales at \$75,746.68. What did that cover?

A. To the Duquesne Light Company?

Q. Yes.

A. I don't understand that, unless it is sales to employees, because all electric and gas appliances is done by the Equipment Sales Company.

MR. MITCHELL: That was major items of installations for customers. It is not appliance sales at all.

BY MR. EVANS:

Q. Does the Duquesne Light Company pay any fees of any kind to any other concern for any management construction, engineering or financing?

A. Yes sir.

Q. To whom?

A. We have a contract with the Byllesby Engineering and Management Corporation for management and financial service and consultation, of 1% of the gross revenue. Then it has a contract with the same company for handling the construction supervision.

Q. On what basis is that contract?

A. On work actually performed and constructed, it is 7½%, and on the engineering work performed, but that is not carried into construction; I mean to say engineering work that is being done on the project is not carried through, we pay flat costs plus 100%, and they pay 2% for construction.

Q. That started in 1930?

A. Yes sir, about the first of June or July so it would not be one percent. of the total gross for 1930.

Q. Mr. Phillips, what reduction in the general and miscellaneous expenses of the Duquesne Light Company have been made by which you agreed to pay the Byllesby company one per cent of your gross income for management.

A. I cannot answer that exactly, with the exact figures, but the operating and maintenance expenses have been very considerably reduced since we made the arrangement with Byllesby Engineering and Management Corporation.

Q. Up to June 1930 you had a full set of officers to manage your own company, did you not?

A. We did not have a full set of officers since 1927.

Q. Were you not managing the company efficiently until the last year?

A. We were beginning the latter part of September 1926.

Q. You were managing the company efficiently?

A. Beginning at that time and subsequent to that time, I think we were.

Q. This arrangement with the Byllesby Engineering and Management Corporation was not in effect until 1930?

A. No.

Q. So since 1926 and to 1930 the company was being efficiently operated by your own staff?

A. No, the Byllesby Engineering and Management Corporation were giving management service since September 1, 1926, but we did not pay a management fee until June, 1930.

Q. What fees did they pay to the Byllesby company for managements?

A. None.

Q. Up to 1930, they were performing the services without charging?

A. Excepting their out of pocket expense. We agreed in 1930 to make it desirable from the standpoint of the Duquesne Light Company to make an arrangement to pay them one per cent of the gross revenues.

Q. For past services rendered and for current services being rendered?

A. Yes sir.

Q. In other words, one per cent, is not only to cover present services, but it is also to pay them for services rendered since 1926?

A. It seems reasonable that we should pay them something for their services during that interim from September, 1926 to June 1, 1930, when they were paid nothing for their services.

FATHER COX: I thought we had sufficient brains and men of knowledge in Pittsburgh to take care of anything. It seems strange that we had to go to Chicago for men.

A. Even before the Byllesby people got into the picture, we were paying sums of money half the time for consulting services and expenses and we carried a much larger staff then than we do now.

Q. I thought that they were coming to Pittsburgh to ask us about these things.

A. They used to do that, but we have a smaller staff now, than we had before.

BY MR. EVANS:

Q. Do you pay this management fee out of gross operating revenue, or on the gross revenue including non-operating?

A. I think it is on the gross operating revenue.

Q. What approximately was your gross operating revenue in 1930?

A. Around 28½ million. I don't remember what the gross operating revenue was, \$28,675,000.

Q. So you, on that basis, would pay the Byllesby Company approximately \$286,000 a year?

A. Well, Mr. Mitchell informs me, and I recall now, that the intercompany items are eliminated, and that would reduce the sum somewhat how much, I don't know. We have got that figure exactly for you. That is, you want to know the total amount of management fee paid to them for the year 1930?

Q. 1930, and if you would also give the total amount of fees paid for construction and the other items you mentioned, just divide it up.

A. Wouldn't you like to have the total value of the construction too?

Q. Yes, I would.

A. I don't want to upset your game, but—

Q. No indeed, Mr. Phillips; I would like to have a full picture of it.

A. I just want to say this, that prior to the Byllesby Engineering and Management Corporation arrangement that we had with them, we employed engineers to do the same service, by another engineering concern entirely. We made a study first of all of what it had cost us for those services and the amount of money paid for engineering services and construction supervision, and operation of construction, and for three years, I think—I am trying to remember the year, that is the reason I am hesitating, I can't recall it—it was about 9½%, and prior to that it cost us not quite 10½%, 10-47, or something like that. So that we are really getting our engineering and construction services now for less than we did before, when we had independent engineers and construction supervision.

Q. From your knowledge of the industry, you are aware, are you not, that in some companies there has been some abuse of this matter of management fees as between affiliated companies?

A. Yes, and we have studiously tried to avoid any such thing as that.

Q. In view of that thing, Mr. Phillips would it not in your opinion be advisable to have such contracts between affiliated companies subject to Commission control?

A. I would see no objection to that at all. Has there been explained to this Committee just what services are secured for this management fee? That is, whether you are getting your money's worth or not. I mean from the standpoint of that to the ratepayer, the consumer, whether you are really getting your money's worth or not. I don't know whether it would be of any value to them or not.

Q. I think the only question that the Committee is interested in at the moment is the amounts that are paid for these services, and whether or not it is not advisable to have them subject to Commission control, so that abuses which have been apparently existing in certain quarters can be corrected?

A. Well, of course, then we are assuming that there are some instances of that sort that are justifiable and expedient and economical.

Q. That would be my assumption, Mr. Phillips. I think it is only to prevent the possible abuse of it. Now, Mr. Phillips, you said, I think, you were also president of the Equitable Gas Company?

A. I did.

Q. The city of Pittsburgh, I think filed a rate complaint against the Equitable Gas, did it not, that was pending before the Public Service Commission for some eight years, and finally decided in February, 1928?

A. Yes.

Q. And you have already stated that the Philadelphia Company controls the Equitable Gas?

A. Yes.

Q. Does it own all of the common stock?

A. I am not sure. It owns provisional control of it anyway. I am not sure of that, but I will have it checked for you, if you want me to, either directly or indirectly it owns it.

Q. Who owns the distributing system used by the Equitable Gas Company?

A. It is owned principally by the Philadelphia Company.

MR. TURNER: Mr. Evans, you asked a question about a rate case that lasted eight years, is that right?

MR. EVANS: That is correct.

MR. TURNER: Well, could we just have some explanation of what, if Mr. Phillips knows, causes the eight year delay in that rate case?

THE WITNESS: Well, I am afraid, I could not explain it, but there is a lawyer in here that can explain it. He was the principal factor in it, Mr. Robinson. If that is objectionable to your plan or form—I take it that this is more or less informal?

MR. EVANS: I don't know whether this is going to embarrass Mr. Robinson or not, because at that time he was attorney for the complainants, and now he is attorney for the company.

MR. TURNER: Well, I think that we all, of course, dislike to embarrass anybody, but what we are after here, are the facts, and one of the indictments of the Public Service Commission is the length of time which is taken to decide some cases. Now, I think that if they are true we ought to have some understanding of just what causes those delays.

THE WITNESS: Well, I didn't want you to get the impression that I didn't want to answer the question. I cannot answer it, because I am not sufficiently familiar with it. Mr. Robinson, I am sure, would be glad to answer any questions that you want, if he can.

MR. TURNER: Well, we will wait until Mr. Evans gets through with you.

MR. EVANS: As a matter of fact, Mr. Turner, I think I should correct the eight years, because, according to their report, the report of the Commission, the complaint was filed on October 31, 1921 and decided in November, 1928; so it was just a little over seven years.

MR. TURNER: Well, in that length of time why quibble about a few months.

BY MR. EVANS:

Q. Who owns the gas lands and wells from which the Equitable Gas Company gets its supply of gas?

A. The gas lands and wells are not all owned, a good many of them are leased, and furthermore,—

Q. Well, they are owned by someone?

A. Yes, but a large number of them are owned by lessees, a tremendous number besides the fact that the Philadelphia Company of course owns a lot of them, and the Pittsburgh, West Virginia Gas Company owns a lot of them.

Q. That is another affiliated company, is it not?

A. That is another owned company of the Philadelphia Company, operated in West Virginia. And then we purchase a good deal of course from the Kentucky and West Virginia Gas company and then there is a large number of small wells that are owned by farmers and groups of farmers and there is a tremendous number of them.

Q. Well, confining our attention to the gas which the Equitable Company produces itself, is it not true to say that practically all of that gas is produced from wells owned by the Philadelphia Company or some subsidiary of the Philadelphia Company?

A. No sir; the gas lands of the Philadelphia Company are principally in West Virginia and Western Pennsylvania, Washington and Greene Counties. Those reserves are becoming rapidly depleted and we have got to buy gas where ever we can, and but it away ahead of time. We purchased an interest in the Kentucky and West Virginia Gas Company a few years ago. I don't remember just what year. So that we could get control of the reserves or have a large influence upon the reserves in that district, in order to insure a supply of gas for our customers.

Q. Well, what I am trying to get at is the gas which the Equitable Company produces itself.

A. I see. I couldn't tell you the percentage off hand. We have a record of that, if you want me to look it up for you.

Q. Well, now, your 1929 report to the Public Service Commission shows that you produced during the year 3,403,793 cubic feet.

A. Thousand cubic feet.

Q. Thousand cubic feet.

A. That is three billion.

Q. Yes; three billion. And purchased twenty-two million six hundred and forty-four thousand cubic feet?

A. Yes, that is about right.



Q. Now, of the three million four hundred three thousand seven hundred and ninety-three thousand cubic feet I am anxious to find out, roughly, whether most of that was not produced from wells owned or controlled by the Philadelphia Company?

A. I imagine they were. That is merely assumption. I don't know, but I think they were.

Q. Now, in 1923, when the Equitable made a lease with the Philadelphia Company, taking over all of the Philadelphia Company's gas lands and wells for twenty-four hours, did they not?

A. Yes.

Q. And the rental was fixed at eight per cent of the value of the property, which was around two and a half million dollars in 1923? And has been around two million three hundred thousand dollars in 1929 and 1930?

A. I think I have something prepared for you. I rather anticipated this question. During the year 1929 the Equitable Gas Company produced from the property of the Philadelphia Company covered by the lease of January 1st, 1923,—is that what you are talking about?

Q. Yes sir.

A. 3,403,793,000 cubic feet of gas, at a cost of 21.26 cents per thousand cubic feet, and that cost included the rental payable under the lease of January 1st, 1923, including the cost of operation, maintenance and depreciation of the production system.

Q. Well, what was the total rental paid to the Philadelphia Company in 1929?

A. In the year 1929 the Equitable Gas paid for the lease of gas properties \$2,327,911.39. Do you want the comparison of 1926 and 1925?

Q. Yes, if you have it.

A. In 1926 they paid \$2,574,806.39. In 1925 they paid \$2,726,503.99. Now, I have a table here that shows the thing in detail, and if you want, I will give it to you.

Q. Now, this lease between the Philadelphia Company and the Equitable Company made in 1923, was before the Public Service Commission for approval, was it not?

A. Well, I presume so, I was not connected with the company at that time. They are pretty careful about that, you know.

MR. TURNER: I didn't catch what he said.

MR. EVANS: He said he presumed so but he did not know.

THE WITNESS: I assume that they did. I was not connected with the company at that time. But they are pretty careful to follow the rules of the Commission.

BY MR. EVANS:

Q. And the Philadelphia Company in that case was contracting with itself, was it not, as long as it controlled the Equitable Gas Company?

A. I suspect that the purpose of that lease was for economic reasons; that is, to concentrate operation of the production system and the transmission system and the distribution system into one group, for economic reasons. I am merely speculating. That is what I would do if I had been with them at that time, or simplification of the relationships and the methods of operation, in order to reduce costs.

Q. In your 1929 report to the Public Service Commission, it appears that you purchased 22,644,600 thousand cubic feet for which you paid \$7,746,599, or an average of 34.2 cents per thousand cubic feet?

A. Yes, 34 and something.

Q. Now, in the same year, according to your report to the Commission you produced 3,403,793 thousand cubic feet, and your production expense was \$361,345. Have you any figures to check that?

A. I cannot check those figures.

(Discussion off the record)

MR. EVANS: I think perhaps we can save some time, if I will allow time during the recess just to go over this with Mr. Mitchell, without taking the time to bring out all this.

BY MR. MOORE:

Q. May I ask Mr. Phillips, in buying gas, is there any discrimination? I know in Washington and Greene Counties there are a lot of companies that have, some of them, less than a ten acre lease, and have the old eighth royalty clause, and some of them complain that they cannot get rid of those properties?

A. Well, of course, fundamentally the securing of leases is largely a question of barter and sale, to begin with.

Q. I appreciate that.

A. But as a matter of actual fact, the price paid for gas and for oil privileges is pretty much the same, it depends somewhat on the estimate of the geologist and practical driller as to what it is going to cost to drill the well. There are factors of that character in determining the lease price, but within a reasonable range they are pretty much the same.

Q. Well, is there any difficulty in a man disposing of a lease that he cannot operate with financial success himself, to one of these larger corporations?

A. Well, there is at this time, because of the fields coming in which are tapped far away, there is a surplus of gas, and then usually the small lessor, prospective lessor, insists upon taking the gas during the summertime, when you really have your own wells shut in, and sometimes some of these wells are offset wells. You see what I mean?

Q. Yes, I understand.

A. And difficulties of that kind.

BY MR. HAGMAIER:

Q. There is a good bit of gas now all around Pennsylvania, isn't there, that has not been used up?

A. Not so much in Pennsylvania. Not so much in West Virginia either anymore. We are going further away for it.

Q. But you have a surplus of gas right now, haven't you?

A. We have, due to a supply, a field in Kentucky, about 400 miles from Pittsburgh.

Q. There is a lot of complaints from these fellows that have wells in and around Pennsylvania, that they are not able to get rid of their gas?

A. That is due, I think, Mr. Hagmaier, to what I tried to explain to Mr. Moore, that contracts are necessary to be made with large fields, and they have such an excess from there that it is difficult to handle the gas of the small ones around Pennsylvania, particularly because of the terms that they try to exact, and furthermore the rock pressures of the Pennsylvania wells are going down pretty badly, and the expense of pumping increases as the rock pressure does down; and then they insist upon the wells being—the gas being purchased in the summertime, when the demand for gas is way down.

BY MR. CRAWFORD:

Q. Well, there is a decline in the amount of gas that is being sold now too? The industrial gas is practically all shut off?

A. Well, during this particular depression?

Q. Yes.

A. Yes.

Q. That is one cause for an excess supply of gas; you don't have the consumption that you had here a while ago?

A. That is true. That is a contributing factor.

BY MR. HAGMAIER:

Q. The mills around Pittsburgh took it out a few years ago when you fellows were all afraid you would not have any gas?

A. Yes, and now we are trying to get them to put it back again.

BY MR. MOORE:

Q. Do you produce any gas or use all natural gas?

A. We haven't for several years. We can, of course, but with such a supply of natural gas, it is not necessary. We have a plant of rather large capacity—I was trying to think of the amount of it,—but we haven't used it in four years. It is 30,000,000 a day, but practically this gas comes from a great distance now. They are piping it not up into us; but to other places from as far away as Louisiana and the Panhandle of Texas and Oklahoma and Kansas.

BY MR. EVANS:

Q. Mr. Phillips, so far as your companies are concerned, do you see any objection from the standpoint of regulation to allowing you a return on monies invested in your properties from now on the basis of the actual assessment, rather than the basis of the reproduction cost of the property, which may in the next ten years considerably decline.

MR. TURNER: You mean prudent investment?

MR. EVANS: Well, I said the actual investment.

THE WITNESS: Well, I presume that is closely related to the prudent investment?

MR. EVANS: Yes; I didn't want to use prudent investment, because I think it so often creates the impression that there is a demand say in ten years from now to say that an investment with today was perfectly reasonable and proper, in the light of developments, was not a prudent investment, and I think there is no such intention on the part of the advocates.

MR. TURNER: Bill No. 1632 uses the word prudent.

MR. EVANS: Yes, Mr. Turner, it does; but the question of the prudent of the investment is to be determined as I take it, by the facts as they existed at the time the investment was made, and that any years which may exist as to hind-sight being better than foresight, and penalties being inflicted on that account are entirely groundless; there is no such thought; and I just want to get Mr. Phillip's reaction to that general plan.

THE WITNESS: Well, my reaction is this. Frankly I haven't made up my mind. If I could answer it in a general way, that is, as far as I have gone in my study of the question of the proper valuation, the proper method of arriving at a value for a rate base, I would say generally this, that a rate base and consequently a rate of return should be sufficient to maintain the integrity of the property, to maintain the physical condition of the property, so that it can render a high class of service sufficient to give a high credit rating so that you can attract capital to the industry or to the business at reasonable rates, because your rates for capital are a part of your rate base. Now whether that be the prudent investment theory on the basis of the prudent investment theory,—the prudent investment theory is rather enigmatic there is not any fixed opinion as to just what a prudent investment theory is, to begin with, you cannot find two engineers that will agree on what the prudent investment theory is.

MR. EVANS: We have had a number of definitions introduced before this Committee, which very closely check with each other.

THE WITNESS: Well, they are not satisfied. I haven't been able to find unanimity of opinion to any great extent among engineers as to just what prudent investment theory is. Your statement probably comes closer to a simple explanation of what the prudent investment theory is; that is, actual investment. I am not ready to say that I agree with that, although I am not violently opposed to it. I really think it is a moot question. I think it is a question that must be considered very carefully as to whether it is the proper basis. Surely, the owner of property should have some right with respect to the intangible features of property, that is the enhancement of its value. He contributes something towards that enhancement.

BY MR. RHODES:

Q. Do you think the present method of valuation has permitted of any reasonable regulation.

A. You mean with the basis as laid down by the Supreme Court?

Q. The present method of valuation in Pennsylvania. Do you think that that has resulted in reasonable regulation?

A. I should say it has.

MR. RHODES: I wanted to get his theory in connection with Mr. Attwill of Massachusetts.

THE WITNESS: I am of an open mind on the question of this determination of a rate base. I am perfectly willing to consider all phases of the problem, and I haven't by any means in my own mind closed the door.

BY MR. RHODES:

Q. Well, there is a great difference of opinion. For example, the Chairman of the Commission of Massachusetts, Mr. Attwill, stated the other day that in his opinion the present method of valuation as laid down by the United States Supreme Court made regulation absolutely impossible. Do you agree with that?

A. No.

BY MR. HAGMAIER:

Q. The same statement has been made by other people.

A. I cannot see why.

BY MR. TURNER:

Q. That is the statement that has been made by almost all of the experts,—that is, will say experts to define them, engineers and economists that have been here, that you cannot regulate effectively under the rules as laid down in the Supreme Court decisions, which gives the greatest weight in these cases to reproduction cost new.

A. Well, is that the only reason that they express? That was the reason, just because they give consideration to reproduction new?

MR. TURNER: No.

THE WITNESS: What were the reasons?

MR. TURNER: Well, reproduction cost new had become the dominant factor, and under reproduction cost new you could not have effective regulation.

MR. CRAWFORD: It is all going one way.

THE WITNESS: I don't understand that any rates have been fixed by the United States Supreme Court on purely the reproduction cost new less depreciation. Their ruling, as I understand it—and I am not a lawyer, get that—is on the basis that they shall take into consideration all of these various theories, historical cost, actual investment, reproduction new less depreciation, and all of these factors to be taken into consideration by the Commission in the determination of a rate case.

MR. TURNER: Well, the claim has been made that while that is true, the Supreme Court has laid down that rule, that reproduction new has become the dominant factor, and that it has, within the last few years reached the point where reproduction new is practically the controlling factor in the determination of valuation. I am saying that is the testimony here. We have nothing else to go by.

THE WITNESS: Well, I would not be prepared to say that I would agree to the statement that that is the dominant factor, I think that is a question of law, a question of opinion, and a question of the analysis of the basis upon which these valuations have been made.

BY MR. EVANS:

Q. Well, take your own company, Mr. Phillips, the Duquesne Light Company, and assuming roughly, as I think is the fact, that some ninety per cent of your company has been constructed since January 1, 1919, in a period of high prices, after the War, I take it that it was necessary for your company, in order to progress, to make that large investment at that period of high prices?

A. No; there are other factors. That may not be so terribly important. One is that we are attempting to improve the quality and continuity of service, in order to increase our sales.

Q. Yes, but what I mean is that that investment was made in the exercise of sound business judgment, as being for the best interest of your consumers, as well as your company?

A. Yes.

Q. Now, it does not seem clear to me that stockholders who have put their money into your property on that high plateau of prices, should ten years from now, when we may be on a very much lower average of prices, be deprived of a fair return on the money they put in, merely because the price level has changed. Now, do you agree with that theory?

A. I think that is an element in the problem. On the other hand, I would go this far, as to say that if the conditions were reversed, that is if it was put in during a period of low prices and then suddenly prices in the next increment of ten years would go way up, the rate payer should not stand all that burden either. I think there is a reasonable adjustment somewhere in that in order to accomplish these rates.

BY MR. RHODES:

Q. I don't think we have ever had an example in Pennsylvania, though, where it has been true, where there has been a reduction below the amount of investment, or in fact where there has been any reduction after it has been made; it has stayed at that peak level.

A. Yes, but there is no assurance that you won't have that situation.

Q. Possibly not, but we have never seen any indication that we were going to have any change from frozen peak levels that we already have. Of course, there may be some of the companies like yours, that will take the initiative and start in to reduce, now that the price levels are down.



A. Well, we have found that is true, in our Duquesne Light Company, that an improvement in the service in the quality of the service first, and, or in combination with it, or strictly a reduction in rate, expands our business.

Q. I think that is true.

A. Therefore we ought to be eager to do those things which will reduce the rates, and, strange as it may seem, we are.

Q. Down to the greatest minimum?

A. Yes. Strange as it may seem, nothing would suite us better right at this present time, if it were in the wood, to reduce the rates, because we will stimulate business, and that is what somebody has got to do, stimulate business. We would do it in a minute, if we thought we dared, and protect all of the various interests who look to us for protection. There is no tendency, I think, in the modern executive's mind, it is a short-sighted policy, in my opinion, to arbitrarily hold up rates, which good business judgment dictates the reverse, a man is foolish to do that, in my humble opinion.

BY MR. TURNER:

Q. Then, Mr. Phillips, it comes back to this, does it not? As I recall it, you were paying 17 to 18 per cent dividends on your common stock. Now, is that an excessive return upon that common stock?

A. Well, if it were actually a 17 or 18 per cent on it, that is plenty, but it is not. Here is the situation. If you study the thing very carefully, you will find that out of the surplus fund the company has been, we have been plowing those surplus funds back into the property. We don't pay out all of the earnings to the common stock in dividends. That is not good business. We set aside surplus, and we reinvest that money in the company itself. Consequently the value of that stock, the actual value of it, keeps increasing and increasing each year that we do that. Take any business institution. It flashes in my mind, say, the United States Steel Corporation. Its stock today, I presume, you will see from the picture there, it will probably be around 125, the quoted value. Its par value was 100. There is probably \$400 of value behind that stock. See what I mean? Now then, if it is \$400, and you pay 16 per cent, you are actually paying 4 per cent, see what I mean?

BY MR. RHODES:

Q. But the rate payer is the one that is creating those reserves that increase the valuation of the common stockholders' interests?

A. Yes; but how do we know but that within a very few years, as has happened in the steel business, the methods of production will completely scrap—or not completely, but it will scrap all of their investment, largely? That is what happened to them. Take the advent of the continuous mill, in the tin plate business. Maybe Mr. Hagmaier knows something about it. What will it mean to the steel companies? The scrapping of a lot of equipment.

Q. You mean in the creation of reserves, and the amortization, are the companies operating on that theory, that eventually they are going to be superseded by some other business?

A. You were just complaining a little while ago because the street railways did not do that very thing.

Q. But are the companies today operating upon that theory in the creation of reserves?

A. Well, we are creating reserves to take care of reasonable setbacks in the business.

Q. Hasn't it usually been true though that as these reserves have increased, the valuation of your company becomes greater and that is again capitalized?

A. Well, it has not been in our case.

Q. Well, is that true of the utilities generally though?

A. I don't think so. It may be in some.

Q. Isn't that just one of the things that we complain about, the fact that these reserves are created by the ratepayer and then ultimately that is recapitalized and goes out in the form of new securities to the public?

A. Well, we haven't been doing that.

Q. What is that?

A. We haven't been doing that. He got away from me. I didn't quite get his line of thought.

Q. Well, it is true, isn't it, that on the basis of a valuation of your company made in 1927, your company has been earning nine to ten per cent?

A. On the value of the property?

Q. On the value as determined by your own engineers in 1927?

A. No. You are not taking into consideration other investments.

Q. Other investments?

A. You are just merely taking the fixed capital as the value of the property.

Q. You mean investments of stocks in other companies?

A. All investments.

Q. That has nothing to do with the operation of your company; that is non-operating income?

A. Well, that is a part of the rate, isn't it?

Q. You mean to say you are taking your excess earnings and investing them in other stocks, in other companies, and then expecting that to be included in the consideration of your rates?

A. No, that is not what I said, Mr. Evans. We have other investments. For example, the Duquesne Light Company has about \$7,000,000 invested in the Allegheny County Steam-Heating Company.

Q. Well, that has nothing to do with the rates of the Duquesne Light Company?

A. It certainly has, hasn't it?

Q. I think Mr. Robinson will bear me out, that that very question was brought up, that the rates of the Allegheny County Steam-Heating Company and of the Duquesne Light Company have got to be treated entirely separately, and the Supreme Court of Pennsylvania has so decided, it just happens in your own case?

A. Well, if we take the earnings from that \$7,000,000 investment and include them as a part of the earnings of the Duquesne Light Company—

Q. But they are not included. These are the operating revenues that we are dealing with we are not dealing with your non-operating incomes. Your operating revenues of the Duquesne Light Company show a return of 9 and 10 percent on the value made yourself, which you yourselves put on your own property in 1927?

A. Well, even so, is that the value of the property in 1927?

Q. It is the value you put on it, and you testified that there has been a decline in value since that time, a decline in prices, I should say; it seems to me perfectly clear that your company, if it has been plowing back, as you say, earnings, has not done that at the expense of the stockholders, but it has been doing it as the expense of the ratepayer, as Mr. Rhodes suggests?

A. Suppose we take seven percent, on one hundred millions of dollars, which is \$7,000,000, and we pay out the interest on, say fifty per cent—four and one half per cent, which is about \$225,000—\$2,225,000 for bonds; and we pay out on thirty millions more, which is three million and a half, or three million seven hundred and fifty thousand, then there is twenty million of the common stock left and on that—who does that belong to on the basis of seven percent, as you say, the fixed value of the property?

Q. That belongs to the stockholders.

A. All right.

Q. But anything over seven percent doesn't belong to that.

A. Wait a minute, all right. Now then, suppose the common stock holder doesn't take all of that difference in dividends, but he invests it in the property, who does it belong to?

Q. It belong to him.

A. Of course, that is what we are talking about.

Q. Do you mean to say that in this case the stockholders have not been receiving the full benefit of the seven percent, as they have been receiving?

A. No; I am not saying that.

Q. All of the earnings are plowed back into the company, and are the contributions of the rate payers?

A. But you are asking me if seven percent, is a fair return.

Q. You made that assumption yourself.

A. No; I just made that statement as an example. The Supreme Court of the United States has said 8.91 was not an unreasonable return.

Q. It said that in the Baltimore Street Railway Company, but it never said that in the electric companies.

A. It said it wasn't an unreasonable return.

Q. It seems to me that we are going around in circles.

A. Sure, you do.

Q. You started out with a seven percent return and when you found that that it doesn't work the way—

A. I might have used ten percent, as an example. Let us take ten per cent, if you want to follow that through. It makes it worse than seven per cent, doesn't it?

Q. You assume, then, that a company such as the Duquesne Light Company, is entitled to ten per cent. on the fair value of its property?

A. No; I am not assuming anything of the sort.

BY MR. RHODES:

Q. What are you assuming then?

A. I am trying to work out an example here to meet the statement of Mr. Evans to the effect that the earnings on the common stock not paid out in dividends belongs to the rate payers.

BY MR. EVANS:

Q. Belongs to the rate payers? If the common stockholders have been receiving a fair return on their investment?

A. We have to go all through this again. You see, the common stock holders—and now, there are probably others interested in the property besides the common stock holders and yet the common stock holders take all the risk.

Q. In the example you gave us, you took a plant with a value of \$100,000,000, entitled to a seven per cent return, which is seven million and you took the amount of bonds outstanding—

A. Yes; fifty per cent, thirty in preferred and twenty in common.

Q. \$15,000,000 in bonds at four and one half gives you?

A. Two and a quarter million.

Q. And thirty million of five per cent preferred, and gave you a million and a half and added together gives you \$3,750,000?

A. Yes.

Q. And you have left, \$3,250,000 for twenty million of common stock, which is roughly eighteen and one half percent; is it not?

A. Well, it is two into thirty-two, sixteen and one half per cent.

Q. No; thirty-seven percent.

A. Thirty-seven per cent. All right,—eighteen and one-half percent.

Q. And is 18.75%?

A. Yes sir.

Q. And you do not consider that that is a fair return to the stock holders?

A. Because a fair return is based on the value of the property; not on the common stockholdings by any means. The trouble is that you jump from one assumption to another. Let us stay put in one place.

Q. I am taking your own example.

A. No; you are not.

Q. You said, we will take a company which has a value of \$100,000,000, and is entitled to a seven per cent return, and then you took all these bonds, preferred stock, and common stock and that is the result you reached; is it not?

A. Now, let us go on with the rest of it, who does that belong to?

Q. I say that belongs to the common stock holders.

A. Then, we are agreed on that, that it belongs to the common stock holders.

Q. And it is earning eleven per cent, who does the rest belong to?

A. That belongs to the common stock holders.

Q. You say that belongs to the common stock holders?

A. Who takes the risk?

MR. TURNER: Does it not come back to the question as to the fair value of the property, and isn't that seven per cent on the capital investment of the stockholders?

MR. EVANS: Yes, but here you have a case where the company itself, in 1927, valued this property and said it had a value of \$100,000,000 in 1927.

MR. TURNER: Yes.

MR. EVANS: That, obviously, is the maximum of the present fair value of that property, and yet it is the result that is achieved by applying 7%.

MR. TURNER: No it is not, because the common stockholder is limited to 7% of the amount of his investment. His

return is based upon 7% of the fair value of the property, and you have got two different equations.

MR. EVANS: But, Mr. Turner, we have in evidence in this case the fact that this company has been earning 9 and 10 percent on its own valuation in 1927.

MR. TURNER: That is a different question. That is the question and the example he gave you. This is a different question. If you can show that they earned 9 or 10 percent on the fair value of the property, then it is too high.

MR. EVANS: It is its own valuation in this case. Mr. Phillips takes the position—

MR. TURNER: It goes back to what you and Mr. Rhodes were talking about. You say it belongs to the ratepayer. If that return is more than 7% on the fair value of the property, then it is too much.

MR. EVANS: What I am trying to point out is that the Duquesne Light Company put that valuation on its own property in 1927, and that contribution was made by the ratepayers, it should belong to the ratepayers.

MR. TURNER: If \$100,000,000 is the fair value of the property, I agree with you.

BY FATHER COX:

Q. That question of the fair value of the property is based on academic reasons; it is not a matter of fact?

A. It has been determined by the Supreme Court of the United States.

Q. But these other values are academic values?

A. No; I don't think so, Doctor.

Q. Your historical value less depreciation, that is not a matter of fact; that has only been according to your so-called economic law; it does not exist anywhere but in the minds of those who want to get a certain return on a certain amount of money; that is the way it seems to me.

A. I am sorry. I miss the point entirely. That has nothing to do with the matter.

MR. EVANS: Mr. Chairman, Mr. Griffiths, an attorney for the Philadelphia Company, has asked me to state on the record my view as to whether 7% should be a perfectly inflexible rate of return that is to be allowed under all conditions. I want to say, very emphatically, that I don't think so. I think the rate of return should be varied in accordance with the conditions existing at the time.

(Discussion off the record)

BY MR. EVANS:

Q. Let me ask you this question, Mr. Phillips; What is the maximum domestic rate of the Duquesne Light Company?

A. Not a cent.

Q. Do you mean there is a penalty added to that?

A. No, there is a reduction of one cent per kilowatt hour for prompt payment in 10 days.

Q. In other words, it is a rate of 9 cents per kilowatt for prompt payment in ten days?

A. Prompt payment.

Q. Can you explain to this Committee any reason why Washington should have a maximum rate of 4.2 cents to the domestic consumers, and cities like Cleveland, Worcester, and so on, have domestic rates of 5 cents, and Pittsburgh, a domestic rate of 9 cents and a one cent discount?

A. Because the maximum rate has very little to do with the actual rate paid.

Q. What is the average rate for domestic consumers on the Duquesne System?

A. It is 4.8 mills.

Q. And the maximum in Washington is 4.2?

A. Is it? I don't know. There may be a great many reasons for that.

Q. What reasons have you to say for that?

A. Well, the cost of production, investment charges—

Q. Wait a minute. Why should the cost of production be any less in Washington than in Pittsburgh?

A. I don't know their system. I don't know what the costs of production are.

Q. But your costs are higher than they are in Washington?

A. Don't they get hydro-electric?

Q. What is the cost of producing in Pittsburgh?

A. You mean the flat cost?

Q. Per kilowatt hour, including investment charges.

A. About 2.89 mills.



Q. What are they including in investment charges?  
 A. I can't tell you.  
 Q. Oh, you must know that?  
 A. No; I couldn't tell you. I don't know. I haven't broken it down in my mind. I will get it for you if you want it, but I can't carry all these figures in my mind. It is a little too much.  
 Q. I think it would be very enlightening to this Committee to have your actual overall generation costs?  
 A. Including the investment charges?  
 Q. Yes, including the investment charges?  
 A. That is at the bus bar of the station?  
 Q. At the bus bar?  
 A. I will get it for you.

MR. TURNER: Has it not been very well demonstrated here that the production cost per kilowatt hour is not very uniform? Where does the difference come in?

MR. EVANS: I am only doing this because Mr. Phillips has suggested that one possible reason for the Washington low rates, is a less cost of generation.

BY MR. EVANS:

Q. Now, you say—  
 A. I don't know.  
 Q. Supposing, it is hydro, what is the saving of hydro over the modern steam generating plant?  
 A. In some places it is higher, in some places it is lower.  
 Q. There is practically no saving, is there?  
 A. I wouldn't undertake to say that, Mr. Evans. Some of the hydro electric plants were designed by the Almighty.  
 Q. Take distribution costs, isn't it true that in Washington the distribution lines have to be nearly all under ground?

A. A good part of it is.  
 Q. Therefore, do you see any reason why their distribution cost should be lower?

A. We have a tremendous amount of our distribution system under ground; a good deal more than Washington probably.

Q. I larger percentage than Washington?  
 A. I don't know, but we have a tremendous amount. I haven't made any comparisons between Washington rates and our own.

And now, let me ask you, what is the average amount of money received per kilowatt hour,—that is the Potomac Washington Edison Electric—what is their average per kilowatt hour sold?

Q. I can't answer that.  
 A. Isn't that the answer, answer all?  
 Q. But we are dealing with domestic rates.  
 A. We are dealing with industrial users and commercial users, too.

Q. What we are trying to get at is whether the domestic consumer is paying more than his fair share of the burden.

A. When we reduced the rates at the expense of industrial and commercial users,—that is what we have done.

Q. Is it not true that each class of service should bear its own cost, plus a fair return on the investment in the service?  
 A. Inter-related; no sir.

Q. I don't know what you mean by "Inter-related."  
 A. For example the cost of production of the electrical energy probably depends as much on the load factor as any other single object.

Q. We have taken that into account.  
 A. If you decrease the output, you increase the cost of production for domestic service don't you? The wise operator will plan his load between industrial, commercial and domestic, in order to improve his load factor, in order to reduce costs. Now, in you arbitrarily reduced the cost of the domestic service at the expense of the industrial user, you are going to lower your load factor and increase costs.

Q. Hasn't it been your experience that where the rate has been reduced the actual rate of that return has been increased?

A. My dear boy, that is not an average rate.  
 Q. You said that an average rate—  
 A. 4.8 cents. And now, then, you brought up a situation. Can you show me any company in the United States with as high a use factor as the Duquesne Light Company. Can you show me one in the United States that has increased its

use factor for the domestic consumer, such as the Duquesne Light Company, in the last five years? You bet you can't.

Q. I am dealing with the matter of rates.  
 A. You just made the assumption that rates were the controlling factor in the use of energy.

Q. Don't you know that if your rates decrease that you are going to increase your domestic consumers?

A. Sure you can, but there is a limit to it.

Q. In your opinion, have your domestic rates been reduced to a point where the domestic consumers are not bearing more than their fair share of the cost of the service?

A. I can't answer that question.  
 Q. Why can't you answer that question. You can answer it as an opinion.

A. You mean domestic consumers are bearing their fair share of the cost; is that your question?

(Question read.)  
 THE WITNESS: I thought that is what you wanted to ask me. This is what you wanted me—

BY MR. EVANS:

Q. I want to ask you just exactly what that questions says.  
 A. Nobody can answer it.  
 Q. All right.  
 A. If you meant to ask me—

MR. EVANS: You just read the question. He will understand it after while.

(Question read.)  
 THE WITNESS: Domestic consumers are not paying their full share of the cost of the domestic service.

Q. That is your opinion?

BY MR. WALKER:

Q. Is your company a member of the National Electric Light Association?

A. Yes.

Q. What is your annual contribution to the N. E. L. A.?

A. I don't know the exact figures. It is around \$20,000.

Q. Do you make any other contributions to the N. E. L. A.?

A. No.

Q. Do you make any contributions to the Pennsylvania Electric Association?

A. Only on personal assessments for special work.

Q. What is your average annual assessments or donation to the Pennsylvania Electric Association?

A. I don't know, but my judgment is that it is a relatively small amount; around \$1,000.

Q. Per annum.

A. It would run that high. I doubt if it runs that high.

Q. Do you make any other contributions to any committees or sub-committees?

A. No.

Q. Since your connection with the Duquesne Company have you made contributions to any such committees?

A. Not in my recollection. It is usually paid out of the budget of the electric association.

Q. At one time you were one of the officers of Pennsylvania Electric Association, were you not?

A. I was president, yes.

Q. What year were you president?

A. Year of '28-'29; Fall of 1928 to the Fall of 1929.

Q. Were you connected with the Pennsylvania Electric Association in 1926?

A. No.

Q. Were you connected with the Duquesne Light Company in 1926?

A. In September of 1926.

BY MR. WALKER:

Q. These contributions that you made to the N. E. L. A. and to the P. E. Association, to what account are they charged?

A. General expenses.

Q. So that you would not know anything about the contributions made by Duquesne Lighting Company in 1921?

A. No.

Q. You were not connected with the company at that time?

A. No.

Q. Would you know anything about the contributions made by the company prior to December, 1926?

A. No.

Q. Then any contributions made by the Duquesne Lighting Company to James Francis Burke as a fee for his services in coming here and testifying against the Giant Power Plan, you would not know anything about?

A. No, I never heard of paying a fee for that?

Q. And the contributions the Duquesne Lighting Company made to the P. E. Association prior to 1926, you would not be familiar with those, would you?

A. No, I have never heard of them doing any such thing as that.

Q. Would you?

A. I don't know, but I never heard of that.

Q. If they were still making contributions of that nature, you would know of that fact, would you not?

A. I would.

Q. Can you state whether or not they are still making contributions?

A. Not to my knowledge and understanding.

Q. Aside from the contributions to the N. E. L. A.?

A. That is not a contribution, it is dues paid on a fixed basis.

Q. What is the basis?

A. It is based on gross revenues and changes from year to year.

Q. And this runs around \$20,000 a year?

A. Around \$20,000.

Q. And that is charged to general expenses?

A. Yes sir.

Q. Do you know anything about the campaign for revising textbooks that was conducted by the P. E. Association?

A. Only by hearsay.

Q. When you were president that activity had been abandoned?

A. There was no activity of that kind when I was president or connected with it.

Q. Was the public policy committee still in existence?

A. No.

Q. That had been abandoned?

A. Yes sir, and I helped to abandon it.

Q. Why was it abandoned?

A. It was not serving any useful purpose.

Q. And spending a lot of money?

A. I don't know anything about its expenses.

Q. What was the reason for abandoning it?

A. It seemed to me the elected officers of the association were capable of carrying on the business themselves without someone else butting in.

Q. Can you tell me about when this public policy committee was abandoned?

A. I think it was in 1928.

Q. Just prior to the time you were president?

A. Just before or just after I took office.

Q. And the duties that were formerly carried on by the public policy committee, were they carried on afterwards by the officers of the association?

A. I don't quite get what you mean.

Q. The committee performed certain functions?

A. I think the matter of their functioning was to advise the officers on certain questions that were referred to them by the officers of the association.

Q. And who does that now?

A. The officers of the association.

Q. Are you familiar with Mr. Johnson's testimony before the Federal Trade Commission?

A. No. You mean Mr. Walter Johnson?

Q. Yes.

A. I read part of his testimony in a Philadelphia paper.

Q. He was chairman of that committee, was he not?

A. I don't know. I suppose so although I was not connected with the association at that time.

Q. He testified that the duty of the public policy committee was to look after legislation that was inimical to members of the association, here in Harrisburg. Are those duties being conducted by the officers of the Penna. Electric Association?

A. Looking after legislative matters?

Q. Yes.

A. I suppose they are.

Q. Were they when you were president?

A. Yes sir.

Q. And the officers looked after legislative matters?

A. Looked after only bills that were being introduced and those which in their judgment they thought were inimical to the utilities, and they were then communicated with the various members of the association.

Q. What was the policy of the Duquesne Light Company when they were notified by the association there were certain measures before the Legislature that were inimical to their interests?

A. We would have a conference and determine among ourselves whether the legislation would be inimical, and if we thought it of sufficient importance we would ask for a hearing before the committee to whom it had been referred, the same as we are doing now.

Q. That was the only activity of the Duquesne Lighting Company regarding legislation?

A. Yes sir.

Q. There was no effort on the part of the electric association to bring any influence to bear on legislation as testified to by Mr. Johnson?

A. There might have been, but that was not a function of any of the officers to influence legislation in that way, and we didn't participate in any of that practice. I know that I never asked a legislator to vote for anything.

Q. And you never attempted directly or indirectly to influence legislation or bills affecting your company?

A. Not me, sir.

Q. Do you approve of such practices?

A. I think if there is legislation before the Legislature or any legislative body that is inimical to the proper interests of the company, that we have a right to use all lawful and ethical means to oppose that legislation.

Q. Will you state whether or not hearings conducted by the Federal Trade Commission had anything to do with the abandoning of the public policy committee?

A. I don't think so. I didn't think it served any useful purpose. Here was a set of elective officers elected by the members, and here was another set and I can see no reason for having two sets.

BY FATHER COX:

Q. A great question in Pittsburgh is about your supply of electricity to the railways company. I think possibly if you make a statement here and tell us something about that, it might have a good effect back home. They accuse you of various things, but I don't need to remind you about that?

MR. TURNER: I looked up the testimony to find out, I thought this was the company that Father Cox wanted us to put in jail.

FATHER COX: I think you are mistaken about that. There was a question about this company having a valuation of a hundred and forty-nine million dollars and a report that they were paying taxes only on forty-nine million. That raised a question; we wanted to know if that was true or not; nobody wants to put anyone in jail; if they got there I would be the first to get them out. We wanted to know the truth and we are doing just now what you said you wanted done all along, to have these men come here and explain their case. We wanted the same as you do, and maybe more than you do.

MR. TURNER: That is a matter of opinion.

FATHER COX: I think my opinion is worth as much as yours.

MR. TURNER: I think mine is worth more than yours.

THE WITNESS: I would welcome an opportunity to say something about the power contract. It so happened that I was engineer for the Pittsburgh Railways Company in 1912 and 1913 when this power contract was under negotiation between the Duquesne Lighting Company and the Pittsburgh Street Railways Company. The power contract is rather a voluminous affair but I think I can explain briefly the proposition upon which it is built.

First, it is a service-at-cost contract. The purpose is to deliver to the Pittsburgh Railways Company energy at cost without profit. This is the basis roughly. There were certain considerations, in the first place the Duquesne Lighting Company purchased from the Pittsburgh Railways Company all of its generating stations at a very liberal price. Then it produces the power and sells power to the Pittsburgh Railways Company on the flat cost of power at the bus bar, plus 12½ per cent for services, that is the cost of engineering, for jurisdiction over the plant, of engineers and supervisors and janitors and clerks, that is what the 12½ per cent is for,



The salaries or part of the salaries of the general officers all the way down the line. And interest is charged for investment purposes on the investment in the power stations of ten dollars per kilowatt on demand. That is, you have to set aside for the Pittsburgh Railway service so much of the equipment in the power stations, to meet their demand which may come at any time. To carry the investment charges on that equipment amounts to something. It was estimated at that time that it was ten dollars per kilowatt of demand and at that time your investment in power stations would run \$80 per kilowatt, or about 12½% for carrying charges, including interest, cost of money, depreciation, insurance and taxes. Now then, we have a flat cost of the bus bar at the generating station. Now we have to transmit it through various steps to the railway company's substations. Using the lines jointly to do that, that is, for the purposes of the Duquesne Lighting Company, the Pittsburgh Railways and all the rest of the customers, which lowers the unit cost from the standpoint of investment and of operation charges and of maintenance charges. Here is a transmission line that carries ten thousand kilowatts of electricity. The Duquesne Lighting Company and its substations take off six thousand, and the Pittsburgh Railway at their substation takes off 4,000 kilowatts, and the Pittsburgh Railways pays 40 per cent in transmission line renewal and cost of operation and maintenance of these lines. Now that is the total cost. The actual cost to the Pittsburgh Railways Company, by dividing the number of kilowatt hours, the sum and the amount of money paid for this kilowatt hours, gives you the result of six and one-quarter mills per kilowatt hour. I think that is one of the lowest rates for any street railway company anywhere. As a matter of fact in my opinion now it is less than cost because from natural things that have happened the cost at power stations per kilowatt capacity is more than double, and instead of it being ten dollars per kilowatt on demand, it costs around eighteen dollars per kilowatt on demand.

As to the charge of 12½ per cent for supervision, it is nearer 22, because the cost of all these things is increased, labor and material, and everything that goes into the production of power has increased. Wages have increased, salaries have increased, but there has been no increase in this percentage. Furthermore, due to the fact of improved machinery and increased cost which has been introduced into the system, such as the building at Colfax and at the Reed plant which was done for the purpose of reducing the cost at the bus bar. So the overhead charge has been increased at no increase to the railways company, and the railways company has enjoyed the advantages of these improvements and of this investment and have not shared any in the investment. Do I make myself clear?

FATHER COX: I am glad to understand it. It will give an understanding back home.

THE WITNESS: We try to have no secrets, but this is extremely involved technically and it is difficult to get the public to understand it.

BY MR. EVANS:

Q. What is the cost per kilowatt hour to the Pittsburgh Railways?

A. About six and a quarter mills at their bus bar and they have to distribute it. I think that it is within a very narrow percentage of that amount.

MR. HAGMAIER: The unfortunate part you fellows paid too much for the property you took over.

THE WITNESS: What we are trying to do there is to hold this railways proposition together and to be honest about it, we try to help the railways company we give them the breaks anyway in order to hold them together, because if that system disintegrates and is liquidated, Pittsburgh is going to suffer more than anybody else.

BY FATHER COX:

Q. On this matter of valuation and tax payment, what is the explanation of that?

A. Mr. Mitchell knows the details better than I do.

BY MR. MOORE:

Q. Did the Duquesne Lighting Company ever take an active part in campaigns in the elimination of candidates rather than the supporting of candidates?

A. We have enough trouble without getting into politics.

Q. There was a rumor you took a part in the Washington-Greene district in defeating a senator?

A. I have no doubt but what some of our men take a part in politics. As a matter of fact one of our officers was quite prominent in Mr. Pinchot's campaign and he is still an officer. That makes no difference to us. We take the position that the question of our employee's politics and religion is for them to settle as long as it doesn't interfere with their business.

BY MR. WALKER:

Q. Mr. Phillips, is your bus company making any money?

A. We had a deficit last year of \$100,000 and I think we had a surplus of about \$30,000 in 1929 and the chances are that we will have a deficit of in the neighborhood of \$200,000 this year.

RECESS

MR. MOORE: This hearing will now stand adjourned until 2:00 o'clock this afternoon, Eastern Standard Time.

AFTER RECESS

Harrisburg, Pa.  
Thursday, April 30, 1931  
2 O'Clock, P. M.

Present:

Parties before noted.

C. S. MITCHELL sworn

BY MR. EVANS:

Q. What position do you hold with the Duquesne Light Company?

A. Controller.

Q. Do you hold the same position with the Equitable Gas Company?

A. Yes.

Q. And what position do you hold with Philadelphia Company?

A. Vice-President of the Philadelphia Company.

Q. Now, according to the report of the Duquesne Light Company to the Public Service Commission for the year 1927, there was a write up of the capital assets of the company in the amounting \$24,315,326.95 (indicating)

A. Yes sir.

Q. On what basis was that write up made?

A. I am not familiar with the basis. There were only certain portions of the property of the Duquesne Light Company, which were reappraised at that time.

Q. Was it really a reappraisal at all, or was it adding of a lot of intangibles?

A. It was a reappraisal.

Q. According to your 1929 report to the Public Service Commission, the balance of this write up at the close of the year 1929, was \$22,428,146.21; was it not? (indicating)

A. Yes sir.

Q. I show you your capital stock report to the Commonwealth of Pennsylvania for the year 1929, which, under the general balance sheet as of December 31, 1929, is this item: intangibles arising from restatement of the book value of the property, \$22,428,146.21. Is not that the same item?

A. The same item; yes sir.

Q. Then it was an intangible item of \$22,000,000 that was added on to the book value of your property?

A. No sir.

Q. Explain to the Committee what this means in your capital stock report then.

A. Well, the same item.

Q. Then, it was not true when you put into your capital stock report, which you swore to, that this item of \$22,428,146.21 was intangibles arising from the restatement of the book value of the property?

That was a false statement, was it?

A. I don't think it was.

Q. Well, if that is true, the twenty-two million is an intangible item is it not?

A. Well possibly it has been—the word "intangible" should not have been used there.

Q. You swore to this report, didn't you, Mr. Mitchell?

A. Yes, I guess I did.

Q. (Showing witness the report.)

A. Yes.

Q. Have you any explanation to make why you should have sworn to the report and said that this was an intangible item and now say that it is not an intangible item?

A. No; I sign those things and swear to them.

Q. Who prepared this? Was it not prepared under your direction?

A. Yes.

Q. And now you state to the Committee that when you say in your capital stock report that that was an intangible item, it is false?

A. Incorrect.

Q. All right, we will call it "incorrect." What was the purpose of stating it was an intangible item in your capital stock report?

A. No particular purpose.

MR. TURNER: Mr. Evans, would that statement affect the return?

MR. EVANS: Yes.

MR. TURNER: As an intangible, it is a deductible item?

MR. EVANS: Mr. Turner, in capital stock report they deducted from the book value of their assets all intangibles, including this \$22,000,000 and arrived at a fair value of property for tax purposes.

MR. TURNER: That is what I wanted to know; whether that reduced the amount upon which they paid taxes.

MR. EVANS: Correct.

THE WITNESS: But the capital stock was not appraised on that basis.

BY MR. EVANS:

Q. I asked you what you swore to and not what the State did. We are dealing with your return. It isn't what the State did, but it is what the officers did with the capital stock. If you will look at your 1928 report to the Public Service Commission, on page 223, you show a reserve; that stands for renewals and replacements; does it not?

A. Yes.

Q. Arising from revaluation, \$9,782,734.89; did you not?

A. Yes.

Q. And you also show on line 27, surplus arising from a revaluation of property, \$9,600,948.86?

A. Yes sir.

Q. The sum of those two items is what?

A. \$18,000,000 in round figures; eighteen or nineteen million?

Q. It is \$19,391,696.75.

A. Yes.

Q. If you will take my figures, I think this is correct (indicating).

A. All right.

Q. If you take the total amount of the write-up of your fixed capital, line 4 on page 202, of \$24,315,326.95, and deduct these credits consisting of the reserves and the surplus, totaling \$19,391,699.75, you have a difference of \$4,923,630.20?

A. Yes.

Q. Will you explain where that difference has been accounted for in your 1928 report to the Commission?

A. There were charges made against this account; surplus arising from revaluation of property, due to the expense of certain refinancing.

Q. That was taken out in the following year too, wasn't it? That figure that I am giving you is the balance at the beginning of the year of 1928?

A. What is your question?

Q. I asked you how in this report—

A. I have explained before; that is I have accounted for it.

Q. It should be accounted for then in your 1928 should it? What was your balance at the beginning of the year 1928?

A. Now, as to when it was actually written off, I don't know. I can't tell without referring to the books, but it was charged against surplus arising from revaluation of the property.

Q. What items? Suppose you give us the items that went to make that up?

A. Items charged to surplus arising from revaluation:

Premium on first mortgage and collateral Trust Gold Bonds, \$2,085,975;

Premium on United Electric Light Company First Mortgage Bonds, \$23,652.50.

Amortized debt, discount and expenses First Mortgage and Collateral Gold Bonds, series "A," retired, \$2,206,485.89;

Amortized debt, discount expenses on first Mortgage and Collateral Trust Gold Bonds, series "B," \$558,519.69;

Premium on United Electric Light Company First Mortgage Bonds, retired, \$38,997.42;

Total: \$4,913,630.20.

Q. And that accounts for all of it?

A. That accounts for all of it to a cent.

Q. Can you show me where in your report to the Commission for the years 1927 or 1928, that information which you have just given us is stated?

A. I don't know whether their reports show it or not. If they do, it is in here (indicating).

(Discussion off the record).

THE WITNESS: Here is your 1927, the close of 1927, \$9-, 608,000.

BY MR. EVANS:

Q. And here is your beginning of 1928?

A. Yes, \$9,608,000. And here is your close of 1928, after it has been applied.

Q. But I am talking about the figures at the beginning of 1928, which are the ones we are dealing with.

A. \$9,608,000, the same as here.

Q. Yes, and you add that to the reserve for renewals and replacements and deduct those two items from your write-up at the beginning of the year, \$24,315,326.95 and you find you have this discrepancy of \$4,923,000.

A. I don't understand it that way at all.

(Discussion off the record).

THE WITNESS: Well, in 1927, evidently the reserve for which was set up for renewals and replacements is included in this other reserve. I will look and see, though.

(Discussion off the record).

BY MR. EVANS:

Q. In your 1927 report to the Public Service Commission, is there any explanation of the charges of premiums which you have just read into the record being made against this surplus?

A. I don't find any.

Q. In 1928 you made further charges against the surplus due to reappraisals, did you not?

A. Yes.

Q. And what were these figures that you charged in 1928?

A. Premium on \$30,000,000 First Mortgaged Stock 7% Cumulative Series A, retired March 15, 1928, at 115% of par, \$4,500,000. Dividend accrued from January 4, to March 15, 1928, on the same stock \$420,000. Commission of 6½% paid for services in selling \$20,000,000 of First Preferred 5% Cumulative Stock issued January 4, 1928, \$1,300,000. Premium collected on \$15,000,000 of First Preferred Stock 7% Cumulative Series A, sold October 17, 1924, which was redeemed March 15, 1928, a credit item of \$150,000.

Q. Leaving a balance of—

A. Leaving a balance of \$3,538,943.86, in the account.

Q. Now, Mr. Mitchell, do you consider that it is proper to charge to surplus by appraisal all the premiums and dividends on preferred stock and commissions on preferred stock?

A. Yes.

Q. So, against the surplus here of something like \$15,000,000, due to the write-up of \$24,000,000 you have charged something like \$12,000,000 for premiums on securities retired and dividends and so forth, the items you have read, for the two years?

A. Yes.

MR. RHODES: You mean, Mr. Evans, that that \$15,000,000 surplus carried on the books as such merely represents commissions for the return of bonds and so forth?

MR. EVANS: No; I think, as I understand it, Mr. Rhodes, they first get a surplus by their reappraisal of the property in 1927, and then in 1927 and 1928 they charge against that surplus the premiums on the securities which they were retiring and the dividends on those securities.

THE WITNESS: Set it up as a capital surplus and then charge the premiums paid on the retirement of securities



against the capital surplus and the commission which was paid.

MR. RHODES: It is a premium above par?

MR. EVANS: Yes.

MR. RHODES: I thought there were some commissions in there for banking charges?

MR. EVANS: Their rate is on their issue of common stock, do you remember?

THE WITNESS: Preferred stock.

MR. EVANS: Excuse me. The issue of their preferred stock. They have charged a commission of 6½% amounting to \$1,300,000, to this account, which they call surplus by appraisalment.

BY MR. EVANS:

Q. Now, in your 1929 report, you consolidated the balance of this surplus by appraisalment amounting to \$3,538,948.86 with your general appropriated surplus did you not?

A. I don't know whether it was or not. There is no particular reason for consolidating it at all.

Q. Well, just answer the question, as to whether you did or not. You will find it, I think, on page 203 and 301.

A. Yes.

Q. So that at the end of 1929, after charging the dividends against this surplus, you have an unappropriated surplus of \$19,354,328.39?

A. Yes, on the books of the company it is separate.

Q. But in your report to the Public Service Commission your earned surplus and your surplus due to this reappraisalment are all mingled?

A. Yes, because there is no provision made in the blank for separation as between capital surplus and earned surplus.

Q. Now, at the end of 1929, the total reserve as shown to the Public Service Commission amounted to \$12,913,664.20 did they not?

A. Yes.

Q. And what items compose that?

A. Reserve for renewals and replacements arriving from revaluation, \$7,901,908.66; reserve for renewals and replacements, \$2,609,350.82; amortization of other capital reserves, \$2,404.80; other reserves, \$2,400,000, totaling \$12,913,664.20.

Q. Now, then, on your 1929 capital stock reports which you swore to, you have shown in your general balance sheet of December 31, 1929, a depreciation reserve of \$20,302,082.74, have you not?

A. Yes.

Q. In other words, when you came to make your capital stock return, you increased the reserves shown on your reports to the Public Service Commission from \$12,913,664.20 to \$20,302,082.74.

A. Yes, and reduced the surplus a corresponding amount.

Q. Where does the reduction of the surplus appear in this capital stock report by that corresponding amount?

A. The surplus is \$3,503,330.79.

Q. So what you did then was to take \$7,388,418.54 from your surplus as shown in your Public Service Commission report and use this to reduce the value of your fixed assets for your capital stock purposes.

A. Yes.

BY MR. RHODES:

Q. Is that legal?

A. That is based upon the depreciation reserve which we took in our income tax return for Federal Income taxes, where we have been allowed a certain rate of depreciation by the department, the excess of what was taken on the books.

BY MR. EVANS:

Q. It however is true that in reporting to two agencies of the State government as of the same date, you, in the case of the report to the Public Service Commission, which affects your rates, show a reserve for depreciation of only twelve million and something, when you want to get your capital down for capital stock purposes, you show a reserve for depreciation of \$20,000,000.

A. They didn't assess our capital stock on this basis.

Q. You are required in your capital stock reports to show a balance sheet as shown by your books are you not?

A. I don't know whether the blank shows that or not, to show a balance sheet,—

Q. In other words, it is your idea that you can make up any balance sheet you please.

A. No, it is not.

Q. Well, now, Mr. Mitchell, what does it mean when you put at the head of this column "book value" is it not taken from your books.

A. Well, that may be true, but at the time we had our conference with the Department of Revenue, in the Auditor General's office, it was explained to them what we had done.

Q. I am not dealing with that; I am dealing with fact that you have made two foreign reports, one to one agency of the government, which differs from the other, and both are supposed to be taken from your books. You may say that the one filed with the Public Service Commission was taken from the books.

A. Yes.

Q. And the other was not taken from your books?

A. Just with that one adjustment.

Q. Well now, a five mill tax on \$7,388,000 amounts to pretty nearly \$37,000, does it not?

A. Yes.

BY MR. RHODES:

Q. Is that the amount you saved by this method of accounting?

A. No, we appraised the stock at \$77,000,000.

Q. How much money did you save by this method of accounting?

A. Didn't save a nickel.

Q. Didn't you answer no sir, because we—

BY MR. EVANS:

Q. Well now, let us get this straight, Mr. Mitchell, you filed your capital stock reports with the Department of Revenue, and you are required to give free basis of valuation of your stock, are you not?

A. Yes.

Q. And one of those basis is the book value of the stock?

A. I believe so, yes.

Q. And by this increase of \$7,000,000 in your reserve in depreciation, you decreased the value of your stock proportionately on the basis of book value?

A. The report—

Q. Just answer that question, and make any explanation you want.

A. Well, you said I was required to report—

Q. Just answer the question.

(Question repeated by stenographer).

"And by this increase of \$7,000,000 in your reserve for depreciation, you decreased the value of your stock proportionately on the basis of book value?"

A. I don't understand that from this blank, (indicating) I am required to show the book value.

Q. Didn't you show your book value in your sworn capital stock tax report?

A. In this one. (Indicating).

Q. Yes.

A. You say I didn't. You say I adjusted it.

Q. Didn't you purport to show it?

A. Yes.

Q. And what was your purpose in increasing your reserve for depreciation of \$7,000,000 above that shown in your books?

A. No particular purpose.

Q. Now, Mr. Mitchell, the purpose was to use that as one reason for a lower value on your capital stock than might otherwise be assessed, was it not?

A. I don't think it would have made a lower value; that is obvious if you take the balance sheet. It isn't lower than what we appraised it at.

Q. It decreased your assets by \$7,000,000, did it not?

A. Yes; but the net on this blank (indicating) is \$49,000,000, and you add the \$7,000,000 to it, is 56, and we had appraised it at \$77,000,000.

Q. I am not getting at the basis at which you had your stock appraised. You also had to include the market value of your stock, and you also had to include the earnings, the capitalized earnings, didn't you, to arrive at the value of your stock?

A. No, we didn't.

Q. You had to give the information?

A. We had to give the information.

Q. And you have to give the information on which the book value of your stock can be obtained?

A. We give the balance sheet.

Q. Yes, and the purpose of giving the balance sheet is in order to enable the Department of Revenue to determine the book value of your stock, is it not, and you have decreased the book value of your stock by some seven million by this change in your books?

A. Yes.

MR. TURNER: Where does the 7 million come from?

MR. EVANS: Transferred it from surplus and put it over as a reserve for depreciation.

BY MR. EVANS:

Q. Now, looking also at your capital stock report, your balance sheet, you put in first a book value of your fixed capital, real estate, buildings, equipment and fixtures, \$112,574,947.23?

A. Yes.

Q. And to that you add intangibles to plant items which bring the total book value up to \$152,000,000?

A. Yes.

Q. And from this you deduct depreciation reserve?

A. Yes.

Q. Bringing down the total book value according to the report, to \$132,133,248.40?

A. Yes.

Q. Now, in the second column you give the fair value of your property, as distinguished from the book value?

A. Yes.

Q. What do you mean by "fair value"?

A. Well, we have eliminated—

Q. Just tell me first what you consider to be fair value, as distinguished from book value?

A. I don't know that I can answer that question.

Q. Well, fair value is somewhat difficult to define, at any rate. At all events this report for capital stock purposes, you took the fixed capital value as being the book value, did you not?

A. Yes.

Q. And in arriving at the fair value of your property, you eliminated all of the intangible items, including the intangibles arising from the restatement of the book value of your property, which, as you have said, was over \$22,000,000?

A. Yes.

Q. So that you say that the fair value of your property, excluding depreciation, is \$112,000,000?

A. Yes.

Q. Or approximately \$40,000,000 less than the book value?

A. Yes.

Q. And when you deduct depreciation, there is a difference between the fair value depreciated and the book value depreciated of slightly under \$32,000,000?

A. Yes.

Q. Now, these intangibles, therefore, amounting to approximately \$32,000,000, have, in your opinion, no place in determining the fair value of your property?

A. We considered they had no place in determining the fair value of the capital stock.

Q. As though that when you came to make a capital stock report, the intangibles, amounting to \$32,000,000, have no place in fair value, but when you come to send into the Public Service Commission your report of the valuation, these same intangibles must be included, is that your position?

A. I don't know whether we have asked the Public Service Commission—

Q. Let me ask you: Is that the position in a valuation by the Public Service Commission, that these intangible items should be taken into account?

A. Yes.

Q. So, you think there is one fair value for tax purposes, and another fair value for rate making purposes?

A. Yes.

Q. And some testimony was introduced at a prior hearing, in regard to the Equitable Gas Company, and a comparison was made between the amount paid by the Equitable Gas Company for gas purchased from others, which have averaged, I think, something like 34.2 cents thousand feet in 1929, with the cost of production to the company, assuming that all the

rentals paid to the Philadelphia Company were included in the cost of produced gas?

A. Yes.

Q. I understand from you that the rental paid to the Philadelphia Company includes not only the rentals paid for gas wells, but also includes the rental of the entire distribution system or—

A. The entire gas system in Pennsylvania.

Q. Under the terms of your agreement with the Philadelphia Company, the Equitable Gas Company pays a rental of 8% on the value of the property, and in addition pays depreciation, does it not?

A. Yes.

Q. On what basis is depreciation calculated?

A. According to the rule of the company, the depreciation rule, it is at different rates for different classes of property. I don't know whether it is set out in this report or not—no; this is the Duquesne (Indicating). That rule is led with the Public Service Commission, and reference is made to it in this report. There were certain rates on distribution property, certain rates on transmission property, and different rates on production property.

Q. Taking the year 1930, for instance, will you state to the Committee what rental you paid to the Philadelphia Company, being the 8%, and also what depreciation was charged?

A. The rent of the leases or actual gas system properties was \$2,308,000. Now, I cannot give you from this return the amount of depreciation paid to the Philadelphia Company for the reason that the depreciation on the Equitable's own property is included in the item of depreciation—\$779,573.64.

Q. So that the total paid by the Equitable Company to the Philadelphia Company, including depreciation on this property, was somewhere in the neighborhood of \$3,000,087?

Q. Now, in order to complete the record, will you state what the actual cost of gas produced by the Equitable is for the year 1929, explaining how much of the rental is included in that set-up?

A. There is \$248,997.75 of the rental.

Q. On what amount of property of the Philadelphia Company was that based?

A. \$3,112,471.84.

Q. And that is the value of the gas well property of the Philadelphia Company leased to the Equitable?

A. Yes, sir.

Q. To that rental you add operating expense, maintenance and depreciation in what amount?

A. \$474,800.27.

Q. Making a total cost of?

A. \$727,798.02.

Q. And this gives a cost per thousand cubic feet of?

A. Of 21.26 cents, as compared with 70 cents heretofore testified to by other parties.

Q. Well, I think, Mr. Mitchell, if you will examine the report, you will see it was stated tentatively that if these rentals were being properly apportioned to this, and they were evidently not. Does the Philadelphia Company have any operating expenses so far as gas well properties are concerned; I will say so far as gas property is concerned?

A. No operating expense; no.

Q. So the Equitable is paying the Philadelphia an 8% return on the value of its property plus depreciation?

A. On a depreciated value, the amount of depreciation paid from year to year is deducted from the base, and they pay the rental on the net.

Q. All the depreciation is paid over the Philadelphia Company?

A. Yes.

Q. Going back, Mr. Mitchell, you referred in 1930 to a refund in your Federal income taxes, did you not?

A. Yes.

Q. In what amount?

A. \$1,137,322.05.

FATHER COX: Pittsburghers must stick together.

THE WITNESS: We worked hard for it, however, over a period of seven or eight years.

BY MR. EVANS:

Q. And what years did that cover?

A. 1917 to 1923 inclusive.

Q. These taxes had been charged as an operating expense in those years?



A. What?

Q. This tax had been added as one of your expenses of those years?

A. Yes, but understand this item also included interest on the refund.

Q. How much of it was interest and how much was principal?

A. I think about fifty per cent.

BY MR. RHODES:

Q. What would be the difference whether it was tax or interest; when you speak of interest, where does that make any difference?

A. I say about sixty per cent. of this refund was interest that we received on the refund.

BY MR. EVANS:

Q. Just let us look at this, Mr. Mitchell, you charged this as one of your expenses?

A. Charged the tax as one of the expenses.

Q. And the funds for these taxes were furnished by your consumers, were they not?

A. Yes, they were taken as an operating expense from year to year.

Q. And having received a fair return, which these taxes included, as one of your expenses, when those taxes are later refunded, don't you consider that they are really the property of your consumers rather than your stockholders?

A. Well, the rules and regulations of the Commission provides that deferred items such as that shall be credited to the surplus account. There is no account in operating revenue—

Q. That is, no operating surplus?

FATHER COX: It is worth working for them?

BY MR. EVANS:

Q. Well, during these years, there is now in your surplus this item of taxes, which has been refunded as an operating expense.

A. During the years 1917 to 1923.

BY MR. RHODES:

Q. Then equitably that should be credited to the rate payer, should it not?

A. I don't see how we could do it.

Q. Why are the stockholders entitled to it?

A. Well, there is no other provision for accounting for it.

Q. You mean there is no other place, so you gave it to the stockholders?

A. Well they got it.

Q. And they benefited in the increased valuation of their stock when you applied it to surplus?

Q. That may be true, but looking at it from an equitable standpoint, rather than a standpoint of rules and regulations, this money was furnished by the payments of the ratepayers, for the purpose of your operating expenses, is that correct?

A. Yes.

Q. Now, you have gotten that back?

A. Yes.

Q. And therefore both of the tax and interest are not equitably due to the stockholders, isn't that right?

A. Possibly the ratepayer should have some benefit from the tax.

Q. Yes, because the ratepayer pays that tax in the form of operating expenses?

A. Yes, but the Federal government paid by tax.

Q. But your company would benefit from the payments they paid by the ratepayer that paid the tax.

A. Yes.

BY FATHER COX: If you had taken the interest and given the people that money back there would have been something there.

MR. RHODES: If they are not entitled to the one they are not entitled to the other.

FATHER COX: He says the Federal government paid the interest.

BY MR. EVANS:

Q. Mr. Mitchell, I understand from Mr. Robinson, that there are one or two matters which were referred to somewhat

indefinitely by Mr. Phillips, in his examination this morning, and which you wish to amplify. What are those points?

A. In your reference to the fixed capital installed as requested in our returns, there has not included the value of the coal land owned by the Duquesne Light, which in return to the Public Service Commission we are required to report under the head of investments. That property is owned by the Duquesne Light Company, held solely for its use, and the value of the coal land is over \$4,000,000, which should be charged to the fixed capital.

Q. What was the cost of the coal land?

A. Originally \$3,500,000, and since then there were additions made to it.

Q. When were they purchased?

A. I don't know, about 1922 or 1925, I think something like that.

Q. And are coal lands today worth as much as they were in 1922 or 1925?

A. Well, that one is to us.

Q. We are talking about market values, Mr. Mitchell.

A. No, it is an operating coal mine, where we get all our coal for Colfax Plant.

Q. You don't operate it, though?

A. We do.

Q. I thought they were leased to another company?

A. No, it is operated by the Harwood Coal Company.

Q. Which is a separate company from the Duquesne?

A. Yes.

BY MR. MOORE:

Q. What is the coal acreage?

A. Between 2,800 and 3,000 acres. It is one mile from the Colfax Plant.

MR. EVANS: Well, I think we have enough experts on the value of coal on the Committee to leave that matter just as it stands.

THE WITNESS: The cost on the Booksville is \$4,497,000.

BY MR. RHODES:

Q. Mr. Mitchell, you have charge of the accounting department, I believe, of your company?

A. Yes.

Q. Who dictates the accounting methods used, your company, or the holding company?

A. Our accounts are kept in accordance with the rules and regulations of the Public Service Commission.

Q. Aren't your accounting methods more or less dictated by the company that owns your company?

A. No sir.

Q. By the Management Organization?

A. No sir.

Q. You determine within yourself, do you, without any interference?

A. There has been no interference. I have consulted with them at times on major subjects.

Q. Well, your holding company determines your engineering policies?

A. Yes.

Q. It determines your financing policy, does it not?

A. Yes.

Q. Therefore why doesn't your holding company determine your accounting policy?

A. Because it is well kept, and we have the classifications as prescribed by the Public Service Commission, and we follow those.

Q. Isn't that one characteristic of a holding company, the fact that they dictate the financial policy the engineering policy and the accounting policy and every other policy of the operating company?

A. I don't know. That hasn't been my experience, in the accounting.

Q. You admit, however, that the holding company does dictate your engineering and financial policy?

A. I don't know whether you would say it is dictation or not.

Q. Well, isn't it true that these holding companies have a uniform system which they apply to all the operating companies, which they own? Isn't that largely true?

A. We make reports to our managing company on their forms, but our books are kept strictly in accordance with the Public Service Commission's requirements.

Q. Well, isn't that one of the great troubles with the utility situation today, the fact that the people who operate these utilities, have your instruction from the holding companies?

A. I haven't had any trouble from an accounting standpoint.

Q. Well, from your connection with the utility business, don't you think that one of the troubles, today is the fact that the utility companies fail to realize that they are public utility company, due to the fact that their policies are dictated by the holding company which has its offices outside of the state, and is not in contact with the people?

A. That has not been our experience.

Q. Hasn't it?

A. No sir.

Q. Don't you agree with me that one of the great troubles with the utility field today is the holding company?

A. No sir.

Q. Don't you think so?

A. No. It has been very beneficial to our company

BY MR. CRAWFORD:

Q. Mr. Mitchell, how many acres of this coal is worked out?

A. That twenty-eight hundred acres is not.

Q. You still have coal on it?

A. Yes.

Q. What thickness of seam do you have there?

A. Thickness of vein?

Q. Yes.

A. It is a Free Port vein, whatever that is.

Q. No: Pittsburgh coal?

A. No. It is Free Port, it is on the north side of the Allegheny River.

Q. I was just figuring that out. It figures to \$1,464 and acre. That is pretty high for Free Port coal.

A. Of course, you understand that figure which I gave, which I quoted here includes all of the improvements around the mine. It is not just coal itself.

Q. I thought it was the coal acreage?

A. No, it is a developed mine.

MR. CRAWFORD: That makes some difference of course.

MR. EVANS: Can you break down the—

MR. CRAWFORD: I thought from the testimony it was the coal acreage.

THE CHAIRMAN: That is the impression I got.

THE WITNESS: Twenty-eight hundred acres of developed coal mines.

Q. Well, that wouldn't make any difference whether it is developed or not?

A. That includes the tippie and everything in a modern mine, both above and below the ground.

BY MR. EVANS:

Q. How much of that is equipment? You have it all broken down there?

A. No, I don't have it here.

Q. I thought you had a statement showing—

A. No, I just had the total \$4,197,000.

Q. From whom did you buy it, Mr. Mitchell?

A. The Equitable Coke Company.

Q. Is that an affiliated company?

A. It was. But the mine only was developed by outside parties. It was originally the Allegheny Coal Company, and operating mine.

Q. You don't know what profit the Equitable Coke Company made out of it, do you, selling it to you?

A. No, I can't say now.

Q. Is there anything else you wanted to cover, Mr. Mitchell, I have nothing.

BY MR. RHODES:

Q. How long have you been connected with the utility business?

A. Since 1897.

MR. EVANS: Mr. Robinson, this morning a question arose in regard to the length of time that the Equitable Gas case was before the Public Service Commission. Would you just take the stand and explain to the Committee the reasons for that?

CHARLES K. ROBINSON sworn

THE WITNESS: You understand off the record, I am not testifying to my present connection with the Philadelphia Company, but merely as counsel in this particular case.

BY MR. EVANS:

Q. You were then counsel for one of the complainants against the Equitable Gas Company, were you not?

A. I was special counsel for the city of Pittsburgh during the Magee administration, which, as I recall, started in January of 1922 and was concluded in December of 1925.

Q. And this case was started prior to your connection with it, was it?

A. It was started during the last year of E. B. Babcock administration by the counsel that held the position at that time, a special counsel for the city in utility matters.

Q. And was this a complaint against existing rates or a complaint against a rate increase?

A. As I recall—shall I tell the story?

Q. Yes, if you will.

A. As I recall, the gas companies raised their rates during 1921, as I have stated, was the last year of the Babcock administration, and complaints were then filed against these rate increases. As I recall all three natural gas companies during that year increased their rates. That is the Equitable, the Peoples Gas Company and the Manufacturers Light and Light Company. Not all at the same time, but the increases were made, and they were on the same basis, so far as domestic users were concerned. When the new administration went in, I had previously been acting as special counsel for the city in public utility matters, since 1917, except for part of 1921, and when the Magee administration went in, I was appointed special counsel. One of the matters that first came up was the question of the proceedings involved in these complaints, and there were numerous conferences held with the chief executive and with engineers and others with respect to the matter, and it was at that time felt that the increase, as I recall it, was not a substantial increase in the sense that the latter increase was, that those particular complaints would not be pushed at that time. At any rate, so far as any delay is concerned, in dealing with the first complaint it was due entirely to a fallacy on the part of the new administration in dealing with the problem, and no attempt was made to have those cases set down for hearing before the Commission, although there was an independent investigation made by the city.

When in 1924 other increases were made by the same company, the complaints were filed against these increases within the 30 days, so as to place the burden upon the company, and those increases were quite substantial. I don't recall the exact figures, but my recollection is that the increase at that time was from a 50 cent net rate to a 60 cent net rate per thousand cubic feet. There were a number of complaints filed against these three companies. The rate increases being made at different times, and in December, 1924, the pleadings being completed, the matter reached the Commission for its first hearing, and that really constituted the beginning of the natural gas case, so that so far as any delay prior to that time is concerned, it was entirely due to the matters that I have mentioned, which were connected with the local questions. The hearings were commenced in December of 1924, and at which time there were a number of other complaints filed by other municipalities, smaller municipalities, which to a large extent looked to the city of Pittsburgh to take the leadership in handling the complaints, and the matter of procedure was taken up.

The matter of appropriation on the part of the city to take care of the necessary expenses was considered and taken up with the 1925 budget of the city of Pittsburgh, and appropriations were made to deal with the question. It was considered at the time to have an engineers conference on the questions that might be disposed of between the representatives of both sides, preliminary to having a formal hearing before the Commission. The engineers therefore appointed by the city and the Equitable Gas case and the Peoples, met with engineers appointed by the companies, and did arrive at certain of the fundamental elements necessary in determining a rate base, but the estimated reproduction cost of the property under the practice prevailing at that time, and over a five and ten year range, and also under other ranges, that was—would



consume a considerable part of 1925, and resulted in rather substantial agreements in 1925 on most of these important questions, leaving open, however, a good many questions such as the determination of the intangibles, some of the overheads, and a number of items that were claimed by the company as proper items in valuation, which were resisted both on the question of their right to be included and on the complainants.

Sometime, I don't recall the date, but sometime either late in '25 or the beginning of '26, matters were ripe for a hearing and the points still in disagreement, but the Commission itself didn't begin to function on the matter until sometime in '25. After that the cases proceeded, I would say, with the ordinary dispatch that cases of this kind would be disposed of, because at that time there were two cases running simultaneously, namely, the Equitable Gas and the Peoples. It was felt that the Manufactures Gas would not be pushed, because the city of Pittsburgh only received a small proportion of its gas from this particular company, and these other two cases were selected to be tried. The cases proceeded more or less alternately, and the matter was finally concluded, and in 1929, as I recall it. After that the cases were brief; argued before the Commission, and then the Commission took a certain amount of time to reach its decision. Now, I might say that during this period of time, there were a number of contributing elements that tended to delay the disposal of the cases with which the Commission has little or nothing to do. One was that my connection with the city terminated with the ending of the Magee administration, and my successor took up the cases. It was rather a difficult thing for him to set into the cases at that time, and in order to pick the Commission practices, and I was requested at that time by a number of boroughs, surrounding Pittsburgh, to continue with the cases, and they raised a certain additional fund with which to help me complete that part of the work, which I did, and argue the cases before the Commission. There was some delay, as I say, incident to a plotting of council while the cases were in progress.

There was also another factor that had some part in the element of time, but I don't recall just where in the cases it played its part, and that was there was a very important natural gas case pending before the Commission, and the courts in the Pennsylvania Natural Gas case hearing, and there had been a long line of litigation over the question which had gone to the Commission. The Superior and Supreme Court, and there was also pending in the United States Supreme Court a natural case, coming up from West Virginia, which would throw a great deal of light upon the question of the determination of how you would embrace natural gas leaseholds, and being conversant with what was going on in that litigation we were naturally anxious to see which way the determination would go, before we finally brought this case to a final determination. Now, all these things were more or less moving all together. I might say that one other element that to some extent contributed to the delay was that Chairman Ainey, who started hearings in the cases, as you know, became quite sick, and there was a gap of a few months between the time that he ceased to sit on the cases, and every time that Commissioner Shelby took them up, but outside of that gap, I would frequently arise in litigation of this kind, and were not unusual in the disposal of cases involved in the records that this did. The record in both of these cases was very voluminous, involving a great many exhibits, and naturally extended over a long period of time, involved the calling of experts on both sides, both from Pittsburgh and some other places, and I would say, that taking the cases as a whole, the delay outside of the factors which I have mentioned was not abnormal in the disposal of cases of this character. This is an unusual case, but at least three years of it were not in any way involved in hearings before the Commission.

Q. Chairman Attwill, of the Massachusetts Commission testified before us last week, that rate cases before the Massachusetts Commissions never took more than four months to decide, and generally not nearly that long. Are you in agreement with him in the feeling that in the interest of effective legislation it is very desirable that some way be found to expedite the decision of cases?

A. I think that is a very important point, and one that should be given special weight under the prevailing periods of valuation, because, of course, our evidence is put in, calculated as near as we can, up to the times of the hearings,

upon the assumption of the prices prevailing at the time, and if a long gap intervenes at the time,—and between that and the time of the decision, it would frequently happen that substantial changes in price ranges have taken place, and under our theory as laid down by the Courts, of valuation, it seems to me that cases should be expedited. I am frank to say, having had considerable experience and practice before the Commission, that I suspect that we to some extent contribute to the delay, because we are doing so many different things, and as you probably know, in the engagement of these persons who are qualified to testify, they are engaged in many other activities, and frequently in other cases, and it is not always possible to synchronize all these things in such a way that you get the greatest expedition. The courtesy of counsel and the courtesy of the parties involved in these cases unduly contribute to an unreasonable time, and some plan ought to be devised by which things could be expedited approximating the Massachusetts procedure. I think that is right.

Q. And it is true, is it not, that under our law in Pennsylvania, the delays of this sort work out to the benefit of the utility, in that they are allowed during the period the case is in progress to file rates, even though those rates may ultimately be decided to be too high?

A. If it works out that way, that the rate is held to be too high, of course, there are opportunities given to get reparation.

Q. We had a case here the other day, Mr. Robinson, of the Clarks Ferry Bridge, where there was theoretically a rate of reparation in the sense that you got rebate slips, but practically those rebate slips so often are uncollectable, are they not?

A. You mean because of financial insolvency, or something?

Q. I mean in a great many cases because the amount involved by the individual consumer is so small that they don't take the trouble to collect them, and in other cases, like a bridge case, because so much of the traffic is transient, that you get a rebate slip, and you will say, "I will never be back there in order to get the rebate," and you throw it away?

A. Well, that may be true. Are you particularly referring to the present provisions of the act in regard to reparations and the machinery necessary to put in motion?

Q. All the difficulties of it; yes.

A. That, of course, is a rather cumbersome affair, and in cases involving large immunity interstate is not a fair method of arriving at the answer. There should be a simpler cross cut method by which all the parties would be protected in a case of a rate reduction. I think there is no question about that.

Q. When did you become counsel for the Philadelphia Company?

A. Well, I have been consulting counsel for them, I would say two years. I have not tried any cases for them, before the Pennsylvania Commission until just recently. I tried one case for them in West Virginia about two years ago.

Q. Mr. Phillips this morning did not seem to be very well informed as to the rate of return allowed by the Pennsylvania Commission. What is your experience as to the rate allowed?

A. I have discussed, with other attorneys, before the Commission on what was the fair return. In arguing one case, which involved the York Water Company, I argued for the assumption of a lower rate than seven per cent., was in order because of special features of the York Water case and I argued that question again before the Superior Court on appeal.

Q. I mean under the Commission's practice.

A. The unbroken, uniform practice of the Commission is to automatically dispose of it on the seven per cent. basis. I did not assume thereby that they had closed the door on the question of what the proper rate of return was, but rather that they had arrived at it as an assumption of a fair return in Pennsylvania, and I assumed as you stated, that that is in the sense of the presumption of justice to these companies under the assumption to give them time, perhaps for a lower or a higher rate of return which would be in order because of the rates prevailing at the time, but that they have established that as, in their minds, constituting and taking the thing as a whole as a fair rate of return. Of course, we know that other states have fixed other rates of return. We know that the question of interest rates and rates on money are variable in different sections of the country, but I do not understand it, and as I understand your understanding over the matter,



that the Commission has made seven per cent. a matter of law in the State of Pennsylvania.

Q. It has been a matter of practice?

A. Yes; exactly.

BY MR. RHODES:

Q. Do you know of any case where the Commission has allowed more than seven per cent.?

A. You mean in general?

Q. No; in Pennsylvania?

A. When Mr. Rilling was on the Commission he filed a dissenting opinion, I think, in the Pennsylvania Gas Company case in which he suggested eight per cent., and as far as I can recall that is the only case in which any suggestion of a variance from that rule has been handed down by the Commission, and that, of course, was due to the fact that he realized that natural gas elements were very uncertain, and the ultimate life of the fields, and things like that, and that to his mind the rate of return to natural gas companies should be on some different basis than those to be established for absolutely permanent utilities.

BY MR. TURNER:

Q. Would it be fair to ask your opinion on this question of valuation between the prudent investment theory and the theory as laid down by the Supreme Court?

A. Well, you can readily appreciate that in the last seventeen years I have argued that question from every conceivable angle, and in every conceivable case that I could bring to bear on that question, mostly from arguing the people's point of view. I am frank to say, as a lawyer, I think the Bureau on the question has long since been closed by the decisions of the Supreme Court of the United States and the Supreme Court of this State, and that we are really going into an academic question when we are dealing with it.

BY MR. EVANS:

Q. There is no difficulty in using the prudent investment basis for all investments made from now on, if the companies are willing to accept that basis?

A. Oh, if they will voluntarily accept that basis, which is not in accord with the Supreme law of the land, that is another story, but when you are dealing with the view which the Courts now hold, in their interpretation of the Federal and the State Constitutions, it seems to me we are talking beside the point.

Q. Assuming that it can be constitutionally achieved, do you think it is desirable to have a fixed rate base fixed on the investment with a variable rate of return as conditions change, or to follow the practice of the Pennsylvania Commission and have a fixed rate of return with a fluctuating rate base, determined on the period in which the case arises?

A. I don't want to seem to evade an answer to your question, as I appreciate that anything that I would say would, after all, only reflect my personal judgment in the matter. I have read the various decisions that have been handed down in which the prudent investment theory had been supported, and the dissenting opinions of the judges of the United States Supreme Court on that point. As far as I am personally concerned, I would say that the decision of the United States Supreme Court, in determining that the thing that the utility is furnishing service is property and not investment, is undoubtedly a sound position so far as the subject matter of service is concerned. That is to say, when I invest my money in a certain thing, I do not automatically take that value of property in another activity of life. If I buy a house, and I pay so much for it, if I am so lucky to have a bargain, I am not expected to give it to somebody else because I did have a bargain. In other words, you are suggesting a conception of the theory of value as to utilities which would not apply to another line of business in this country. It undoubtedly presents very serious questions in connection with matters of finances, of matters of valuation, and matters of interest to investors going into the thing.

BY MR. RHODES:

Q. Isn't the relationship of the utility to the public entirely different from that of an ordinary merchant or manufacturing concern?

A. Up to a certain point, that is true.

Q. And there is the element of public interest in disposing of that, but the question of rates undoubtedly writes into the

law that utilities, as we now have them written into our public statutes, don't apply to ordinary business, but when you take the public utility from inside of an institution to serve the public, as I pointed out, it has to go into the money markets of the country and ask for support, which must be presented to the investor; the elements on which he is willing to make his investment, and you can never escape, as Mr. Phillips said, the results of these economic laws, and escape the fact that that money which you put into a property is in fact the index of value, nor can you escape the fact that money, in terms of buying power, has never condemned, that is to say, if I had to go out and make a purchase, it may be a fifty cent, dollar or it may be a one hundred and fifty cent dollar. In other words, you are dealing with a field in which values are fluctuating and the buying power of money is fluctuating.

Q. That is not quite accurate, because what the utility is interested in is the return which it is allowed and that return can be regulated just as well as by shifting the allowed rate from seven to eight to nine per cent. as it can be by shifting the base on which the rate is applied.

A. That is, you may apply through the allowed rate of return a corrective factor against the changing buying power of money, but I take it, you are not going to make any corrective as far as the question of the value of the investment is concerned.

Q. What the utility is interested in and what the public is interested in is the amount collected by the utility from the public through the rates.

A. From that point of view it is entitled to a fair rate or whatever is the proper basis of return.

I am not here to say that in my opinion, because I don't know of anybody that fought more vigorously than I did in the early stages for the idea that investment should be the controlling factor, because from a practical point of view it is the only way you could have constant base of valuation. However, we know that the picture changes, and we know it changes every day; it is constantly changing, and it is impossible to arrive in face of the terrific changes at it. From that point of view, and taking into consideration these other elements, of course, I can see that having once established a base you can go by that base, but with the addition of investment, it is not a simple answer from that point of view as was said by the Massachusetts Commission. You can prove a perfect case for prudent theory.

BY MR. TURNER:

Q. The Massachusetts theory, as I saw it from a discussion by Mr. Attwill, they practically guarantee the return upon the value they have set; that is, the value they have set for a stock.

A. Well, in a sense, it is perhaps guaranteed but after all the word "guaranteed"—

Q. I mean, to let them try to make the return.

A. To let them try to make a return, but the difficulty is that the "try" doesn't always succeed; street railways are far short of the ability to learn, and that is due to their inability to set up some surplus which will cushion against the impossibility of their making a return, and I think perhaps that is what Mr. Phillips had in mind this morning, because the picture changes so, the art changes so, and competition from now sources developing in such a manner that you can't protect the institution, so that they should have a reasonable assurance of return. That is the point that he was trying to emphasize and I want to emphasize it now.

BY MR. RHODES:

Q. From your observation and experience, do you not think that valuation has been abused by the financial interests, who have come into Pennsylvania, for example and purchased operating companies, and have gone in and had a valuation, which increased the value to way beyond the actual investment and then asked for rates which would produce a return on the new valuation?

A. I think there have been a number of abuses of that power, as there always is. In other words under this theory laid down by the Supreme Court of the United States and our Supreme Court, the values are in terms primarily of the prices prevailing. There is undoubtedly a considerable lag in the rates charged by companies, and what they would theoretically charge under this situation, and undoubtedly some of the financial wizards, you might say, have been that gap or lag



and have acquired properties which to their mind reflected to some extent that situation, and then have turned around and have put the rates back to make good. Now, that is a most unfortunate situation, but there is no reason why the whole utility field should be condemned because of a number of abuses of that kind.

Q. That method of the holding companies has really resulted in a bitter reaction against the utilities.

A. It has to a considerable extent, but there are just as good utility companies as there are bad companies, just as in other fields.

Q. Is it not true that about ninety per cent. of all the operating utilities in the country are owned by holding companies?

A. That statement I am not prepared to answer, but with my experience, and with contact with the problem, I would say if you take all utilities into consideration, it is not probably as high as that.

Q. I am speaking of the electricals?

A. Of course, they are pretty generally owned because of the buying of the systems interlocking in such a way as to guarantee a permanent service and to guarantee all of the elements that go with the situation, and then of course, they have been attracted by the tremendous possibilities of the future growth of electric service.

BY MR. RHODES:

Q. Then I guess that we agree that some of the attitude toward the utilities on the part of the public has been caused by these abuses by holding companies?

A. Oh, I suppose there is no question.

Q. And isn't that particularly true in Pennsylvania?

A. But I would say, just speaking generally on the subject, that while the electric utilities have been charged with abuses in that line, general abuses in my experience have come more from water companies than they have from electric companies.

BY FATHER COX:

Q. Water is quite a staple necessity, and we need it all the time, and it has never changed in the history of the world, and look how they have changed their valuations?

A. It is absolutely vital, but under the Supreme Court of the United States, the attorneys were entitled to do it, and the Commission was powerless to do very much with many of those cases, in view of the valuation that the Supreme Court said they would have to put on those properties.

BY MR. RHODES:

Q. But isn't it a fact also that these valuations have always gone up and never came down?

A. They have gone up, because we have been in an era of rising prices. Now, if this present theory of rising prices prevails, then it is only reasonable to assume that as the course of costs go down, the valuation will go with it; it seems to me that the two must follow each other inevitably, as the law is now set up.

Q. Yes; all those valuation cases have been upward, and now it is time that we had some going downward?

A. I might say, just for a matter of information, in 1920 I tried a number of cases against the Bell Telephone Company. In fact I was general counsel at that time for all the complainants in Pennsylvania, and I found that the Bell Telephone Company at that time did not ask for a return upon—that was in 1920, upon the reproduction cost, but set up their figures on the assumption of their investment, and Mr. Marve at that time said to me, "The day will come when the scale will turn, and we are not asking for a return on present reproduction cost. We could not collect on that, if we tried. And I think that the intelligence, the far seeing executives of these companies have been conscious of the fact that if they press this reproduction theory too far, it would some day come back to bother them."

Q. What we are looking for is a basis or method that will be more or less satisfactory to the utilities and the public and the state?

A. Yes, because you must have some sound financial, well supported utilities, because our utilities, after all, are the things on which an American city is distinguished from European cities. It is the point of progress between us.

MR. MEMOLO: We have had a general period of stocks, valuations, and everything else, and now we have got up to

the peak, of course, it is going to be very hard to go down in fixing valuations, isn't it?

THE WITNESS: I don't know; if the cases are prepared and presented before the Commission, on the theories under which we live now, there should be no reason why the values should not follow the course just as I have indicated. I think it is inevitable.

BY MR. HAGMAIER:

Q. It will be pretty dangerous, however?

A. It is a constant change and flux, just as Mr. Evans told us, which is not particularly attractive to investors, and those constantly recurring valuations. Of course, the so-called period of repose of three years operates to prevent further valuations during the three-year period. But we all know that is not conclusive, you can attack a valuation within a month, if you want, if you can show a change. But not in the very expensive process, it is expensive to arrive at the answer in this case, and on this theory, and that is a tremendously strong argument against the theory, in my opinion.

BY MR. RHODES:

Q. That is what makes it objectionable, the expense of arriving at the conclusion?

A. Yes, in other words, it costs so much to get the answer.

Q. And from the observations we have had and the testimony presented to us, even by Commissioners of our own Public Service Commission, it is more or less a matter of guesswork, of pure judgment in the end?

A. It is a matter of pure judgment, because nobody yet has agreed on how you arrive at exactly going value, which is a tremendously important item in many cases.

Q. That is one of the greatest flaws in it, in my opinion, the fact that it is so indefinite, there is no even remote semblance of logic or order in coming to the conclusion?

A. Well, I am not so much—

Q. There is too much allowed to the individual judgment?

A. I am not so much inclined to criticize the Commission for that situation as I am the Courts for having put us in the position that we are in as a result of their decisions, in which the Commission is to a certain extent powerless to find the exact answer.

MR. TURNER: The same thing applies, Mr. Rhodes, as is applied in the trial of cases. Nobody has yet found a better way than to have twelve men to decide what the verdict shall be.

BY MR. TURNER:

Q. Mr. Robinson, I don't want to take advantage of the position you are in, but I would like you to, because I think you have contributed something to us, to tell us something at to your opinion on this question of the contract between the state and the corporation. I presume you have read this Act that we have had before us, that suggests a way of getting around the constitutional problem?

A. Well, I don't see how you can compel a corporation to make a contract which would—

Q. For instance, you cannot have a change in your charter or an extension in your charter and certain other rights which you might ask for, unless you agreed?

A. Well, those questions, as you know as a lawyer, look a long way ahead, to the ultimate decisions of the Court of last resort, of the United States and States, to determine what are the real intrinsic elements of the constitutional guarantees, and I think it would be rather presumptuous on my part to now say how far the Courts would go in sustaining contracts which might in some ways have elements of coercion about them. I feel this, that the principle on which valuations are now determined by the Supreme Court of the United States are so definitely set and fixed by their decisions, and they are so much embodied into the theories of constitutional guarantees, that nothing will ever disturb those. Now, how far they may be willing to say that the parties have voluntarily contracted, that they would receive a return on another basis, how far that will be sustained in the presence of those guarantees is a question of law with respect to the elements entering into the contract, if it was a contract made at arm's length, between the parties free to contract, and was a fair contract, I suppose they will sustain it. If they say they are elements of duress or coercion about it, they may say that the contract is not effective in law; no one can decide those questions. No

one could decide these questions and I would not want to give the answer.

MR. TURNER: I appreciate that, although it was very enlightening, especially for those members of the Legislature who are interested in this question of regulations.

BY MR. EVANS:

Q. Mr. Robinson, in favor of the constitutional provision you are familiar with law in Pennsylvania which requires the acceptance of the Constitution by the incorporated prior to a certain time to gain further benefits under the statutes.

A. Of course, they are afraid to choose as to whether they will stand by their old charters or accept the new ones.

That would be because those corporations refused to contract, and they would not have certain privileges which are granted to others which do.

A. That has been worked out, but in many cases where the right to condemn did not exist but has been provided for where the right of competition has been given, it has been held in some cases, and I think one case in Massachusetts, that that did not take away the right of contracting of the parties, that is, they were still free to contract, and I say the theory on which they may proceed may be sound. I am not here to say that the courts will or will not sustain the theory of it.

MR. RHODES: It will give the lawyers some work to determine.

THE WITNESS: We will have lots of work everytime you pass any laws. We have lots of work.

MR. TURNER: You will have if we pass this one.

PAUL B. SAWYER sworn.

BY MR. EVANS:

Q. Mr. Sawyer, where do you live?

A. I live in Bethlehem, Pennsylvania.

Q. And you are chairman of the board of Pennsylvania Power and Light Company?

A. Yes.

Q. And you are also president of the Lehigh Power Securities Corporation?

A. Yes.

Q. And an officer or director in any other company, affiliated with those?

A. Yes, as president of the Lehigh Power Securities Corporation, I am either director, or an officer of the subsidiaries. There may be some smaller ones that I am not a director of, but most of them I am.

Q. As far as Pennsylvania is concerned, what subsidiaries in the Lehigh Power Securities Corporation operating in Pennsylvania?

A. Its principal one in Pennsylvania is the Pennsylvania Power and Light Company. The next property in order is the Lehigh Valley Transit, and then the Williamsport Railways Company, The East Penn Traction, and the one across the river, the trolley across the river—the Valley Railways (I am not very anxious to be connected with that one just now in Harrisburg) and there are some smaller ones.

Q. Are there any construction or management companies affiliated with the system?

A. Well, now, by affiliated I don't know just what you mean—but yes, the Electric Bond and Share Company exercises supervision over the Pennsylvania Power and Light and other subsidiaries of the Pennsylvania Power Securities Corporations.

Q. Is all of the common stock of the Lehigh Power Securities Corporation owned by other holding companies?

A. No, not all, but substantially all. I think that 99% is owned by the National Power and Light Company.

Q. And who in turn controls the stock, the voting stock of the National Power and Light Company?

A. Well, that is not to my knowledge controlled by any one stockholder.

Q. Is it not however controlled in general by the Electric Bond and Share Company?

A. The Electric Bond and Share Company, as near as I recall owns somewhere over 40% and less than 50% of the common stock of the National Power and Light Company.

Q. Is there any holding company on top of the Electric Bond and Share?

A. Not to my knowledge. I think the largest individual stockholder of Electric Bond and Share holds about 4%, and that I recall from having read the report.

Q. Does the Lehigh Power Securities Corporation have a subsidiary known as the Phoenix Utility Company?

A. No sir.

Q. Is that not affiliated with the Pennsylvania Power and Light Company, in some way?

A. Not direct. It is a subsidiary, I presume that you would call it, of the Electric Bond and Share Company.

Q. And for what purpose does that company exist?

A. It is a company that does construction work, and some engineering. Its province if I may just go right ahead—I will try and tell you and then you ask me any thing you may wish. The Phoenix, does a large part of the construction work, and now I say a large part of it, I don't believe it does the major portion by any means of the construction work of the various companies that are supervised by the Electric Bond and Share Company. The theory upon which the Phoenix is existing is that there is a certain amount of construction work of a particular nature going on at all times, and through its supervision of the companies and properties the supervision by having an organization of experts in these particular lines can move the expert say on transmission line work from one place to another and keep him employed continuously at a salary which would be less than if he was employed by each company for a short period of time, and in that way he is kept in touch with the needs of all of these companies, and his work is most efficient, and the costs of his services complete are less than if the companies should go out and employ an expert say for transmission line building purposes for the period of one season, and then dropped, and that will hold good for practically every other class of work that Phoenix does, powerhouse, both steam and hydro-electric, substation work, and so forth.

Q. Is it the practice of the Pennsylvania Power and Light Company and other operating subsidiaries of the Electric Bond and Share Company, to let construction contracts on competitive bidding, or are they regularly awarded to the Phoenix Utility Company without competitive bidding?

A. That varies, Mr. Evans. It depends largely on the work. The Phoenix I think has done most of our major new construction work, "our" meaning the Pennsylvania Power and Light Company. Smaller pieces of construction work which the Pennsylvania Power and Light Company by previous estimates can do at less cost itself, are done direct by the company. The Phoenix does only such work as the Pennsylvania Power and Light orders it to do from time to time in writing.

Q. And these major construction items are given to the Phoenix Utility Company on what basis?

A. On a contractual basis, the base being four per cent. for the Phoenix Utility Company, the Pennsylvania Power and Light Company paying bills as they go along.

Q. Cost plus four per cent?

A. Well, the Phoenix does the work and bills the Pennsylvania Power and Light Company four per cent. of the total cost of the work that it did.

Q. And it is not usual for such contracts to be let out on competitive bidding?

A. We have kept check on the Phoenix Utility Company—one I remember particularly was the dam at Wallenpaupack. I don't remember what that cost. We felt that if any company could come in and do the piece of work at less cost than the Phoenix Utility Company, that there was the best place to make the comparison, because that was a compact piece of work and we found there were several bids from contractors though none of them were as low as our own estimate and the Phoenix Utility Company estimates, which were met in construction.

Q. The Phoenix Utility Company got it because they were the lowest?

A. Their estimates were the lowest, and of course we had the right under the contract to watch them closely and make changes even during the construction at intervals at any time that we wish.

Q. Did they do it on contract?

A. Yes, sir.

Q. Their prices were lower?

A. Their estimates.

Q. What was the difference between their estimates and the contract price?



A. The Phoenix people did not bid. The Phoenix Utility Company being associated with us, there was no object in having a formal bid, but as it turned out they met the estimates.

Q. They did it for a less amount than the other bidders?

A. Considerably less than the other companies offered to do it for us. Of course you understand too, Mr. Evans, there is a certain class of work that would be very difficult to get a contractor to do. At Wallenpaupack there is the wood stave pipe line three or four miles in length which of course could be built by any contractor who would want to undertake it, but whether or not he has had experience to do a first-class job that would stand up is another matter. The Phoenix Construction Company through its experts has built any number of these pipe lines throughout the west where water lines are more in evidence than they are here.

Q. Can you give us an approximate amount that the Pennsylvania Light and Power Company has paid to the Phoenix Utility Company in fees for construction during the past two or three years?

A. I am sorry, Mr. Evans, but I don't carry those figures in my head. I can get them if you are interested, and I will be glad to do so.

Q. Mr. Sawyer, there has been introduced in evidence before this Committee a contract or a series of contracts made by Lewis F. Lantz for the Pennsylvania Power and Light Company. Who is Lewis F. Lantz?

A. Lewis F. Lantz, in fact I have met the gentleman once, Lewis F. Lantz is an employee in the office of a law firm in New York whom we retained for consulting purposes.

Q. In other words, when you say "we" do you refer—

A. The whole group of companies that I have been talking about. I use "we" rather than mention all the names.

Q. These contracts call for the expenditure of a considerable amount of money by Mr. Lantz. Who furnished him the funds to make these payments?

A. If I may, I would like to just briefly outline what we did and it may help to clear up the atmosphere. Mr. Lantz has been on more than one occasion—but the one I think in question was in 1928 and was the Harrisburg and other company mergers with the Pennsylvania Power and Light Company. Am I not correct?

Q. Involving some thirty-five companies?

A. Yes, and most of these companies were owned by stock ownership by the Lehigh Power Securities Corporation, which of course owns all the common stock of the Pennsylvania Power and Light Company. Some of this common stock I think was owned by the Pennsylvania Power and Light itself, so that it is rather an involved method or a rather involved method was needed to get this proposition together. The use of Mr. Lantz was to get a clearinghouse scheme into this merger. I suppose most any kind of a method could be used that we might have wanted to devise, but we thought that was the best of the lot. The use of Mr. Lantz as a clearing house necessitated Mr. Lantz making a contract with each one of the participants. All of these companies, however, were tied together and the authority must be exercised concurrently because in order to fulfill his obligations he must receive what was coming to him from the other sources through the clearing house scheme. Mr. Lantz got absolutely nothing out of it. Each of the participating companies got nothing out of it that they didn't have a right to, except that they got what they had before in a different form. The Pennsylvania Power and Light Company received the physical property from the participants of this group of thirty-five, the Lehigh Power Securities Corporation receiving another kind of securities for the control of the securities of these companies that it had, and the ones of course that were owned by the Pennsylvania Power and Light Company were liquidated back to the Pennsylvania Power and Light Company, just washed on its own records. I can appreciate the involving nature of this and the feeling that there was something of some kind in there, but we did absolutely the best we could to do it as simply as we could, and nobody got anything out of it that they should not have had. I think at the time of the merger proceedings somebody at a hearing before the Public Service Commission requested a statement of the Lehigh Power Securities Corporation which was given to the effect that the Lehigh Power Securities Corporation made no profit in the transaction. That of course nobody else did either. Now the papers—that of course is but a skimpy outline—now the papers are all on file in Harrisburg

with the proper bureaus and anyone who wishes to delve there, I am sure, can come out just where I told you we came out.

BY MR. EVANS:

Q. We have tried to do some delving and I am not sure where we came out. According to the reports of the Pennsylvania Power and Light Company to the Public Service Commission, it appears that it put the fixed capital assets of these companies on its books at a net value of \$54,293,903.53, which is composed of an increase in the assets in the gross amount of \$59,036,626.32, against which there is an offset in an increase in reserves for renewals and reproductions and replacements amounting to \$4,742,722.78, giving you a net value of fifty-four odd million dollars. Can you state to the Committee what was the net book value of the fixed capital assets purchased?

A. Well, your figures I won't attempt to substantiate but what we did was to have the properties valued by an outside disinterested source so as to obtain as nearly as we could the value of the property at the time, and that was the amount that we put on the Pennsylvania Power and Light Company books, the idea being to get on there as early as possible the true values. As a matter of fact, as I recall it now, the properties were purchased at less than their value. The valuation was such that this cost price was less than the total value, that is, the value was increased as much as we paid. Now if there are any differences in the sum of the figures of the company going into the merger and the resulting figure on books, why the figures of the smaller companies were just wrong.

BY MR. EVANS:

Q. What I want to get at is this. You said that the Lehigh Power Securities Company owned the stock of most of these companies and the Penna. Power & Light owned the stocks of some others?

A. Right.

Q. Were these properties placed on the books of the Penna. Power and Light after they had been carried out at the exact price for which the Lehigh Power Securities and the Penna. Power and Light Company had paid the stocks?

A. As near as I can remember, what they paid for the properties, which was less than the value of them.

Q. Now, according to the information which our accountants have taken from the files of the Public Service Commission, the fixed capital of these companies acquired amounted to roughly twenty-four and a half million dollars, and, as I understand it, from your testimony, the Lehigh Power Securities Corporation and the Penna. Power and Light, in acquiring the stocks of these companies, paid in the neighborhood of fifty-four million dollars for them?

A. Well, that would follow, because in the transfer the original owning companies, before the merger, turned over at their costs whatever properties they had that entered into it, and in the aggregate the value as so found by the appraisers was in excess of that amount. Does that answer your question?

BY MR. TURNER:

Q. By that you mean to say if you had a company, bought a company for a million dollars, that is what you paid for it, but when this merger took place, it was turned in at a million dollars?

A. Well, they were turned in in a group.

Q. I understand, but that was one of the component parts that made up that group?

A. Well, may I just go a little further? The reason for Lehigh Power Securities acquiring these companies was one of convenience. The thirty-five would have required thirty-five appearances before the Public Service Commission, if the Penna. Power & Light Company had purchased those properties one at a time, in order to obtain the consent, of course, to do so. Lehigh bought those as a whole and turned them over as a whole, the total being the total paid for the whole. Now, you might have marked A company at a million dollars, and B company at something else, but we didn't do that, we put them all in the basket. They were acquired at different times, probably over a period of several years.

Q. That is what I meant, you acquired them at different times, and you put them down the amount that you paid for them on your books?

A. Yes.

Q. Then when you went to turn them over, you added that total?

A. We added that total, and that was the figure. As a matter of fact, if my memory proves correct, the earnings in some cases,—not all,—hardly paid the carrying charges of the holding company during that period, but there was no effort made to take into account any of those things. The holding company turned them over at as nearly as it could the cost that it had on the books.

BY MR. RHODES:

Q. Then do we understand that there was no reappraisal, that the amount—

A. There was no reappraisal, of the cost prices; there was an appraisal of the property.

Q. Well, I don't quite have it straight in my mind. Were they turned over for the cost price or were they turned over at a new appraisal price?

A. They were turned over at the cost price, put on the Pennsylvania Power and Light books at the cost price, although the appraisal price was greater.

Q. Well, what was done with the appraisal price?

A. Nothing. I just testified that the record, from the appraisal, it was higher than the cost price.

Q. That didn't enter into your bookkeeping at all?

A. No sir, it didn't enter into our bookkeeping at all.

Q. And didn't have anything to do with the issuing of your securities?

A. Not a thing.

Q. So that was all done on the basis of actual cost?

A. Well, I wouldn't say that, Mr. Rhodes. The securities, of course, must be and are backed up by full value in the property.

Q. Were they issued in this case on the basis of cost or on the basis of appraisal?

A. Well, I cannot say on actual appraisal, but I would say on a spot check, such as bankers take on certain parts of the properties. From examination of the records, they felt quite sure that we had at least, in so far as the securities you probably refer to are concerned, sufficient property to warrant that issue.

Q. Regardless of the cost.

A. Oh, yes.

Q. I mean, they were not interested in the cost in so far as securities were concerned, they were interested in what they figured was the fair value of the property.

A. Yes.

BY MR. EVANS:

Q. Mr. Sawyer what was the purpose of having an appraisal made at the time of this transfer to the P. P. and L.?

A. We felt it was time to get the value of the physical properties in order to determine what to put on the books, if we did not get the value of the property to support the price we would have been in a quandary.

Q. Who made the appraisal?

A. Mr. Theodore Stebbins.

Q. Who is Mr. Stebbins?

A. A very able and learned gentleman whom I have known for many years, and I think he qualified when he testified, but I was not present, and I really cannot tell you. He has been in the business for many years, I would say for thirty or forty years, in all phases of it, and we felt quite confident to have him pass judgment on the values of the properties.

Q. Did he have any connection with the Electric Bond and Share or any of its subsidiaries?

A. No. At one time, when I first knew him, he was employed by the General Electric Company, but that was probably twenty-five years ago. What he did for the next four or five years, I don't know, I was out of touch with him for a long time, but he has had no connection with us except doing work of this kind, to my knowledge, and I mean, these properties that we are speaking of now, such work as that, he was doing that kind of work for many years.

Q. Now, did he make a detail inventory and appraisal of the properties and—

A. Well, he spent a large amount of time, Mr. Evans. I didn't see his papers, but he asked for a great volume of data of all kinds, and spent a great deal of time in visual examination of the property, record, et cetera.

Q. And did he value the properties on the basis of their reproduction cost?

A. I don't believe he stated whether it was reproduction cost new less depreciation, but I am inclined to believe that he based his figures on what he thought the Supreme Court would say we were entitled to earn on, because that is what we wanted.

Q. The difficulty that we have had with this appraisal, Mr. Sawyer, is that as far back as the record shows Mr. Stebbins did nothing more than say that he determined the fair value to be not less than \$3,000,000, he testified before the Public Service Commission that "I have sought to consider all these elements that it is customary to consider as well as such as are particular to this situation. I have considered the reproduction costs of each of the properties based upon the fair average price of materials, property and labor bearing in mind that the actual construction extended over a period of years, piece meal, job by job, having considered the developmental and growing value—," I don't know whether he didn't mean going value, but it says growing value—and revenues as yielded by the rates now authorized by the Commission, and have given each element such weight and interpretation and seems fair under the circumstances.

Q. That looks to me as if he attempted to find fair value.

Q. He does not mention any depreciation, does he?

A. I didn't hear you read it.

Q. I could not find it. At all events this valuation, whatever it amounted to was \$63,000,000 approximately.

A. I cannot say, because I don't have the figures, Mr. Evans, but if you say so, I am sure it is so.

Q. He says not less than \$63,000,000, and that is the only figure we have.

A. Well, that was my impression, that he more than justified the price, we felt it to be conservative, and the thing we did was to put the property in at what we paid for it.

BY MR. TURNER:

Q. What was that price, I have forgotten—\$54,000,000?

A. Well, not less than \$65,000,000—

Q. What was the price that you paid?

MR. EVANS: It appears to be \$54,000,000 and something.

BY MR. EVANS:

Q. Under this man's agreement the Pennsylvania Power and Light Company was to deliver to Mentz \$100,000,000 in 50-year 4½% bonds.

A. Yes, as I remember.

Q. And 12,500 shares of 6% preferred Stock, or a total of \$1,250,000?

A. Well, I think you are right—my memory checks you.

Q. And cash to the extent of \$500,000, making a total of \$1,750,000. Now Mentz, on the other hand, agreed to cancel bonds of the underlying companies, amounting to \$66,966,550.00, leaving a total in Mentz's hands of \$34,783,450. Now can you state either from memory or from the reports to the Public Service Commission, which I can show you, what was the approximate amount left to the Pennsylvania Power and Light Company after the issuance of securities under this Mentz agreement as of December 31, 1928. I think this figure here Mr. Sawyer, (referring to annual report of company).

A. Now, let me do as I did before on this; it might simplify matters somewhat.

Q. I wish you would.

A. In the first place you will find that Mentz had other agreements which he must fulfill that took care of the balance between what the contract reported that he received, but leaving that for a moment, I want to take the situation as it exists now, and what happened within the last few weeks—

Q. I thought maybe we would understand it better if we took it step by step?

A. If you take it step by step you will have to get somebody besides me up here. I will give you the over-all and tell you what happened and then if you want to get the details—

Q. Mr. Wise, says he doesn't know anything about it?

A. Well, all the papers are on file with the proper bureaus here in Harrisburg, and I am sure your able self and your able assistants, with somebody to guide you, can find all the details if you will let me do as I did before and I think I can clear up most of that in your mind.

MR. EVANS: I am much obliged to you



**THE WITNESS:** In getting these properties together, of course.—I don't want to bore you with a lot of plans, and so on, but of course you naturally want to get your house in the best order you can. The various securities including the last one of the last year to be taken in, No. 95 separate and distinct operating companies here in the eastern part of Pennsylvania, that now make up the Pennsylvania Power and Light Company. Some thirty-nine or forty, I don't just remember how many, had a separate and distinct mortgage on them. The mortgages had different conditions, different rates of interest, different sinking funds, different interests et cetera, et cetera. It was difficult and has been for some time to get new money with all of this crazy quilt work of underlying mortgages underneath.

**BY MR. RHODES:**

**Q.** I don't want to interrupt you, but I would just like to get the proper background?

**A.** Interrupt me any time you wish.

**Q.** Did I understand that this \$100,000,000 bond issue was just placed upon these properties appraised at \$63,000,000?

**A.** No sir.

**Q.** That was what I wanted to get straight?

**A.** There was more than 100 million dollars, and I want to tell you about that. The difficult thing to get money at the lowest rate, of course, is apparent because of these underlying preference bonds.

So, several years ago, as a matter of fact, before the merger of the Harrisburg properties,—we hit upon the idea of collecting the property as a whole, of all of these old mortgages, getting one clean cut first mortgage on all of the property, on a mortgage having the most modern terms and conditions that we could get in it, with the idea of getting our bond money in the future at the lowest possible price, because we could give the highest grade of public utility security for it.

So, having that in mind, we have made our plans in working for all of this period of time to do this, and finally got these companies merged, including those last year, and came to a market for bonds when we could sell the entire issue at a good price. We did that in the early part of this month. The bonds were sold for delivery, as I remember now, on the 22nd of this month, but dated the first of the month. The work involved was very great, required continuous work, even as great as this Committee has gone through, as I understand from Mr. Moore, in the last month. We filed our necessary papers here in Harrisburg as quickly as it was physically possible for us to do so. In the meantime, or prior thereto rather, the bankers advertised the issue and distributed it only as to obligation, insofar as they could, subject of course to our delivery on this 22nd date. The certificate, which was very voluminous, was filed, including the mortgage, which had to be completed, which was not in its final form, the details of all these issues that you mentioned are there, Mr. Evans, showing the amount of each mortgage, the call price, the interest due to the date of the call price in some cases several months hence, and so on. Now, the Mentz obligation required him to retire the bonds on the property, as I recall it, after the Harrisburg merger. That is listed at some \$66,000,000, as I remember it, being the safe value, not the call price of the bonds; and of course, during that interval of two or three years, there have been sinking funds working, and so on, so the prices changed slightly one way or the other, so that to make a long story short, we sold \$100,000,000—I say we again, meaning the group—Mentz selling his and the Pennsylvania Power and Light the balance of the issue, which was a total of \$121,000,000. But 100 went to the bankers, and the 21 was sold to pay off the securities given in payment for these properties which came into the merger.

You see, the power company had to give its short term securities for those properties in part that came in. To put it another way, the power company put the new date of both of its debts off until 1931. Instead of a certain amount being due on demand, and as other due dates in these various mortgages. There was some cash left in the hands of the Pennsylvania Power and Light, and its records will show it. Now, as to the money itself, if I may go right ahead and give you approximately what happened, the bonds retired, including of course, the call price interest of that date, et cetera, in round numbers, took \$75,000,000. There were seven and a half million dollars of demand notes for construction, et cetera, accumulated beyond ability to pay over this period of three

or four years, when we issued our bonds, because we had this plan in mind, and if we had sold them, we would have had to take them back at the call price, and of course, absorb the discount, which we thought was a very bad business feature.

That is 82½. There was two and one half million in round numbers in cash left with the company, that is 85. There is 27½ million that went to pay the equities in part for which other securities were given, including the charge that you were talking of in the mergers. That make a total 112½ million dollars. That is what we got for the face value of 121 million dollars of bonds.

**BY MR. RHODES:**

**Q.** What does the balance represent?

**A.** The 100 million went to the public at 96½ and the bankers paid the power companies, through Mentz, 93. Consequently the power company felt that if it sold the extra 21 to the holding company at the same price, it was negotiated at arm's length with an upright person, that it was doing the proper thing.

**Q.** In other words, your financing cost you 8½ million?

**A.** It cost us 7½. No; 8½; you are right. We, of course, checked through every source that we had, and our advice was that we had made a very good trade.

The bonds were fifty year bonds, and I think on the bond table basis will give us a yield of about 4.78%

And, now, I have also given you a rather sketchy account of what happened, but I wanted to try to get the whole picture before you so I would not appear to be evading.

In reference to all these various, sundry and interlocking contracts.

**Q.** This was a blanket mortgage, wasn't it?

**A.** Yes. The mortgage has in it the most up-to-date conditions that we have been able to work out, and when I say "We" this time meaning the supervising people the electric bond and share company who are taking mortgages, continually for various purposes, and they say it is the best that they have been able to trade out on the bankers during the various years that they have been in business. So, we feel we have a very high class up-to-date mortgage for use in the future to obtain bond money at as low a rate as we could hope to get.

**Q.** Is this a first mortgage on the entire P P and L property?

**A.** Yes sir. When I say "yes sir," there is about—well I don't remember the exact figures, but there are two mortgages that have no call provisions, aggregating in the total \$500,000 but over this period that we have been planning this, I have been buying in such distressed bonds of those mortgages that I could get. I think there are about \$250,000 of them still in the hands of the public. Now those bonds, of course, will stay there until we can either buy them or they mature, but the proceeds will—and we are still working on this; it is a very voluminous piece of work—the trustees of those two have agreed that if we put up the proper security for them to take that security as security and in turn for these bonds and clear the record on the county books, so that we will have no debt underlying this first mortgage I wanted to get in that comparatively small amount, but other than that little speck, I think it is absolutely a clean first mortgage on the property.

**Q.** What bankers have underwritten this issue?

**A.** Do you mean the group that took the bonds?

**Q.** Yes.

**A.** The Guarantee Trust Company, Harris Forbes & Co., Hornsby Company, Halsey Stuart & Company, and Brown Brothers and Harriman Company. The Guarantee acted as the manager of the group that took the bonds. Of course, they took them wholesale, and distributed them all over the United States.

**Q.** I am not sure that I have this clear Mr. Sawyer—

**A.** If I can be of help to you just ask me.

**Q.** As I understood you, approximately \$75,000,000 went to satisfy the underlying mortgages of the companies acquired.

**A.** Well, to satisfy all of the mortgages, the bonds issued under mortgages then on the property. And now, I make that little distinction, because the Penn Power and Light Company did sell back, I think, about 1921 or 22, put a first refunding mortgage on, which covered new additions to the then properties which would be the first on it now, but it was second so far as it would apply and the ones that would underly it. So, these were not what you might call all strictly underlying

mortgages, but every mortgage on that property today, except that first mortgage which is recorded. If that answers your question—I think it does.

Q. I think it does. Then, seven and a half million were used for what purpose?

A. That was to retire the demand debt of the company "The company" pardon me if I used it "company" "and we" but they are all in the same group and I get into that habit; I am sorry.

Q. Was that indebtedness incurred for extensions and betterments to this property?

A. I should judge so, Mr. Evans. It is pretty hard to earmark just how the thing accrued. If our income is not sufficient to meet the outgo, and, of course, you never can build a property out of income any way, but over short periods, you can work your case through. We found it necessary to make cash loans from time to time, and then, as we could we reduced our cash loans. The net amount so used from this amount, the amount from the proceeds of the sale of the bonds was used to retire a demand debt to that amount.

Q. Then, two and half million of dollars goes in cash to the P. P. & L?

A. That is substantially so. These figures I have given you, you understand are round figures that I have in my head. And now, they may vary somewhat, but you will find them in quite some detail in the papers filed as I say, in the bureaus in Harrisburg.

Q. Then, the remainder of the twenty-seven and a half millions went to Mentz and through him to the Lehigh Securities Corporation?

A. I think that was in payment for debentures and contractual debt through these at cost; that is, through these contracts.

Q. In other words, the twenty-seven million and a half, would represent approximately the cost of the stock of these underlying companies, which were acquired?

A. No; I wouldn't say that. You see the balance of the securities with the Lehigh still had to be exchanged to the extent that they went out. There are still ten million of debentures on the power books held by Lehigh, which were given as part payment for these properties. We couldn't get enough money to pay off all these debts, or, rather pass these debts at 81. Have you seen recently the balance sheet, Mr. Evans?

Q. I presume that some of these properties were purchased subject to mortgages, which are reflected in the seventy-five million?

A. Yes sir; all those on which a mortgage existed were purchased subject to that mortgage, and the mortgage note retired. I think the balance sheet which was put out at the time the sale of these bonds will give you an up-to-date balance sheet.

Q. I still am not quite clear, Mr. Sawyer, as to how this fits in with the original agreement under which Mentz was to get \$100,000,000 of bonds and 12,500 shares of preferred stock. Were those bonds delivered to him?

A. Yes, in accordance with agreement. The \$100,000,000 bonds were delivered to Mentz and Mentz sold them.

Q. To whom did Mentz sell them?

A. To this group of bankers and they carried out his contract.

Q. What has happened to the preferred stock that Mentz got?

A. I cannot tell you now, but it is somewhere in the picture. I can tell you that.

Q. May I ask you, Mr. Sawyer, in order to satisfy the committee if they desire it, are you willing to allow the accountants of the committee to examine the books and records of the Pennsylvania Power and Light Company, and the Lehigh Power Securities Corporation in order that they can make a report to us?

A. Well, I would say this. I would be glad to do what I can to get assistance for you, to get information that you need in this case. Of course, in the matter of the Pennsylvania Power and Light Company, I presume you have that right if you want to do it, but with the Lehigh, which is a foreign company to Pennsylvania, I have not the authority to give you the right. I will be very glad to ask the board if they will give you the right, but I sort of feel that such information that you may need to check this would be gladly supplied.

Q. The reason I asked that, Mr. Sawyer, is that it is my recollection that when the Federal Trade Commission asked

for permission to examine the books of the Lehigh Power Securities Corporation, they were refused on the grounds that the Lehigh Power Securities Corporation was engaged solely in intra-state business and therefore not subject to Federal inspection?

A. I signed that letter on advice of counsel.

Q. I want to find out what will happen if the committee of the Pennsylvania Legislature makes a similar request?

A. I said that I think you have the right. I have offered to assist you in any way to help you get this, I want to be helpful. I think the real way to check this up is to take the data that is on file here in Harrisburg and let me see if I can find a guide or guides to help you work it out. That information if I remember correctly is filed in detail.

Q. Are you speaking of the certificate of notification?

A. Yes sir, and I know there is data in the office of the Securities Commission, but whether that is filed under affidavit or not I cannot say. The first information I referred to is.

Q. I have just been informed indirectly through the Secretary of the Public Service Commission that the certificate of notification is not actually filed, that it has been lodged with the Commission, but Mr. Morgal, the Chief of the Bureau of Accounts, has not accepted it; I don't know anything about that, that is my information?

A. The information I have is that it was filed. It was stamped and given a file number and the Pennsylvania Power and Light Company holds the receipt from the proper officials of the Public Service Commission for the certificate of notification.

Q. Mr. Tevell, the acting secretary of the Commission, says he has not got the information up to date, and that may account for it.

A. The reason I feel quite sure about it is because I had to follow the thing in detail because of the short time in which we had to act, and I wanted to be sure it was filed before we permitted the bonds to be delivered.

BY FATHER COX:

Q. Don't you think it would be a great satisfaction to the public to be allowed access to your books for accounting purposes?

A. My thought, Father, was not to impede anybody. I thought I could help them get it instead of delving through the books of a company that does the volume of business that the power company does just to find this one thing, it having once been done, and it might be done right here in Harrisburg. You understand I am at your service and want to do everything that is right and reasonable to help you find out what you want to know.

BY MR. RHODES:

Q. The matter of filing your certificate of notification was of vital importance to you as far as your bondage was concerned, was it not?

A. It certainly was. The certificate as I understand it must be filed before or concurrently with the issue of securities so that it was quite important.

Q. Did the Commission notify you that there was any question about its acceptance?

A. No, we had notification. I think, and this is just hearsay, that they asked for some additional data which we either have supplied or are preparing at the present time.

Q. And you are under the impression it was marked filed, and given a number?

A. I think I have a photostatic copy.

(Witness exhibits paper to the committee.)

BY MR. EVANS:

Q. Mr. Sawyer, I think one of the reasons for asking for permission to go into the books of the Lehigh Power Securities Corporation is that these books as far as I understand would be the only place where the exact price paid by the Lehigh Power Securities Corporation for these various companies will be found. Is that correct?

A. They will show the price paid for the ones which the Lehigh Power Securities Corporation purchased.

Q. And it is the only way that that price could be ascertained?

A. Well, we have already given you an affidavit from the Public Service Commission, that is to the effect that the Lehigh



made no profit on the Harrisburg merger, and in the Lancaster so called merger.

Q. I have not checked the records, but I am informed, that that is true of the 1930 merger but is not true of the 1928 merger, and there is no affidavit in evidence that could be found now.

A. It is my recollection that we gave one because there was quite some discussion about it, and there was no reason why we should not put it in, and we might as well swear to it, it was all right; there was nothing wrong.

BY FATHER COX:

Q. It would not make any difference then if they did look into your books, it would be the same thing?

A. Yes, they will find the Lehigh made no profit on the transaction.

Q. That would be very satisfactory to everybody if they could feel that way. If there is any doubt in any minds, that is the reason for the insistence in looking into the books.

A. However, I personally, have not the authority to permit such a thing, but I will be glad to submit the request to the directors. I am sure in so far as giving you help is concerned, they want to do it, but after opening the books for an audit now after having taken this position with the Federal Trade Commission, we might have some hesitancy.

Q. You might feel differently after a few years.

A. Well, that may be, I quite agree with you that conditions and times change and that may be.

BY MR. EVANS:

Q. The reason given to the Federal Trade Commission would not apply to this Commission would it?

A. No, certainly not. Of course, I think the condition also applies to this Committee with respect to those books, unless possibly you have some little bit of a way to get something that might apply in Pennsylvania, I don't know about that, but any way we will do what is reasonable. Don't let me give you the impression that I am trying in any way to block the Committee from getting the facts and the proper picture of the atmosphere of this thing.

Q. Has it been the practice of the Pennsylvania Power and Light Company the Lehigh Power Securities Company to sell stock to its employees and customers?

A. It has been the practice of the Pennsylvania Power and Light Company to do so, but not the Lehigh Power Securities. The Lehigh Power Securities sold an issue of preferred stock to the public some years ago, but it did so through the usual banking channels.

Q. Has it been your custom, so far as you are informed, in issuing securities on your Pennsylvania properties for which notification has to be filed with the Pennsylvania Public Service Commission, not to file that certificate until after the securities are being sold by the bankers?

A. I think the bankers contracted to sell the bonds, when and if they were received.

Q. I appreciate that.

A. And that was many days after the filing of the certificate.

Q. Well, the funds were to be delivered as I remember it on April 22.

A. The twenty-second.

Q. And the certificate was filed on April 18th, is that right?

A. I am not really sure, but it was about that date.

Q. And that is the usual practice as far as you are informed?

A. Well, the practice is to comply with the law which requires that the certificate be filed before the bonds are issued. Now, if I may go into that transaction a little bit, as I remember it, the trade with the bankers, they had calculated on getting a good deal, any way the trade with the bankers was not consummated until one Monday morning which was after the first of April—and the first of April was on a Wednesday, and it was the sixth of April before we were able to sign the contract. The trade was negotiated worthily and the contract signed that date and I think the bankers put out their circular about the 7th as I remember it. I know they put it out very quickly. The bonds were sold for delivery when they got them, and they got them. Now, the date at which we were to settle, as I recall it was the 22nd day of April. Now, the 6th of April was the first opportunity we had to start to prepare the certificate of notification, which as I said before

was a very voluminous thing. Moreover, they asked us to abstract some thirty odd mortgages and attach the abstract to the certificate. There were also several tables, as I remember it, and so on and so on, without going into a lot of details, that had to be prepared, and by the time that was passed on by the auditors and the treasurer and the legal department, down here in Harrisburg, I think we made pretty good time if we got it in on the 17th.

Q. Well, it was quite possible, was it not, Mr. Sawyer, to prepare a very large part of that certificate of notification before the bonds were actually sold to the banks?

A. Well, if we had known that we were going to sell them, that would be true, but two years ago we thought we would be able to sell them, but a legal technicality developed at the last moment which required a sixty day stockholders notice, and while we were waiting for the sixty days, the bond market slipped away and we didn't sell the bonds. This time the bankers, being very good traders, talked about the condition of the mortgage that they thought ought to be modified in view of the possibility of their selling these bonds, and we sort of expected that they might make us an offer which they did finally, and after considering for, I guess, about forty-eight hours, if I remember correctly, in checking up, we decided that it was a very good trade. Now, we had no real idea that those bonds would be sold until that acceptance, so that about all the preparation that we had that was useful in this certificate was the mortgage, which had not been entirely completed and we had several things to thresh out with the bankers and the proposed trustee before it could be approved, printed and attached to this certificate so that due diligence and speed included night and Sunday work—I guess there was a Sunday in this period because I worked both of them including Easter, personally, and I should say that we got it in as quickly as it was possible to do so, and of course, within plenty of time. I don't know why stress the time. If you will tell me what you have in your mind, probably I can help you.

BY MR. EVANS:

Q. I think, Mr. Sawyer, that one of the reasons why there was some uncertainty about this issue was the fact that at the time the bonds were being sold by the bankers, neither the Securities Commission nor the Public Service Commission here had any knowledge of the situation at all?

A. Well, I am sorry if they feel that they were in the least bit slighted, but we did the best we could, and we complied with the law and the rules. As far as the securities commission was concerned, their notification comes from the sellers, I believe, from the sellers to the public.

Q. The dealers?

A. The dealers, yes, and not from us. Presumably waited until our certificate was filed before they proceeded, because there would be no object on their part in filing unless we had gone through with our formalities.

Q. Well, I think the Securities Commission requested them for some information which they gave?

A. Well, I think your question is quite in order, Mr. Evans, but we just did the best we could, and it was not humanly possible to get it in any sooner.

BY FATHER COX:

Q. Are the banks that took care of your issue in any way associated?

A. No, Father, there is no—we have always dealt at arms length, and of course—I am just trying to picture—I think probably the only tie that you could possibly get would be that the president of Guaranty Trust Company was a director of National Power and Light. That is the only thing you can probably tie anywhere, and that is very remote.

BY MR. RHODES:

Q. Well, the Electric Bond and Share is more or less owned by the Morgan interests, is it not?

A. Of course, I am not able to answer that, but I can tell you this, from reports of the Electric Bond and Share Company, which have been put out this year, there is no stockholder, as I recall it, no single stockholder, that holds over four per cent. So, of course, the Morgan interests would not—

Q. Yes, of course, but the Electric Bond and Share is more or less recognized as affiliated with the Morgan interests, and

so is the Guaranty Trust Company? I am not insinuating anything by that. I am merely just—

A. I am glad you mentioned that. I don't know whether you want to put all of this into the record or not—

MR. TURNER: I think the stockholdership question is an important question, because it arises in the minds of a great many people.

THE WITNESS: Well, I would say definitely, no, that the banking house of Morgans does not control the Electric Bond and Share Company.

BY MR. RHODES:

Q. I was under the impression that the Morgan interests though had quite something to do with the operations of the Electric Bond and Share and were affiliated with its financing. They may not own the company, but I understood they were more or less the bankers of the company?

A. No. (Remainder of the statement of the witness off the record, by direction of Mr. Evans).

BY MR. TURNER:

Q. The Electric Bond and Share is a holding company. Is that stock held in Pennsylvania or is it scattered outside?

A. The stock of the Electric Bond and Share?

Q. Yes?

A. I don't know, except what is in their report, I think I have it here, and I think I can show it to you. There is a very interesting table in there as to its ownership, and it was put in there, I am sure, to clear up this very question that you have asked.

(Discussion off the record.)

MR. TURNER: Mr. Sawyer, won't you just read into the record, the amount of common and the amount of preferred stock? Not in dollars, but the number of shares; and then the statement there which appears on the bottom of that page?

THE WITNESS: Mr. Turner asked me to read this into the record:

"Only four stockholders held as much as 1% each of the total common stock and of these only one held in excess of 2%. This one stockholder was Electric Bond and Share Securities, Inc., holding approximately 4% for sale to officers and employees under the stock-purchase plan approved by the stockholders in 1929."

BY MR. RHODES:

Q. May I make just one other suggestion, that the names of the board of directors be incorporated in the record, as set forth in your statement.

A. Of the Bond and Share?

Q. Of the Bond and Share Company?

A. Yes sir. They are as follows:

S. Z. Mitchell, Chairman,

Frederick A. Fennell

E. K. Hall

Lewis E. Pierson

Frederick Strauss

George H. Howard

C. E. Groesbeck

Edwin G. Merrill

William C. Potter

MR. MOORE: We will take a recess until 6.30 this evening

#### AFTER RECESS

MR. WALKER: I would like to introduce in evidence a letter from the University of Pittsburgh and ask that it be spread upon the record.

#### "THE UNIVERSITY OF PITTSBURGH

University Extension Division

April 1, 1931.

Dr. John G. Bowman,

Chancellor of the University.

My dear Dr. Bowman:

I am replying to Miss Smith's request for information about the question raised by Mr. Walker.

At a recent meeting before a Public Service Commission meeting at Harrisburg, Mr. Eddie McCloskey of Johnstown, appearing as a taxpayer, was quoted by a staff correspondent of the Pittsburgh Sun Telegraph as saying that the teachers in the Johnstown Center of the University of Pittsburgh were teaching "utilities" and doing it from the corporation view-

point. So far as I know, this statement did not get either on the Associated Press or the United Press wires and it did not appear in any Johnstown paper. Upon Mr. McCloskey's return from Harrisburg the next day, he was faced by Mr. James Killius with a request for an explanation of this statement. Mr. Killius reports Mr. McCloskey as replying that he had made a mistake and that the teacher in question represented the Pennsylvania State College rather than the University of Pittsburgh. It appears that Pennsylvania State College is teaching a course in Corporation Accounting which we had previously declined to handle for the Associated Gas and Electric System. This is doubtless the course in question. We teach no course at Johnstown in which this issue could possibly be raised.

Very truly yours,

(Signed) Stanton C. Crawford.

PAUL B. SAWYER recalled

BY MR. EVANS:

Q. Mr. Sawyer, according to the testimony before this Committee, the transaction in 1928 resulted in the assets of the companies acquired being entered on the books of the Pennsylvania Light and Power Company at \$54,293,903.53, as compared with the net book value of these assets on the books of the individual companies of \$24,543,612.43. If this transaction had taken the form of a direct merger of all these companies, without any intermediation of the Lehigh Power Securities Company, or of Mentz, that change would have meant a write-up in the valuation of those assets of between 29 and 30 million dollars, and in the same way in the 1930 transaction, the assets of the companies acquired were entered up on the books of the Pennsylvania Power and Light Company at a net value of \$25,549,628.18, as shown by their 1930 report to the Commission, as compared with a net book value on the books of the companies acquired of \$11,833,467.65, or a write-up in this case of \$13,716,260.53. Now, these two combined make a total write-up on the books of the Pennsylvania Power and Light Company over the value at which these companies were carried by the merging companies of \$43,466,451.63. As I understand your testimony, you feel that that was a perfectly proper charge, owing to the fact that the Lehigh Power Securities Company had actually paid this increased price for the various companies acquired?

A. That is not the reason, Mr. Evans, in toto. The appraisal of the properties by Mr. Stebbins, indicated, and he so testified, that the values of the properties exceeded that amount, so to be conservative, we put the cost price over all on the record.

Q. Well, in general, do you think it is good utility practice to enter on the books of an operating utility a write-up of its fixed capital, which is arrived at by a valuation of its property?

A. I don't subscribe to the word that you use in calling it a write-up. It is the entry on the books of a value which we felt was a conservative one, and not the full value.

Q. What I want to get at, Mr. Sawyer—

A. Excuse me—I don't want to quibble about words, I just want to give you the impression that it was something the Pennsylvania Power and Light Company acquired, and wishing to have its record as near as it could have it correct, put it on at this value, and the best way to find the value was, we felt, to employ a disinterested outside competent engineer who would value, as near as he could, the property, or would get the value to which we would be entitled. Now, he told us the value he reached was greater than the amount paid, so wishing to be conservative, I say again, that we put on the amount we paid.

Q. What I want to get at, Mr. Sawyer, in the first instance, is your opinion, as one of the leaders in the electric industry, of the practice of operating utilities—book values of their fixed capital, by having an appraisal made, which showed a reproduction cost greater than that on their books.

A. I would like to answer in two ways. The first answer to your question, as to not agree with my position in the utility field. I don't agree with you in my position in the utility field. I think, Mr. Evans, the proper way to proceed is to arrive as fairly as you can at the value, or something under the value and have your books correct as nearly as you possibly can get them. As I understand the value ques-



tion, it is a fair value of the property, by taking into consideration all of the elements that you must take into consideration in arriving at that value, the reproduction new, the piece meal construction, the time in which you did it, the location, whether it is all compact, or whether it is scattered, and all of the thousand and one factors that come into it. Now, of course, values change from day to day, and you cannot change your value on your books from day to day. You fix it when the opportunity comes in the best way you know how.

Q. But should not your books reflect the cost of the property?

A. Well, when you enter the value of something that you acquire, it seems to me you should enter its value and of course, in this case, we put the cost on—

Q. I am getting away entirely, if, I can, from this case.

A. But I want to make it clear that I am not tying this cost and the value together.

Q. I want, if I can, to get your opinion. Take for instance the situation that we had this morning, and perhaps it puts you in an unfair position to ask you to criticize another utility's practice, but the reports of the Duquesne Light Company to the Public Service Commission show that in the year 1927, without the acquisition of new property, they revalued, or they valued—had a valuation made, I will put it that way, of their property of some sort, and on the basis of that they wrote-up their book value of that plant some \$24,000,000. Now, from the standpoint of effective regulation and sound utility practice, do you feel that that is a desirable practice.

A. Well, Mr. Evans, this is going to be difficult thing to answer without stepping on somebody's toes. Can I do it in a general way? If at any time you find that you are not on the right path, you better just quit and get there, get over on the right path.

Q. Mr. Sawyer, did you ever hear of any industry, other than a public utility, that did this sort of thing on their books?

A. Well, would that be of any—well, I won't say anything that looks like evasive. No; I have not.

Q. In other words, then, the reason, as I take it, for doing it among utilities is because it is desired to keep the books on a satisfactory basis for ratemaking purposes?

A. That may be one of the reasons; I think—I know we at least try to keep a true record of what exists, and whether we had a rate case pending or in practice, I think, if we found such a state of affairs we probably would correct it.

Q. I am told, from the standpoint of effective cost accounting, which has been practiced by one or more of the electric utilities in Pennsylvania, and which Mr. Zimmerman stated they contemplated putting into effect in Philadelphia Electric system, it is impossible to establish such a system unless you keep your books on the basis of costs, without write-ups of viewed valuations. And now, does the Penn Power and Light attempt to keep any current cost accounting?

A. Of what; current cost accounting of what?

Q. I am thinking, for instance, of the system, which has been brought to the attention of this committee, which the Penn Central put into effect under the Day and Zimmerman management, which attempted a great deal of detail to ascertain the costs of servicing the various classes of consumers, and even went further than that?

A. I can't tell you right now, Mr. Evans, what the Penn Central has done, but, of course, the Penn Power & Light Company from time to time, and I might say probably almost continuously attempts to determine the cost of attempting to serve its various classes of customers. Now, is that what you mean?

Q. Is that current day to day cost keeping or is it\* from so-called cost studies made from time to time?

A. I am not so familiar with that phase of the work as I might be, but my impression is that it is done from time to time.

Q. If a company does write-up its property on its books through valuations made at a period of peak prices, has it not got a corresponding responsibility to write down its books in a period of low prices?

A. I think that would naturally follow with a company that is making an effort to keep its records parallel with its values.

Q. Did you ever know of any utility that wrote down its property on the basis of a valuation?

A. No. The probable reason is that the electric utilities, of which you are now speaking, have been on the make right

along; they have been increasing their values continually, and been expanding in business; and there has been no occasion to write it down; they have not shrunk.

Q. It is not a question so much of the expansion of their plants as it is of the trend of prices?

A. Isn't this the point, Mr. Evans: The amount that is on your books represents the fair value of property, irrespective of what it may have cost you. It is determined at such intervals as this merger in the case of the Pennsylvania Power & Light Company. It is added to and deducted from as additions are made to the property and the equipment is retired.

When the question of whether you are earning a fair return upon a fair value comes up, you don't take the amount on your books as a fair value, you make a valuation at the time, take the fair value at that date, taking into consideration all of these things that we have been talking about; the cost of piecemeal construction, the purchasing power of the dollar at the time, whether it has gone up or gone down, and arrive at a value of the property as of that time. Then, I presume you must arrive also at what is a fair return on that fair value at that time; taking into consideration the cost of money, the general prosperity or not prosperity of the country at the time, et cetera.

Now, what is there that you want to know about the book value and the fair value for a return basis?

BY MR. RICHARDS:

Q. Doesn't the labor cost enter into that; would not the labor cost be a large factor in deciding fair value?

A. Oh, my yes. Of course, practically every thing that has to do with it from its crude state to its finished product is largely labor; eight-five or ninety percent. I should say. So, the labor market fluctuating, will have a great deal to do with the fair value. I presume there are other factors that would be taken into consideration. If the labor market went off and you were determining a fair return of what you had to do, when your labor market was high, that would be one factor in determining what the fair value of this piece of property happened to be at the time.

BY MR. EVANS:

Q. I am afraid I have not made myself very clear. What I want to get at, if you can advise me is what useful purpose is served by a write-up of the value of fixed capital on the books of a utility due to a valuation other than first getting the books in line with a rate base which will be satisfactory to the utilities, and second for the purpose of issuing securities?

A. I am not so sure that I follow you, Mr. Evans, and I will refer to what I said before. The intent is to have your records as accurate as you can make them. Now, of course, you cannot follow—

Q. Don't book records represent costs? Have you ever seen a business which attempted to keep its books from year to year on the basis of reproduction value, rather than the actual cost of plant?

A. This is the only business I have ever been in, Mr. Evans. I would answer you if I felt competent to do so, but I don't. What is it you are trying to find out?

Q. We have a great many cases of these write-ups of property of utilities on the basis of ex parte valuations made by someone connected with the company which produces fixed capital far in excess of the actual cost of that fixed capital. I am trying to find out—you are a utility man—what is the philosophy back of doing that?

A. I don't know that we have done that. I don't feel we have done it. Why should I answer it? We have not done it, and why should I know what the cost is. We do what we think is right. If we have not done it correctly, will you tell us what is wrong with it?

BY MR. HAGMAIER:

Q. You think you got a bargain when you bought those properties?

A. I certainly do.

BY MR. EVANS:

Q. Mr. Sawyer, evidence was introduced before the Federal Trade Commission in connection with the Electric Bond and Share Company, that the Lehigh Power Securities group of companies in 1927 paid fees on their services to the Electric Bond and Share Company. Among them were engineering

charges amounting to \$398,441, auditing fees \$11,378, commissions paid by the P. P. & L. for supervising sales of preferred stock in customer ownership campaign, \$76,656, supervision of these, \$699,067, all of which went to make up part of the total fees collected by the Electric Bond and Share Company in 1927 amounting to \$6,819,609. Is the contract which was in force in 1927 with the Electric Bond and Share Company covering these services still in force?

A. No, it is not. Of course I have just followed along with these figures, you have mentioned. I have no recollection as to just what they are. But what is this figure \$6,900,000?

Q. These were the total fees from all sources?

A. Well, I can tell you about the service contract if you would like to have me do so, and that might save you some of these questions. The Electric Bond and Share Company has a supervision contract in existence now which can be cancelled by either party—I am speaking of the Pennsylvania Power & Light Company, and there are others with the other subsidiaries which I mentioned a while ago—can be cancelled by either party to it I think on sixty days notice, for a percentage of the gross earnings of the operating company on a sliding scale basis. The applicable one to the Pennsylvania Power & Light Company I believe is about 1.1 per cent.; it may be 1.2, for which the Electric Bond and Share Company renders expert advice and supervision on all phases of the operating company's assistance—that is, the Bond and Share, being made up in addition to certain clerical and other forces, of a group of highly trained experts in engineering, accounting, operation of various classes of utility business, planning for the future as the finances for expansion to territory, or engineering looking to this expansion, and consultation looking to this expansion, and so on, and so on. Also, the Bond and Share Company does a large amount of group purchasing for all of the companies supervised by it in which it is able to obtain very much higher and extra discounts because of quantity purchases. All of these extra amounts over and above what the utility could get through his smaller purchases are turned over to the utility. The supervision puts an officer, if it is so wished by the operating company, who consults with the management and with the board of directors and acts more or less as a clearing house again, if you please, between these experts of the Bond and Share Company and the operating company. In that way the operating company can obtain a price, for instance, as we did in this sale of first mortgage bonds of the Pennsylvania Power & Light Company, something that the power company has done once in the period of its existence and probably will never do again; the entire work is supervised by the Electric Bond and Share Company as the terms of the mortgage, the negotiations for the sale of the bonds, and so on, that is, waiting on the call of the operating company, are these expert advisers of the Bond and Share Company and has this to do with all companies that it supervises, something that we are doing continually, sometimes twice a week, or maybe once a month, so that the best expert advice available is there on call by the operating company all the time, and you can see it is used and the operating company is not required to go out and employ some professional to obtain this advice and assistance who of course under the conditions of employment would expect to get stand-by pay.

The provision is subject to the Board of Directors of the operating companies, which, in the case of the Pennsylvania Power & Light, is all local people, who decide the policies of the company, and on all questions of importance, of course, they obtain advice from the members of the Bond and Share, who may have had experience elsewhere. Take for instance the steam power house efficiency engineer of the Bond and Share. He has his staff, he is in constant touch with the efficiency of the steam power houses of all of the companies that are supervised by the Electric Bond and Share, their plants in many states of the Union, and in a number of foreign countries. Those statistics are collected and made available to the people here in Pennsylvania for comparative purposes, and also to see how they can better their own operations, and if they are unable to interpret the report, the efficiency man will come out and explain and help them to adopt some method that may have been developed by some one in the some distant part of the country that has turned out to be a very efficient thing.

That, in general, is the way it works in all of the phases of the management, and the prospects for the future, and the

planning for the prosperity of the company and planning to get a sound, safe country, that can use a good service at continuous rates, at as low a price as it can to maintain its credit and standing.

BY MR. EVANS:

Q. I understand that Mr. Wise will be able to give us the amount of those fees paid by the P. P. & L. in 1930?

A. If I gave them to you, it would be because I received the information from him, so it would be better if he gave you the continuous figures, rather than for me to repeat something that has been told.

Q. Now, does the Phoenix Utility Company pay fees to the Electric Bond and Share Company?

A. I don't believe so, Mr. Evans. I am not an officer of the Phoenix; I believe if the Phoenix has anything left after taking care of its own overheads, pays dividends, but to what extent, if and when, I cannot tell you. I don't know.

Q. The reason I asked is that Exhibit No. 12 on page 654 of the Federal Trade Commission Volumes 23 and 24, indicates that during the year 1927 the Phoenix Utility Company paid fees to the Electric Bond and Share Company totaling \$147,138.58, marked Harrisburg; \$192,339.43, marked Pennsylvania; and \$14,143.74, marked United. Do you know at all what those fees would be?

A. No, I don't, Mr. Evans. I recognize the name, of course, of the Harrisburg Company and the United, which was the old company across the river in Lemoyne, and no doubt the Phoenix did some work, construction work, for those companies at that time; when they were operating under their old corporate structures; but I can't imagine how Phoenix could have paid any such amount to the Electric Bond and Share for anything it did for those companies.

The Phoenix is a contracting company, an engineering company, an engineering company, that does work for a fee. It has its overhead expenses, just as any other contracting and engineering company has. It gets 4% on the construction, but a large part of that 4%, of course, is made up of the cost to keep its own offices and its own forces, and to look after such other things as it may have.

The only outcome the Phoenix, that I could imagine, would have there, would be possibly a dividend on its stock, if it earned any.

Q. Well, are you able to say of your own knowledge whether the Phoenix Company in determining the cost of work which it does, for instance, for the P. P. & L., includes in that cost any fees paid to the Electric Bond and Share Company?

A. Oh, no, because everything that the Phoenix receives its fee on is open to inspection of the Pennsylvania Power and Light Company, it is a part of the cost of construction work. I am not familiar with the Phoenix, I have no connection with it, Mr. Evans, and I don't believe my testimony is of any particular value on it. I am just giving you my impression; my impression is that the Phoenix is a struggling construction company.

Q. Well, this exhibit divides up the fee, for instance, paid for Harrisburg by the Phoenix Utility Company as follows: First, salaries, divided among engineers, \$20,992.06; draftsman, \$47,049.89; purchasing and traffic, \$3,030.75; inspectors, \$2,748.48, or a total salary of \$73,821.18. Second, in direct charges, \$73,317.40, which together make up together the total of direct and indirect charges of \$147,138.58?

A. Well, Mr. Evans, as I have said before, I have no connection with the Phoenix, and I am sorry I cannot clear that, because it has the name of the Harrisburg company and the United connected with it. Is it possible that through the Federal Trade Commission's investigation—and you understand that I have not been in it in any respect whatsoever, because they had no jurisdiction over our Lehigh records—it is possible that in working into this record, that they have got something like this first record you have on Mentz' agreement, they left it wide open on one end, without the proper data to support the statements? If you are interested in what the Phoenix did for those two companies on those dates. I think that we can get the data for you or show you where you can get it, because I would like to clear your mind and clear this record on it.

Q. I think the thing we are perhaps interested in, Mr. Sawyer, is whether in any cases there are indirect fees, if I may so call them, paid by the Pennsylvania Power and Light



Company, through any of its affiliated companies, which in turn pay fees to the Electric Bond and Share.

A. Well, what you want to get at then, as I understand it, is there any other channel where fees are paid other than the supervision agreement and the Phoenix Construction agreement.

Q. Directly or indirectly.

A. Not that I know of. All of the charges that are paid are covered by these two contracts.

Q. Now, it has been suggested to this Committee that management contracts and other similar contracts, between operating companies and their affiliated companies, should be made subject to Commission jurisdiction, and should be filed with the Commission. What are your views as regard to that.

A. Well, our contract is filed with the Public Service Commission, and that answers your question as to whether or not they should do it. In fact I think we filed one this week in the Valley Railways case. They are all typed, and they are all the same except as to the name and date.

Q. And so far as you are concerned you see no objection to suggesting this Commission regulation.

A. I think the Commission, if I understand its powers, has the authority now to pass on whether or not that charge is a just one to enter into the operating regulations.

Q. When a rate case is actually pending?

A. Yes. Is that what you want me to say?

Q. I had in mind going a little further than that, Mr. Sawyer. It seems too undesirable to have to bring a rate case every time you wish to have a determination of whether or not the charges are fair.

A. Oh, well, of course, that would be an impracticable thing to do, but I should not think that would be necessary. You naturally, and everybody wants to give a public utility the right to prosper, and give those who work with it opportunity to make a little something out of it. Of course the utility must give good service at a good rate. Now, if the rate is too high, for the services rendered, why, of course, the utility cannot grow, your people won't use the service. If that service is not high class, there is a large amount of business that you cannot get. On the other hand if you permit them leeway to extend the business, lower the rates as rapidly as good business judgment will warrant, permit the company to have a good sound credit, rating, why, everybody, will be happy, and you will not—and this is just my opinion, from my own experience with it, if you stifle the utility company so that it either cannot give good, equitable service, decent credit, it cannot stand. It will hurt your community. All communities will prosper and grow with the public utilities. Now—

Q. Well, the only thing so far as—

A. Now, the proper authorities of course, should keep in touch with what the utilities are doing, and if there is tendency on the part of any utility to do something that is not right and proper, of course, they should be disciplined.

BY MR. RHODES:

Q. There are other charges, management contracts which the Commission would not have control over, these things which you have just enumerated?

A. Well, if the Commission had not approved such payment by the utility, then the utility would have to pay it out of its fair return, and it would have something to do with the rates, as I understand it.

Q. I understand that, and what objection would there be in having the Commission scrutinize these contracts and approving them, providing they felt that they were fair and proper?

A. I don't think there would be any objection as far as supervision of the contract of the Pennsylvania Power and Light with the Electric Bond and Share goes. That has been before the Commission years ago, and there are copies on file now. We think it is an excellent contract from both sides.

Q. In the event that the Commission should refuse to approve one of these contracts, it would have no particularly adverse effect, would it?

A. Well, I think it would do this to the utility, if the utility had to, if it could, and I say that advisedly, if could get this service elsewhere, piece meal, it would have to pay a great deal more than it does. I say if it could get it. I don't want to throw bouquets at anybody, but there is no other organization except this type of organization—

Q. But the utilities were able to function before they were taken over by holding companies?

A. True. But they didn't have the advantage of the experience that they now are able to take advantage of. I think I get your point all right, and I think it is well taken, and the natural inference is that a utility having a full quota of offices and employees, is equipped to do all and everything and sundry things that has to do with its business. Well now, the Pennsylvania Power and Light Company as an example, of course, has had this piece of financing that we have spoken of, just once. The power company's actual life now is about eleven years, and the chances are it will not, at least not for a generation I would say, have another piece of work of this kind to do. Now, generally, personally, if I were the president of the Pennsylvania Power and Light Company, could not trade at any such figure as that, nor could the legal staff of the Pennsylvania Power and Light Company, giving it due credit for being an excellent one, work out a mortgage with all of the modern things in it that we now have, nor could, if I were the head of the Pennsylvania Power and Light Company make a trade with the bankers on as good a price for the bonds as they did.

Q. Then you think the holding company is primarily interested in the financial land?

A. No, I would not just say that, I said that because we have been talking about that particular feature of it.

Q. Is that the logical difficulty that most of us have, that holding companies are creatures of the banking interests, and that they are interested in the financial aspects of the company only?

A. That is a wrong impression. A holding company deals in diversity just like a department store, they sell all and various sundries kinds of things. A holding company would invest in the speculative end if you please, perhaps in Pennsylvania, perhaps in Texas, perhaps in Carolina, perhaps in Tennessee, and if you have hard times in Pennsylvania, and the speculative end of their investment here did not pan out, why, the chances are that something down south, the cotton crop or the oil in Texas may turn out all right, and vice versa. The holding company thereby diversifying its investment, naturally is interested in having its investments so that it is possible for them to operate in the most efficient way.

Now, that holding company is a company that has to do with the diversity of risks. It is not as I see it, a creature of the banking interest at all. Of course, another function of the holding company, that might give you an idea is, a great many times a local company is unable to raise money; there may be a stringency of some kind; it needs a loan of small amount of money for short period of time; the holding company is in a position with its diversified investment, diversified risk to always have securities or at least nearly always, to go out and borrow money for the local company for its needs on those securities.

Q. And these holding companies, which control the operating companies and dictate their policies, are usually beyond the control of the state?

A. None of the holding companies, the Lehigh, have attempted to dictate a policy in an operating company.

Q. Do you take the position that the Electric Bond and Share Company does not dictate the policy of its subsidiaries.

A. No; it gives advice.

Q. Advice may mean dictation too?

A. Well, the advice has been pretty good up to date.

Q. Don't you think that these holding companies should be detached from the operating companies functions which they control?

A. I am not sure that I follow you.

MR. TURNER: A sort of absentee landlordship, do you mean, Mr. Rhodes?

MR. RHODES: Yes.

THE WITNESS: Well, I won't say that. The Company, we are discussing, the Pennsylvania Power and Light Company is owned by a holding company but its preferred stock, I would say is practically entirely sold right here in Pennsylvania.

BY MR. TURNER:

Q. Where is the voting power?

A. The voting power is in the common stock.

MR. TURNER: I think there is a great deal of sense in what Mr. Rhodes has said, that there is a danger in this fact, if this controlling power is away off, and perhaps ad-



quate local people to look after it, is it not rather a new proposition in this field, and won't we have to wait to see whether it provides better management, reduction in cost; something like the trusts of twenty or twenty-five years ago; we were hollering about, and now we have got piles of them and nobody says anything about them.

MR. RHODES: Then we had Theodore Roosevelt and now we have Gifford Pinchot.

MR. TURNER: No; there is a vast difference.

BY MR. EVANS:

Q. Getting back to these fees, as I understand it, the one point one per cent. or 1.2% you mentioned as the percentage of these fees payable by the P. P. & L., that percentage is based on the gross revenue, is it not?

A. Well, the total gross of the company it includes the net. You see, I have to ask Mr. Wise.

Q. It has been brought to the attention of the Committee that in one group of companies, I think the Commonwealth and Southern, the plan has been adopted of having the company, which renders these services, substantially the operating company, its stock being held in proportion to their gross revenues, so that if any money is made out of these service contracts, it goes back again into the operating company approximately in proportion to their business. Have you got anything to say in regard to that?

A. I know nothing about the plan whatever. It is entirely new to me.

MR. TURNER: It seems to me, Mr. Evans—I would just like to supplement what has been said—it seems to me if you control the management fees and the issuance of stocks and securities, I don't think you need to worry about the holding company. That is what Mr. Attwill from Massachusetts said the other day. He said you didn't have to worry.

THE WITNESS: I am awfully glad you said that, Mr. Turner, because I have been trying to think and say something at the same time. I think you said if the local utility is not performing properly under the regulations that govern it, it can be taken care of right at home without bothering about the holding company. Well, I think that it is best put in the hands of the regulatory bodies here.

BY MR. EVANS:

Q. From what you have said, am I correct in saying that you think the Commission should also have control over security issues?

A. I do not see any objection to it. The only thing that occurs to me at the moment, Mr. Evans, is that in case the Commission does have control, it should be given in such a way that the operating company is not cramped by delays due to investigations, hearings, etc. You take this case again of the Penn Power and Light bond issue, that all came up and it was over in seven days' time, and it is common knowledge that there was no bond issue of any size preceding it for quite some time nor following it for quite some time. In other words, it probably sold the bonds at just the peak of the market and now, if the company had been required to take ten days or two weeks or a month, the opportunity may have gone by them. Now, I see no reason why the Commission should not regulate the issuance of securities of the utility holding company, providing some way is found to permit the operating company to take advantage of these opportunities as they come, all of which revert ultimately back to the users of the service in the form of good service and a right charge for it.

Q. Now, you spoke about your certificate of notification filed without our Commission as having given very complete information in regard to this issue of bonds, which you are now floating. What additional information has the Commission requested of you?

A. Well, some information, but I am sorry that I don't know just what it is, Mr. Evans. It is probably something to further explain the data accompanying the certificate.

Q. What is your feeling in regard to the present methods of valuations for rate making purposes? Have they been satisfactory or should changes be made?

A. A method of valuation?

Q. Yes; in other words, do you believe that the reproduction new is a satisfactory method of regulation?

A. Mr. Evans, I am a public utility man. The Supreme Court, as I understand, has ruled on that question, and if

I am correct the ruling is to the effect that utilities shall have a fair return on a fair valuation, taking into account all these various and sundry items. Now, Mr. Roberts—is that his name—who proceeded me; gave me a very able and learned discussion on that subject. I couldn't hope to use such descriptive and beautiful words, as he did, but I will subscribe to what he said.

Q. Mr. Zimmerman, when he was before the Committee, said that as far as he was concerned, he would be entirely willing to take out the prudent theory adopted as far as the value of construction is concerned. Would that be your attitude?

A. I am sorry, Mr. Evans, I don't know what you mean by prudent investment to start with.

Q. Using as the rate basis the actual investment of the company, assuming that that investment has been made in the exercise of ordinary business prudence.

A. Well, why try to better the Supreme Court of the United States in their decision.

Q. There has been a good deal of testimony before this committee that the reproduction cost new system has been one of the causes why regulation has so largely failed, and that a system can be devised which will obviate the necessity of constant valuations at reproduction cost, regulation will be made much more effective.

A. Mr. Evans, I don't know if your committee is going to better the present set up. We are dealing with variables on both ends. Your values change, and after you have once acquired something, the value of it will change as well. We put out these bonds to mature in 1981 and every bond that matures in 1981 has to be paid for in dollars in 1981. Maybe the dollars in 1981 will be worth twice what they are worth now and buy twice what they will buy now, or they may be only worth half as much and only buy half of they will now.

BY MR. RHODES:

Q. Suppose everything goes down until 1981, your bonds may not be worth half what they are?

A. Surely; when you come to the time of reckoning, and that is when the people say you are to be checked up, I think when the decision of the Supreme Court will come into effect.

Q. Suppose the reproduction cost of your property at that time was not equal to the amount of the bonds. Would that be fair to your investors?

A. No, but that is their risk. The bond man gets a preferred risk, and he takes his chances first at your property if anything happens. Under the conditions that are needed in this mortgage that I speak of, we have to do certain things to keep that property intact as best we can. The preferred stock man doesn't get quite as much security as the bond man does, and the common stock fellow gets all the risk, and he has to have more for his chances.

Q. Under present regulation there is not much risk to the common stockholder either?

A. I would not just say that. Suppose this industrial depression that is on us now, for some reason would cut ten or fifteen per cent. right off the top of our business, the common stock man would not get anything. We had to do that with the Williamsport Railways just this year. I think the rate was 8 cents, and we didn't want to raise it, but we were just dying, so we talked it over with a local group of businessmen and they wanted to maintain the trolley service so did we; so they came along with us to the Commission and we all asked, all of the parties, and we raised it to ten cents, but we didn't get a nickel more, not a cent. There was just enough quit to make up the difference. You cannot do it that way. If you raise the rate you are going to lose the business. On the other hand, if you cut it too much, you will lose all your income, and when it is going against you the way it is now with the trolley companies, you are just out of luck.

FATHER COX: Trolley cars are something that you can do without, but we cannot get along without water and light.

MR. TURNER: There are lots of poor people in the country who do not have cars and have to ride on the trolleys.

FATHER COX: I think the statistics show that there is an automobile for every four people.

THE WITNESS: I agree with you, Father Cox, that the standards of living which we have educated ourselves up to enjoy, requires an automobile for everybody, but the trolley car is the most economical system of transportation in town today that can be devised. Of course you don't want to burn



candles in your home, and you don't want to burn kerosene, but you do want electric light, and you want the company to prosper and you are willing to pay them what it costs.

BY MR. RHODES:

Q. Of course if there is a better method than reproduction cost new, I presume you utility men are willing to have it adopted?

A. Certainly. We are for progress absolutely.

MR. RHODES: The Supreme Court changes its opinion once in a while, too.

BY MR. EVANS:

Q. Mr. Sawyer, can you state approximately what percentage of the fixed capital of the Penna. Power and Light Company has been constructed at post-war prices?

A. No, Mr. Evans, I cannot tell you that.

Q. Your 1930 report to the Public Service Commission shows that \$17,778,807.84 represents the balance of your fixed capital installed prior to January 1st, 1919, as at the close of 1930 for your electric department. What would be your total fixed capital in your electric department?

A. You ask me, what would be the total fixed capital? I don't have that figure in my head. Are you looking at the balance sheet of those years? You have a balance sheet that I gave you this afternoon.

Q. Is that not all mixed up with gas and electric?

A. I am not familiar with these reports.

Q. This report for 1930 would seem to indicate that more than 80 per cent. of the electric property of the Penna. Power and Light Company has been installed since 1919. You don't think that the decline in prices of the last few years makes it of any advantage to you to get off the reproduction cost basis?

A. My dear man, when the time comes to reckon with us, let us get what the Supreme Court says, a fair value of the property.

BY MR. RHODES:

Q. I see you are going to stand on the Supreme Court's idea?

A. I think it is a pretty good, safe thing to stand on.

MR. RHODES: Until we overrule it.

MR. EVANS: All right, Mr. Sawyer, I think that is, all we have to ask you.

THE WITNESS: Thank you, gentlemen.

JOHN S. WISE, JR. sworn

BY MR. EVANS:

Q. Mr. Wise, where do you live?

A. Allentown, Pennsylvania.

Q. And you are president of the Pennsylvania Power and Light Company?

A. Yes sir.

Q. How long have you been president?

A. A little over two years.

Q. What office did you hold in the company prior to that time?

A. That of operating manager.

Q. How long did you hold that office?

A. For about ten years, I should say.

Q. Have you a statement of the fees paid by the Pennsylvania Power and Light in 1930 to affiliated companies for services of various kinds?

A. I have a statement of the fees paid to the Electric Bond and Share Company under the supervising agreement. The average supervision and general services averaged 1.2% of the gross revenue of the company and amounted to \$458,318.

Q. And did you not pay any fees to the Phoenix Utility Company?

A. The construction fees to the Phoenix Utility Company, at the rate of 4%, as provided in the agreement, on construction work, approximating \$3,650,000, amounted to \$145,000, in round numbers.

Q. And did you pay any other fees to any other subsidiary of the Electric Bond and Share Company?

A. No sir.

Q. Do you have any knowledge as to whether the Phoenix Utility Company pays any fees to the Electric Bond and Share Company?

A. No sir, I don't.

Q. Mr. Wise, about 1926 you and certain of your associates purchased the capital stock of the Panther Valley Electric Company, did you not?

A. Why, the Pennsylvania Power and Light Company, or rather Lehigh Power Securities Corporation through a Mr. Robert Jakes, made that purchase of the stock of the Panther Valley Company.

Q. Were you not involved in it?

A. I was not involved in it in any way, other than the night that sale was closed I went to Lansford, and assisted him in closing it up. They had a meeting then of about 58 stockholders, and I went up with him to help close the transaction.

Q. Do you know how much he paid for it?

A. Why, there was about, I think, 14,000 shares, in round numbers, and we paid \$100 a share in cash for those who desired cash, and traded a share of preferred stock on the basis of 105 for a share of common stock.

Q. So that the total consideration was somewhere around \$1,450,000?

A. About, yes sir.

Q. And the Lehigh Power Securities Corporation furnished the money for this, did it?

A. The money and the stock, yes sir.

Q. Did you know at that time that the property of this company had been appraised by Gannett, Seelye and Fleming in 1919 at \$362,000?

A. I did not.

Q. Did you know that in 1923 the fixed capital assets of this company had been written up from \$459,371.31 to \$725,219.27?

A. No, I did not.

Q. Did you know anything about the books of the company at the time?

A. No sir.

Q. Who on behalf of the purchasers did make the investigation?

A. Why, at that time there was considerable competition for a number of the companies, smaller companies, in what is now Pennsylvania Power and Light territory, and Mr. Jakes was employed by the Lehigh Power Securities Company to acquire the stocks of some of the small companies.

Q. Who was competing with you for the control of these small companies?

A. Well, I don't know, I think one of the companies was the Baker-Young Company, they had just purchased the stock of the Mauch Chunk Company several days before.

Q. And for whom were they acting?

A. I don't know.

Q. In other words, the prices that were paid—

A. They are still apparently running the Mauch Chunk property.

Q. In other words, the prices that they paid for these companies were determined on a competitive basis between purchasers?

A. Well, it made us pay a pretty stiff price for that stock, a higher price than I believe we would have had to pay for it if it had not been for that competition. However, I was familiar with the property, because it adjoins our Hauto Power House, which was about two or three miles away on the other side of the mountain, and for perhaps 20 years I had been observing the growth of this Panther Valley Company, and in fact it was a customer of ours. We sold them all their power. We did a good bit of their engineering work. We did a good bit of work for them for which we made no charges. And I knew that for many years they had plowed the earnings back into that company, and I also knew that up until the time that the Public Service Commission put in their uniform system of accounting, that company practically had no bookkeeping or accounting system, and I think in my opinion, while the price was pretty stiff, we were looking forward into the future and were paying for something that was of value to us and to our system, when tied in the whole thing, and that also the physical value, perhaps was somewhat less than the purchase price, nevertheless it was a sound purchase for us to make. At the same time, I think we were purchasing some other companies that we bought at prices lower than the physical value, so that the thing was more or less evened up.

Q. When was the Panther Valley Electric Company taken into the P. P. & L.?

A. I think in 1928. I am not sure. I think I could tell you that.

Q. Was it one of the 35 companies covered by the Mentz agreement?

A. I can tell you in a minute. That came in the 1928 merger, along with the East Penn Electric Company.

Q. During the time that you held the Panther Valley Electric Company stock, prior to 1928, did the Public Service Commission ever take up with you the question of rates?

A. No sir, not to my knowledge.

Q. According to the testimony introduced in 1926 and 1927, the company earned in each year over 21% on the depreciated book value, less construction in progress at the end of the year on its fixed capital?

A. No, we never had any rate cases. We think, of course, its fixed capital was very much below the physical value of the property of the company.

Q. But it was taken into the Pennsylvania Power and Light System at the price you paid for it, at \$1,450,000?

A. The cost, I understand.

Q. Now, it is true, is it not, Mr. Wise, at this time there was a good deal of competition among various holding companies for the companies which the P. P. & L. later acquired?

A. No, I think the only competition we had was just in that valley, the Mauch Chunk and the Panther Valley Company. We found it at no other place.

Q. Was not the Metropolitan Edison System and its owners a competitor of yours in acquiring some of these companies?

A. No, not in this territory.

Q. I mean in the territory of the companies acquired by you in 1928 and '30?

A. No sir, not in this territory. There was no place near most of them, and I am looking at the companies that came in in 1928.

Q. How about 1930?

A. In 1930, I don't know of any competition with the Metropolitan Edison Company with reference to the 1930 merged companies.

Q. You don't know of any competition with any other system for any of these companies?

A. No sir, not to my knowledge.

Q. Then what did you mean by saying there was a good deal of competition in the Panther Valley?

A. In this particular valley.

Q. That was the only one?

A. That was the competition that I ran into, because that came to my attention, yes. In the rest of these territories I think we made some very good buys.

BY MR. WALKER:

Q. Mr. Wise, is your company a member of the National Electric Light Association?

A. Yes.

Q. A member of the Pennsylvania Electric Association?

A. Yes.

Q. And I believe you were president of the Pennsylvania Electric Association at one time, were you not?

A. In 1928.

Q. When did you take office as president?

A. Well, the president takes office some time early in September, so I was president from about September, 1927 to September, 1928.

Q. And during the time you were president, did you take an active interest in the Pennsylvania Electric Association?

A. I have always been interested in the Association, almost from its inception.

Q. Did you ever serve on the Public Policy Committee?

A. I did at one time, yes.

Q. When were you on the Public Policy Committee?

A. I was on the Public Policy Committee for several years, up and during the time I was president.

Q. How many years prior to that?

A. Perhaps three or four.

Q. Was Mr. Walter Johnson chairman of the Committee?

A. Yes.

Q. And you served on that committee while he was chairman?

A. Yes.

Q. Do you recall when that Committee was disbanded?

A. I think it was disbanded about the time I was president. In fact I think I was one of the men who is responsible for the disbandment.

Q. Why was it disbanded, Mr. Wise?

A. Well, because it was a useless committee. It was in my opinion a misnamed committee. It never did anything of any moment. Its chief job seemed to be to hold a meeting at each convention, before the next president was elected, and pick the officers for the following year, and everybody felt that that was putting the control of the officers and executive committee too much in the hands of three or four men, and some of the younger fellows, including myself, we disbanded them.

Q. When did you determine that this committee was a useless committee?

A. Well, I always thought it was.

Q. Well, it received contributions from members of the Pennsylvania Electric Association, did it not?

A. It did at one time.

Q. Do you recall offhand for how long?

A. Well, I don't know just for how long, but I know that there was one period here during the Giant Power legislation, that the Pennsylvania Electric Association needed some extra funds to employ additional legal talent and to employ some experts and some other people to help working up a defense for the industry against that plan, and I think each of the companies paid some contribution to a committee which was supposed to pay it, the money, for these people who were employed.

Q. Was that the only time that you can recollect money was donated to this Public Policy Committee?

A. That is the only time that I ever knew about it.

Q. Now, may I refresh your memory just a little. I show you here Federal Trade Exhibit No. 1114, which is a record of the receipts of the Public Policy Committee of the Pennsylvania Electric Association. It shows that on February 15, 1923, the Pennsylvania Power and Light Company donated \$2,099.51 to that Public Policy Committee. On the same exhibit, January 23, 1925, the Pennsylvania Power and Light Company donated \$3,000 to the Public Policy Committee, is that correct?

A. Correct.

Q. In 1926, the Pennsylvania Power and Light Company donated \$4,200 to the Public Policy Committee?

A. Correct.

MR. RHODES: What years were those?

MR. WALKER: 1923-25 and 26, Mr. Rhodes.

BY MR. WALKER:

Q. February 11, 1927, the Pennsylvania Power and Light donated \$2,500 to the Public Policy Committee; is that correct?

A. Right.

Q. Was all of that money used for the Giant Power Bill?

A. No.

Q. You were serving on the committee at that time, were you?

A. Yes; I was on the committee.

Q. What was that money used for?

A. Well, I didn't disburse the money it was done through Mr. Johnson. All I know about it is that it was paid for experts, attorneys, experts along certain lines for services of people to assist us in working up literature, and plans and other things of that kind. I think we had to employ some speakers before committees for hearing and various things of that character.

Q. In 1923, according to the evidence, exhibit 1114, there was \$19,203.41, contributed to this committee, is that correct?

A. I presume it is; yes sir.

Q. In 1925, there was \$26,900.43; is that correct?

A. Yes.

Q. In 1926, there was \$2,335.44 contributed to that committee; in 1927 there was \$26,277.69, contributed to it, and then, after that, do I understand that this committee was abandoned?

A. The Committee was abandoned, I think, in 1927 and 1928.

Q. And all of this money, that was contributed each year, was disbursed for legal services and experts.

A. As far as I know.



BY MR. RHODES:

Q. Do I understand that Mr. Johnson, former president of the Philadelphia Electric, had charge of the distribution of the money?

A. Well, he did for a while. I think Mr. McCall was president for a while when he was alive, of the Public Policy committee. In fact as near as I can remember, I think I did not attend more than one or two meetings of the Public Policy Committee, and just all that committee did I don't know; but from my point of view I never thought they did anything; that is was a useless committee.

Q. I notice here that you had contributions in 1923 and 1925 and that you skipped 1924. 1923 and 1924 were the session when the Giant Power legislation was before the legislature?

A. Yes sir.

Q. Well there were three sessions, if you will remember, the special session of 1926.

A. There were three sessions; yes sir; and there were a great many bills in that were detrimental to the industry, and I know our association employed quite a few people to assist us in hearings before committees and working up data and in making speeches before committees and matters of that character.

Q. I think Mr. Johnson testified, when he was on the stand that he had hired quite a number of attorneys to represent the association before the legislature at that time.

A. I think so; yes sir.

BY MR. WALKER:

Q. I will read from page 311 of Mr. Johnson's testimony:

"Q. And you have been chairman of this Public Policy Committee of the Pennsylvania Electric Association for several years, past?

"A. Yes.

"Q. It is correct to say that the principal expenditures of the committee had been in connection with legislative matters in Pennsylvania?

"A. That is correct."

Q. Is that your understanding of the functioning of the committee?

A. I think most of the money was spent in just what I have recited; in fact all of it was spent in that way, as far as I know. I know of no money that was spent illegitimately in any way, shape or form by the Pennsylvania Electric Association.

Q. You say the committee was a part of the electric association?

A. It was a committee that functioned under the association.

Q. And, naturally the association would be bound by anything the Committee did?

A. Yes sir.

Q. Do you recall that most of this money Mr. Johnson expended as cash items?

A. I don't know how he spent it.

Q. He was the only one that had charge of disbursing the funds?

A. As far as I know, I never saw any of the money or saw the accounts of it, other than what I read in the newspapers, at the time of these hearings which were held before the Federal Trade Commission.

Q. Are you familiar with the fact that he expended all of this money as cash items, and that there was no accounting?

A. Only what I have read in the newspapers. I have never seen any accounting myself. During those days, too, I don't think the Pennsylvania Electric Association had very much of a budget. The budget was quite small, and whenever matters like this came up it was the general practice that time to ask companies for donations, worked out in some proportion to their gross revenues, to assist in getting additional funds to help out in the work I have described.

Q. Do I understand, that during these years that you were making donations to the public policy committee, your company was also making contributions to the National Electric Light Association?

A. Yes sir; we pay our regular dues, to the National Electric Light Association.

Q. And you also made contributions to the committee on public information, did you not?

A. Yes sir.

Q. And this money?

BY THE CHAIRMAN:

Q. Didn't Mr. Johnson in the 1925 session send out an S. O. S. call for more money.

A. Not to my knowledge, I never got any.

Q. My recollection of his testimony was to the effect that he ran short and had to make a second assessment?

A. I don't know.

BY MR. WALKER:

Q. Your contributions to the committee on public information in 1924, according to Federal Trade Commission exhibit 1039, was \$2413, is that correct?

A. That is about correct.

Q. In 1925, \$2500?

A. Right.

Q. Then, in the same year you also made an additional donation of \$1,000.

A. Well, I don't remember that. I know that we paid about \$2500 a year to that as long as the thing lasted.

Q. In 1926, your donation was \$2500.

A. Yes sir.

Q. And in 1927, your donation was \$2500.

A. Correct.

Q. And in 1928, your donation was \$2500.

A. Yes sir.

Q. And you final donation according to the exhibit, for the fiscal year which ended April 30, 1929 was \$2500.

A. That is correct.

Q. To what account were all these items charged.

A. Why, I don't believe I can tell you where they were charged, but I would say, according to the Public Service Commission accounting system, they describe where you will charge various items, that they were charged according to that.

Q. They would be charged as operating expense, would they not?

A. I would say that they would be in some operating expense; yes sir.

Q. And do you know anything about the text-book survey that was made?

A. No sir, I never knew of any schoolbook survey being made for the State of Pennsylvania or by the Pennsylvania public information committee. There was one made by somebody at one time that went around. I saw it, but like a good many of these other things, I didn't pay any attention to it.

Q. You were a member of the Pennsylvania public information committee in 1925?

A. Yes sir.

Q. And you filed a report in 1925 for that committee?

A. I did not.

Q. The committee filed a report?

A. They may have.

Q. In that report they described the textbook survey which they made in Pennsylvania, did they not?

A. I don't remember, sir.

Q. To refresh your memory, I show you the report of the testimony before the Federal Trade Commission and show you Exhibit No. 1140?

A. Well, I presume that is all right, I don't remember the report. I probably read it at the time and probably filed it. I attended very few meetings of that committee.

Q. You were still a member of this committee in 1926?

A. Yes sir.

Q. And the committee filed a report in 1926?

A. If you say so, I guess they did. I don't remember whether they filed a report or not.

MR. RHODES: With whom did they file a report?

MR. WALKER: With the Pennsylvania Electric Association. In this report they filed in 1926 I show you Exhibit No. 1142 before the Federal Trade Commission, they also refer to the school book survey which the committee was making?

THE WITNESS: Was it the schoolbook survey or was it the publishing of some books on the industry?

Q. You were on the committee that made the report?

A. No I was not on a committee that made a report that I know of.

Q. You were on the committee?

A. Maybe a committee I was on made a report, but I didn't have anything to do with it.

Q. You were not an active member of the committee?

A. Not at all. The committee was really operated in Philadelphia, and I think a representative of the Bell Telephone Company and of the street railways and of the gas companies and of the electric light companies, four or five did practically all the work; but I was an up-state man and I very seldom went there. I don't think I attended more than two or three meetings and I don't believe I saw most of these reports. I remember when the committee got out three or four books describing the electric industry and gas industry and the street railway industry and the telephone industry, but as far as I remember, I read those books and the books appeared to be purely a matter of description of the way these companies operated. I remember that the committee wanted us to take the matter up with our schools in the territory in which we operate, and I discussed the matter with Mr. Sawyer, and we decided that we were not interested in that and never did anything about it.

Q. Are you familiar with the survey which was filed with the Pennsylvania Electric Association by this public service information committee?

A. I don't think that I ever saw it, not that I remember.

Q. During the time you were a member of the Public Service Information Bureau?

MR. RHODES: Did they file such a report?

MR. WALKER: Yes sir, and it is a very comprehensive and complete survey which covers about ten or twelve pages of the Federal exhibit.

MR. RHODES: What does it find? I thought maybe you could give it to us in twenty-five words?

BY MR. MOORE:

Q. Mr. Wise, Mr. Johnson was practically the whole works?

A. Yes sir. I was one of the younger men coming along in the industry and we rather left things to the older men who had more experience.

Q. He testified at length to that and the things he testified led me to believe that he ran the whole thing?

A. That is a fact. We sat in once in a while and looked on.

MR. RHODES: I think he stated it was ethical if you didn't spend too much?

BY MR. WALKER:

Q. Did Mr. Johnson have anything to do with the committee on public information?

A. Yes sir, he was on that committee.

Q. As a matter of fact, all his activities were devoted to the public policy committee, is that not right?

A. I could not tell you about his activities. He seemed to be active in almost every committee; he was quite an active man at that time.

Q. When you were on the public policy committee of the Pennsylvania Electric Association, were you familiar with the practices and policies of that committee?

A. I was to a certain extent, but as I told you before, I never found out that they had any practices or policies.

Q. The expenditures of money and the methods employed?

A. Perhaps I can explain that. In every session of the Legislature there are always of course bills that are detrimental to our interests. And it is always necessary to follow these bills up and to follow the Legislature. Now the Pennsylvania Electric Association does not carry through a large organization and does not carry any lobbyists, and does not carry anybody of that character; we only have a secretary and a stenographer to run the thing, and in these legislative sessions we always have to get quite a number of additional employees to follow this legislation through. Now as the Legislature progresses, some of our men come down here, we all sort of chip in and help out in any way we can, and we follow up the bills. We have to employ attorneys and scrutinize the bills to tell us what the bills mean, and things of that character. Different ones of us who are acquainted with the chairmen of the committees or some of the members of the House and Senate, we go to them and ask hearings on these bills. Now, when afforded a hearing we always have to do considerable preparation and we usually get some outside people in addition to our own men in, to talk at these hearings. Now all of that causes expenses and it is for expenses of that sort of thing that the companies have been contributing, and

that is really as far as I know where all of that money went; in services of that character.

Q. And when you employ these attorneys and experts to appear before the committees, you let the committees know that these experts and attorneys are representing the Pennsylvania Electric Association?

A. They so announce themselves.

Q. Would it surprise you to know that Mr. Johnson testified to the contrary before the Federal Trade Commission?

A. All I know is what I have seen here in Harrisburg at the meetings I have attended, and the people who appeared for us always stated that they appeared for the Pennsylvania Electric Association.

BY MR. WALKER:

Q. And why was it necessary for Mr. Johnson to pay all of these attorneys and experts in cash?

A. I don't know.

Q. And these bills which you believe are detrimental to the industry and against what the Pennsylvania Electric Association wants, does it make any difference whether or not they are detrimental to the public interests?

A. Why, certainly it does. We are only interested in a fair deal. Our industry is only interested in a fair deal to the customer, the public and to the company. Many of these bills are unfair to the customer. For instance, I perhaps might recite one instance, of where we had planned a large program of rural electrification, where many thousands of poles would have to be erected along the highways in the State. The Department of Highways presented a bill at the last Legislature, a tree planting bill, which contemplated planting of trees along all the highways under these pole lines that were built for rural electrification. We worked the whole plan out, and the total rural electrification plan meant an expenditure of about \$80,000,000 in the State of Pennsylvania. If these trees had been planted along all of these highways, the type of construction would have had to be changed, we would have been forced off of the highways to a great extent, where we would have had to buy private right of ways, and we would have had to erected much higher poles. The total increase in cost of that program raised the 80 million to 100 million dollars. Prior to that we had agreed with all of the farmers in the farm group through the Pennsylvania Committee for Rural Electrification, that all these lines would be built as fast as possible, and that the minimum guarantee would be at that time 2% per month on the cost of the line. Consequently legislation of that character, if it had gone through, would have been very expensive to the farmer, and in the legislation the farm group also joined with us, to go up to the Secretary of the Highways, and we finally discussed the matter with him, and that portion of the bill was withdrawn. Now, that is just a sample of some of the work that is being done.

Q. Let me read to you from Volume 3 of the Federal Trade Commission during Mr. Johnson's testimony: "Q. Would a person paid by your association go to the Legislature and oppose a bill without disclosing the fact that he was being paid? A. Of course. Q. That would be perfectly honorable and lawful? A. Yes. Q. Do you agree with that? A. That he went—" I will let you read it.

MR. RHODES: I think you asked Mr. Wise whether they disclosed their identity

MR. WALKER: Yes sir.

MR. RHODES: As a matter of fact, they did not disclose that they were paid.

THE WITNESS: Well, I don't know of anybody who would go out and announce that, I am here representing the Pennsylvania Electric Association, and I am not paid or I am paid. As a matter of fact, today a great deal of the work being done is all voluntary service on the part of the employees of the utilities.

BY MR. WALKER:

Q. You were on this Committee in 1925 and 1926, were you not, the Public Policy Committee?

A. The Public Policy Committee? I believe I was. I will take your word for it, if it is there in the record.

Q. And these experts and attorneys that came down to speak on the Giant Power Project, was it disclosed to that Committee that these men were representing the Pennsylvania Electric Association?



A. Yes sir.

Q. You are positive about that, are you, Mr. Wise?

A. Well, I was there and helped arrange the meeting, and talked to all of these men who came in. There were two or three of them that came there, that I don't believe were paid, but some of them were paid.

Q. As a matter of fact, for example, Mr. James Burke, from Pittsburgh, came down representing the Pittsburgh Chamber of Commerce, did he not?

A. Well, that is representing our industry. If I remember rightly, Mr. Burke spent about four days with us here before he made that speech, and we went over it with him.

Q. Did you have to listen to it for four days?

A. Well, I want to tell you I certainly did enjoy listening to it.

MR. TURNER: Mr. Walker, there are six members of the Legislature here, all of whom have been here for some time. I think we know what happens at hearings.

MR. WALKER: Then you are of the opinion that at the Giant Power Project Mr. Burke was primarily representing the Pennsylvania Electric Association?

A. That is my understanding, yes sir.

BY MR. RICHARDS:

Q. Mr. Wise, Mr. Johnson said something of pinch bills down here, that there was some effort made in pinch bills. Do you know anything about those.

A. I don't know what they are.

Q. We don't up here either, and we are just wondering what he meant.

A. I never heard of them; no sir.

BY MR. WALKER:

Q. Mr. Wise, did you take any part, any active part in the political campaigns last year?

A. Why, I was very much interested in the political campaign, yes sir. I saw that my family voted, and I talked to some of my neighbors about it, and I tried to do what I think every citizen should do, to get out and vote.

Q. Did you make any contributions to any party?

A. No sir, I didn't.

BY MR. TURNER:

Q. How did you escape?

A. Well, I was invited by the three parties to contribute, and I thought that perhaps the safest way was not to contribute to any.

Q. You didn't know which one was going to win, did you?

A. I certainly didn't.

BY MR. WALKER:

Q. When you speak of the three parties, just enumerate them?

A. Well, the Republican, Democratic and the Liberal Party. I would like to say, Mr. Walker, that I have been down at the Legislative Sessions, and I feel that it is part of my duty as president of a company that has about 7,500 employees that is operating in 28 counties, that has 45,000 stockholders, that I would be derelict in my duty if I were not interested in legislation in Pennsylvania, and that I feel that I should do whatever I can openly and above board and honestly to take care of the interests of those people.

Q. I agree with you entirely when you say that, and will you agree with me, will you, to the effect that all that are interested in legislation should be with the Legislatures, openly and above board, and honest isn't that so.

A. Absolutely. And I think the gentlemen sitting here on the Committee that have seen me perhaps during the last four or five Legislatures know, and I think they can all say, I have dealt openly and honestly with them.

MR. TURNER: If you were here at the Legislature you would know that every member of the Legislature knows these men. There could be no secrecy, Mr. Walker.

MR. WALKER: I didn't want to take advantage of anyone.

MR. RHODES: The only thing he ever talked with me about is fish.

MR. TURNER: The only time he talks to me is when he is fighting my bills.

BY MR. EVANS:

Q. Mr. Wise have you followed the testimony that has been presented to this Committee in anyway.

A. Yes, I try to follow it.

Q. So far as your company is concerned, do you want to make any corrections in any of the testimony that you have followed.

A. Why, yes, I would like to call your attention to Raushenbush's testimony in regard to rates in Pennsylvania on the basis of fifteen kilowatt hours, forty kilowatt hours and eighty kilowatt hours, as we check up these figures, he used the rates in effect in 1930, and didn't give us the benefit of the reduction in rates that were put through in 1931.

Q. He has so testified, Mr. Wise.

A. In other words, he didn't give us the benefit of our rates, and apparently in Pike County where we are supplying, I should say, about ninety per cent. of the use in Pike County, he had a rate established there of 15.2 when the rate should of been 9.2.

Q. He testified that his rates were on the 1930 basis.

THE WITNESS: That as far as Pike County area is concerned it is not very determind. the population of Pike County is rather scattered in one or two small towns. We are supplying Monesdale, Hawley, in Pike and Monroe Counties. It is a mountainous region, and we are pretty well serving nearly all of that territory. There are many summer camps up there, many summer residents that we are serving and that is rural electrification.

Q. You are not serving Milford?

A. No sir, but Milford is a part of Pike County.

Q. Do you know what the rates are in Milford?

A. Yes, I think Mr. Raushenbush quoted the Milford rate for all of Pike County, when he gave them he only gave them for Milford.

BY MR. RHODES:

Q. What about Matamoras?

A. That is in the same category.

Q. You don't serve Matamoras?

A. No sir.

Q. What company serves that—a New York company

A. I believe so.

Q. Do you know anything about their rates?

A. Their rates are much higher then ours.

BY MR. MOORE:

Q. Do you serve Gray Gables?

A. No sir. Another point that I would like to bring out, is that I noticed the question was asked here whether or not fifty per cent. of the customers in Pennsylvania did not use fifteen kilowatt hours. Now, you asked for some information, I believe on the Panther Valley Company, and we checked that up for that company alone, and we find that that company, that there are only about five per cent. of the customers of that company that—

BY MR. EVANS:

Q. You are speaking now of domestic consumers.

A. That use fifteen kilowatt hours or under. In a survey that we just recently made in the State of Pennsylvania it shows that there are only about 4.2% customers who use fifteen kilowatt hours or under.

Q. You understand again that that testimony, Mr. Wise, was not that that was not the situation in Pennsylvania, but Mr. Raushenbush was asked that question by a member of the Committee and he said that he had no information as to Pennsylvania, but that a check up in New York City made by the Commission, I think, has shown that in that particular locality the percentage he gave was correct.

Well, that is a very important matter, because apparently the fifteen kilowatt hour customer and under is what is generally known as the little fellow, and that is the customer that apparently this drive on rates is being made for, that they are fifty per cent. of all of the consumers so effected by these rates, and that is not true.

Q. Mr. Wise, have you the tabulation that you referred to in the entire territory of Pennsylvania, in form, so that it can be used this hearing as an exhibit?

A. I haven't any form, I am just talking about my own company, and the facts that I found in respect to this.

Q. You said a check up of the territory, of the entire territory of Pennsylvania shows that four and a fraction per cent. use fifteen kilowatt hours or under?

A. We checked that up just as a matter of information to see where it would land.

Q. In what form did you check that up; we would like to see the statistics?

A. I think each company was asked to make a check and I can produce that—I think I can get that data, if you would like to have it.

Q. I think it would be very helpful if we could, because we have no information along that line now for Pennsylvania?

A. Then in the Raushenbush setup, as far as our company is concerned, he had Harrisburg at a very high rate, I think 10.1 cents a kilowatt hour for fifteen kilowatt hours, when it ought to be about 8 cents. Also at Wilkes-Barre—

Q. Was that on the basis of your 1930 or 1931 rates?

A. 1931 rates.

Q. Let us make it perfectly clear, Mr. Wise, Mr. Raushenbush testified that his study was made on 1930 rates, and that is the case of the Pennsylvania Power and Light Company, there has been a reduction in rates on January 1, 1931, which he had not taken into account. There was no misunderstanding I think on that point. Now what were your 1930 rates in Harrisburg?

A. For instance, in Harrisburg, a consumer using fifteen kilowatts—

Q. In 1930?

A. In 1930, would pay  $8\frac{1}{2}$  cents a kilowatt hour, he has the figure of 10.1 cents. The customer who used forty kilowatt hours in Harrisburg, he had 6.7 per kilowatt hour, and the actual rate is 5.7 cents. On the eighty kilowatt hours he had 5.8 when the actual figure was 4.98. In Wilkes-Barre, forty kilowatt hours he had 9.2 per kilowatt hour, when it should of been 5.7. On the eighty kilowatt hours he had  $8\frac{1}{2}$  cents a kilowatt hour, when it should of been 4.28. They are very wide differences, and I just wanted to call attention to them.

Q. They were your 1931 rates?

A. Those are the 1930 rates.

Q. Mr. Wise, don't try to get this issue fogged. His testimony was as to the 1930 rates, and he made that perfectly clear to everyone.

A. Yes, but he had the 1930 rates—

Q. What were the 1930 rates; can you give them to us? Just give us those rates and let us get that straightened out.

A. This 1930 rate, I will take the forty kilowatt hour—

Q. Take it at fifteen, forty, right straight down, the Harrisburg rate.

A. The 1930 rates in Harrisburg for fifteen kilowatt hours, where he had 10.1, it was actually 8.55. For forty kilowatt hours he had 6.7, it was actually 6.3.

BY MR. RICHARDS:

Q. What do you mean by actually?

A. A bill calculated at the rate.

Q. That is using the ordinary bills?

A. Using the ordinary bill.

BY MR. RHODES:

Q. That may have been without the discount?

A. There is no discount.

Q. Is there a penalty or something? How do you work it?

A. There is a deferred payment. With our company the customer after the bill is due has fifteen days to pay it in; then, after that, there is a deferred payment.

BY FATHER COX:

Q. What does the deferred payment amount to?

A. Ten per cent. That is the cost of running after this fellow to collect his bill, and we think it is a fair proposition, because the man who pays his bill ought not to be burdened with that extra expense.

BY MR. RHODES:

Q. When were these rates change?

A. January 21, 1931.

BY MR. EVANS:

Q. Harrisburg in 1930, was on a room rate basis, was it not?

A. Yes sir.

Q. How many base rooms, did you calculate in your rate?

A. It is still on a room basis.

Q. I asked you, in your calculation that you have given us, how many rooms did you calculate for fifteen kilowatt hours?

A. It worked out on a six room house; what we call a standard house.

Q. So Mr. Raushenbush worked his out on a different number of rooms, that would change the result, would it not?

A. That would make some difference.

Q. And his figures would be just as correct as yours?

A. Except that we would take a six room house as the average house in Harrisburg?

Q. Have you made a housing survey in Harrisburg?

A. Yes, the rooms have all been counted.

Q. You say you have made a survey of the rooms in Harrisburg?

A. I didn't, but our people did; surveyed the whole thing; yes sir.

Q. And the average number of rooms per house in Harrisburg, is six?

A. I mean the counted rooms, in other words.

Q. Is this what you mean, take the total number of rooms in Harrisburg and divide it by the total number of houses, and you will get what?

A. The counted rooms that you use under the rate schedule. For instance there are certain rooms that are eliminated, that under the rate schedule we didn't count, and a six room house is what I call six counted rooms under the rate schedule.

Q. What rooms are eliminated in your rate schedule?

A. Oh, we eliminated a hall perhaps—

Q. Do not let us have "perhaps". You are president of the company.

A. I would have to get the schedule to give you exactly what they are.

Q. Then, you don't know that?

A. It is definitely stated on the schedule, I just had these figures calculated for me.

Q. So far as the figures are concerned then, Mr. Raushenbush is entirely correct for 1930?

A. On, other rooms; the fifteen kilowatt hours he would not be correct at 10.1 cents for our Harrisburg rate?

Q. Were any different number of rooms?

A. Under the 1930 rate?

Q. Under the 1930 rate? That was impossible.

A. I think so.

Q. Are you prepared to state that that is a fact?

A. I think so; yes sir.

Q. All right. Now, the 40 kilowatt hours, what you have got to say about the number of rooms there?

A. It is all calculated on a six room house.

Q. And so, Mr. Raushenbush's figures may have been entirely correct on 40 kilowatt basis?

A. If he had another room basis he would get some other figure.

Q. What was the figure he used?

A. But certainly on a 40 kilowatt hours there couldn't be a discrepancy amounting to nearly four cents a kilowatt hour.

Q. What figure did he use?

A. 6.7 cents per kilowatt hour.

Q. What was your 1930 figure?

A. 6.3.

Q. What did you mean by saying that there was a discrepancy of four cents?

A. I mean .4 of a cent.

Q. Wouldn't that be correct per kilowatt hour depending on the number of rooms used?

A. Well not if you calculate the rate properly.

Q. Will you just calculate that rate on an eight room house, and tell me what it cost a kilowatt hour?

A. I don't believe I have the rate here to do that.

Q. Have you got somebody here that can do it for you?

A. I believe I have.

Q. Suppose you present it the first thing in the morning.

Q. I will get it for you. I will be glad to.

Q. How about the 80 kilowatt hours?

A. The 80 kilowatt hours, Harrisburg, is figured at 5.8, and it should have been 4.9.

Q. 4.9 was the 1930 rate?

A. The 1930. The 1930 rate was 5.6.



Q. Just try to be straight forward in this thing. We are dealing with 1930 rates, and you say that Mr. Raushenbush's testimony was incorrect in his rates of 80 kilowatt hours, because he has 5.8 and you have a rate of 5.6?

A. Yes.

Q. And now, do you admit that the discrepancy between them may have been due to the fact that you used six rooms and he used eight?

A. Possibly; yes.

Q. You do not want to give this committee the impression that those calculations of Mr. Raushenbush were incorrect; do you?

A. Possibly; yes.

Q. You do not want to give this committee the impression that those calculations of Mr. Raushenbush were incorrect; do you?

A. No.

Q. Be fair about it?

A. No; I want to make the statement that he did not go at this time, when he made this exhibit, which was alone in April, that the new rates had been effective.

Q. That was not in April. That is just as inaccurate as many other statements you are making?

A. In March, and it was three months after we made this rate change.

Q. And he so explained, and said the study was based on 1930 rates?

A. The 1930 are not the rates that were in effect at that time.

MR. TURNER: On what basis did Mr. Raushenbush calculate?

MR. EVANS: In 1930.

MR. TURNER: And what basis of rooms in a house?

MR. EVANS: I am not certain. Mr. Turner.

MR. RAUSHENBUSH: It has been so long, I don't remember this moment.

MR. EVANS: We will have it for you in the morning.

MR. RAUSHENBUSH: I remember distinctly marking them down on these charts especially showing the difference being marked down; in a rate reduction in Wilkes-Barre.

BY MR. EVANS:

Q. Have you any other corrections?

A. I haven't anything else that occurs to me at this time, sir.

Q. Have you any other corrections that you want to make?

A. Not at this time. That is all I have.

BY MR. TURNER:

Q. Have you had any rate cases?

A. The only rate case that our company had was about nine years ago, with one of the cement companies, the Lehigh Valley filed a rate case.

Q. That is the only rate case you have had?

A. That is the only rate case we have had.

Q. What cement company?

A. Alpha Portland.

C. S. MacCALLA sworn

BY MR. EVANS:

Q. Mr. MacCalla, you are vice-president of the Pennsylvania Power Company?

A. Yes sir.

Q. You live in Youngstown, Ohio?

A. Yes sir.

Q. Mr. T. A. Kenney, President, was unable to come from New York City and you came in his place?

A. Yes sir.

Q. The Pennsylvania Power is controlled by the Commonwealth and Southern, a Delaware corporation, is it not?

A. Yes sir.

Q. Does the Commonwealth and Southern own all of the common stock of the Pennsylvania Power Company?

A. I think so, practically all of it.

Q. Is the Commonwealth and Southern one of the Electric Bond and Share group of utility companies?

A. No sir.

Q. Mr. S. D. Mitchell is a member of the board?

A. I think so.

Q. It is closely associated with the Bond and Share?

A. There are some thirty-four million shares of stock out. I don't know what the Bond and Share owns of it, but it is a very small minority of it.

Q. What do you mean, say five or ten per cent.?

A. Yes sir. I would say that.

Q. Are you an officer or director of the Commonwealth and Southern?

A. No sir.

Q. Mr. Kenney is Vice-President, is he not?

A. Yes sir. Mr. Kenney, incidentally, draws no salary from the Pennsylvania Power Company as president.

Q. What is the Allied Engineers Incorporated?

A. It is an engineering and construction company.

Q. And it was organized in 1930 to take over the business of Stevens & Wood Engineering and Construction Company? The Dixie Construction Company, and the Empire Construction Company, was it not?

A. Yes sir.

Q. Does the Allied Engineers Incorporated render any service to the Pennsylvania Power Company?

A. They do, sir.

A. On what basis?

A. The Pennsylvania Power Company does all the construction which it can with its regular organization. The other construction which it can contract to advantage, it does so with the Allied Engineers.

Q. Who controls the Allied Engineers Incorporated?

A. It is a wholly owned subsidiary of the Commonwealth and Southern.

Q. It is not then owned by the operating company?

A. No sir. I can explain that a little more fully, I think, by giving the amounts of construction. For instance, last year, 1930, the total construction of the Pennsylvania Power Company was \$1,234,472, and of that amount, \$1,042,410 was done by the company's own forces, and only \$192,062 was done by Allied Engineers.

Q. On what basis are they compensated?

A. The fees vary in amount, but it has run about 7 per cent.; in some small jobs it reaches 10 per cent. The total fees paid the Allied Engineers Incorporated in 1930 was \$15,223.

Q. What were the total fees of all kinds paid by the Pennsylvania Power Company to affiliated companies in 1930?

A. We paid \$15,223 to Allied Engineers, and we paid \$67,914 in fees to the Service and Management Company of the Commonwealth and Southern Corporation of New York, and the Commonwealth and Southern Corporation of New York is a company organized and owned by the operating companies of the Commonwealth and Southern group. The Pennsylvania Power Company, for instance, owns its pro rata stock in that company.

Q. And that pro rata share is based on gross earnings?

A. Yes sir, and last year the Pennsylvania Power Company received \$2,187 dividend for its ownership in that stock.

Q. And do you know approximately what percentage of the stock of that company the Pennsylvania Power Company owns?

A. It owns 2,734 shares, and I think there are 90,000 shares outstanding.

Q. So it would be between two and three per cent?

A. Yes sir, it amounts practically to service and cost. The Pennsylvania Power Company has a contract with the service company based on 1½ per cent. of its gross revenue, electric revenue. The effort is made to have that percentage about cover the actual cost. Last year it was a little bit more than cost, but that was returned in the form of a dividend which I just mentioned.

Q. Is that dividend treated on your books, Mr. MacCalla, as an offset against the fee paid, or is it treated as non-operating income?

A. I think as non-operating income.

Q. In 1927 the People's Power Company was owned by the Pittsburgh, Butler and Harmony Railways, was it not?

A. I think so.

Q. And it carried its fixed capital, taking it from its report to the Public Service Commission, at \$196,097?

A. Yes, if that is in the report, that is undoubtedly correct.

Q. Now in 1928 this company was acquired by the Penn-Ohio Edison Company. What relation does that company bear to the Pennsylvania Power Company?

A. The Penn-Ohio Edison Company was an investment company which has been since merged with the Commonwealth and Southern of Delaware.

Q. At this time it was an investment company?

A. Yes sir.

Q. Who controlled it?

A. The Penn-Ohio Company was controlled by the stockholders.

Q. And who has the controlling interest in the stock?

A. I couldn't tell you that, sir.

Q. On this acquisition, the capital of the Peoples Power Company was listed as 197%, to \$591,236?

A. There was no write-up, as I recall it, in the present management and control. It came under our management in August, 1928.

Q. And this was as of December 31, 1928?

A. I think that was before we had anything to do with it.

Q. In all events you continued to carry the property at the written up figure in your subsequent reports for the Peoples Power Company?

A. Yes sir.

Q. Now, in 1930 the Public Service Commission approved the merger of the Pennsylvania Power Company and the Peoples Power Company, did it not?

A. Yes sir.

Q. At what figure was the fixed capital of the Peoples Power Company put on the books of the merged company?

A. The companies were merged on a par for par basis, dollar for dollar basis, there was no write-up.

Q. But on the books the Peoples would have been put in at the \$591,000 figure?

A. If that was the figure before, yes sir.

Q. Then the Harmony Electric Company was also merged into the Pennsylvania Power System, was it not?

A. Yes sir, at the same time, and the securities were added, there was no write-up, it was par for par basis.

Q. According to the 1927 report of the Harmony Electric Company, its fixed capital as of the end of the year was \$649,850?

A. I was not connected with the company at that time.

Q. Well, I am showing you its annual report?

A. I don't know anything about it. If they reported it, I assume it was correct.

Q. In the 1928 annual report of the same company, the fixed capital was increased practically \$2,000,000, to a total of \$2,620,189. Can you explain that increase?

A. I think as a matter of record, since that time there was a change made in that at the instance of the Commission.

Q. Have you any explanation to make of that increase on the books?

A. No sir, I haven't.

Q. Then in 1928 the Harmony was taken over by the Penn-Ohio Edison Company, was it?

A. Yes sir; its stock was acquired by the Penn-Ohio Edison.

Q. And in that year it bought certain property from the Penn-Ohio Edison Company?

A. I don't think so, sir.

Q. I show you the 1929 report, and see whether you can refresh your memory from that?

A. That was the property acquired, yes, from the Harmony Railway Company, which the Penn-Ohio negotiated. That covered certain rights of way, transmission lines and other properties, totaling \$1,660,000. That was reduced at the instance of the Commission, according to my recollection, about \$1,110,000.

Q. So it was reduced from \$1,660,000 to somewhere in the neighborhood of \$550,000, was it?

A. That is correct.

Q. According to their report, what was the figure of \$1,660,000 based on?

A. That was based on the value of the transmission lines, rights of way, the value of the property—

Q. As appraised by whom?

A. As appraised by Stevens & Wood.

Q. And Stevens & Wood were the companies that were later taken over into the Allied Engineers, Inc.?

A. Yes.

Q. What was this property carried at before the appraisal and sale, do you know?

A. I don't, no sir.

Q. But the effect of this, except as later changed by the Commission, was that the Harmony Company was required to buy property from its controlling company, the Penn-Ohio Edison, at a high price, and immediately wrote it on its books at the same price?

A. Well, that is not exactly the picture, Mr. Evans; the property included a power station which was depreciated and which was taken out.

Q. But that would not account for \$1,110,000, would it?

A. Approximately somewhere around that, yes sir.

BY MR. RICHARDS:

Q. Is that station Zelianople?

A. That was the old Harmony Power station.

Q. The Zelianople Station, which was the central plant of the old Harmony Company?

A. I think so. Yes, that plant was shut down when the Harmony Company negotiated a purchase of power more economically than it could generate it itself. There has been a great deal of misunderstanding on this question of write-ups. Of course, that does not affect rates or the rate base of the company. The consumers are not affected one way or the other by such valuations.

BY MR. EVANS:

Q. For what purpose then are they put on the books of the company?

A. They are put on as a rule to represent the value of the property.

Q. And why is the company interested in having them represent the reproduction value of the property as distinguished from the book cost?

A. Well, it doesn't make very much difference, as long as you have the proper reserve.

Q. And the only real difference it makes is either for rate making purposes or for the sale of securities, is that correct?

A. There is an effort made to represent the value of the property—

Q. Yes, but just answer that question, if you will. The only real purpose of it is really for rate making purposes or for the purpose of selling securities?

A. Well, it has nothing whatever to do with rates.

Q. Well, has it got anything to do with selling securities?

A. Well, it might.

BY MR. RHODES:

Q. Some of the power companies, utility companies, could not sell their securities unless they had these writeups to secure an equity, could they?

A. That is not the case in the Pennsylvania Power Company.

Q. Probably it may not apply to your company, but I think there are some companies to which it has applied, that if it were not for the writeups, there would not be any equities beyond the liabilities which they have entered into.

BY MR. RICHARDS:

Q. Was there a reduction in rates in the district formerly served by the Harmony Company following its being taken over by the Pennsylvania Power?

A. When that company took over the management there, we spent a great deal of money improving service, and we made a rate reduction, I think, averaging around 18%.

BY MR. RHODES:

Q. Don't these writeups have any other effect, in your reports for the Public Service Commission, they keep the proper ratio down between income and your book value?

A. I don't think so, Mr. Rhodes. I don't think the Commission pays any attention to them.

Q. Well, that would not be surprising.

A. The courts certainly have laid down the rules pretty clearly. I think the decision of the Federal Court in the recent case, that is the Wisconsin Case, sets up the basis; I think that is so important that I would like, for the information of the Committee and the public generally, to have that clear. The court said, "We reject entirely the old subject of capitalization, stock and bonds. We fail to see how it can have any pertinence. The utility is entitled to earn a reasonable per cent. of return upon the proper rate base. How many se-



curities are outstanding is of no importance. Cases may be conceived where the stock and bond history may have evidential value, but its bearing at the present will be remote."

MR. RHODES: Well, legally, that is probably a correct statement of the law.

BY MR. EVANS:

Q. Does not the rule as laid down by the Public Service Law of Pennsylvania and by the decisions of the court say that the Commission in fixing fair value on property shall take into account the outstanding stocks and bonds.

A. Well, the laws of other states require the Commission to approve of the sale—

Q. We are dealing with Pennsylvania.

A. In Pennsylvania I think it does.

MR. RHODES: That is probably a correct statement of the law in connection with the case that you cite in Wisconsin.

THE WITNESS: That is a Federal Court case.

MR. RHODES: In Wisconsin?

THE WITNESS: Yes.

MR. RHODES: That may not apply to Pennsylvania law.

THE WITNESS: Well, it is putting down common sense. I am not a lawyer, but it sounds to me to be pretty sound economics, and I think it is in the interests of the consumers as well as the company.

BY MR. RHODES:

Q. Does not this rate base reflected in the report that keep the ratio from coming down, in comparison with the book value and therefore your reports to the Public Service Commission do not reflect the excessive earnings?

A. I don't think there is anything much to that, Mr. Rhodes. The present practice of no par stock, I don't see where that enters into it.

Q. These write-ups are so prevalent in the utility industry, both electric companies and water companies, there must be some purpose back of it, and whether legal or financial, it is being done.

A. Well, I don't know, but I do know in the Pennsylvania Power Company I can see no object in doing it. The company has nothing to gain, it does not have any value for security sales.

Q. Probably you have never been in the position where you could utilize that method to any advantage?

A. We would like to have our books reflect the fair value of the property for the stockholders' own information.

Q. Don't you think that the books ought to reflect fair value of the property for rate making purposes, as well as the benefit of the stockholders?

A. I think ours do.

Q. You think yours do?

A. Yes.

Q. That would be a very admirable situation for an industry to be in, if the book value of their property showed the fair value for rate making purposes.

A. I confess I don't know so much about rate cases, I never had a rate case filed against my company.

MR. TURNER: The only difficulty with that Mr. Rhodes, is you would have to change your set up constantly, have constant appraisals. Of course, if you change the theory of the law that it might be different.

MR. RHODES: The president of the U. G. I. thinks that would be an admirable situation to be in.

MR. TURNER: I am only speaking from my own limited knowledge, and I don't see how you would be able to keep that value up, because you would have to have appraisals, all the time to keep it up.

MR. RHODES: Not if you utilize the investment theory.

MR. TURNER: Now, you are talking about something new.

MR. RHODES: That is nothing new.

MR. TURNER: It is new so far as our law is concerned.

MR. RHODES: That is what I think the witness had in mind when he said that the book value of his property reflects the fair value for rate making purposes.

BY MR. EVANS:

Q. Now, Mr. McCalla, turning to the Pennsylvania Power Company, I show your 1929 report to the Public Service Commission. According to this report the company had outstanding at the end of that year 56,500 shares of common stock without par value, and the cash consideration received for the stock was \$565,000, was it not?

A. The stated value was \$10 per share.

Q. But that is the value at which you carried it—your—

A. Yes, we have 59,100 of it at the present time.

Q. Now, net income shown on page 301 of this report was \$505,469, was it not?

A. Yes.

Q. Then you had to pay dividends on your preferred stock, of a total of approximately \$129,100?

A. The statement in the report is undoubtedly correct.

Q. So that you had left for common stock dividends and surplus, approximately \$376,000?

A. Is that what the report shows?

Q. Well, it is there.

A. This report states the correct details.

Q. Now, what rate of dividends did you actually pay on that common stock; what was the total amount of those dividends?

A. From the figures of the twelve months ending March 31, it ranged between 7 and 8% on the value of the property.

Q. Now, I am confining this to the common stock, and according to your 1928 report, Mr. McCalla, you paid dividends on your common stock amounting to \$395,000?

A. And we had how many shares that that report shows—

Q. And you had 56,500 shares of a stated value of \$565,000?

A. Well, we had 56,500 shares.

Q. So that you paid dividends during 1928 at the rate of 70% on the stated value of your common stock?

A. That is probably true. The Committee understands that that common stock is no par stock. You tear that up in two, and you would have twice that number of shares, but you don't have any more or any less property. Common stock is not a measure of the return, of course, of the property.

Q. Now, if we add to your 56,500 shares, or your \$565,000, your surplus, and your surplus is shown by your report on page 202 at \$1,083,500, you got a total surplus of \$1,648,508 approximately?

A. Not from that year's operation; that is total surplus.

Q. That is your common stock plus your surplus?

A. Yes.

Q. And the amount available, the net income after the payment of preferred stock dividends amounted to \$376,375, or approximately 28.8%?

A. Of course, we had bond interest on \$3,925,000 bonds.

Q. The bond interest is taken out before you arrive at your net income, is it not?

A. That is correct; yes sir.

Q. So, your company has not been suffering from any lack of revenue?

A. The company, earned as I say, for the twelve months ending March 31, between seven and eight per cent. on its property value.

Q. And now, what are your domestic rates in the territory of the Pennsylvania Power Company?

A. Our rates vary somewhat in form, but there is very little difference in practical effect.

In the New Castle territory we have a flat rate for residential service, lighting service of 5.7 per kilowatt hour. It is not a good form of rate. It is not what is known as a promotional rate. It does not induce business. It is a rate that we would really like to change to a rate of a more promotional form. We also have a rate in the residential service that gets down to as low as 1 cent for water heating. That rate was put into effect this year, and we expect to develop a great business on that rate.

Q. Where does that rate start?

A. That rate starts at 100 kilowatt hours.

Q. I mean it is a block rate; what is your highest bracket?

A. One cent and a quarter.

Q. What is your rate for the highest bracket?

A. One cent and a quarter.

Q. One cent and a quarter?

A. A cent and a half, pardon me.

Q. That is not a domestic lighting rate?

A. That is a rate for electric water heating.

Q. Yes; but what I am trying to get at it, what is your domestic lighting rate?

A. 5.7 cents flat.

Q. And that covers your territory, doesn't it?

A. That covers New Castle. In Sharon we have another form of rate which averages about the same; it is a little

different in form than that at New Castle. The average residential rate is around five cents

BY MR. RHODES:

Q. That is the top?

A. No; that is the average; the top is 5.7.

BY MR. EVANS:

Q. Is there a discount or penalty?

A. That is the net rate.

BY MR. RHODES:

Q. That would be five cents less five per cent.

A. That is right.

THE CHAIRMAN: Mr. Evans, may I suggest that Mr. Brown is here? I think he has more facts on rates perhaps than Mr. McCalla, because of the fact that he is dealing in this district, while Mr. McCalla has the Ohio district.

MR. EVANS: Yes.

BY MR. RHODES:

Q. Your company has been very successful financially in keeping your rural rates down to quite a remarkable degree?

A. I think every company wants a rate that will develop its business, but still enable them to make a profit.

Q. You don't have any eight or nine or ten cent rates?

A. As I say, in Sharon, we have a rate which starts at nine for an average of around fifteen kilowatt hours, and it gets down to four.

Q. Drops to four?

A. It is 8.6, I should say.

Q. And the next step is four?

A. Four, yes sir; but that will average about the same as the New Castle rate. It will average around 5.7.

BY MR. TURNER:

Q. Is there any particular reason for these low rates, that you have to suggest?

A. That happened to be the rate in Youngstown, and New Castle is close by; just across the state line, and they get the same rate. It is not a particularly good form of rate either for the company or the consumer as far as that goes.

Q. Why is such a wide spread between these rates in different parts of Pennsylvania? Of course, I realize that there are different conditions.

A. There are different conditions of course. There is usually a pretty good reason for a rate. The old theory of give us the volume, and we can give you the rate.

Q. And do you have a lot of power business out there?

A. We have a great deal of industrial power; yes sir.

BY MR. RHODES:

Q. What is your average rate per hour?

A. Our average rate per hour for power is about 18 mills for everything.

BY MR. TURNER:

Q. As I understand it, you operate in Ohio, and have had experience, therefore, with the Public Service Law out there, have you anything to say in comparison between the operation of the two; between Pennsylvania and Ohio?

A. I think your law in Pennsylvania is a better law than the Ohio law, better from the standpoint of all parties in interest.

Q. Have you anything in particular that you want to call our attention to?

A. Well, I don't know just what you mean.

Q. I mean specific things that you want to call our attention to, which makes it better.

A. Well, I think your legal procedure in Pennsylvania is superior to that of Ohio, generally.

BY THE CHAIRMAN:

Q. You mean we have better lawyers over here?

A. I was born and brought up in Delaware county, and I may be prejudiced.

MR. TURNER: Well, you ought to be, if you are from Delaware county. Let me ask you this: We have had a number of economists and so forth here who told us about Ohio, and the fact that you have a law permitting municipalities to go into the utility business which had been a factor in

keeping the rates down there. What would you say about that?

A. Oh, I don't think there is very much to that. We have in Ohio there the so-called home rule charters, and we have to negotiate with every council in the community where we serve. I don't think, however, that that cuts very much figure.

Q. Are the rates in Ohio, under comparable conditions lower than those in Pennsylvania?

A. I don't think so, sir. We have to negotiate with these communities. While it does take a little more time, it doesn't make very much difference.

Q. Put you into politics?

A. Well, the quasi-public service company, such as utilities are, they have to deal with political bodies; we have to meet them and we have to sell them our problems and our story, but after all, the same as in any other business, they are customers, and we try to have them for our friends.

Q. Are there any municipal plants in Ohio?

A. There are two that I know of in my territory—three, and two of them are only in the retail business.

BY MR. WALKER:

Q. How large is your territory?

A. Well, we have about one hundred and four thousand customers on both sides of the line.

Q. Do I understand you to say that because of the fact that municipalities can enter into competition with privately owned utilities, that that don't influence your rates out there?

A. The rates are under control there also by the Commission, but you have a double duty.

Q. And you do not think that that effects the rates at all?

A. No sir.

Q. The fact that a municipality you are serving could build a competing plant, if they thought your rates were too high, would not influence your rates?

A. Mr. Walker, a great many people have an entirely wrong idea. They think it is a monopolistic business. As a matter of fact, it is very highly competitive, and I say that advisedly; I have had thirty-five years experience in it. From a power standpoint, we have keenest kind of competition with our power customers, but many of whom are large and have ample means to go into the power business. If we can't compete with them, we can't get their business. Now, when it comes to the residential customers we are in the keenest kind of competition there is; we are in competition for a household dollar, and I want to make a damaging admission: We are a lot of pickers when it comes to selling electric service.

BY MR. TURNER:

Q. What do you mean by that?

A. We have in the Pennsylvania Power Company somewhere around 40,000 residential accounts. All we get out of them is less than \$35 a year, less than 10 cents a day for electric service in the home. Where can you get so much for a thin dime, as you can for your 10 cents for electric service in the home?

BY MR. WALKER:

Q. Can you answer me this. Do I understand from your statement that it is your opinion that the fact that the municipalities in Ohio can enter into competition by erecting municipal plants, that that does not affect your rates?

A. In Ohio, there is open season all the year around. I don't think it affects rates, no sir.

Q. You don't think that that influences your rates at all?

A. I think the people of this country are pretty well sold on the idea that competition is in the utility business, and not in the business of the consumer, and that the expenses sooner or later have to be written off in the long run. That has been the history in the past.

Q. Will you give me a yes or no answer to my question, is it your opinion that the fact that the municipalities in Ohio can enter into competition with a privately owned company, whether or not that influences rates in Ohio?

A. My answer to that is no.

BY MR. RHODES:

Q. Do you find any companies competing with your rate of 18 mills per kilowatt by putting in their own plant?

A. I would say no to that, Mr. Rhodes, except perhaps some of the steel companies which have large blast furnaces and have a lot of waste gas. No utility company can compete with a customer who has free fuel.



Q. But the average manufacturing plant cannot afford to put in their own plant and make power at 18 mills per kilowatt?

A. No sir.

BY MR. EVANS:

Q. Now, Mr. McCalla, let us state the fact. In Ohio, Cleveland had a municipal plant?

A. And still has one.

Q. And it used to charge a 3 cent rate?

A. I don't know but what it still does.

Q. And Cleveland Illuminating Company had to bring down its rates to meet the rates of the municipal plant. Did the Cleveland Illuminating Company bring down its rates to meet that competition?

A. They have reduced their rates, but if you will permit me to try to answer your question, I think the rates today are considerably above the municipal rate, which I think is still 3 cents.

Q. But the municipal rate is still lower than any other place in Ohio?

A. I think the Cleveland Illuminating Company rate is among the lowest in Ohio, but the reason is economic rather than political.

Q. Economic in the sense that there is competition?

A. No, if you will permit me, I will try to answer your question. Cleveland is a unique city insofar as industry is concerned. They have a wonderfully fertile field in which to do a power business. They have an abundance of water for condensing purposes in the lake, and also it is close to the coal fields.

Q. What are the rates in Ashtabula?

A. That is served by the Cleveland Illuminating Company, and I think the rates are the same.

Q. What are the rates in Detroit?

A. I cannot answer that offhand, that also is a very large company and they have a very large business and a very large volume of the industrial power.

Q. Mr. McCalla, in your experience in Ohio, have you ever had a situation where when the rates of the company became unsatisfactory in the community, the municipal authorities considered the advisability of installing a municipal plant?

A. I don't think that I have ever had that experience.

Q. You have never known of it existing in Ohio?

A. No sir. There has been no municipal plant gone in in the eight years that I have been in Ohio.

Q. I say you don't know of any case when the rates of the company became unsatisfactory, the municipality authorities considered the advisability of installing a municipal plant?

A. They have never put one in in the eight years I have been there.

Q. And the results of these negotiations has been a reduction in the rates in the privately-owned company?

A. In instances there have been reductions in rates.

Q. Do you know any place where reductions in rates have resulted from the negotiations?

A. There have been reductions in Ohio—

Q. And they have sometimes resulted from a threat of municipal competition?

A. That I don't know.

Q. They have sometimes ensued on the municipality threatening competition?

A. I don't know that either.

Q. What are these cases you speak of wherein the municipal authorities have considered a municipal plant?

A. Four years ago we had in Youngstown the expiration of a ten-year agreement with the city, and negotiations extending over a period of eight months ensued, and we put our cards on the table with the council.

Q. What had been your prior rates?

A. The same rates. And the rate ordinance was renewed. I think that negotiations started in April in the following December the council renewed that contract for another period of five years.

Q. That was the only case you know of where municipal threats in Ohio during all your experience there have ever constituted a regulation or the municipality has considered the erection of a municipal plant?

A. I don't think they have installed any in the territory served by my company, and I don't think that any municipi-

pality has very seriously considered the erection of a municipal plant.

Q. Didn't you about a year or more ago have negotiations in Ellwood City for the renewal of a contract with Ellwood City?

A. Yes sir.

Q. And did Ellwood City accept the terms which you first offered them?

A. Practically so, yes sir.

Q. Did they accept those terms?

A. They accepted those terms almost in toto for the present business.

Q. How about their extensions of business?

A. There was a slight reduction in the last block so as to induce the further development of the use of electric power in Ellwood City.

Q. What is the rate you charge in Ellwood City?

A. It is on the record.

(A gentleman sitting by says, "Mr. Monroe testified to it, and it is all on the record, and that is the only way that you can get it actually.")

BY MR. WALKER:

Q. Everybody in Youngstown is satisfied with your new contract?

A. I think so.

Q. As a matter of fact there has been a lot of fuss in Youngstown about your company, has there not?

A. That is a long story.

Q. Has there been a fuss over it?

A. There has been a petition started by a man who was until recently city traction commissioner, and he made demands on our company totalling about \$150,000 for services rendered by him, allegedly. Now, no such services—

BY MR. EVANS:

Q. What is that, a management fee?

A. No.

MR. RICHARDS: They don't call it that, Mr. Evans, in some quarters.

THE WITNESS: We wrote to him and we informed the city that we knew of no such obligations, and suggested if there were any, the courts were open to him to collect, and that if he thought that our statement was damaging to him, he also had recourse to the courts for proper remedy.

BY MR. WALKER:

Q. Is he the only fellow that is dissatisfied down there?

A. I would not be far off from saying yes to that.

Q. Well, you would be far off saying no?

A. Yes.

Q. He stands alone then?

A. Pretty much so, yes.

Q. Doesn't he have one or two companions, like Horatius at the bridge?

A. Well, in 170,000 people, it is pretty hard to have everybody satisfied. Are you satisfied with your taxes?

BY MR. RHODES:

Q. As a general proposition, how do the rates in Ohio compare with the rates throughout the State of Pennsylvania?

A. I don't know whether I could intelligently answer that question, Mr. Rhodes.

Q. Your comparison of rates between Ohio and Pennsylvania is limited to that territory which you serve in this Commonwealth?

A. Yes.

LOUIS B. ROUND sworn

BY MR. WALKER:

Q. Where do you live?

A. New Castle.

Q. What is your official position?

A. I am district manager of the New Castle district of the Pennsylvania Power Company.

Q. How long have you been connected with the Pennsylvania Power Company?

A. Since July 1, 1907.

Q. How long have you been district manager?

A. I have held the equivalent position since 1918.

Q. What experience have you had with the cost of rural electrification?

A. Oh, some considerable experience. Just how do you want me to develop that, Mr. Walker? Let us do it quickly.

Q. Would you mind telling us how much it costs on the average per mile for rural electrification, say, with four consumers to the mile?

A. I prefer to make this flat statement, that where there is the proper degree of cooperation coming from the customers who desire to be served, in districts that are sparsely settled, we can build a mile of line to serve those customers for \$1,000 or less.

BY MR. EVANS:

Q. Does that include transformers?

A. It includes everything.

BY MR. WALKER:

Q. What do you mean by the proper form of cooperation?

A. Well, let me just recite a little recital, will you? We first started out outside the city to serve these urban settlements, and it requires a right of way along the road, and for a number of years we have been going out, branching out from the towns, until we have actually now got to the dirt farmer. Now, it so happens that along these highways, where the dirt farmer lives, there is a rural telephone company, perhaps, or perhaps one of these transcontinental signal circuits. We can not overbuild for that thousand dollars a mile, but where those farmers really desire the service and are willing to let us go back sufficiently far in their field so that we can build that clear right of way and avoid tree trimming we can build that mile of line for a thousand dollars or less. If your farmer insists on your going along the fenced road, with the attendant tree trimming and anchor guys and things like that, you can not build for a thousand dollars a mile, but where he is willing to permit you something, where he is willing to assume some little inconvenience, presumed inconveniences, perhaps, then we get out in his fields and set the poles three hundred feet apart, back off the road, and we can go right through there just as fast as he wants us to go.

Q. And if you can do it over in your district, it can be done anywhere in Pennsylvania?

A. I don't see why not, for that particular kind of service. I am speaking now about the dirt farmer.

BY MR. EVANS:

Q. Have you considered at all, Mr. Round, the electrification of these rural areas in blocks, taking a whole block at a time and doing it?

A. I think that is an impossible thing, Mr. Evans, and I will tell you why I think so. I was originally a farmer. A farmer has got to be an individualist. The very nature of his existence makes him such. It is extremely difficult to get a group of farmers together and sell them one idea. They have got to think it over. We find in dealing with the groups, we like to make a group extension, but the hardest job we have is to get that self-interest squelched in favor of cooperative action; so that I think you can not take a whole area. We are satisfied to go pushing ahead, taking care of these groups as the demand develops, and I think it can be done just on the same basis as if it was an area proposition; in our area, at least. I would like to show you this map.

BY MR. RICHARDS:

Q. Do you have any figures on what percentage of the farms are now being served in Lawrence county, Mr. Round?

A. We are serving about 27 per cent. of the total dirt farmers in our area. Now, this represents the way the farmer is being supplied in Lawrence county.

BY MR. WALKER:

Q. That is at an average cost of a thousand dollars or less, is it?

A. No. These lines were not all built on the thousand dollars per mile basis. It is only just recently that we discovered that we can actually get down to that basis.

These orange lines represent lines that were built under the provisions of G. O. 27. The blue lines represent lines which were built prior to 1923, either wholly or in part by the company over rights of way, or on a refund basis. The green

represents farmers' lines that were built out to attempt to satisfy the demand for rural service.

In other words, we figure that if we build a line out this rural road ten miles to a little village, that the farmers then could get service on these side roads at a cost comparable to a private plant. Subsequent to these lines, General Order 27 came in and we operated under it, and then that was changed to G. O. 28; and that represents what we have done in one small county in Pennsylvania, to satisfy the demand for service.

BY MR. EVANS:

Q. Do you know what percentage of the total dirt farmers of the State are receiving service as compared with your 27 percent?

A. I do not, Mr. Evans. I have found that it takes all my time to keep these people happy.

Q. I think there has been evidence that there is only something like 12 per cent., taking the State as a whole.

A. Possibly that is so, but I don't believe there is a farmer who wants service who can not get service at a cost of three dollars a month or less.

Q. What rates for energy do you charge?

A. The same as in the city.

Q. And that is five and—

A. 5.7 net.

FATHER COX: I think that gives us an idea of what the relations between the public and a public utility should be.

THE WITNESS: That is a fixed block rate, Mr. Moore.

BY MR. EVANS:

Q. Could you leave that as an exhibit?

A. Yes.

BY MR. RHODES:

Q. You say the charge for hot water heating out there is 1.2 maximum?

A. 1.2 for the first hundred kilowatt hours, and one cent for all over. That is off-peak load.

MR. EVANS: We offer in evidence this map of Lawrence county, and will ask to have it marked as Exhibit No. 174.

MAP OF LAWRENCE COUNTY SHOWING ELECTRIC  
LINES PRODUCED AND MARKED EXHIBIT  
No. 174

MR. RHODES: Mr. Welkes, I have a letter here that I think covers a lot of things, that perhaps Mr. Round has not time to testify to, and I would like to have put into the record. If you find it useless, you can cross it out. I don't want you to read it into the record, it is merely a statement concerning the rates.

MR. EVANS: I have another exhibit that I would like to offer received from this witness. It is a job order analysis of the cost of construction rural lines divided up in detail, and I think it would be very helpful if Mr. Round is willing to put it in the record.

BY MR. EVANS:

Q. This was prepared by you, Mr. Round?

A. Under my direction. I would want to make a qualifying statement with regard to that. That job was built under the highest degree of co-operation from the farmers. We could not duplicate that job again at that price without the same degree of co-operation, but we could duplicate it with a reasonable co-operation for \$1,000 a mile.

Q. And the cost of that was \$808.00?

A. Yes.

BY MR. RICHARDS:

Q. In your experience as district manager how many complaints have been lodged with the Public Service Commission with reference to service or rates on your company?

A. You could count them on your ten fingers.

Q. In fourteen years?

A. Yes.

BY MR. TURNER:

Q. Have you ever had any rate cases?

A. No sir, my job is to keep away from them.



BY FATHER COX:

Q. We don't want to hold you late, but will you give us some idea of your idea of the relation between the public utility and the public, what it ought to be?

A. Well, the public utility cannot grow without the good will of its customers, and that is my particular job to keep everyone of those customers satisfied, or as many of them as I can possibly keep satisfied all the time. In dealing with the customer, I try to see the way he sees, and analyze his idea from his own viewpoint, and make my decisions accordingly, and if I cannot make a decision, I have got to refer it with what I think is the right thing to do, with justice and equity and fairness to the customer.

BY MR. TURNER:

Q. You serve New Castle?

A. Yes.

At 10:30 o'clock P. M. (E. S. T.) the Committee adjourned the hearing until tomorrow morning at 9:30 (E. S. T.)

## EXHIBIT No. 175

## JOB ORDER ANALYSIS

District—New Castle J.O. No. LE-1295 Month—February 1931.

Description—Princeton-Eckert Bridge Extension.

Township—Slippery Rock County—Lawrence Voltage 4600 Phase 1.

Pole Line Mi. 3.195 Pri. Line Mi. 3.375 Sec. Line Mi. .898 No. wires.

No. Poles—63 Ave. Ht. 31 ft. No. Trans. 9. Aver size 1½ kw.

No. customers 11 Joint Const. No. Miles from ship 7.

Financed—Budget Item 1 B. W. O. — G. O. — G. O. 23—yes.

Trees Trimmed None Total line Cost per Mil. \$808.00 Net Cost \$711.09 on which main line guarantee is established.

Item	Ac- count	Esti- mate	Act- ual	Mate- rial	Labor
Right-of-way	2171		\$25.00	(25.00)	
Purchasing Expense	2172				
Poles and Fixtures	2711	\$1454.45	900.48	\$624.42	\$276.06
Conductors	2721	1043.26	596.42	427.70	168.72
Service	2811	160.40	116.56	78.31	38.25
Transformer	2821	501.07	493.43		
Transformer Labor	2831	74.00	38.96		38.96
Meters	2840	107.50	78.35	78.35	
Meter Labor	2860	7.00	4.75		4.75
Total		3347.72	2253.95	1727.21	526.74
Overhead		334.77	225.40	172.72	52.67
TOTAL		3602.49	2479.35	1899.93	579.41
Five Additional Service Me- ters			104.50		
Less Side Line Costs paid for or guaranteed by individ- ual customers			311.90		
Actual cost for 16 proposed consumers			\$2271.95		

## General Data

Estimated minimum Monthly Guarantee .....	\$53.30
Minimum monthly guarantee per customer (16 pro- posed) .....	3.33
Initial Customers .....	12
Original Monthly Minimum Established .....	3.00
Actual Minimum Monthly Guarantee .....	39.76
Minimum Monthly Guarantee per Consumer when all 16 are connected based on net cost of \$2271.96 .....	2.48

## Poles Used

42.50 ... 1.00 ft. — 1.40 ft.—Average poles per mile	19
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## Transformers Used

9-1½ kw 4600 110-220 Average per mile .....	3
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## Meters Used

11-3 W. 1-6 — 5 — 2 W. 1-16. Average per mile ....	5
Customers per mile—1st mile 6 2nd ml. 7 3rd ml. 3	
Weather conditions—good, no rain, ground frozen, thawing out each day.	

COMMITTEE OF INVESTIGATION ON RESOLUTION  
No. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Friday, May 1, 1931.

There were present.

Messrs. D. Glen Moore, Chairman  
Martin Memolo  
Louis W. Hagmaier  
Chester A. Rhodes  
Ellwood J. Turner  
H. J. Crawford  
Rev. James R. Cox  
Harold Evans, Esq.  
John M. Walker, Esq.

THE CHAIRMAN: Before the hearing resumes the Chair wishes to place this letter in the record. On April 15th Mr. Charles H. English, special counsel of the Pennsylvania Electric Association, and Col. A. M. Holding of West Chester appeared before this Committee and demanded that the Pennsylvania Electric Association be heard. They were informed that the Committee had an orderly program, that it would get through with its program as planned, and at the close full opportunity would be given to the Electric Association and the utilities to present their side of the case.

The letter received this morning from Mr. English reads:

## PENNSYLVANIA ELECTRIC ASSOCIATION

Eastern Geographic Division of N. E. L. A.

April 30, 1931.

Representative D. Glenn Moore,  
Chairman, House Investigating Committee,

Sir:

The Pennsylvania Electric Association received a telephonic communication today from your counsel that opportunity of hearing before your committee tomorrow would be accorded us.

It is presumed this invitation is intended as responsive to a request made by us some time ago, considerably prior to the filing of your preliminary report.

In that report definite conclusions were arrived at by your Committee regarding utility rates and regulatory principles and specific recommendations were made for the enactment of particular legislation then pending before but since passed by the body which created your Committee. Our request as stated therein was induced essentially by a desire to disclose the material errors of fact and fallacies of reasoning contained in the record as it existed before your conclusions had been reached and your recommendations decided upon.

It is not perceived how our attendance before you now could be of constructive worth and accordingly I advise you that the invitation for appearance before you tomorrow is respectfully declined.

Truly yours,  
(Signed) Chas. H. English,  
Special Counsel,  
Pennsylvania Electric Association.

CHE:MJ

MR. WALKER. Mr. Chairman, I think it would be germane to the issue, if we made a statement on the record, that I personally notified Mr. Millar, of the Pennsylvania Electric Association, on Monday evening that his association would be heard on Friday. This notification was given to Mr. Millar in the Penn-Harris Hotel.

THE CHAIRMAN: The usual weekly statement given out last week announces also that they would be called at this time, and there is no alibi.

E. R. KING sworn

MR. EVANS: I might call the attention of the Committee to the fact that in accordance with the desire of the Commit-

tee to hear from the responsible heads of the Electric Association in Pennsylvania, we invited among others, Mr. H. C. Hopson, vice president of the Associated Gas and Electric Company, and Mr. J. I. Mange, president of that company, to appear before the Committee. Mr. Mange is reported to be ill, and Mr. Hopson is too busy to attend, and suggests that we hear from Mr. King, the auditor of the Metropolitan Edison Company at Reading, and from Mr. W. R. Reiber, who is controller of the Pennsylvania Electric Company at Johnstown.

BY MR. EVANS:

Q. Mr. King, how long have you been connected with the Metropolitan Edison Company?

A. Since 1917.

Q. How long have you been auditor?

A. Since that time.

Q. Were the fixed capital assets of this company written up in 1925 as the result of its appraisal by Day and Zimmermann?

A. Yes, they were.

Q. In what amount?

A. I have not the figures exactly in my mind.

Q. Perhaps this will refresh your mind. (Showing witness report of company)

A. \$3,500,000 in round numbers.

Q. What was the book value of these fixed assets prior to the writeup?

A. Something over \$20,000,000.

Q. And they were written up to approximately 23% million dollars?

A. Yes.

Q. What was the purpose of this writeup on the books?

A. Well, to have the books of the company state as nearly as possible the value as determined by appraisers.

Q. Did the company have any financing in view at that time?

A. The company did financing at that time.

BY MR. TURNER:

Q. Does the Metropolitan belong to the Associated?

A. Yes, they belong to the Associated System.

BY MR. EVANS:

Q. I wonder, Mr. King, whether you can give us the financial set up of the Associated Gas and Electric System, so far as it affects the Pennsylvania companies. What is the capitalization of the Metropolitan Edison Company?

A. At the present time?

Q. Yes; take it at the present time.

A. I haven't those figures in my mind, Mr. Evans, you might have some reports here.

Q. This is the 1930 report (indicating).

A. At December 31st, 1930, there were outstanding ten thousand seven hundred eighty-six shares of seven dollar cumulative preferred stock.

Q. Of a stated value of what?

A. Stated value of \$1,078,600; one hundred and eighty-six thousand four hundred and eighty-six dollar cumulative stock with a stated value of \$18,646,200; 5,865 shares of five dollar cumulative preferred stock with a stated value of \$586,500; 360,780 shares of common stock with a stated value of \$13,511,700.

There were 7,525,000 one hundred dollar principal amount five per cent first mortgage gold bonds, series "C"; 22,568,000 principal amount of four and one-half per cent first refunding mortgage gold bonds series "D"; 1,560,000 principal amount of five per cent mortgage bonds of the Yorkhaven Water and Power Company; 144,000 principal of five per cent first mortgage gold bonds, of the Delaware Gas and Light Company.

Q. Which of the stocks have the voting power?

A. All of the stocks have voting power.

Q. The preferred stock has no voting power until there has been a default in the dividends, has it?

A. The preferred stocks have voting power in some instances.

Q. Take the unrestricted voting power?

A. That is vested in the common stock.

Q. Practically all of the common stock is held by whom?

A. By the Associated Gas and Electric Company or its interests.

Q. Is there any intermediate company between the Metropolitan Edison and the Associated Gas and Electric?

A. I couldn't answer that. I don't know.

Q. Are you familiar with the capitalization of the Associated Gas and Electric Company?

A. I am not.

Q. Then, you don't know what stock of that company has the voting power?

A. I do not. I am not familiar with the financial structure of the Associated Gas and Electric Company.

THE CHAIRMAN: Mr. Evans, may I ask a question?

MR. EVANS: Yes.

THE CHAIRMAN: The witnesses who are to appear before here, are they able to give that information or is there anyone who can speak with authority as an executive?

MR. EVANS: Mr. King will you answer that question?

THE WITNESS: There is no one here, Mr. Moore, that I know of that can give you the financial structure of the Associated Gas and Electric Company. I am sure I can't.

THE CHAIRMAN: The Committee wants to be absolutely fair, but we do not want to waste any time with anybody who cannot speak with authority on any issues that are vital to the matter, it appears to the Chairman.

MR. TURNER: Let me ask you this, does your schedule in asking these witnesses to appear give them any idea of what you want them to testify to?

MR. EVANS: We submitted to Mr. Hopson a very detailed questionnaire.

MR. TURNER: I have not seen any of your notices or communications, and, of course, I am not in a position to know, but I have just been wondering two or three times, when these people come in, whether they exactly know what they are going to be asked in the line of questions. I do not think, of course, you would want to disclose to them your full line of questions.

THE CHAIRMAN: Mr. Turner, these men have had every opportunity in the world. We have been absolutely fair to them.

MR. TURNER: That is another question, Mr. Moore.

MR. EVANS: In this particular instance I should be glad to get a copy of the notice I wrote to Mr. Hopson.

MR. TURNER: You do not need to do that. Your mere statement that such and such is so is ample for me at this moment.

MR. EVANS: It was written some weeks ago, and I would like to refresh my own memory, and I think also to call the situation to the attention of the Committee.

I may say in this regard that the New York Commission on the Revision of the Public Service Company Law, in its investigation into the capital structure of the Associated Gas and Electric Company and to give you some idea of it, I think it might be worthwhile to read from the report of that Commission, which is published as the New York Legislative Document, 1930, number 75, under the section headed: "Report of William J. Donovan, Counsel, page 64, as following:

"The most interesting illustration of the complex inter-corporate relations and transactions under present conditions is encountered in the Associated Gas and Electric Company group. I do not intend to characterize the attitude of the representative of that group, Mr. H. C. Hopson, Vice-President and Treasurer, who testified before the Commission. It is sufficient to say that he did not choose to co-operate as did the executives of other utility groups in the ascertainment of the facts bearing upon this investigation. From his testimony, however, and the data that he afterwards submitted, it appears that there are some 300 to 400 corporations in the Associated group. Thirteen of these are operating gas, electric, water and telephone companies in New York State. These are controlled by four holding companies which in turn are controlled by Associated Gas & Electric Company. Substantially all of the voting stock of the operating companies is owned by their respective holding companies, and substantially all of the stock of such holding companies is owned directly or indirectly by Associated Gas & Electric Company.

"According to the testimony out of the total of 6,109,297 shares of stock issued and/or to be issued May 31, 1929 (8,040,489 shares November 30, 1929) the only stock which possessed unrestricted voting rights is the so-called Class B stock which consisted of 300,000 shares. It appeared that all of this stock was held by Associated Securities Corporation, over 51 per cent of the stock of which was held by H. C. Hopson and J. L.



Mange so that these two men were able through their control of voting stock to dominate not only the holding and service companies, but every operating company in this system. By means of a series of contracts, it appears that during the year 1929 the operating companies of this system in New York State paid \$1,260,526.66 for management, construction and purchasing services. No details were made available as to how much of this sum represented cost to the service agencies or as to how much represented clear profit through them to the holding company. The statement of the working of these companies illustrates the need of subjecting such management contracts to the supervision of the Public Service Commission and the need of the Commission having access to the books of holding or managing companies so that the reasonableness of such contracts may be determined."

MR. TURNER: Mr. Evans, please don't misunderstand this question. What I want to ask is whether it is material to our investigation to get this financial structure in view of what has been read into the record.

MR. EVANS: I think it is very necessary in the arrangement and the structure of piling up of company on company. In this case my recollection is Mr. Mange and Mr. Hopson had an actual control of something like two per cent of stock, of the total outstanding stock of the Associated system, and with that control the entire system, lock, stock and barrel, and I think it is a matter of some importance in regulation as to whether that sort of, what you have termed "absentee landlordism" thing should be permitted with a very small minority holder really controlling the entire system.

MR. TURNER: Do you think we could legislatively control that, Mr. Evans? It would seem to me to be going rather far into the field of control. I think that we all understand each other and we all agree that there must be something by which you can get a regulation of these holding companies in so far as they enter into the control of these Pennsylvania corporations. I think you have now stated on the record the whole situation, and as they have not brought anything in to refute it in any way, they have not brought in any figures. I think we are perfectly justified in taking your statement of the situation as to the holdings of Mr. Hopson and Mr. Mange.

MR. EVANS: I think that some states in legislation now pending or perhaps passed are attempting to meet this situation. In one case I think there is an attempt made to meet it through requiring that there shall be full publicity in regard to the stockholders, their names and who they are, of operating utilities. There is also a suggestion I think that all directors of operating utilities shall be required to be residents of the State so there will be a group of people within the State who can definitely be held responsible for the operation of the utilities. These are just some of the possibilities.

MR. TURNER: I am glad to have that information.

MR. MOORE: Is it not to our advantage, even though we may be helpless in the matter, to get at these facts?

MR. TURNER: What I was getting at was whether it was essential to go further into that end of it. Or whether we could get all that we wanted from the statement Mr. Evans made in twenty lines which he has read into the record.

MR. RHODES: It seems to me some of these operating companies should appear here to answer some of these statements that have been put in the record. They have been severely criticized.

MR. TURNER: That is their fault if they are not here.

MR. MOORE: As I see it, this is a matter of giving publicity to the situation.

MR. RHODES: We have seen the position of most of these men of the operating companies. They appear to be disposed to be frank and they are apparently a very high class of individuals, but they do not have the information to give to this Committee which it wants.

MR. MEMOLO: Mr. Evans, do I understand you notified Mr. Hopson to be here?

MR. EVANS: That is the letter I referred to about which Mr. Turner asked.

MR. CRAWFORD: It looks to me as if where two per cent of the stockholders control the whole concern that it is a case of the tail wagging the dog.

MR. TURNER: That is something you often find, Mr. Crawford, especially in politics.

MR. RHODES: It seems to me that the people who have this information, that it would be of vital importance both from the utilities' standpoint and from the public's standpoint,

should be here, but they have refused to come here and reply. MR. MOORE: We had the same experience with the Hanover-McSherrytown case. We started with nothing and got nowhere.

MR. RHODES: I think the whole utilities situation would be materially benefited if there would be more frankness from the top to the bottom.

BY MR. EVANS:

Q. Mr. King, to whom are you responsible?

A. To the officers and directors of the Metropolitan Edison Company.

Q. To which one are you directly responsible?

A. To Mr. Banghart, Vice-President.

Q. Where is Mr. Banghart located?

A. Reading.

Q. Would he have this information we have requested?

A. Do you mean information with respect to the Associated Gas & Electric Company system?

Q. Yes.

A. I do not think he would.

Q. So far as you know, is there anyone in the State of Pennsylvania that has that information?

A. No, there is not. The Associated Gas & Electric Company is a New York corporation.

Q. Controlling the Metropolitan Edison Company and about one-third of the territory of the State of Pennsylvania with public utilities?

A. It holds the controlling interest in the common stock of the Metropolitan Edison Company. With respect to the other parts of Pennsylvania I am not aware.

Q. Can you state what companies in Pennsylvania the Associated Gas & Electric System controls?

A. What companies in Pennsylvania?

Q. What operating companies in Pennsylvania?

A. I can speak only for the group I am connected with, the Metropolitan Edison Company, the Northern Pennsylvania Power Company, and the Bangor Electric Company.

Q. That is the eastern group?

A. That is right.

Q. Now, Mr. King, the Metropolitan Edison Company in 1925 paid a common stock dividend of \$519,368, did it not?

A. That is right.

Q. And those dividends were charged to surplus, were they not?

A. Yes, sir.

Q. Would the company have been able to pay those dividends without creating a deficit in the surplus account unless the appraisal and write-up had been made in 1925?

A. I don't think the appraisal and write-up had anything whatever to do with it.

Q. Well, just answer the question, whether there would not have been a deficit in the surplus unless that had occurred?

A. No, there would not be a deficit.

Q. There would not have been a deficit in the surplus? Now, the surplus on January 1, 1925, amounted to \$916,089.78, did it not?

A. \$916,089.78.

Q. And the income balance transferred from the income statement amounted to \$738,197.47?

A. Yes.

Q. And there were donations from customers amounting to \$23,297.59?

A. That is right.

Q. And a profit on the sale of treasury securities of \$12.79?

A. That is right.

Q. And an excess of the par value over the book value of the Cumberland Valley Light and Power Company bonds of \$4.065?

A. Yes.

Q. What is the total of those items?

A. \$1,681,662.63.

Q. There were charged against that surplus additional reserve for renewals and replacements \$150,000?

A. That is right.

Q. And an adjustment of interest on loans, \$6,177.49?

A. That is right.

Q. A premium on bonds purchased for the sinking fund, \$777.27?

A. That is right.

Q. Unamortized discount and premium on eight per cent bonds retired, \$249,403.11?

A. That is right.

Q. Preferred stock sale expense, series C, \$13,187.17?

A. That is right.

Q. And premium and expense on preferred capital stock retired, \$1,711,280.79?

A. That is right.

Q. And the total of those items is what?

A. \$2,130,825.83.

Q. So there would then have been a deficit in surplus, disregarding the write-up, of \$449,163.20?

A. If you are going to use only part of the figures, that would be the result.

Q. Well, we are using all the figures, Mr. King, except your write-up, are we not?

A. You are using all of the figures except the write-up, but these charges here that are made to surplus certainly did not need to be made to surplus.

Q. Nonetheless, if those charges had not been made as they have been made, there would have been a deficit in the surplus account, if it had not been for the write-up?

A. They were made there only because the write-up had been made and surplus created to take care of these items, and the balance of the write-up was then transferred to stated capital for common stock. There is not any appearance of a deficit.

Q. What was the purpose of appropriating this balance of the write-up amounting to \$1,831,768.33 from surplus and transferring it to the stated value of the common stock?

A. I would like to have that question read, please.

(Question repeated by stenographer.)

A. I do not believe that I can give you the purpose. It was placed on the books and credited to the stated capital for common stock at the direction of the board of directors. I did not formulate the policy.

Q. Well, at all events, one of the results that was secured was to cut down the rate of dividend on the stated value of the common stock, was it not?

A. That would produce that mathematical result, but I doubt very much whether that was ever thought of.

Q. What companies were acquired by the Metropolitan Edison during 1926?

A. I am not positive of the year Mr. Evans, but there was this group of properties acquired about that time: Cumberland Valley Light and Power Company, York Haven Water and Power Company, Hanover Power Company, Gettysburg Electric Company, and, I believe, Metropolitan Power Company. I haven't the exact dates in mind.

Q. Did the Metropolitan Edison Company buy these companies direct, or did it buy them from a holding company, or through some other intermediary?

A. No, I believe all of these companies, the capital stock was purchased by the General Finance Corporation and subsequently the stock was purchased by the Metropolitan Edison Company from the General Finance Corporation, and then merged with the Metropolitan Edison Company for the consideration of the cancellation of stock and the cancellation of all the liabilities of those companies.

Q. Do you know whether the General Finance Company turned them over to the Metropolitan Edison Company at exactly the price it paid for them.

A. I believe that is stated in the contract between the Metropolitan Edison Company and the General Finance Corporation. I cannot be positive of that without refreshing my memory, and looking up the contracts but I know that constituted one of the properties that was purchased by the General Finance Corporation, and went into the Metropolitan Edison Company. In fact some of them they lost money on, or got no return on their investment while they held the stock of the company.

Q. But you don't know whether commissions or other profits were paid to the General Finance Company on the transaction?

A. I am sure they were not.

Q. You are sure?

A. Yes.

MR. TURNER: It would be rather helpful, it would seem to me in some of these cases, if you could give us when you go over this the place in the testimony, where the testimony was given by Mr. Colledge, or some of his boys, on these questions.

Now, I felt, I think it was yesterday, that there were two or three times, I think you were hovering over some of the testimony which I remembered, but the Colledge have been so many times on the stand it is hard to carry it in your head. I don't want to burden you with it, don't want you to go back and search for it, but I thought it might be helpful if you could make the record.

MR. EVANS: As a matter of fact I don't think this transaction has been brought before the Committee at all.

MR. TURNER: Yesterday, that part of the Panther Valley, that name stood out in my mind and it seems to me that they had some very fancy figures with reference to the Panther Valley. If we get this for a reference in one place, it would be very helpful in going back and getting the whole picture.

MR. EVANS: If you want to make a note of it, Mr. Turner, I think I can, in that particular case refer you to it.

MR. TURNER: Yes.

MR. EVANS: The Panther Valley testimony produced prior to yesterday appears in the testimony of Mr. Scott, page 1752 and thereabouts, and the testimony of Mr. Colledge, pages 1764 to 1769.

MR. TURNER: It is more important on Colledge and his men because the other men you more or less associate with what they have testified to very quickly, but to wade through the Colledge testimony and that of others, or I should say the Colledge boys, as I call them, would require considerable time.

MR. EVANS: I may say that I think Mr. Moyer has prepared a very complete index, which will be of great help on that.

BY MR. EVANS:

Q. In 1927, Mr. King, the Metropolitan Edison Company applied to the Public Service Commission for approval of the acquisition by which the controlling interests of the stocks of some eleven utility companies, did it?

A. Yes.

Q. And the Public Service Commission refused that application?

A. They refused it, yes, but an application was made for a re-hearing on the petition which was granted and subsequently the Commission approved it.

Q. We are going to bring that out, Mr. King. I read from the head note in his case, the Commission refused to approve the acquisition of the stock of a number of electric companies at a price several times its par value and materially in excess of its book value. This is application docket No. 16122 to 16132 inclusive, covered in volume 8 of Public Service Commission Reports, page 646. They also held, did they not, that a charge for the interest on the purchase price of the stock of these companies, which interest was to be paid to the General Finance Corporation was an unwarranted charge on the surplus of the company, of the Metropolitan Edison Company?

A. I believe that order refusing that petition did make such a statement.

Q. Now, as you stated, in 1928 another application was made and the merger was allowed?

A. As I recall it, Mr. Evans, there was another petition presented, there was a petition presented for a re-hearing of this same case, with the modification in the contract between the General Finance Corporation and the Metropolitan Edison Company respecting the interest that was in the original petition. That was one of the cases that I spoke of a little while ago that the General Finance did not receive what it actually paid, and cost it for the stocks of these companies.

Q. But the only change which was made was the elimination of that interest item.

A. That was the only change that was made in the contract between the Metropolitan Edison Company and the General Finance Corporation.

Q. And what other change was made which affected the situation so far as the Metropolitan Edison was concerned?

A. At the time of the hearing, or the re-hearing, I should say, the Commission asked to have an engineering conference on the appraisals that had been made of these properties. That was had, and as I recall it, there was something like \$78,000 deducted from the total valuation of the eleven companies, resulting from this conference.

Q. Who represented the Public Service Commission in that engineering conference?

A. Mr. Black.



Q. Did he allow anything for going concern value?

A. I don't remember; I cannot answer that. I don't recall the elements making up the valuation.

Q. Was this interest subsequently paid to the General Finance Corporation, amounting to \$150,000, or more?

A. Not to my knowledge, and I think I would know it if it had been.

Q. During the time that these properties were held by the General Finance Corporation, did it receive any dividends on their stocks?

A. It did not up until the time of the filing of this first petition and the first contract with the Metropolitan Edison Company, but I am not entirely clear as to whether they did not receive some dividends subsequent to that time. It was after they agreed to not make a charge to the Metropolitan Edison Company for interest. It runs in my mind that one of the companies did pay a small dividend. I may be wrong about that, but if they did pay a dividend it was not nearly as much as the interest would have been.

Q. The Associated Gas and Electric Company sold a great number of various issues and of stocks and bonds in Pennsylvania, has it not?

A. Purely from hearsay. I would say they have sold quite a number of securities in Pennsylvania; in fact, the employees of the Metropolitan Edison have solicited.

Q. The employees of the Metropolitan Edison have solicited?

A. Yes.

Q. And acted as salesmen for those securities?

A. Yes; you might say they did, for which the Associated Gas and Electric paid them a commission.

Q. Paid who a commission?

A. The employees.

Q. During the time that these employees were engaged in selling Associated Gas and Electric securities, were they also on the pay roll of the Metropolitan Edison Company?

A. They were on the pay roll, but the sale of securities is made very definite by the Associated, that it is not to interfere with their duties to the company by which they are employed. They did it in the evenings; they did it probably during lunch time; they did it outside of working hours.

Q. Were any expenses in connection with these sales, by employees charged up as an operating expense of the Metropolitan Edison?

A. No sir; the expenses of the employees in connection with the sale of Associated securities, in fact, there were not any expenses, so far as the Metropolitan Edison was concerned. The Associated does pay the employees a commission for selling.

Q. And, so that the only thing that the Metropolitan Edison might possibly have lost by that would have been if the employees had done so on the Metropolitan's time?

A. If they grabbed a little time, yes; but I don't think that they did, because that has been very definitely disallowed.

Q. In answer to one of my questions, addressed to Mr. Hopson, you have submitted a statement of the management and other fees paid by the Metropolitan Edison and other companies in the Eastern System during the years 1929 and 1930. What is the total amount of these fees paid by the Metropolitan Edison system in the year 1930?

A. It is in round figures \$284,000.

Q. Have you any information as to the cost of the service to the companies, to whom these fees were paid?

A. I have no information; not the slightest information as to the cost.

Q. To whom were these fees paid?

A. The management fee of \$150,000 was paid to W. S. Barstow and Company; the construction fee was paid to W. S. Barstow and Company, that amounts to \$130,000, in round figures; the purchasing fee of \$134,000 was paid to the Utility Purchasing and Supply Company.

Q. And the W. S. Barstow and Company and the Utility Purchasing and Supply Company are subsidiaries of the Associated Gas and Electric Company?

A. I understand so.

MR. EVANS: In order to get this data on the record in the quickest possible way, I think I will offer in evidence the data submitted by Mr. King regarding the Metropolitan Edison Company, Northern Pennsylvania Power Company, Sullivan County Electric Company, Bangor Electric Company, under

date of April 13, 1931, as exhibit one hundred and seventy-six of May 1,

#### PAPER IN QUESTION SO MARKED.

BY MR. EVANS:

Q. Now, the total management fees paid by the four companies in the Eastern Division of the Associated Gas and Electric System in Pennsylvania amounted to in the year 1929, to how much?

A. \$133,293.

Q. And in 1930?

A. \$149,349.

Q. The construction fees in 1929?

A. \$136,000 in round figures.

Q. And in 1930?

A. \$159,800.

Q. And the purchasing fees in 1929?

A. \$27,000.

Q. And in 1930?

A. \$36,800 in round figures.

Q. And these fees were all paid to the companies that you have already mentioned?

A. Yes sir.

Q. So that the total fees paid by these four companies in these two years amounted to \$642,368, roughly?

A. I am assuming that your calculations are correct; and if they are, that is right.

Q. On what basis does the Metropolitan Edison pay management fees?

A. On the basis of one per cent of its gross operating revenue, less inter-company items.

Q. And the same is true of the other operating companies?

A. The Northern Penna. Power Company pays 2½ per cent of the gross revenue.

Q. How about the construction fees?

A. The construction fee is on the basis of 7½ per cent of the cost of the construction.

Q. And is it the practice of the Metropolitan Edison Company to let its construction contracts on a competitive bidding?

A. No sir.

Q. They are awarded to the Barstow Company, are they?

A. They actually are not awarded at all to anyone. The Metropolitan Edison Company performs its own construction work, but it is supervised by the W. S. Barstow & Company.

Q. Now, Mr. King, when you are constructing a generating station, the 7½ per cent is calculated on the cost of the generator and all equipment purchased, is it not?

A. Yes sir.

Q. Is there also included the actual labor cost to the Metropolitan Edison Company?

A. Yes sir.

Q. And the Metropolitan Edison Company does all of its own construction work?

A. It does all of its construction work under the supervision of W. S. Barstow & Company.

Q. That is, it pays all of the bills, buys all of the equipment, and hires all of the labor?

A. Yes sir.

Q. Now for instance, in constructing a generating station, do they not contract for part of the work?

A. Oh yes. It is probable there is quite a bit of it let, different phases of the construction of the generating plant. For example, there might be a contract for some of the piping, there might be contracts for the brick work, and there might be contracts for the excavating.

Q. Are these contracts let on competitive bidding?

A. Yes sir.

Q. And they are let direct by the Metropolitan Edison Company?

A. That is right.

BY MR. TURNER:

Q. Do these fees go into operating costs?

A. Not the construction fees. The management fees do, yes. A part of the purchasing fees, the construction fees, go into capital account.

BY MR. HAGMAIER:

Q. The engineering company gets 7 per cent and the holding company gets 1 per cent?

MR. EVANS: I think on construction, as I understand Mr. King, the Barstow Company, gets 7½ per cent for general supervision of the construction work and engineering. Then there is a managing fee of one per cent paid to the Metropolitan Edison, and 2½ per cent paid to the Northern Pennsylvania Power Company.

Q. Who owns the Barstow Company?

A. The Associated Gas & Electric.

BY MR. MCMOLO:

Q. That is on the gross receipts?

A. That is the management fee.

BY MR. MOORE:

Q. Do they get that 7½ per cent on the equipment purchased?

A. Yes sir, on construction charges. I think I should modify that answer just a little bit. There is no fee paid on going property purchases and no fee paid on interest during construction included in capital account.

BY MR. RHODES:

Q. Where does the holding company have such superior knowledge in management over you fellows that have been in the operating game for so many years?

A. The managing company is composed of men who have been in the management of utilities many, many years. They have had very extended experiences.

Q. Most of their activities from my observation have been in the financial end and in building up these holding companies?

A. I am afraid your observations then have not been very wide. Mr. Rhodes. I have been connected more or less with companies of that type for the past, almost, twenty years, and I know that the management companies have in them men who have had very wide experiences in operation, and men who have had very wide experiences in construction in all parts of the world for example. For example, the chief engineer of W. S. Barstow & Company has constructed plants in practically all parts of the world. He has developed originally a great many factors of generating plants himself. He is what you might call the inventor of a great many parts of engineering plants. I am not an engineer and cannot speak technically of it, but I do know both the engineering company and the managing company have on their staffs men, and only men, that have had very wide and long experience in management and construction, and of course the smaller operating utility companies could not in any manner or form have that knowledge available to them if it were not for the companies of that sort.

MR. TURNER: If it was not for that, you would have to go out and hire them.

THE WITNESS: You could not go out and hire them; they would not be available to hire.

Q. Lots of these questions are only casual and occasional questions with the ordinary operating company?

A. They may be occasional, but that occasional time may be worth a tremendous lot of money and they could not afford to go out and hire this advice.

BY MR. HAGMAIER:

Q. If you have this Barstow Company, which is such a wonderful engineering company, where does the managing company step in, where do they come in?

A. Mr. Hagmaier, the distinguishing points between the management and the engineering company is that the managing companies operate properties after they are constructed, while the engineering company is the construction company, the company that develops the physical property.

BY MR. RHODES:

Q. Your construction company is just one unit of the holding company?

A. No, there are two.

Q. Your holding company owns your construction company?

A. Yes sir.

MR. HAGMAIER: It might all be done in the same office.

MR. TURNER: I think the question here is as to the amount paid.

THE WITNESS: I don't see that it makes any great difference because there is no duplication of payment. There may

be a criticism if someone wants to make it about having two companies, one to do the managing and the other to do the construction work.

BY MR. WALKER:

Q. Who determines the policies, the officials of the operating company or the officials of the management company?

A. The policy of the operating company is determined very greatly by the men actually on the properties operating the properties, but of course they avail themselves of the advice and assistance of the management company.

Q. And who has the final yes or no, the officials of the operating company or the officials of the management company?

A. The officials of the operating company, most assuredly.

Q. They have the authority to fly in the face of Providence, do they?

A. I beg your pardon?

Q. Do they have the authority to go contrary to the wishes and advice of the management company?

A. They certainly do, in the exercise of their official capacity.

BY MR. EVANS:

Q. Now, Mr. King, going back to the acquisition of these eleven companies in 1928, it is true, is it not, that prior to that acquisition there were appraisals made of most or all of these companies by Day & Zimmerman?

A. All, I think, but one or two.

Q. And as a result of those appraisals the fixed assets of these companies were written up on their books approximately a million dollars?

A. Yes; a little more than that, I think; but around there.

Q. Up to 1929 the Metropolitan Edison was controlled by the General Gas and Electric Corporation, was it not?

A. That is right.

Q. And the General Gas and Electric Corporation was a W. S. Barstow company and not associated in any way with the Associated Gas and Electric system?

A. That is correct.

Q. In 1929 the Associated Gas and Electric Company purchased a controlling interest in the General Gas and Electric Corporation, did it not, from Barstow?

A. It purchased W. S. Barstow, which carried with it control of the General Gas and Electric.

Q. Do you happen to know what stock of W. S. Barstow & Co. carries the voting privilege?

A. The information that I have—I can not give you this as an actual fact, but from the information I have there is, but very little other than common stock of W. S. Barstow outstanding.

Q. Are there not two classes of common stock, class A and class B?

A. I don't think so. I can not give you this in facts, because I haven't the knowledge.

Q. Are you familiar with the acquisition of W. S. Barstow & Co. by the Associated?

A. Only in a very general way.

Q. It is true, is it not, that after having acquired the control of W. S. Barstow & Co. Inc. the Associated purchased from the Gas Securities Corporation its holdings in the General Gas and Electric Corporation?

A. I know that only from newspaper accounts.

Q. Do you know, either from newspaper accounts or otherwise, that Gas Securities Corporation was a subsidiary of the United Gas Improvement Company?

A. That is common knowledge. I don't know it as a fact at all.

Q. But at the present time, as a result of these purchases, the Associated Gas and Electric has complete control of the stock of the General Gas and Electric Corporation?

A. I believe they had control before they made this purchase.

Q. Well, they now hold something like 98 per cent. of the voting stock, do they not?

A. I couldn't tell you, Mr. Evans. I don't know. I haven't the Associated accounts at all.

Q. Again, is there anyone in Pennsylvania that can give us that information?

A. Not that I know of. I don't know of any employee of the Associated Gas and Electric Co. residing in Pennsylvania.



I think, Mr. Evans, that most of this information that you are inquiring about regarding the Associated Gas and Electric Company is in pamphlets issued by the Associated Gas and Electric Company, and in manuals issued by the various financial services and things of that sort.

Q. That may be so, Mr. King. Now, during the years prior to the acquisition of this property by the Associated Gas interests, a considerable amount of stock of the Metropolitan Edison Company was sold to the General Gas and Electric Company, was it not? Was issued to them, I will say.

A. Yes. Most of it was common stock.

Q. Common stock, yes.

A. I think there was some preferred. They bought some preferred. But mostly common.

Q. And do you know approximately the price range at which these stocks were issued to the General Gas and Electric Corporation?

A. I don't recall those prices. I knew it at the time.

MR. EVANS: Well, perhaps we can refresh your memory. (Discussion off the record.)

(Question repeated by stenographer.)

MR. EVANS: We will say prior to December 1927.

A. In 1925 there were 8,572 shares of common stock issued at \$35 per share. Now, in all of these common stock issues that I will give you, it didn't all go to the General Gas and Electric Corporation, other holders of common stock were always given the right to subscribe at the price stated. Also in 1925 there were 8,998 shares issued at \$35 per share. Also in 1925 3,860 shares at \$35 per share.

Q. And in December, 1927, there were 28,000 shares issued at—

A. At \$50 per share.

Q. Do you know approximately how many shares of Metropolitan Edison Company stock was owned by General Gas and Electric Corporation of December 31, 1928?

A. I think about 90% of it, but I am not sure of the number of shares that were outstanding at that time. We can get it easily—at the end of 1928 there were 157,842 shares.

Q. So that the General Gas and Electric Corporation—

A. Owned approximately 90%.

Q. Or in round figures, 143,000 shares?

A. Probably a little bit less.

Q. You have testified in 1929 the Associated acquired control of Barstow and Company, and through it controlled General Gas and Electric Company?

A. That is right.

Q. At what price did the Metropolitan Edison sell in October, 1929, an issue of common stock to the new holding company, the Associated Gas and Electric Securities Company?

A. \$200 a share, is my recollection.

Q. How much of this was credited to stated capital and how much to surplus reserve?

A. \$60 a share to stated capital, common stock, and the balance to capital surplus.

Q. Can you explain how the value of these shares increased from \$55 in 1927 to \$200 a share in 1929?

A. I think that is quite an order, Mr. Evans, to explain why securities increased in value.

Q. Well, had the business of the Metropolitan Edison Company shown that much improvement between 1927 and 1929 to justify that change in price?

A. I think that is purely a matter of opinion of those who were purchasing the stock that the company offered.

BY MR. RHODES:

Q. Did the profits increase in proportion to the increased value of that stock?

A. No.

BY MR. EVANS:

Q. Does this indicate to you that the Associated in acquiring control of Barstow and Company allocated to the Metropolitan Edison a stock value of approximately \$200 a share?

A. I am afraid, Mr. Evans, I don't understand what you are trying to get at. No. That does not give me any such indication, Mr. Evans. I cannot see any relationship.

Q. Now, Mr. King, in purchasing control of Barstow and Company, one of the things that the Associated would be interested in, and which would determine the price you paid for Barstow and Company would be the value of the underlying stocks, would it not?

A. It certainly would.

Q. And would the Associated have been likely to have issued stock in October of 1929 at \$200 a share unless that had been approximately the price it had considered that stock was worth in acquiring Barstow and Company?

A. I cannot see how that could be matched at all?

Q. How much was the fixed capital of the Metropolitan Edison Company written up in 1930?

A. Approximately \$19,000,000.

Q. So now they have a writeup of 3½ million dollars in 1925, a writeup in the companies acquired in 1928 of \$1,000,000, and a writeup in 1930 of \$19,000,000 of the Metropolitan Edison, or approximately 23½ million dollars altogether?

MR. TURNER: Was the first 3 million and the second million in the same companies with the 11 million writeup?

THE WITNESS: I think that statement is probably correct with one exception.

A little over a million dollars, of the eleven companies represented the cost to the Metropolitan Edison Company. That was not the writeup by the Metropolitan Company.

Q. No; it was a writeup by the acquired companies before the Metropolitan Edison took them over.

A. That's right.

Q. Who made the appraisal of 1930, on which the \$19,000,000 was based?

A. E. J. Cheney.

Q. Is he in any way directly, or indirectly, connected with the Associated Gas and Electric Company or any of its subsidiaries?

A. Not to my knowledge.

Q. Our accountants have been informed by Mr. Morgal, Chief of the Bureau of Accounts and Statistics of the Public Service Commission, that they have no information whatever in regard to this appraisal. Do you know anything about the basis on which it was made?

A. I do not, Mr. Evans. I am not an engineer, and I probably would be wrong if I attempted to go through the appraisal and tell you what basis it was on.

Q. What was the book value of the fixed assets of the Metropolitan Edison Company before the \$19,000,000 write-up in 1930?

A. About \$66,000,000.

Q. So, they had written up from \$66,000,000 to approximately \$85,000,000.

A. That is right.

MR. TURNER: \$66,000,000 and \$23,000,000 cannot make \$85,000,000.

MR. EVANS: No; but this is the \$19,000,000.

MR. TURNER: Oh.

BY MR. EVANS:

Q. Have you any reason to think the Day and Zimmerman appraisal made in 1925, of the Metropolitan Edison Company and in 1927 and 1928 for the eleven acquired companies was not a correct and fair appraisal?

A. Mr. Evans, the appraisal that was made in 1925 by Day and Zimmerman didn't cover anything like nearly all the property which was covered by this latter appraisal, and I think the main factor that prompted the making of this appraisal at this time was that the Metropolitan Edison Company, as it is now constituted, is made up of probably, oh, twenty-five or thirty companies, some of which companies' properties, previous to the acquisition by Metropolitan had been appraised by this engineer, and that engineer and the other engineer. They had been on widely different basis. Some of them have included going concern value; some did not; some had not included cost of financing; some of them had not included the cost of working capital. It was a heterogeneous mass, and this appraisal was made in order to obtain an up-to-date inventory and appraisal of the property.

Q. And now, then, let us get at this: Didn't the appraisal of Day and Zimmerman in 1925 cover all the properties then owned by the Metropolitan Edison Company?

A. All the physical property, yes, then owned by the Metropolitan Edison Company.

Q. And in 1928 the Metropolitan Edison Company acquired some eleven other companies?

A. Yes; and in 1926—wasn't that the date?—they acquired a number of other companies previous to that time. Now, those properties were—

Q. Were they not appraised at the time they were taken over?

A. Yes; there were appraisals. I tell you that practically all of the properties were appraised at some time or other by various engineers.

Q. So that the books of the Metropolitan Edison Company in 1929 reflected appraisals of all this property made in 1925 or subsequent thereto.

A. No; that is not a correct statement, Mr. Evans.

Q. What property was not so covered?

A. One particular property was the Metropolitan Power Company, which constructed the power plant at Middletown near Harrisburg. Another was the Easton Gas Works property of Pennsylvania.

Q. Now, wait a moment, let us get at this: The Metropolitan Edison Power Company was never appraised?

A. That is right. It was not.

Q. And what was the cost of that company's property?

A. I haven't the figures in my mind, Mr. Evans.

Q. Well, roughly, you most know approximately.

A. I don't like to make a guess on that. I may be millions of dollars wrong.

Q. This company was formed in 1923, and that station was constructed at a period of high-post-war prices, was it not?

A. It was constructed around 1923 and 1924.

Q. And that was a period of high prices, as has been testified to here on numerous occasions?

A. Yes; that was a period of high prices, but I am not sure that this appraisal is at as high a price as it cost.

Q. What we are trying to find out is whether you got \$19,000,000 additional value in 1919 over the appraisals of your property made in 1925 to 1929, and the actual cost of the property going into the system since 1923?

A. Mr. Evans, I think that question is beyond my power to answer. I think, if you want to determine that fact, you will necessarily have to get the engineer who made the estimate or the appraisal.

BY MR. TURNER:

Q. Who was that engineer; Day and Zimmerman?

A. E. J. Cheney.

BY MR. EVANS:

Q. Where is he located?

A. 61 Broadway, New York City.

BY MR. RHODES:

Q. I wonder if they would appear if we requested them.

A. I can't speak for them, Mr. Rhodes, it is quite possible they would.

Q. These fellows who are beyond the jurisdiction have always seemed to be very reluctant so far to appear.

MR. TURNER: You can't blame them for that.

MR. RHODES: They have nothing to be apprehensive about.

THE WITNESS: I think Mr. Hopson would rather have liked to appear, but he is a very busy man.

MR. RHODES: And we would have been very delighted to see him. I think we would have gotten some information from him.

THE WITNESS: Mr. Hopson is a very busy man, he has had a lot of work thrown on his shoulders; I know that.

MR. RHODES: I think that is true, but I think these are matters we are vitally concerned about, and I think he ought to have some concern about them, even if he is busy, because it may happen that legislative matters may have a lasting effect and a wide effect, and I think it would be very becoming for him to co-operate on any information he may have, and he ought to have a lot of information by virtue of his commissions and experience.

MR. RHODES: Presumably there is no hope of that. I think it would be very valuable if they did.

THE WITNESS: Of course Mr. Rhodes I cannot instruct Mr. Hopson.

BY MR. RHODES:

Q. How much going capital was in that eighty-five million dollars of revaluation of your company?

A. I cannot answer that now, Mr. Rhodes. I could get the figures and submit them if you wish.

Q. I thought your statement probably showed how it was made up?

A. No, we don't have it broken down.

Q. Can you tell me, Mr. King, how much Associated Gas & Electric Company's stock was sold in your territory by your employees during the year 1929?

A. No, I cannot give you any figure at all. We no doubt have it in the Reading office, but I cannot even estimate it.

BY MR. TURNER:

Q. Is that stock sold to employees or the public?

A. Both.

BY MR. RHODES:

Q. Do you have any theory of your own relative to the value of write-ups?

A. I don't have any theory, Mr. Rhodes, but I cannot see any damage in write-ups. I cannot see any possible chance of damage unless as has been spoken of here since I have been sitting around the room, the companies would use the write-up for recapitalization, or would capitalize it. I think there would be some advantage then.

Q. We have had numerous instances here where write-ups were utilized for new issues of stocks?

A. I don't think that is proper.

Q. What other purpose would there be put to give a better appearance from the standpoint of your book value with your net income?

A. I think we could put that down to a very simple example. If you owned a property that you had bought at a bargain, or bought cheaply or bought during periods of very low prices, and you were asked to fix a financial statement, I think you would try to set your picture up to show what your picture was. I cannot see any virtue in making yourself look worth fifteen cents when you are probably worth thirty, and I cannot see any harm in making it look like thirty.

BY MR. TURNER:

Q. If you went into a bank to borrow some money and had a property that you paid \$5,000 for and you had been offered \$10,000, how would you set it down in your statement?

MR. RHODES: That is a different statement. I am trying to get back of all these write-ups.

THE WITNESS: I think that is an analogy.

BY MR. RHODES:

Q. Then we get down to this, that the purpose of these write-ups is for the sole idea of permitting the issuing of securities or the acquisition of loans?

A. No, I would not say that is the sole idea.

Q. That is Mr. Turner's idea. If you go into the bank you present your picture?

BY MR. TURNER:

Q. That might be your book record, might it not?

A. I don't think it is a correct assumption to say that properties are written up purely for financial reasons.

Q. That is one of the reasons?

A. I think the owners of the property, the directors and the officers of the property, have a perfect right to have the right kind of a picture before them and I don't think that books are correct that don't reflect the proper picture.

BY MR. RHODES:

Q. You think it is immaterial what your investment may be, it is what you think it is fairly worth?

A. It is a question of having it appraised by men of experience who are experts in their line.

Q. Do you think your company will have an appraisal in 1931 or 1932?

A. My personal thought is we will not have an appraisal in 1931, we may have.

Q. If you want a picture before you, why not take the other side of the picture, and not take the rosy side all the time?

A. We too often have to take the other side.

BY MR. EVANS:

Q. During this entire investigation we have not found a company that had an appraisal made when prices were going down; they are always made when prices are going up. If we are going to have the picture on one side of the story, why not have it on the other side?



A. The appraisal we are speaking of here now has just recently been completed.

BY MR. HAGMAIER:

Q. You stated that some of these properties were sold at top prices. In that case how could you advance them?

A. I don't know that they are in there at even the cost price. They may be in there at less than cost figure.

BY MR. RHODES:

Q. Some of the men before, I think one this week, said was no purpose behind write-ups, that they didn't mean anything, that they were needed for the purpose of issuing securities. This was an operating man and I wanted to get your side of the story provided you had a theory of your own.

A. I think Mr. Rhodes, I don't think you could call it a theory, the comments I have to make. In making these write-ups I don't have any theory regarding that.

Qu. There must be some motive of purpose back of that. It all means the same regardless of the term they use.

BY MR. HAGMAIER:

Q. They all do it but none of them can give any reason for doing it.

A. I would say that it is principally done to bring the picture up to date.

BY MR. EVANS:

Q. Are always up to date and never down to date.

A. I would not say that.

Q. Did you ever know of an appraisal having been made by which the books of any property you have been connected with have been written down.

A. Yes sir.

Q. Won't you be good enough to refer us to one.

A. The Fleetwood and Kutztown Electric Company acquired by the Metropolitan Edison Company in 1930. The appraisal of the property was actually less than it was on the books. York Haven Power and Water Company, the property account was reduced \$72,000,000.

Q. Are you now speaking of physical appraisal. Were these properties not written-up again in 1930.

A. They were not. Not anywheres near the valuation on the books.

Q. You seem to be getting some detailed knowledge of this 1930 appraisal now. How did you happen to know that the York Haven was not—

(Question read at request of witness).

Q. Are you speaking of physical appraisal? Were these properties not written-up again in 1930.

A. I want to correct that answer. I don't know whether they were or were not.

Q. Let us look at your 1929 report to the Public Service Commission. Yours show total fixed capital at the close of the year \$62,177,579.45, do you not.

A. That is right.

Q. And the reserve for renewals and replacements was how much?

A. \$5,298,688.93.

Q. So the net fixed capital assets were approximately 57 million dollars?

A. Approximately, yes.

Q. You made a capital stock tax report for the year 1929—are you familiar with that report?

A. In a general way, yes.

Q. This report has been introduced as exhibit No. 56. On page 2 of this report you give a general balance sheet in which you include as assets the book value of your fixed property at \$62,177,579.45, which is the same figure that is included in your report to the Public Service Commission?

A. That is right.

Q. You then, in the next column, show the actual value of these fixed assets to be only \$46,211,407.75?

A. That is right.

Q. Will you explain how you arrive at an actual value approximately 15 million dollars less than the book value and in 1930, through an appraisement, showed the actual value of your fixed capital as 19 million dollars greater than your book value? One is for tax purposes, is it not, and the other is for other purposes?

A. That is right.

Q. We will get first for tax purposes. How did you find that the actual value of your fixed property was 15 million dollars less than its book value?

A. Mr. Evans, taxes paid by an operating company, and by Metropolitan Edison Company, are an operating expense. It is chargeable against the customers, or it has the effect of making charges higher against the customers served by an operating company, and Metropolitan Edison Company does not feel, and it does not expect to pay, more than its share of the taxes. It is generally known, probably by this committee, and certainly generally known by all of the taxing authorities in the country, that values for tax purposes are not anything near at 100 per cent. We are only attempting to pay our just portion of the taxes, and that is all we expect to pay, and I think that we would be very much criticized and could be very much criticized by our customers if we paid more than that. If we put our figure in at 100 per cent and the other fellow put it in at 40 or 50 or 60 per cent, we would be penalizing the customers in the Metropolitan Edison territory, which we do not expect to do if we can help it.

Q. Now, Mr. King, both of these reports are sworn to. In 1929 the officials of your company have sworn for tax purposes that the actual value of their fixed assets is approximately 46 million dollars—

A. Mr. Evans, I can only say this, that it is a pure guess, and I don't know why in the world taxing authorities would put in one item of book value and another of actual value unless they expect it to be a guess. What do they expect to have put in there? What is expected to be put in here? I can not conceive of anything else except an appraisal for tax purposes.

Q. So, in your opinion, it is proper practice to appraise the identical property for tax purposes at 46 million dollars that you appraise for rate making and credit purposes at 80 some million dollars?

A. I consider that proper practice with respect to taxes; yes, sir.

MR. TURNER: Mr. Evans, I don't think either is justified, but the same condition exists in real estate, and I have been battling in the Legislature since 1929 to get a uniform assessment in our counties by getting county boards of assessors.

THE WITNESS: It exists in all manner of taxation.

MR. TURNER: I say I don't think either is justified. I believe that everything should be stated at 100 cents on the dollar, and then if you want to cut your tax afterwards to make the leeway, that ought to be done; but I think assessments ought to be at 100 cents. I don't think the corporations ought to put theirs in at 60 per cent or 40 per cent, nor that the individual who owns a home ought when he goes in to take an appeal from assessments, fix it at 60 per cent or 50 per cent or 40 per cent. That is one of the biggest evils we have in the State.

MR. HAGMAIER: But on the other hand he makes a statement that he thinks it is unjust to the consumers to pay that tax but on the other hand it is not unjust to the consumers to raise it double the amount—

MR. TURNER: I say I do not think there is any logic in the position, but I am just pointing out the fact that we have the same condition. You are members of the legislature; help put this county board of assessment bill through.

THE WITNESS: We certainly want to be on equality with the other companies in Pennsylvania, Mr. Turner. Now if the other companies in Pennsylvania pay a tax on what they may call their rate base, we would pay it too.

BY MR. HAGMAIER:

Q. Isn't it only just, if you are charging a man for a light on that basis, why should you not pay a tax on that basis?

A. Do you think the utilities should pay all the taxes in the state?

Q. They don't pay any of it. The man who buys the juice pays it.

A. All right. You would pay more for your current then if you had to pay the same rate of taxes on the rate base; wouldn't they?

Q. Yes, and if the rate bases were down where they ought to be, they wouldn't have to pay as much as they do, either.

MR. TURNER: It is just as much unjustified as the land owner who charges rental on a basis of a five thousand prop-

erty and for assessment for tax purposes has it assessed at \$2,500.

MR. EVANS: Well, Mr. Moore and members of the committee, I don't feel the impression ought to be gotten from Mr. King's testimony that this practice is universal throughout the electric industry, because, from the capital stock tax reports which we have received it is evident that some companies put in their book values, other companies, in order to reduce their taxes, put in lower values; and I don't think that Mr. King's statement, that everybody does it and therefore it is all right, ought to stand on the record unchallenged.

MR. TURNER: I don't think so either. I think if that is a fact, Mr. Evans, it ought to be put on the record.

THE CHAIRMAN: The chairman's recollection is that at least one company had two reports in which the two figures coincided exactly.

THE WITNESS: I believe that if the committee will take the pains, and which I suppose they have available to them, to examine the capital stock reports of the majority of the utility properties represented in Pennsylvania, you will find that my statement is justified.

BY MR. EVANS:

Q. Mr. King, we have some forty returns of the electric industry for 1929, so that we have a fair picture, I think, of that.

MR. EVANS: Has the Committee any question to ask Mr. King?

BY MR. RHODES:

Q. I think you said you had no way of determining what the actual value was except just by mere guess in making up your reports?

A. That is the basis of 90%, is a pure guess. Another thing that I might add, that in no case is a settlement for taxes made on these figures. I think that the governing factor in the settlement of taxes, while I cannot speak from authority, because I have not been in the position of settling these taxes, but I think the governing factor is earnings of the company, rather than any figure that is placed on the capital, on the property.

Q. The earnings of the company you think are the determining factor?

A. I think it has quite a lot of weight. It is supposed to be based on three items, the value of fixed property, the average selling price of stock during the year and the earnings over a period of five years.

Q. The value of earnings, as a matter of fact, are usually determined by what you have your property appraised at?

A. No. I think the rate of dividend was taken into consideration also.

Q. If that be true, Mr. King, from your connection with the industry, that the whole situation is more or less chaotic, your book values mean nothing when it comes to determining the value of your property, isn't that true?

A. Yes, I think that is true, Mr. Rhodes.

Q. And then your book values mean nothing when it comes to determining your base for taxation?

A. Not a great deal, Mr. Rhodes.

Q. Does not that just leave the whole thing up in the air? Now, I think that the industry certainly should be interested in getting down to fundamentals in these matters and see if there could not be some system devised, some legislation worked out, so as to get it working more equitably all the way round, instead of having this chaotic condition and this guesswork in all these different aspects. I am merely looking at the thing from the standpoint of doing something constructive rather than doing anything destructive.

A. Of course, it would certainly be an ideal situation if there could be something that was inflexible, something that would actually stand.

Q. You cannot have something inflexible, but you could have something that was more or less approximately flexible.

A. Our entire economic structure is just not that way. Our entire economic structure is constantly fluctuating. You cannot take one particular item and tie it down to a post and say, "All right, that is going to stay there." I don't see how you could do it. Now, it seems to me you have got to go along with the theories and the changes that travel with general economic conditions. If you attempt to tie valuation of public utilities down to one particular way of looking at them,

then it would be easy to operate, and it would be easier for the accountants, and probably be easier for the Public Service Commission, although it might inflict great damage on the public.

Q. It probably is not humanly possible to get any fixed fundamentals under the conditions under which we are laboring, because when it comes to this proposition that you spoke of a moment ago, the determination of the actual value, it is a matter of guess. When it comes to the determination of the fair value in a rate case, even the Commissioners admit that is a matter of pure judgment, which in itself is a matter of guess?

A. That judgment, I assume, Mr. Rhodes, is based on conditions as they exist at the time the judgment was formed. I don't see how you can form a judgment that would be all right forever, because everything else is changing, and I don't see why a single one of these factors would not change.

Q. I think that is probably true.

A. It is very hard to set a rule or plan that will work out indefinitely.

Q. The trouble with the whole situation, as I view it, is a matter of unrestrained judgment. There does not seem to be any guide to the judgment rendered in very many of these things, everybody uses any method they see fit, or gather together such factors as they desire, this and that factor that determines, rather than on a basis that may help them along in making a conclusion upon some logical basis.

A. Well, it is my understanding that there has been a guide post set up by the Supreme Court. Now, I think there will always be a divergence as to values in the opinion of individuals.

Q. The Chairman of the Public Service Commission of Massachusetts says that following the Supreme Court decision makes regulation ineffective. Now, there is a man that has been in the Commission in Massachusetts for more than ten years, and he deals with the situation every day, and he says from his practice and his experience that any Commission that endeavored to follow the reproduction cost new theory as set down by the United States Supreme Court just could not be done, and regulation would be ineffective if not impossible, under the rule.

A. Well, I presume, Mr. Rhodes, that that would come under this statement that I made, that you cannot make two people think alike, it just cannot be done.

Q. It just emphasizes the difference of opinion.

A. That is all there is to it. You cannot make them all think alike.

BY FATHER COX:

Q. Don't you think you ought to have some economic laws, as it is now pure judgment and inclination and all these other things enter into these determinations instead of anything fundamental?

A. Well, Father Cox, fundamental economic laws, it seems to me that we have got to ride along with economics as they exist at the time, and there can hardly be fundamental economic laws.

Q. Well, there ought to be some way of establishing, some idea of values instead of this pure judgment method, because after all it comes down to pure judgment.

MR. RHODES: That is all it means.

FATHER COX: That is all it means; it means nothing.

THE WITNESS: It has always existed, so far as I know, and I presume always will.

MR. TURNER: Under the Massachusetts theory it is not a matter of judgment, because the Commission has determined a value at which they allow issues of stock, and after that has been issued, it becomes the base value for rate making purposes on the books, and I am inclined to think that there is a proposition that is a little better gauge, it is a little more restricted gauge than we have under the present theory.

MR. RHODES: I think that is what Mr. Attwill said, that they didn't think this unrestrained judgment that is utilized in connection with the reproduction cost new theory was the proper method, that it ought to be done in a little more definite way.

THE WITNESS: Mr. Rhodes, I hope, and I don't believe that you have the feeling that the officers of these companies have intentionally lied.

MR. RHODES: I understand your point of view.



THE WITNESS: One figure presented in the tax report is a sworn figure from the books of the company, and I presume that you will find these identical. The other figure is supposed to be the actual cash value, and now, how in the world is anybody going to determine what that is and be able to swear to it?

MR. RHODES: Any individual can probably justify any figure that he puts out, because he can say it is his opinion.

THE WITNESS: That is the only way.

MR. RHODES: But it is not a good method; at least that is my opinion, that is not a good method to follow.

MR. HAGMAIER: Mr. Evans, haven't we had figures here where the revenue department put it up to ten million, and there weren't exceptions taken to it? I am almost sure they are marked on some of the exhibits we put in.

MR. TURNER: I think you are right.

MR. EVANS: Yes; I think that is correct.

THE WITNESS: I might add for your information, that my own personal feeling is that that column should not be in the tax return; then as a matter of fact the returns are to be filed for the year 1930 for the companies of which I have the supervision of the accounting there is not going to be anything put in that column. It is going to be stated that the fact of actual cash value is indeterminable.

MR. RHODES: Because it is very seldom that there would be any write-up in the actual cash value column beyond the book value. The average company is not going to write up the actual value beyond their book value.

THE WITNESS: No; I doubt if it ever is.

MR. RHODES: Therefore, it does not serve any good purpose.

THE WITNESS: It does not serve any good purpose, and it puts the people who are preparing those statements, in the eyes of some people in a bad light.

MR. HAGMAIER: I can't see the necessity of the column myself.

THE WITNESS: I cannot either. As a matter of fact, the columns of those companies that I represent will not contain any figures.

MR. RHODES: It is not fair to your company that the other public utilities utilize methods of taking the actual cash value and letting you take the book value. In other words, he is doing something that you are not.

THE WITNESS: We are leaving that column blank. It doesn't mean that we are going to pay taxes based on that other column.

MR. RHODES: Certainly; I realize that.

FATHER COX: I should say that we are all go-getters and that we are not go-givers, and we are trying to get all we can, unless somebody makes us pay it.

THE WITNESS: Father Cox, this is my anniversary of entering the utility business, May 13. I know that the operators of utilities are striving every day and in their private counsels it is always, what can we do to give better service? It is not a question of the public be damned. That has never been my experience with utilities. It is a question of saving money, and operating economically, pay our just proportion of taxes, but not more, and giving excellent service.

MR. RHODES: The public utility situation naturally has some abuses created in connection with its growth, and it takes a little to readjust and correct those conditions.

THE WITNESS: Of course, an industry that has grown as fast as the utility business, there probably have been abuses that have crept in here and there. There is probably not any doubt about that.

MR. RHODES: And probably the economic development has been much more rapid than the legal development.

THE WITNESS: It probably has.

FATHER COX: That is why we say we need economic laws.

BY MR. MEMOLO:

Q. On the question of these tax values, wouldn't it be more uniform if all the utility companies would agree, say, on their book values for taxing purposes, then it would all be uniform, wouldn't it? What percentage do you use there now?

A. I think ours—the statement of fixed capital there is about 2-3rds.

Q. That would be sixty-six and two-thirds per cent. of your book value, wouldn't it?

A. Yes.

Q. And now, as it stands now it is a sort of a hit and miss proposition. You turn in sixty-six and two-thirds per cent. of your taxables, sixty-six per cent. of your book values; is that it?

A. That's right.

Q. And so, wouldn't it work out more uniformly; it does not now work out uniformly, does it, that is, among all the utilities?

A. No, unfortunately, it does not. There, of course, could be more ways than one of doing that. I don't know whether the utilities could all get together and decide on that. There could be, I suppose, a law reducing the rates of taxes, and then absolutely requiring a stand-by on a tax on the full book value. I think it could be done. I think it could be done much easier, than trying to get all the utilities to decide among themselves.

Q. That would give you a sort of uniformity a basic figure to work upon?

A. Yes. As it stands now, it is probably one of the best negotiators.

BY MR. RHODES:

Q. It would only be fair to the utility that there should be some equitable and uniform method, so that everybody pays in proportion?

A. Yes.

BY FATHER COX:

Q. Very few private land owners or private owners do pay on actual values. We have an assessed valuation of our property, the difference between the assessed valuation and the real valuation, there should be decency?

A. There should be fairness.

Q. But on private property, nobody does pay the full tax on that property?

A. I think not.

Q. It is a generally accepted theory that you have the assessed valuation and the real valuation?

A. It exists all over the country, Father Cox, and I have been connected with utilities in a great many states, and I know that it exists in all taxing problems.

Q. And it ought to be fair?

A. It ought to be fair, yes sir; and that is what we try to get.

BY MR. RHODES:

Q. Taxation is the big problem, always has been, and probably always will be?

A. It probably will.

IN RE: ASSOCIATED GAS & ELECTRIC COMPANY

W. A. REIBER sworn

BY MR. EVANS:

Q. Mr. Reiber, you live at Johnstown, Pennsylvania?

A. Yes, sir.

Q. And you are controller of the Pennsylvania Electric Company?

A. Yes, sir.

Q. Who controls the Pennsylvania Electric Company?

A. The Associated Gas and Electric Company.

Q. What other companies in the western division of Pennsylvania does the Associated Gas and Electric control?

A. The Johnstown Fuel Supply Company, the Erie Lighting Company, the Pennelec Water Company, the Clarion Water Company, and the Clarion River Power Company. I believe that is all.

Q. Is the stock of the Pennsylvania Electric Company and of all these other companies owned directly by the Associated Gas and Electric Company?

A. No sir. It is owned by the Pennsylvania Electric Corporation, which is a Delaware Corporation.

Q. And it owns all of the voting stock of these five or six companies you have mentioned?

A. Yes, sir.

Q. Who owns the voting stock of the Philadelphia Electric Corporation?

A. I have been told directly and indirectly the Associated Gas and Electric Company.

Q. Are you a director of any of the Associated Electric companies?

A. You mean of the Pennsylvania companies?  
 Q. Any of the associated companies?  
 A. Yes, sir.  
 Q. Which one?  
 A. The Pennsylvania Electric Company. I think all of these I have mentioned, the Erie Lighting Company, the Clarion River Power Company, the Johnstown Fuel Supply Company, the Pennelec Water Company, and the Clarion Water Company.

Q. You are not a director of the Pennsylvania Electric Corporation?

A. No sir.

Q. What purpose does the Pennsylvania Electric Corporation fulfill?

A. Well, I don't know; it is commonly known as a subholding company.

Q. Does it issue securities to the public?

A. I don't think so.

Q. Do you know anything about its capital structure?

A. No sir.

Q. According to the information which you have furnished this Committee in response to a letter I wrote to Mr. Hopson, the companies in the western division paid management fees, construction fees and purchasing fees in the year 1929 amounting to, in round figures \$139,000 and in 1930 about \$398,000; to whom were these fees paid?

A. The management fees were paid to the J. G. White Management Corporation and to the Utility Management Corporation. The name of the J. C. White Corporation was changed to the Utility Management Corporation I think on November 1st, 1929. The construction services were paid to the Consumers Construction Company and to W. S. Barstow and Company. The purchasing fees were paid to the Utility Purchasing and Supply Corporation.

Q. All of these companies are subsidiaries of the Associated Gas and Electric Company, are they not?

A. Yes, sir.

Q. Do you have any knowledge as to the cost of service covered by these fees of the companies rendering them?

A. No sir.

Q. Do you know anything as to the profits which these management companies show?

A. No sir.

Q. Do you know of anyone in Pennsylvania who can give us that information?

A. No sir.

Q. Turning to the Penna. Electric Company, your 1928 report to the Public Service Commission shows a write-up of \$7381,813, does it not?

A. I presume that is about correct.

MR. EVANS: I think in order to complete the record I will offer in evidence the pamphlet furnished by Mr. Reiber in response to my request to Mr. Hopson for certain information as Exhibit No. 177, May 1st, 1931.

Exhibit No. 177, dated May 1, 1931, being certain data regarding companies operating in Western Pennsylvania—Pennsylvania Electric Company and affiliated companies as of December 31, 1930.

BY MR. EVANS:

Q. This Exhibit, Mr. Reiber, was prepared by you or under your direction?

A. Yes sir.

Q. Now Mr. Reiber, on whose appraisal was the write-up of approximately \$7,400,000 in 1928 made?

A. Mr. E. J. Cheney.

Q. Has he any connection of any sort with the Associated Gas & Electric Company?

A. Not that I know of.

Q. In 1929 according to your report for the year to the Public Service Commission there was a further write-up of \$8,671,594.36, was there not?

A. No sir. That is cumulative.

Q. How did you add the difference between the \$7,381,000 of 1928, and the \$8,671,000 in 1929?

A. Why, I think that came about by purchasing other companies.

Q. Which were written up. Now that gives you a fixed capital according to your 1929 report at the end of the year as of what amount?

A. \$52,159,694.

Q. Now, in your 1930 report to the Commission, you show that figure without any reference to any write-up, do you not?

A. Yes sir.

Q. What was the purpose of that?

A. Why, the Commission asked us to set it up this way, to keep it separate. And we found in making this 1930 report that the retirements had all gone up against this.

Q. All gone up against what?

A. All against the fixed capital according to the books, and this was never being reduced, so this was wrong.

Q. You mean to say that all of the write-up was absorbed by retirements?

A. No. Part.

Q. Then why do you include the part that remains in the 1930 report?

A. We didn't discover it until we started to make up the 1930 report. We found by continually keeping out of the book 1930 report. We found by continually keeping this figure and making retirements which were all taken out of the book cost, this would never be reduced.

Q. Why was it not possible to reduce your write-up proportionately to your book cost?

A. Well, I guess it is possible, but we didn't see the error until we went to make up the report. It is necessary to determine when the installation was made.

Q. At all events, the result of your 1930 report is that so far as it shows, there has never been any write-up?

A. Yes; that is not segregated on this balance sheet. Of course, there is an item over here, Mr. Evans, this capital surplus. Most of that is supposed to represent the write-up, and then there is another—the same difference in the reserve for renewals and replacements; that was not segregated.

Q. No one reading that report would ever get that impression, would they?

A. No, I don't think so.

Q. Aren't you a director of the Metropolitan Edison Company?

A. Yes.

Q. You have heard Mr. King's testimony in regard to a 19-million dollar write-up in 1930?

A. Yes.

Q. You were familiar with that?

A. No, I wasn't.

Q. You mean to say as a director of the Metropolitan Edison Company you did not know that that write-up was being made?

A. I heard about it, but I did not know what the exact amount was.

Q. What was the purpose of the board of directors in having that write-up?

A. I am not sure that it was passed upon by the board of directors. At least I was not at the meeting, to my knowledge, when it was done.

Q. You mean to say that the Cheney appraisal was made without permission of the board of directors?

A. No, I can't say that.

Q. Well, was it made with the approval of the board of directors?

A. I don't know. I was never at a meeting when this was discussed.

Q. Well, do you usually attend the meetings of the board of the Metropolitan Edison?

A. I have been at, I think, one or two in New York.

BY MR. RHODES:

Q. Where do they hold their meetings?

A. They held some in New York.

Q. Do you know how often they have them?

A. No, sir.

Q. They do not have any stated meetings of your board?

A. Not that I know of.

BY MR. MEMOLO:

Q. You don't have any meetings in Pennsylvania at all, do you?

A. Well, I have not been to any. I presume they have.

BY MR. CRAWFORD:

Q. Are notices mailed to you of the meetings?

A. I think I probably had.



BY MR. EVANS:

Q. Do I understand then that you are what is sometimes called a dummy director?

A. I guess that is it.

Q. Then are you not familiar at all with the acquisition of the General Gas and Electric Corporation by the Associated and the issuance of Metropolitan stock to the Associated?

A. No, sir.

Q. Well, as an accountant and as comptroller of the Western Division and a director of the Metropolitan Edison Company, I would like to call your attention to this fact, that Mr. King has testified that the General Gas & Electric Corporation held about 143,000 shares of stock of the Metropolitan Edison Company; that the control of the General Gas & Electric Company was acquired by the Associated in 1929; that in 1927 the Metropolitan Edison Company issued stock to the General Gas & Electric Corporation at \$55 a share; and that in 1929 it issued stock to the General Gas & Electric Company, then under the control of the Associated, at \$200 a share, or an increase of \$145 a share; and that this increase applied to the number of shares of the Metropolitan Edison held by the General Gas approximates 20 million dollars, as against the 19 million dollar write-up on the Cheney appraisal in 1930. Wasn't that appraisal really made in order to bring the value of the Metropolitan Edison stock up to the price at which it was issued, at \$200 a share?

A. I don't know.

Q. Well now, let us go back to the Pennsylvania Electric. In your 1930 report to the Commission, on page 203, you show capital stock balance at beginning of year \$4,675,000, balance at close of year \$21,500,000; net change during the year, \$16,825,000. Will you explain to me how that change came about?

A. That was an addition to the amount of the stated capital.

Q. Was any stock issued during the year?

A. No, sir.

Q. Where did you get your 16 million dollars from that you added to the stated capital?

A. This is in round figures. \$12,000,000 came from accounts payable to affiliated companies. That was to the Pennsylvania Electric Corporation, which had advanced money, and so forth.

Q. Why did you cancel that obligation?

A. I don't think the company had any money to pay it. The Pennsylvania Electric Corporation offered to cancel it and simply add it to the value of the stated capital.

Q. The Pennsylvania Electric Corporation had advanced this money to the Pennsylvania Electric Company?

A. That is right.

Q. And now cancelled that obligation and had the stated value of its stock written up a corresponding amount?

A. That is right. Then there was a million dollars from corporate surplus, and there was \$3,400,000 from capital surplus.

BY MR. RHODES:

Q. That merely resulted in the shifting of \$12,000,000 from one corporation to the other without any valuable consideration?

A. No; they just, instead of having it an open account, they added to the value of their—

Q. Instead of getting stock for it you merely wrote it up in your account?

A. Yes.

BY MR. TURNER:

Q. Did you get any stock for it?

A. No; there is 800,000 of no par, and they simply transferred it from the accounts payable to the stated value of the capital stock.

BY MR. RHODES:

Q. Yes, but this 12 million dollars which you shifted over to the other company, which was never repaid; you did not get anything for it, did you?

A. Oh, yes. They advanced the money.

MR. RHODES: I don't think I got it straight yet. Do you understand it, Mr. Evans?

MR. EVANS: As I understand it, Mr. Rhodes, the Pennsylvania Electric Company owed the Pennsylvania Electric Corporation, which held all its common stock, this \$12,000,000. The Pennsylvania Electric Company not being able to pay that obligation the Pennsylvania Electric Corporation can-

celled it and added that corresponding amount to the stated value of the capital stock which it held.

BY MR. EVANS:

Q. Is that correct, Mr. Reiber?

A. That is correct.

BY MR. WALKER:

Q. Are the books of your company kept in Pennsylvania?

A. Yes.

BY MR. EVANS:

Q. Was not this really what would be called donated surplus?

A. Yes, I think you would call it that way.

Q. Would it not be more proper to carry it as such rather than adding it to the stated value of the capital stock?

A. Well, it could be carried either way, but the directors thought that is where they would like to have it.

BY MR. WALKER:

Q. What board of directors determined that?

A. Pennsylvania Electric.

BY MR. MEMOLO:

Q. Is that the way it is carried on the books?

A. Yes.

Q. That is the understanding on the books?

A. Yes.

BY MR. CRAWFORD:

Q. What kind of entry did you make on the company's books?

A. I don't know.

BY MR. MEMOLO:

Q. Surely there must be some entry made on the other books, if you carried it as a charge and it was paid off.

A. I don't know, but as an accountant do you want me to tell you how I would make it.

Q. Don't you know how it was made?

A. No, I don't.

BY MR. EVANS:

Q. Mr. Reiber, during the year 1930, the accounts payable to affiliated companies of the Pennsylvania Electric Company was reduced by over \$50,000,000?

A. I suppose \$12,000,000 of it was the transaction you have just spoken of.

Q. What was the other \$38,000,000?

A. Well, I think there was one item of over \$22,000,000 of bonds that were sold to the Pennsylvania Electric Corporation, that was included.

Q. In other words, they took bonds in payment of their accounts payable?

A. In that part of it, yes, and I presume some of it was cash, or some other thing.

Q. What rate of interest does the Pennsylvania Electric Company pay on these amounts due affiliated companies?

A. 6%.

Q. How did the Pennsylvania Electric Company ever come to be indebted to affiliated companies at the beginning of 1930 in the amount of \$53,540,000 when its total fixed capital at the beginning of the year was \$32,160,000 in round numbers?

A. Well, that is an amount that had accumulated over a long period of time for cash advance, for construction; there was preferred stock paid for, bonds paid for, bond issues, and those are the principal items.

Q. You have no more detail information with regard to that accounts payable to affiliated companies?

A. Not here.

Q. Are you also controller of the Clarion River Power Company?

A. No sir.

Q. Are you familiar with its accounts?

A. No sir.

Q. Who is controller of that company?

A. I don't think I can tell you off hand.

Q. Is there in Pennsylvania anyone who is familiar with its accounts?

A. We have a man here from the New York office, who made an examination of these accounts, Mr. Flock, he could give you the information probably.

Q. How about the Erie Light Company; are you familiar with that?

A. Yes, I am controller of that.

Q. Now, in the year 1926 it wrote-up its fixed capital \$1,600,000 approximately, did it not?

A. Yes, I presume that is right.

Q. And this figure is shown in the 1926 report as unappropriated surplus, is it not?

A. Yes.

Q. Amounting to \$1,606,727.98?

A. Is this 1930?

Q. To 1926.

A. Oh, I see.

Q. That is correct?

A. That is correct. I am not sure that that was the exact amount of write-up though, Mr. Evans.

Q. What was the amount of the write-up?

A. Don't the report show it— isn't it shown in the next one— yes, that is right.

Q. On what basis was this write-up made?

A. That was an appraisal made by Mr. E. D. Dreyfus, an engineer from Pittsburgh.

Q. And what was the purpose of the write-up?

A. The purpose of that write-up was to have the books and accounts in accordance with the appraisal.

Q. Were securities of the Erie Light Company issued during that year?

A. I don't think so, they were retiring more than they were issuing.

Q. And now, then, in your 1928 report I understand your correct amount of this write-up is shown. What is that?

A. \$1,756,558.44.

Q. And what was the book value of the fixed capital before the write-up?

A. About \$8,800,000.

Q. So that the write-up was something over twenty-five per cent.

A. Twenty per cent, about; a little bit less.

Q. About twenty per cent. Have there been any write-downs on this property on your books?

A. No; excepting for retirements.

Q. Where could we get some more complete information in regard to these write-ups, with relation to the securities that have been issued by the companies? Have you got that information? What securities have been issued for instance by the Erie Lighting Company, during this period?

A. I can get that.

Q. When was this appraisal made?

A. I don't remember. It was made, I think at the time that the Pennsylvania Electric Company acquired the capital stock of the Erie Lighting.

Q. Has the Erie Lighting Company issued any securities since that time?

A. Yes; it issued some, and retired everything but the common stock. I think it increased the preference stock and then retired it.

H. C. FLECK sworn

BY MR. EVANS:

Q. Mr. Fleck, where do you live?

A. New York City.

Q. And what position do you hold in the Associated Gas and Electric System?

A. None.

Q. Why are you here?

A. I am an employe of H. C. Hopson and Company, and, as such, I made a study of the books and records of the Clarion River Power Company.

Q. What is H. C. Hopson and Company?

A. It is a company that does special work, makes a special study and investigates, accounting studies.

Q. Who controls that company?

A. I don't know exactly.

Q. The name does not suggest anything to you?

A. That is a company that, I suppose, Mr. Hopson is dominant in.

Q. It sounded so. Do you know whether H. P. Hopson and Company is the owner of the controlling interest of the Associated Gas and Electric Securities Company?

A. No; I do not.

Q. Have you ever seen a report on the books of the Clarion River Power Company, which was prepared jointly by the Federal Power Commission and the Pennsylvania Public Service Commission in 1925?

A. I don't recall having seen that report.

Q. In that report which is introduced in evidence here as Exhibit 89, it is stated that on February 28, 1922, the capital of the Clarion Power Company was increased from \$65,000 to \$20,065,000, which increase was classified by the company as follows:

Class "A" 8% Preferred stock \$15,000,000 of the par value of \$100 a share;

Participating stock, \$5,000,000; also a par value of \$100 a share;

Making a total of \$20,000,000; that is correct is it not?

A. As I recall it, that is correct as to authorized. I don't think that those were issued. The \$65,000 of common stock was outstanding, I believe at that time or put out about that time.

Q. What write-ups in the books of the company took place at this time?

A. I don't know what you mean by a write-up.

Q. Are you an accountant?

A. I claim to be.

Q. And you never heard of a write-up?

BY MR. RHODES:

Q. Did you ever hear of a write-down?

A. The same answer would go both ways.

BY MR. EVANS:

Q. You mean to say you don't know what a write-up is? The write-up of the fixed capital of a company on its books?

A. As I recall the books of the Clarion River Power, the fixed capital was not put on there until 1924.

Q. You mean to say the company had operated without any entries at all?

A. No, it was in 1922, the original entries were put on in 1922. I know of no write-ups.

Q. When was the company formed?

A. 1912.

Q. And you mean that for ten years it had no capital on its books at all?

A. The original stock was \$55,000, that was issued, part of it, in 1912, for some records and surveys, and until 1922 it had no property of any kind at all, at which time the Tiney dam was built and the first entries of any amount that went on the books was at the time of building that dam.

Q. Now, when did the Associated acquire control of the Clarion River Power?

A. The Associated acquired control sometime in 1925 at the time that they bought all of these Pennsylvania properties, the Public Service and others.

Q. Who had control of the Clarion River Power prior to that time?

A. I think it was in what was called the Walbridge group, H. D. Walbridge and Company, or one of his companies, had the control of it.

Q. Now, in 1925, when the Associated acquired the Clarion River, what stock had it outstanding?

A. It had the \$65,000 par value of common and \$4,453,000 par value of participating preferred stock.

Q. Is that all?

A. That is all of the stock that was out.

Q. Did it not also have \$2,647,000 of eight per cent, preferred?

A. I think at that time that was an eight per cent. income bond or income note.

Q. I show you the 1925 report to the Public Service Commission?

A. I would have to look it up to see. I think that eight per cent. stock was at that time an eight per cent. income note convertible.

Q. This report shows that on February 23, 1928, you issued that amount of eight per cent. preferred stock?

A. I think it was originally issued as bonds convertible into preferred stock.



Q. What bonds did you have outstanding?  
 A. 2,700,000 at that time.  
 Q. So there was a total of \$9,865,000 of stocks and bonds outstanding at that time?  
 A. That is right.  
 Q. You also had notes outstanding in that amount in 1925?  
 A. The report here shows \$1,300,000.  
 Q. You also owed at that time to affiliated companies \$1,301,795, did you not?  
 A. Yes sir.  
 Q. So the total, including notes and accounts payable, was approximately \$12,467,000?  
 A. There is a duplication in that somewhere.  
 Q. We are going on your reports to the Public Service Commission. Is that correct?  
 A. Yes sir.  
 Q. You also had accounts receivable \$1,389,664?  
 A. Yes sir.  
 Q. Which leaves approximately \$11,077,129 as your claim to fixed capital?  
 A. That is the total securities and notes outstanding.  
 Q. What actual investment was back of all this?  
 A. Let me tell that in my own way. I think I can tell you what happened.  
 Q. That is a pretty long story?  
 A. Now the property back of it was the hydro electric plant on the Clarion River at Piney and certain studies and investigations that were made of the entire Clarion River project.  
 Q. Now it is true, the Federal Power Commission proposes to eliminate approximately \$6,387,000 from this \$11,000,000 as an amount representing no property or labor?  
 A. I think that is substantially their decision or statement. It is not the Federal Power Commission; that is the report of one of the divisions of the Commission to the Commission.  
 Q. That is the accounting department?  
 A. Yes sir.  
 Q. Now, if that is done, a large part of your preferred stock will have no value back of it?  
 A. That is true.  
 Q. Has the Public Service Commission of Pennsylvania ever taken this matter up with the Clarion River as far as you know?  
 A. I could not say as to that.  
 Q. Are you familiar with the capital stock reports of this company?  
 A. No.  
 Q. Mr. Fleck, Mr. McCahill, counsel for the Clarion River Power Company, wants me to ask you what the Associated Gas & Electric Company has done in the way of paying off securities of the company?  
 A. They have called and retired first mortgage bonds in the amount of \$2,700,000.  
 Q. At what price?  
 A. I think that was 107½, was the call price on that.  
 Q. Well, did they not first buy in a great number of those bonds themselves?  
 A. I could not answer as to that.  
 Q. So you do not know what the Associated has actually paid for those bonds?  
 A. Money has been advanced to the Clarion River Company to call those in and pay them off at the call price.  
 Q. Yes, but the Associated acquired them, did they not?  
 A. I imagine that they acquired some of them.  
 Q. And at what price did they acquire them?  
 A. I couldn't tell you as to that.  
 Q. Who advanced the money to the Clarion River?  
 A. Have you got a 1930 report?  
 Q. We haven't got the 1930 report. I don't think it is filed.  
 A. It was one of the affiliated companies. I don't recall just which one.  
 Q. Well now, Mr. Fleck, isn't this actually what happened, that the Associated bought in these bonds as cheaply as they could, then advanced money to the Clarion River, and had the Clarion River redeem them at the redemption price?  
 A. My knowledge does not go that far. The money has been advanced to the Clarion River to redeem them. Now who they redeemed them from I don't know.  
 Q. That is rather an important part of the picture, isn't it?  
 A. I don't think so.  
 Q. All right. How about the preferred stock?

A. The 8 per cent. preferred stock has been retired.  
 Q. And here again, didn't the Associated buy in this stock from the people who had invested good money in it at far less than they had paid for it?  
 A. I have no knowledge as to that.  
 Q. Who advanced the money to the Clarion River to redeem this stock?  
 A. One of the affiliated companies.  
 Q. And this is exactly the same situation as the bonds?  
 A. That is right.  
 Q. And you are entirely ignorant about how much of this stock was held by the Associated system at the time that they were retired?  
 A. I don't know.  
 Q. All right. What is the rest of the story?  
 MR. McCAHILL: Do you know, Mr. Fleck, what the bonds and stock were sold for to the public, what was realized by the Clarion River Power Company when they sold them?  
 THE WITNESS: The Clarion River Power Company issued those bonds and stock in return for the completed plant. They themselves did not market any of these securities.

BY MR. EVANS:

Q. To whom did they issue them?  
 A. In the construction of this plant, they entered into two contracts, one with the H. D. Walbridge & Company for certain services and supervision, and other items, and another contract was the General Construction Corporation, for construction of the physical part of the dam. Both of those contracts were made on the basis of securities to be delivered. So that when this dam had been completed, the Clarion River issued its entire stock and bonds to these two corporations, in return for the plant, with possibly the exception of the original issue of the common and a small part of the participating preferred which was issued to a man by the name of Paul.  
 Q. These stocks and bonds were issued then, according to the company's claim, for labor done and property furnished?  
 A. Labor and property furnished.  
 Q. And that labor and property were valued at the face amount of the bonds and stock?  
 A. That was all that they could do. They issued the face amount of securities for the property, and the reports were made on the basis of face amount of securities.  
 Q. So, according to the books of the company, it received par for the stocks and bonds which it issued?  
 A. I think that is right.  
 MR. EVANS: Is there anything else you want to ask?  
 MR. McCAHILL: Whether or not he knows what the public paid for the bonds and preferred stock which got into their hands which has been retired.

BY MR. EVANS:

Q. You have not shown any familiarity with the acquisition of these stocks and bonds by the Associated. Are you familiar with the price at which Walbridge sold these bonds and stock to the public?  
 A. The report that you referred to of the Federal Power Commission—  
 Q. Do you accept that report as correct?  
 A. As to this statement, it is substantially, what information I could gather—  
 Q. Well, is your information based on that report?  
 A. Not altogether.  
 Q. Well, what is it based on?  
 A. It is practically hearsay, I guess. It is what I have been told from what has happened about the sale of these bonds.  
 Q. Well, I have no objection to it going in, only it seems to me that it is rather unfortunate for you to take it from the report of the accountants of the Federal Trade Commission, unless you are willing to accept that report.  
 A. I accept it as to these statements.  
 Q. All right, go ahead. I want to save time.  
 A. They said on page 12 of that report, it says H. D. Walbridge and Company Incorporated records submitted for examination indicated that the first mortgage bonds 25 year 6½ per cent par value \$2,700,000 were sold at \$89. Further on in the same paragraph they state, Exhibit F, compiled from the records of H. D. Walbridge and Company Incorporated, indicates an average sale price of \$31 for a hundred dollar par.  
 Q. Of what?

A. They are referring there to that participating preferred.

BY MR. RHODES:

Q. Do I understand that that was all redeemed at par, bonds and stock both?

A. The bonds and stock were redeemed, yes.

Q. Well, redeemed at what?

A. The bonds at the call price—

Q. What was that?

A. I think it is 107½.

Q. They were put out at 89?

A. Yes.

Q. Or 83?

A. 89.

Q. 89?

A. But H. D. Walbridge got them, and they varied, but the general information that we have is in the Federal Power Commission there were a lot of those bonds sold around \$89 to the public.

Q. And redeemed at par plus what?

A. Redeemed at call price, 107½.

Q. And the preferred stock was redeemed at what price?

A. That is at par.

Q. At \$100?

Y. Yes.

Q. And that was bought at \$31?

A. That was just a few sales that they had record of, \$31.

BY MR. TURNER:

Q. What was the par?

A. \$100 a share.

BY MR. EVANS:

Q. Will you, Mr. Fleck, furnish to this Committee a statement of the amount of these stocks and bonds held by the Associated Gas and Electric Company or its affiliated companies, at the time there were redeemed?

A. I would be willing to furnish anything I can.

Q. That appears, does it, on the books of the Clarion River Company?

A. I should imagine it would appear on the stockholders list at the time of the redemption.

MR. EVANS: I think it would be very interesting to have that information.

BY MR. McCAHILL:

Q. Does the record indicate that the Associated has any interest in the issuance of this stock at the time it was issued?

A. No sir.

Q. That was one of the subsidiary companies that came into the system upon the purchase of these properties in Pennsylvania, is that correct?

A. That is correct.

BY MR. EVANS:

Q. However, the Associated System has been able to buy in these stocks and bonds at a figure very much below par, and then have the Clarion River redeem them, in the case of the bonds at \$107, and the case of the stock at par, and the Associated has made a pretty good thing out of it, has it not?

A. I would not say so.

BY MR. McCAHILL:

Q. Where did it get the money from to redeem them?

A. It had to come from its own pockets.

MR. EVANS: I might call the attention of the Committee to the fact that the capital stock report of the Clarion River Power Company, which is in evidence as Exhibit No. 36, shows the book value of the assets of the Clarion River Power Company as of December 31, 1929, as \$11,453,067.09, and the estimated fair value at \$5,000,000.

BY MR. TURNER:

Q. What is the return to the Public Service Commission?

A. The Commission report shows the same book value.

MR. EVANS: Mr. McCahill is very anxious to have Mr. Reiber tell the Committee something about the Solar Electric Company, the Brookville situation.

MR. McCAHILL: Or I will make a statement.

MR. EVANS: Mr. McCahill would like to make a statement, if the Committee is willing.

D. I. McCAHILL sworn

THE WITNESS: I have been familiar with the proceedings both before the Commission and in the Courts of Appeal from the orders of the Commission relating to the acquisition of the Solar Electric Company into the Associated Gas and Electric System, which began about 1925 or 1926. The first proceeding before the Commission was an application by the Penn Public Service Corporation for authority to acquire the capital stock of the Solar Electric Company for the consideration of \$150,000. At the time this application was filed, the borough of Brookville also filed an application for a certificate of public convenience from the Commission to authorize it to acquire the plant and property of the Solar Electric Company through the right of eminent domain.

Both applications were heard together, and testimony was taken on both cases, and the cases, and the cases were consolidated so far as the hearing was concerned.

The Public Service Commission entered its order authorizing the borough of Brookville to acquire the property there or exercise the right of eminent domain, and at the same time issued a certificate refusing—or issued an order refusing the application of the Penn Public Service Corporation to acquire the corporation to acquire the property or the capital stock of this company.

The order refusing the application of the Penn Public Service Corporation naturally followed after they had reached a conclusion that the borough of Brookville should be allowed to exercise the right of eminent domain and acquire the plant and property through that exercise. Appeals were taken to the orders of the Commission in both cases, but the order of the Commission was confirmed in each case by the Superior Court. Independent proceedings were begun in Jefferson County to test the right of the borough to exercise the right of eminent domain and acquire the plant and property of this company. Those proceedings were carried to the Supreme Court of the State, and a decision was handed down by the Supreme Court, written by Judge Shaffer, in which the borough of Brookville was held not to have the right of eminent domain to acquire the plant and property of the Solar Electric Company.

In the meantime, or at or about that same time, the stock of the Solar Electric Company was acquired by W. W. Taylor, and his rights in the stock were afterwards assigned to the Pennsylvania Electric Association, application was filed on behalf of the Solar Electric Company to sell its property and franchise to the Pennsylvania Electric Company, application was filed on behalf of the Solar Electric Company to sell its property and franchise to the Pennsylvania Electric Company, formerly the Penn Public Service Corporation, the consideration being the assumption by Pennsylvania Electric Company of all of the debts and obligations of the Solar Electric Company.

This application was approved by the Commission, and a deed of conveyance was made by the Solar Electric Company to the Pennsylvania Electric Corporation. About the time this application was filed, an application was filed by some of the consumers of the Solar Electric Company in the borough of Brookville against the rates of the Solar Electric Company. Mr. Conrad in his brief stated that their rate case was filed solely for the benefits that could be derived from that rate case in opposing the sale of the property and franchise of the Solar Electric Company. We insisted a number of times that the rates case be set down for hearing, and the Commission notified him that it would be put down for a hearing, and that he must prosecute his rate case, which he refused and failed to do. As I recall it, in December of 1929 the Commission again asked him to proceed with his rate case, and he at that time said that he was unable to proceed with it, and that unless the Commission granted him a continuance he would have to have it dismissed.

The Commission did grant the continuance, and the rate case at the present is pending. An appeal was taken from the order of the Commission, which was handed down in the first part of 1930—I think in January—and Mr. Conrad appealed to the Superior Court, and afterwards made an application for continuance because he was unable and was not ready to proceed with his appeal. The case was at first continued by the Superior Court at its next session in Philadelphia and



afterwards was continued generally, and was placed on the argument list in Pittsburgh for April 10. Mr. Conrad filed a brief on the last day, he had for filing his brief a copy of which, I understand, is on file with this Committee—and the day before the case was called for argument, Mr. Conrad appeared before the Superior Court and asked permission to waive argument and submit the case on briefs. That was agreed to and the case is now in the Superior Court on the written briefs of counsel.

In the mean time the Pennsylvania Electric Company had constructed transmission lines to the borough limits so as to bring into the borough of Brookville the central station service.

At the time the case was before the Commission it was testified, and I think agreed to by substantially all the engineers, that the gas generating plant of the Solar Electric Company was old, obsolete and antiquated and was in grave danger of serious break down. As a matter of fact, it was testified that it was only kept alive by the expertness of a man who had been in the plant for many years. It had no efficiency.

After the stock had been acquired, the Pennsylvania Electric constructed its lines for the borough and the Solar Electric attempted to construct transmission lines and to construct a sub-station to make the connection. The construction of this line was contested by Mr. Conrad in every way that his ingenuity could devise. He had employes of the company arrested for digging post holes; one of them, I believe, has been sent to jail on account of it. I understand that Mr. Conrad himself—I didn't see it, but I understand he had either sat in the post hole or stood in the post hole to prevent them from setting the pole. An injunction was taken against them in the court of common pleas of Jefferson county, and the borough was perpetually enjoined from interfering with the construction of the transmission lines. The Central Station has been brought to the borough, the rates have been reduced all except the street lighting rates, because the borough of Brookville refused to allow them to install an up-to-date system. I understand they are continuing the old, antiquated street lighting system which was in effect since the company was first started.

And now, that is the story of the Solar Electric Company in the borough of Brookville.

BY MR. EVANS:

Q. After the Public Service Commission refused a certificate of public convenience to the Pennsylvania Electric Company to acquire control, a man by the name of Taylor acquired that stock, did he not?

A. I said that; yes.

Q. And the matter again came before the Public Service Commission and they said they couldn't stop an individual from acquiring stock, although they could stop the Pennsylvania Electric Service, as an operating utility, from doing that?

A. I think that's correct.

Q. Who furnished the money to Mr. Taylor with which to acquire control of this stock?

A. I presume the Associated Gas and Electric Company.

Q. In other words, that was a device to evade the order of the Public Service Commission?

A. No; the order of the Public Service Commission was, first, that the borough of Brookville be authorized to acquire the plants and property through the exercise of the right of eminent domain; and secondly, to refuse to permit the Pennsylvania Public Service Corporation, a Public Service Company of Pennsylvania, to acquire the stock for \$150,000, neither of which elements were present in the purchase of its capital stock by W. W. Taylor.

Q. The second decision of the Commission, however, is based on the fact that the stock having been acquired by an individual, it was beyond the jurisdiction of the Commission; was it not?

A. I think that is correct, I think that is the law.

Q. But you think it is perfectly proper for a utility, which has been refused permission to acquire the stock of another company, to furnish the money to an individual by which he acquires the stock of that company which the Public Service Commission cannot prevent?

A. Except that those facts are not the facts in this case. The Pennsylvania Public Service didn't furnish the money so far as I know, to W. W. Taylor to purchase it.

Q. Who do you think furnished it?

A. The Associated Gas and Electric Company, a non-operating company.

Q. Didn't the Associated Gas and Electric control the Penn Public Service?

A. It did.

Q. So, while you don't think it was proper for the Penn Public Service to advance the money, you think it was perfectly proper for the Associated Gas and Electric Company, which controlled the Pennsylvania Public Service, to advance the money?

A. Yes; and that is frequently done. A utility hasn't that right under the Pennsylvania Public Service law, but a holding company has the right to acquire a controlling interest in another public utility.

Q. Well that is probably where there is a defect in the regulation of public utilities in Pennsylvania?

A. Further, the Solar Electric Company then applied to the Public Service Commission for a certificate of public convenience to sell its property and franchises to the Penn Electric Company, and that approval was granted by the Public Service Commission, because in that second application there were presented two elements, which I think were the moving causes in the Commission's refusal of the same thing in the first application; namely, that it authorized the borough to acquire the property and franchises through the exercise of the right the property and franchises through the exercise of the right them to authorize the borough of Brookville to acquire the capital stock under those circumstances; second, they said that the price of \$150,000 for the capital stock was, in their opinion, at that time, too much. Neither of those two elements were present at the time the application was presented the second time, and the accounts of the Solar Electric Company were placed on the books of the Penn Public Service in identically form that they had been carried on the books of the Solar Electric. There was absolutely no write-up. The plant and property stood on the books in the same way as they stood on the Solar Electric.

BY MR. RHODES:

Q. Did Mr. Taylor own all of the stock of the Solar Electric?

A. Mr. Taylor did not at that time. The General Electric Corporation, a Delaware corporation, owned that stock at that time.

Q. Sold to them by Mr. Taylor?

A. Yes, I presume so.

MR. TURNER: As I recall this case, Mr. Taylor had made some complaint about the property being acquired as so much and then bought at a higher price?

THE WITNESS: There were none of those elements in this case at that time. The plant and property stand exactly where they did before.

BY MR. HAGMAIER:

Q. How much did they pay for it?

A. I don't know. It has been a long time—I have not seen the contract—it has been stated that they paid \$150,000 for the capital stock, but that is a matter of the Public Service Company and not of any companies in Pennsylvania.

BY MR. EVANS:

Q. It seems that it is the practice where prices, like that are paid sooner or later for that price to be reflected in the books of the operating company.

A. It can only be reflected in rates, through the determination of the rate base and the fair value of the property. If the Associated Gas and Electric Company wishes to take a loss or wait for a return in the future, that does not necessarily pass it on to the rate payer in Pennsylvania.

Q. At all events, I understand you to say that up to this time, that price has not been reflected on the books of the Solar Electric Company or on the books of the Penn Electric?

A. So far as I know, and I am speaking at the close of the transaction when the sale was made. I don't know a thing about Mr. Cheney's appraisal, but his appraisal would not have been determined by the fair value of the Solar Electric Company.

Q. Unless you know that Mr. Cheney did not appraise this property at \$150,000, isn't that just beating the devil around

the bush, and leave an insinuation which the Public Service Commission tried to escape?

A. I say if Mr. Cheney's appraisal is not based on the fair value of the physical property of the Solar Electric Company, that appraisal is too broad and I don't believe that is the case.

A. I don't think that Mr. Conrad had any idea at all of the price at which that capital stock had been purchased.

BY MR. HAGMAIER:

Q. Just that they had two different ways of doing the same thing?

A. I might add this further; that the service has been improved in the borough of Brookville and they could have a better service, a continuous and more adequate service if Mr. Conrad would permit them. The rates of the Pennsylvania Electric Company, which were considerably lower, or somewhat lower, than those of the Solar Electric Company have been put into effect in the borough of Brookville and as has been testified there has been a saving made to the consumer.

BY MR. HAGMAIER:

Q. They have never changed their street lighting system?

A. No, and Mr. Conrad won't let them. If he would let them they would give Brookville much more satisfactory street lighting than they now have.

Q. As I understand it, the rates in Brookville are the same as the rates over the rest of the territory served by the Pennsylvania Electric Company?

A. Yes sir, that is right. Their street lights are an antiquated and inadequate system, which Mr. Conrad has in the borough of Brookville. The company has offered to furnish him and the borough of Brookville with a modern lighting system which will give them more light for the same money. I have read Mr. Conrad's statement to the Committee, which probably you all have, as he insists on having it read at every hearing, and I thought that it was due the Committee that they should have these facts which I have before them.

MR. MOORE: The Committee will recess now until 1.30 P. M., Eastern Standard Time.

1.30 P. M., hearing resumed.

J. S. S. RICHARDSON sworn

MR. WALKER: Mr. Chairman, before Mr. Richardson starts his testimony, I would like to call the Chairman's attention to a letter which he directed to the Pennsylvania Electric Association under date of April 20, 1931. The letter reads as follows:

"Pennsylvania Electric Association, Harrisburg, Pa.

"Gentlemen: Will you kindly furnish the Committee with the following information:

"1. The names of all attorneys, solicitors, experts, and lobbyists employed by your Association, and its sub-committees and affiliated organizations from January 1, 1926, through April 15, 1931.

"2. The salaries paid to each of these individuals for the same period.

"3. The names of all attorneys, solicitors, experts and lobbyists employed by your member and constituent companies for the same years, together with their salaries.

"4. The statements of expenditures by your organization and committees affiliated with it, including all cash funds for the same years.

"5. (a) The advertising carried by your constituent companies for the same years, divided into institutional advertising and other, and the sums paid by each company. (b) Also the method of allocation of such expenditures in the annual reports of the companies to the Public Service Commission.

"6. All material relating to studies made by your Association and connected committees and companies of text-books used in the schools and colleges of Pennsylvania and also all material relating to special utility courses arranged in the interest of the companies.

"Sincerely yours, D. Glenn Moore, Chairman."

I just want to call the Committee's attention to the fact that in spite of the fact that the Pennsylvania Electric Association now refused to appear, this information has not been furnished to the Committee.

MR. EVANS: I might just supplement that, I think, by saying that last week Mr. A. B. Miller, managing director of

the Pennsylvania Electric Association, told me that it would take a considerable time to gather the information requested in paragraphs 3 and 5, which had to do with the attorneys and so forth of the constituent companies and the advertising of the constituent companies. I asked him not to delay furnishing the other information on that account, and he told me that the other information could be furnished very promptly.

MR. WALKER: And I also wish to call the chairman's attention to Mr. Miller's testimony on page 4010 and page 4026 of the record, in which he promised to furnish to Mr. Hagmaier a financial statement of the Pennsylvania Electric Association for the year 1929, I think it was,—that is the year you asked for, wasn't it?

MR. HAGMAIER: Yes.

MR. WALKER: And I have been informed by Mr. Hagmaier, that that has not been furnished.

BY MR. WALKER:

Q. Now, Major Richardson, the Committee and the public received an impression, rather erroneously perhaps, that last week, when you were suddenly called from Harrisburg, from the fact that there were four subpoena servers looking for you, it looked as if that had something to do with it. Would you please explain to the Committee why you were suddenly called from Harrisburg?

A. Well, as I remarked to you this morning, Mr. Walker, I intended to ask the privilege of explaining. I intended no discourtesy whatever to this Committee in not appearing. I think it was on the 20th or the 21st, the morning of the 21st, I received an invitation from Mr. Evans to come down here on the 23rd. I left New York on the afternoon of the 21st and arrived here that evening, with the full intention of presenting myself here on the 23rd. At luncheon on the 22nd, or just as I was finishing luncheon, I received the following telegram from my Washington office: "Matters here make it necessary you be here tomorrow morning, tonight if possible. A. C. Oliphant." That is one of my associates down there. My reason for going down there was rather urgent. I knew what he wanted, and my business there has nothing to do with what this Committee is endeavoring to ascertain; but there is no secret about what I went to Washington for, and if you desire, I shall tell you.

On my arrival in Washington, I promptly wrote Mr. Evans a note to the effect that I could not be here on that date. I had not at all replied to his letter of invitation. On the morning of the 24th I discovered from a copy of a Philadelphia newspaper in Washington that there seemed to be what I considered a grave misunderstanding as to my motive, and I promptly wired Mr. Evans then that I was prepared to appear here any time that was mutually convenient and suggested any time after Tuesday of this present week; and if you so desire, I will tell you what my business was in Washington.

BY MR. TURNER:

Q. Well, did you know on—was it Wednesday, the 22nd?

A. I knew on Wednesday that I was supposed to be here on the 23rd.

Q. Did you know anybody had a subpoena for you?

A. Oh, no, not at all; I never heard of the subpoenas. As I understand it, they were not issued, if any were issued, until after I left town. I left on the 3.15 train.

Q. 3.15 of what day?

A. On the 22nd.

Q. That was Wednesday?

A. Wednesday, and I wrote to Mr. Evans that evening from Washington.

Q. 3.15 afternoon or morning?

A. 3.15 in the afternoon, yes. I received a wire at 2 o'clock and ascertained I could get a train at 3.15, and I promptly took it. Having in meanwhile left Mr. Gadsden, the chairman of this Committee, who came down here especially to give me some papers which he desired I should present here, or offer.

BY MR. WALKER:

Q. Major Richardson would you just briefly tell the Committee why or what committee of the Pennsylvania Electric Association made this school text book survey?

A. So far as I know no committee of the Pennsylvania Electric Association ever made any school book survey. I never have had anything to do with the Pennsylvania Elec-



tric Association so I am not qualified to tell you anything about it.

Q. What committee that you were connected with made this school book survey?

A. The Pennsylvania Public Service Information Committee a committee made up of telephone companies both independent and the Bell system natural and artificial gas companies, electric light and power companies, street railway companies and water companies of this State.

Q. And a number of the members of this committee were also members of the Pennsylvania Electric Association?

A. Oh I assume so; the electric members were yes.

Q. And would you just briefly explain to this Committee how that survey was conducted?

A. If you want me to I can summarize. I have already done so in about 200 words here everything that we did so far as schools were concerned and then you can examine me as far as you choose on what I have given you. Is that satisfactory?

MR. TURNER: Yes let us have it.

THE WITNESS: Not one word of a controversial political or propaganda nature ever was given to the public schools by the Pennsylvania Public Service Information Committee.

On the other hand textbooks on economics and civics used in the public schools of the state contain public ownership propaganda and misinformation of a defamatory character relating to public utilities.

The Pennsylvania Committee never prepared and never attempted to introduce any textbooks into the school. The only publications offered to school superintendents by the Committee were four in number dealing respectively with the history of the telephone, the gas, the electric and the street railway businesses. The material in them was assembled by engineers from technical and statistical data collected from many sources. There is no propaganda in them. I offer them in evidence. They speak for themselves.

MR. WALKER: Yes, we are familiar with them.

THE WITNESS: In 1925 the Committee completed a survey of textbooks on economics and civics used in the public schools of Pennsylvania. In several instances, the survey showed the advocacy of public ownership of public utilities was supplemented by charges of a grave character against the management of utility corporations. The unfairness was manifest as no company or management was specified. The criticism offered was, by implication, directed at all public utilities.

Other statements in the textbooks were archaic and gave a misleading and untrue picture of affairs as they obtain today. Although these clearly improper books were found in the schools, the Pennsylvania Committee affirmatively decided it was not its function to attempt to bring about their elimination. This fact was clearly set forth in the minutes of an Executive Committee meeting.

Extracts from a few of these textbooks are hereto appended, and if you wish me to, I shall read extracts.

MR. WALKER: We have got the copy. I don't think it is necessary to read them.

THE WITNESS: I can give you, if you desire, a copy of the—it is the only copy, so far as I know, in existence, and I would like, if you desire it,—and I think in fairness, inasmuch as many assertions have been made as to the propaganda material contained in textbooks in the several meetings,—I think in all fairness this ought to be exhibited in evidence here, and I should like very much if I may ask to have this returned to me when you are through with it, because it is the only copy I have.

BY MR. WALKER:

Q. Major, this survey was introduced before the Federal Trade Commission as an exhibit, was it not?

A. I don't recall; perhaps it was. Yes, it is in the Federal Trade Record, yes. There are quotations from the books there to.

MR. WALKER: I offer in evidence these photostatic copies of the survey in evidence as Exhibit No. 178.

Photostatic copies of pages of exhibit of survey introduced in evidence before Federal Trade Commission, produced and Marked Exhibit No. 178.

BY MR. WALKER:

Q. Major Richardson, I show you a photostatic copy marked Exhibit No. 178 and ask you if that is a photostatic copy of the report of the survey which utilities made?

BY MR. TURNER:

Q. Does that appear in the Federal Trade Commission Report?

A. It does not look to be a copy.

MR. TURNER: If it cannot be identified, why do you not introduce the pages from the report?

BY MR. WALKER:

Q. This is the same right on through, isn't it?

A. I cannot compare it completely. If you assure me it is the same as this—

Q. I assure you that it is the same as that which appears in the Federal Trade Report.

A. That satisfies me.

Q. You may compare the pages?

A. I will take your word for it.

MR. TURNER: Is it possible to put the reference on the record, so that it may be referred to?

MR. WALKER: This is the column filed with the Senate November 12, 1929, listing Exhibits 718, to 1434.

MR. TURNER: What date was that filed?

MR. WALKER: November 12, 1929.

BY MR. WALKER:

Q. Major Richardson, these comments on different textbooks that are listed in the last few pages of this Exhibit 178, those are passages that the Committee believed were inimicable to the interests of the utilities, is that correct?

A. Yes. I don't know that there are any passages marked, but I should say this, that they are excerpts from this survey. I don't know how many of these textbooks were used in the schools in Pennsylvania, but some of them are not objectionable, so far as utilities are concerned, and others are exceedingly so.

Q. What was the purpose of including these extracts from these different textbooks?

A. This survey was very limited in printing and it was given to the members of our Committee to inform them of the kind of material that was being taught in the public schools of the State.

Q. Was that followed by any action on the part of your Committee or on the part of the members of the industry?

A. I cannot speak for the members of the industry, and all I can say is that affirmatively our Committee is on record as deciding that it was not their function to eliminate these books, to have them corrected.

Q. And you made no effort at all to have these books corrected?

A. Our committee made no such effort.

Q. Did you make any effort to have these books corrected otherwise?

A. I did one thing, or at least my assistant did, he talked, and I suppose I am talking second hand about this because I had no personal connection with this incident, he talked with the publishers, or a member of a publishing house which publishes one or two of these books, and told him about these objectionable paragraphs, or some of them, and he assured him that the next time that publishing house printed a textbook, he would let some utility expert look it over in advance of its being issued, to see whether or not it was objectionable, but whether or not that was done, I don't know. I certainly never saw one in advance of its being printed. I did see a textbook after it was printed by this company, and it was a very fair and good presentation of the situation.

Q. Do you recall the nature of your survey regarding the book on civics written by Prof. R. O. Hughes, of the Peabody High School?

A. I think that is one of the books written here—no I see here Mr. C. Hughes, and E. Hughes, I don't know of any R. O. Hughes.

THE CHAIRMAN: There is one that was written by him, a book on elementary civics.

THE WITNESS: The name of R. O. Hughes does not occur in this survey that I can find.

BY MR. WALKER:

Q. I will show you here in Exhibit 178, page 913 of this exhibit, the first two, Elementary Community Civics, R. O. Hughes, Peabody High School, Pittsburgh?

A. Yes, that is right, a typographical error here in the title, that is all.

Q. That is one of the books that you considered inimical to the interests of the industry?

A. Not whatsoever.

Q. Were any of the passages in that book considered by you inimical to the interests of the industry?

A. May I read the passages; I have not read them for some time.

Q. The first passage is there. (Indicating). You want to read it now?

A. If I may, to find out in my own opinion if I consider it objectionable.

(Witness read extract indicated by counsel).

THE WITNESS: I don't consider anything objectionable in the R. O. Hughes' book.

BY MR. WALKER:

Q. Will you explain to me then, Major, why there was an attempt made on the part of the industry, and I might say a successful attempt to remove Prof. Hughes book from the Pittsburgh schools?

A. I know of no such attempt. I don't recall any such attempt, and when you say by the industry, I don't know exactly what you mean.

Q. As a matter of fact, didn't you or your committee, or some of your associates, in conjunction with the electric industry in Pittsburgh, Pennsylvania, have Prof. Hughes' book removed from the Pennsylvania schools?

A. My committee, or the committee on which I was a director, did no such thing, and I personally did no such thing.

Q. And do you recall whether or not any influence was exerted by any of the electrical industries to have it removed from the Pittsburgh schools?

A. I know nothing of it.

Q. Are you aware of the fact that it was removed from the Pittsburgh schools?

A. I am not aware of that fact; no.

Q. In making up that survey, I show you here, Federal Exhibit Trade Commission Exhibit No. 93 which is a letter addressed to the Hon. James S. Benn, Public Service Commission of the Commonwealth of Pennsylvania, and ask you if you wrote Commissioner Benn that letter?

A. I did, yes sir.

THE CHAIRMAN: Mr. Walker, this carbon copy does not show by whom this letter was sent.

MR. WALKER: It is going to be identified in just a minute, sir.

Paper produced and marked Exhibit No. 179,

BY MR. WALKER:

Q. I show you this photostatic of a letter addressed to Commissioner Benn, which is marked Exhibit 179, and ask if you wrote Commissioner Benn that letter?

A. I did.

Q. I call your attention to the first paragraph of the letter, which reads as follows: "In conformity with the desire expressed by Mr. Fickenscher, I am enclosing you a list of the public relation and educational activities of the public service industries in the State of Pennsylvania during the past twelve months." Would you mind stating why you were communicating with Mr. Benn on this subject?

A. Yes, Mr. Fickenscher came to me and explained that Commissioner Benn was taking the place of Commissioner Lewis of the Interstate Commerce Commission at a forthcoming annual meeting of the National Association of Railway and Utility Commissioners to report on behalf of a Committee of which Mr. Lewis was chairman, on the so-called educational activities of public utilities throughout the country. Mr. Benn was a member of that Committee, and he was to take Mr. Lewis' place, Mr. Lewis being ill. Mr. Benn, so Mr. Fickenscher informed me, was not familiar with the education activities in Pennsylvania. Our Committee, so far as I know, never had any communication with Mr. Benn; I never had met him up to that time; and the only Commissioner with whom we had communication in regard to education was Commissioner Stewart, who prior to his appointment on the Commission by Governor Pinchot had been an educator, and was professor of economics, I understand, at Lehigh; and we sought the assistance of the Commission in providing a lecturer before a class of subordinate executives of utilities at the high school of the University of Pennsylvania on regulation, the regulation of utilities. The only qualified lecturer we felt, was a man engaged in the business of regulating pub-

lic utilities. So, we asked Chairman Ainey, I recall—we finally asked Judge Ainey, and he designated Dr. Stuart, and Dr. Stewart did lecture several times; however, I don't recall—and as I recall Mr. Fickenscher told me that Dr. Stewart suggested that Commissioner Benn get the information from me, and Mr. Fickenscher, as his messenger, asked that I prepare that report.

Q. On the second page of Exhibit 179, there is a page headed, "General Summary" educational and public relation activities of public utilities in Pennsylvania." Was that general summary attached to your letter to Commissioner Benn?

A. It was.

Q. I will read to you from the first paragraph on the second page; in the business of maintaining and working under contract with the educational institutions of this Commonwealth, the Public Service Commission co-operates with the general public service information committee?

A. Yes sir.

Q. Do you mean by that the Public Service Commission of the Commonwealth of Pennsylvania?

A. The Public Service Commission of the Commonwealth of Pennsylvania through Dr. Stewart was giving us that co-operation.

Q. And that is the co-operation you referred to?

A. That is the co-operation I referred to.

Q. This letter was written prior to the time that Dr. Stewart made these addresses for you, was it not?

A. I don't think so. It may have been. I don't know.

Q. And you say that the co-operation referred to in your letter was the co-operation in the way of the speaking activities of Dr. Stewart?

A. Yes.

Q. And I say to you that that letter was written prior to the time that Dr. Stewart made any speeches for you: was it not?

A. I don't recall that; no.

Q. Can you not give me any fixed dates?

A. No; I cannot give you any fixed dates, I am afraid. You see, I have been out of the work for quite a while, over four years.

Q. You mean out of this particular phase of the work?

A. I resigned from the Committee four years ago.

Q. And did the Public Service Commission of the Commonwealth give any other cooperation, aside from Dr. Stewart's speaking?

A. No.

Q. Are you positive about that?

A. Not that I can recall. It may have done so, but I don't recall it.

Q. I show you here Federal Trade Exhibit No. 119, which is a letter addressed to Mr. J. H. Chearer, and ask you if you are the author of this letter?

A. Yes sir. Can I read it? I wrote that letter—yes sir.

Q. May I call your attention to one paragraph of this letter?

"Of course, all of the business must needs be transacted with exceeding tact and diplomacy. Local conditions and prejudices will have to be taken into account when the educators are approached. Also, it may be well to note what appropriation the school superintendent may have at his disposal for the purchase of text books. It may well be that avenues of proper assistance in a small way will present themselves. It may be well worth a utility's while to help in that regard. Such aid, unfortunately, is subject to misinterpretation and would therefore have to be rendered in a manner well safeguarded from suspicion." What situation were you referring to that would have to be transacted with exceeding tact and diplomacy?

A. That is too long ago. That letter was written on July 7, 1925, and I don't recall what was meant by it. I was acting personally with Mr. Shearer when I wrote that letter, and I said the same thing to many others, that I considered those books highly objectionable and I thought, and I still think that every effort should be made by utilities to get those things cleaned up. You will probably note that in a later paragraph I suggested that the business was not our, but might be done by the association. Incidentally, that letter was written prior to the committee taking affirmative action.

Q. Do you mean, that was written prior to the time you made the survey?



A. No, it was written subsequent to the making of the survey, but prior to the time the Committee took the affirmative action in deciding it was not one of its functions to bring about the elimination of these books for the public schools.

Q. And you made that recommendation?

A. No, I suggested that perhaps to some of the associations.

Q. What associations?

A. They are all mentioned there, the utility associations.

Q. Now, why was it necessary to transact the business "with exceeding tact and diplomacy?"

A. That was just a suggestion. I think all such business should be conducted with tact and diplomacy.

Q. Would you mind telling me what you mean by the expression in this "that it may be well to note what appropriations the school directors may have at their disposal," and so on, ending with the suggestion that it might be possible for the utilities to assist local school authorities in the purchase of school books?

A. Well, that was my thought. I thought that in communities where the schools might be hard up, that in this way instead of their buying cheap books they might be able to get those which we knew to be good ones. There are several very good text books being used in the schools of Pennsylvania.

Q. By good textbooks, do you mean the one compiled by S. S. Weir? Is that the type of book you refer to?

A. It is not, and I do not think that that is a textbook.

BY MR. MOORE:

Q. Who is the author of these books?

A. There are several.

Q. The textbooks you were trying to introduce into the schools?

A. We were not trying to introduce any textbooks into the schools; the only things that we sent to the schools were these pamphlets.

Q. Who were the authors of those pamphlets?

A. Engineers employed by various utilities, and I respectfully submit copies of them to you.

BY MR. HAGMAIER:

Q. You say you were not trying to supply textbooks to the schools, but a little bit ago you said you were willing to help to buy the books. Would you not have something to say about what they would buy if you were helping to buy them?

A. I didn't say I would help to buy them. I was just suggesting to a member of our committee that it might be a good idea for the utilities to try to become active to try to eliminate these objectionable books. Not with the idea of supplementing them with any book prepared by us, but with other books already in use.

Q. Who would be the judge?

A. Why the school superintendents, I suppose.

Q. Would you help to pay for a book that you didn't know what was going to be bought?

A. I was only suggesting that to him as a member of our committee.

Q. These books that you had listed in the survey which you made, these would not be recommended by your committee, or by the association to the schools for purchase?

A. The objectionable ones?

Q. Yes?

A. I personally would not recommend them and our committee was on record as having decided that they would not recommend the elimination of anything.

BY MR. WALKER:

Q. Do I understand that all the books referred to in Exhibit Na. 178 here were objectionable books or had objectionable passages in them?

A. No sir.

Q. Do I understand that the books from which passages were quoted in Exhibit No. 178, that the passages were objectionable passages?

A. No, some of them were not and some of them were.

Q. What was the purpose of picking out the pages wherever they had reference to Public Utilities and quoting them whether they were objectionable or not?

A. I have outlined in his (indicating original copy of the report) you can see there are several passages here that I have red-penciled that are not objectionable.

Q. Major, it was up to the different members of the association who received this exhibit to make up their minds whether or not the passages were objectionable?

A. Certainly.

Q. And it was the thought of the committee passed on the various local committees of the industry to take this matter up with the school board?

A. That was not the thought of the committee at all; it was my personal thought.

Q. And you passed that on to the members of the electric association?

A. I did not. I passed it on to one or two public utility men whom I knew personally like Mr. Shearer.

Q. Do you know that he passed it on to the electric association?

A. I don't know that he did. My recollection is that I never discussed it with him.

Q. Did you ever have any correspondence with the school officials of Allegheny County in regard to this book by Professor Hughes?

A. I don't think so. I might have, but I don't recall it.

Q. I show you here a letter from the Pennsylvania Public Service Information committee dated Philadelphia, November 27, 1923, and addressed to Mr. George J. Beck, Superintendent of Public Instruction, Harrisburg, Pa.:

"Dear Sir: We have been asked about a textbook called 'Community Civics,' by R. O. Hughes of the Peabody Schools in Allegheny County. Can you tell us whether this book is used in Pennsylvania and whether placed on the approved list for schools in this State. Do you have any data at all concerning this book? Thanking you for any assistance you can give us, (signed) Director."

Q. Are you the author of that letter?

A. Yes sir I am. That was long before we made the survey.

Q. Did you write a letter to any of the school authorities in Allegheny County?

A. I don't recall, I may have.

Q. As a matter of fact, you did write to the Superintendent of Schools of the Pittsburgh district, and made some inquiries in regard to Professor Hughes' book?

A. If the record shows I did, then I did, I do not recall.

Q. In order to clear up some testimony already on our records, I show you here a letter, Federal Trade Commission's Exhibit No. 967, addressed to you and signed by Samuel S. Weir, and ask if you recall receiving such a letter?

A. If it is in the Federal Trade Commission record, I have already identified it.

Q. Do you recall receiving such a letter?

A. I do not as a matter of fact, but if I have already identified it, it is all right.

Q. Do you recall what action you or your committee took when that letter was received?

A. I do not recall, but my idea is, we didn't do anything about it.

Q. Also you wrote the publishers.

A. Maybe I did.

Q. You wrote to them and asked for a copy or a proof of the book so you could read it?

A. Maybe I did.

Q. Would you recall whether the severe language which was so objectionable to S. S. Weir was eliminated?

A. I don't recall anything about it, as a matter of fact. We didn't do anything about it in the matter of eliminating things as far as that is concerned. I personally don't object to flowery language.

Q. Even when it refers to Mr. Cooke?

A. No indeed. Mr. Cooke has written some excellent things.

Q. I show you the Federal Trade Commission Exhibit No. 1192, a letter addressed to you by Mr. A. W. Robertson, and your reply:

"Exhibit No. 1192."

Philadelphia Co.,  
Pittsburgh, Pa., January 22, 1925.

"Mr. J. S. S. Richardson,

"Director Pennsylvania Public Service Information Committee, Philadelphia, Pa.

"Dear Mr. Richardson: At the meeting today of the western Pennsylvania executive committee of the Pennsylvania Information Committee we discussed the resume of analysis made

by the Illinois Committee on Public Utility Information of the accredited textbooks used in the regular study courses of the Illinois public schools relative to their treatment of public-utility problems. We were astonished at some of the statements to be found in these text books no doubt the books in our own State are much the same.

"Mr. Shearer, of Altoona, advised us that the electric association had this matter in hand and was making an investigation of Pennsylvania textbooks and that he would send us a list of the books. Everyone was very much interested. It would seem that here is something that our committee might take a real interest in and see where we could help.

"The thought occurs to me that the reason why so many educators are more or less hostile to big business is in many cases due to the fact that they themselves are not successful in a business way. There ought to be some way in which educators could be better paid. It would certainly help to cure at least some of their mental bias.

"The same thought has come to me regard to ministers, who are generally unfairly critical of corporations, including public-service companies. However, this is going pretty far afield, but nevertheless I believe that leaders in our business life could well consider the advisability of giving some real attention to the economic welfare of educators and others who are largely responsible for training the minds of our children.

"As I write, the final thought comes to me in regard to the textbook matter—would it not be possible for some of our men to approach the large publishers of textbooks and produce some quick results in clearing up the situation?

"We were very sorry to miss you and hope to see you at the next meeting.

"Very truly yours,

A. W. Robertson"

January 24, 1925.

"Mr. A. W. Robertson,  
"Vice-President and General Attorney,  
"Philadelphia Co., Pittsburgh, Pa.

"My dear Mr. Robertson: Apparently I had overlooked informing you that for the past three months this bureau has been engaged in making an analysis of textbooks used in the schools of Pennsylvania. The survey is nearly three-quarters complete and should be finished very soon.

"We have encountered obstacles in this State which, I am informed, do not exist in other states. For instance, each district superintendent in Pennsylvania appears to have carte blanche in selecting such textbooks as he deems proper. Consequently we have had to cover much ground. The returns show that several unwholesome textbooks are being used.

"I was very glad to note your expressions relating to the underpayment of teachers. If the utility companies, in a discreet way, could foster a movement for adequate remuneration of teaching personnel in our public schools, I am convinced good results would come. The reason some of those superintendents approve the use of so-called government and municipal ownership propaganda in textbooks in the usual for indorsing such stuff. They are sour. Their outlook is distorted and their judgment warped through personal disappointment.

"That is true also of some denominational ministers, though not to the same extent.

"I regret my inability to attend your meeting and assure you I shall make strident efforts next month.

"Very truly yours."

Q. Are you the author of that letter?

A. It is my letter.

Q. May I ask what you refer to when you state here, "If utilities companies, in a discreet way, could foster a movement for adequate remuneration of teaching personnel in our public schools, I am convinced good results would come?"

A. Well, it is a good result to get a fellow more pay.

Q. Do you think that answers the question, Major?

A. I think so, yes sir.

Q. Why should the utility companies foster a movement to raise the salaries of school teachers?

A. To make them more—to give them a better viewpoint on life and not have them sore, because they are disappointed and broke all the time.

Q. Do you know that the salaries of school teachers were in Pennsylvania at that time?

A. I think I did, but I don't recall now what it was, but I know it was not enough pay by any means.

Q. Was it your inference to Mr. Robertson that this thing should be brought about by applying the activities of the public utilities through legislation?

A. I don't recall just how it should be done, but I thought some movement should be started by which school teachers would receive more pay.

Q. Did you have in mind the salaries of professors and instructors in colleges and universities?

A. At that time, no.

Q. You didn't know who set the salaries?

A. Not now I don't.

Q. You didn't know who set the salary?

A. Not now I don't.

Q. Did you have in mind at that time the salaries of professors at universities?

A. I didn't think of that.

Q. Were you informed of the salaries of professors in universities being raised?

A. I am in favor of raising everybody's salary.

Q. The only effect of that paragraph in that letter is just a big-hearted humanitarian spirit to raise teacher's salaries?

A. Not wholly. The school teachers at that time needed more pay.

BY MR. BOWERS:

Q. Did you have in mind teachers in high schools and public schools or the schools of liberal arts?

A. No, my thought referred to the public schools.

Q. Did you know at that time that there was a movement on foot and much agitation in the State to get a substantial increase in the teachers' salaries, based on the term of service?

A. I don't recall what the general situation was. That was written six or seven years ago, I think.

BY FATHER COX:

Q. Didn't you feel at the time when you were helping to get more salary for the school teachers, that possibly it would make them more kindly disposed toward utilities? Everybody has a selfish motive as a rule when they do these things?

A. Maybe so, Father, but I don't think that is was.

Q. Why this generousness in the salaries of school teachers, why not an interest in the salary of poor clergymen too?

A. I mentioned in there that some clergymen were not getting enough.

BY MR. HAGMAIER:

Q. What was your main objection to these books, the mere fact that they made some statement about the public ownership in some of these small localities who own their own power and light plants?

A. No sir, there were charges made in some of these books which applied to all public utility executives of a predisposition toward dishonesty and also leaving the implication that all sorts of trickery and bribery is engaged in, and by classing the public utilities with the liquor interests and other evils. That is set forth in so many words in one of these textbooks.

Q. You could not find them all in any one book?

A. No sir.

Q. Now, the main objection to the Hughes' Book?

A. The main objection to that was that they were teaching public ownership of the utilities by municipalities.

Q. I just read the paragraph in the Hughes' book here and I cannot see anything objectionable in it.

A. There was a letter sent there, was there not?

Q. Well, do you think it is a serious objection to have anything in a public school book about the public utilities being a monopoly, to a certain extent?

A. Not at all, but when the author of the text openly advocates public ownership on the ground that the private operators are dishonest, I think that is not quite a good thing to teach school children.

Q. No, I don't either. If I could read that in any of them—

A. If you care to glance through the marked copies—



Q. I would like to.

A. One or two of the paragraphs there I think you will find.

BY FATHER COX:

Q. Then, Major, your real idea was to get into the schools as far as possible and correct what you considered a wrong attitude on their part; you did have a motive other than just getting more salary for the teachers? Now you can say it; nobody care about that particularly. I mean is it the truth or not? You wanted to make them feel kindly towards you?

A. I personally wanted to get those objectionable paragraphs out of those text books.

Q. And you thought the way to win the approval of the teaching profession was to raise their salaries?

A. I meant what I said in that letter and no more.

Q. Of course we know when money talks everybody listens; if they got more money—

A. I stand by the paragraphs in the letter. I do not care to amplify my written statement. It is too long ago since I wrote it for me to amplify it at this date.

Q. All I mean is you did want their support?

A. Whose support?

Q. The school teachers.

A. I didn't want the school teachers' support no.

Q. They didn't have anything you wanted whatsoever? Now if you had been so good to me I would have felt kindly disposed toward you no question about it.

A. I would not question it, father.

Q. You need not hide things of that kind. I think that is probably one of the things brought out by this investigation. The things that have been done to influence public opinion, to give a right feeling towards the utilities, are so questionable sometimes, and some of the things that are done, that I think they are sort of following in the footsteps of the old brewery people and saloon keepers, that instead of being honest and above board in their efforts to win public approval, they took the underhanded method, and the result is prohibition. They kept spreading propaganda that they could not prohibit them, they could not do anything with them, could not regulate them. They not only regulated them, but they put them out of existence. Remember, I am not giving you any opinion on what I think about them, good or bad; but I think these utilities are working up towards the same thing, that unless they come out and be frank with the people. Major, I think, having been in the army with a lot of square shooters, you ought to come out and tell us. You have been telling us a lot of stuff here. Let's sort of get this thing right. Don't hedge.

A. I can not amplify a statement I made six or seven years ago very well. I don't recall those things.

BY MR. HAGMAIER:

Q. Well, you can give us your present idea and opinion then. Haven't all of you fellows together combined to put the kind of a book in the schools that was most beneficial to yourself? Now I will give it to you that way. Answer that?

A. Our idea is not to have anything in the schools that is beneficial to us. What we object to is the material that is being taught the children that is objectionable. We didn't seek anything beneficial. We want facts.

Q. All right, I will agree with you there. Then why not take the thing up with the local school directors? Why not come out to the head of the department in Harrisburg and put the cards on the table and say here are the things that are objectionable, don't you think it can be changed? The trouble is you seem to be kind of trying to get around the corner, you seem to find a very nice, economic, fine way of doing it to arouse suspicion. If a man has an honest case, he doesn't have to care about suspicion. Put it down on the table and say here is what we object to and it is wrong, and I think the right-thinking people would be with you.

A. I agree with you.

BY FATHER COX:

Q. This whole program, Major, was not carried very far, was it? That is, dropped just like that?

A. We dropped it as a committee; yes, sir; and so far as I know, nothing definite was done anywhere.

Q. The thing did not bear the light of day anyway, and consequently it was dropped, is that it?

A. I don't know why it was dropped. We decided our committee could do nothing as a committee and we dropped it.

BY MR. WALKER:

Q. Do you see any connection between the Federal Trade investigation and the dropping of this program Major?

A. This project was dropped by us several years before the Federal Trade Commission ever started its investigation.

Q. Do you recall when the Federal Trade Commission investigation started?

A. I certainly do: I have attended almost every hearing.

Q. Would you mind giving us the date?

A. The date is three years ago last March.

Q. Now would you mind giving us the date?

A. 1928, I think, March, 1928, it started.

Q. And am I to understand that this project was dropped two or three years prior to that.

A. This project was dropped when I was still a director of the Pennsylvania Public Service Information Committee, and it is more than four years since I resigned from that committee.

Q. Do you know whether or not it was dropped by the electric association?

A. I don't know anything about the electric association. I never had anything to do with it.

Q. Well, you reported this survey to them, did you not?

A. I did no such thing. I reported this survey to the principals of my committee.

BY MR. MEMOLO:

Q. Well, they were on your trail pretty well, Major, weren't they?

A. Who were on our trail?

Q. The Federal Trade Commission.

A. The Federal Trade Commission inquiry was begun under the terms of a resolution entered by Senator Walsh in the Senate, in the fall of 1927. Or was it 1928? 1927. This survey was made by us in 1925, two years before, two years before Senator Walsh entered his resolution.

Q. Yes, but as a result of the investigation being made two years before that, that is what caused Senator Walsh to introduce the resolution.

A. I don't think there is any connection between the two situations.

Q. Oh yes.

A. Your information is different from mine.

Q. If I remember distinctly, they had some talk of it in the papers a year or two before it, I think.

A. Of course, we took our information from records; not from reports in the newspapers.

Q. Well, I remember distinctly reading something in connection with this matter in 1927, if I am not mistaken.

A. 1927 was two years after—

Q. Before 1927.

A. 1925 is when we made this survey and dropped it the same year.

BY MR. WALKER:

Q. Do you recall to how many utility companies you sent a report of this survey?

A. I sent a report of the survey to our membership, and I think our membership was about 125, something like that—individuals, not companies,—individuals who were members.

Q. The individuals were all executives of companies, were they not?

A. Executives of telephone, gas, street railway, water and electric companies.

Q. And after you sent out your report, as far as you were concerned, the matter was dropped, is that it?

A. As far as my committee was concerned, yes.

Q. That is what I mean.

A. Yes.

Q. Did you as an individual have any active interest in this survey after that?

A. No active interest after the committee dropped it. Prior to the committee's dropping it, I invited the attention of some utility executives to the statements in those books which I considered very objectionable, and should have been removed, and still think so.

Q. And those are the passages you have marked and given to Mr. Hagmaier?

A. Exactly.

Q. Major, do you have any knowledge of the courses that were installed in universities and colleges either by your committee or by the Pennsylvania Electric Association?

A. I only have information relating to the courses established in colleges by our committee.

Q. And in what colleges did your committee establish courses?

A. The University of Pennsylvania and Temple University in Philadelphia, and we also cooperated with State College on a correspondence course for utility employes. Both the courses in the University and Temple University were for utility employes.

Q. Solely for utility employes?

A. Well, one or two others may have attended; but so far as I know the bulk of the student body were utility employes. They were night schools.

Q. And in this one at the University of Pennsylvania, do you recall the title of the course?

A. Well, I can give you the dope on it. The Regulation and Operation of Public Utilities. That was a course designed specifically for subordinate executives of utility companies, and the companies participating, as I recall, paid half the tuition fee.

A. There was a very small group, I think about 20.

Q. As a matter of fact they subsidized the course, did they not?

A. Subsidized the course by underwriting it to a deficit of \$250.

Q. And what Professor taught the course?

A. There were several.

Q. I mean at the University of Pennsylvania?

A. Well, there were several. Parker, Grayson and McIntosh.

Q. The utilities underwrote all these courses by paying the professors directly, or did they pay the university?

A. The utilities paid nobody, except by paying part of the tuition fees of the students, and as I say, underwrite a deficit not to exceed \$250 for the year. Now, my recollection is that one year it was 100 and some odd dollars, and the next year it was over \$250, but we were not obligated to pay more than \$250, and we never paid any professors.

Q. Who prepared this course that was taught at the University of Pennsylvania?

A. Those three professors.

Q. Those three professors?

A. Yes, I assume they did.

Q. Do you know whether or not they did?

A. I think I recall that they did, yes, I was not in close touch with it.

Q. It was the lecture course?

A. A lecture course and quiz.

Q. And this lecture course was submitted to be censored by the professor to certain officials of the utility companies were they not?

A. Not that I know; they may have been, but not through me.

Q. I didn't say through you, Major, I said they were?

A. They may have been.

Q. I asked you if they were?

A. I don't know that they were, my impression is that they were not.

Q. Would it surprise you to learn that they were?

A. No, it would not surprise me at all.

Q. I didn't think it would. Now, tell me about the course at Temple University?

A. That was a much larger affair, a greater number of students going there, there were a considerably greater number, two or three hundred, I think, and they were all employees of the gas and street railways, I don't think there were very many telephone employees, or electric light and power.

Q. And is that course handled in the same way?

A. Now, I don't know. I am not sure—here is the whole outlay of the thing. I will give you the whole thing. (Handing pamphlet to counsel).

Q. And are you familiar with the correspondence course that was instituted at State College?

A. I am not. I attended one meeting up there, but the man who was destined to carry on that course was an engineer, of the United Gas Improvement Company.

Q. Was it the United or Associated?

A. No, the United Gas Improvement Company of Philadelphia.

Q. Do you recall the name of the professor that was teaching that course up at State College?

A. No, that was one of those correspondence school things, most of the employees of the different utilities, and I think the teacher was Professor Miller, I am not sure. I don't know anything about the course, I never had anything to do with it really.

Q. It must be a good course from some things in here, (Indicating Federal Trade Commission Report) Major, because this is very interesting. And did you have any participation in, or did you have any knowledge of an attempt on the part of the Associated Gas and Electric Company to institute a course at the University of Pittsburgh?

A. Never heard of it.

Q. And do you happen to know whether or not the Associated Gas and Electric has subsidized a course at Penn State College?

A. I don't know.

Q. Then if it were done, you have no knowledge of those two courses whatsoever?

A. None whatever. My recollection is that no executive associated with the Associated Gas and Electric or any of its subsidiaries had anything to do with our Committee; had no membership on our Committee, that is my recollection.

Q. You mean the Associated Gas and Electric—

A. The Associated Gas and Electric or any of its subsidiaries.

Q. You say none of them?

A. None of those companies ever participated in our committee work.

Q. Just so I understand; you don't mean that there were no gas and electric companies.

A. No. No, but no executive of these companies.

Q. And do you recall the Giant Power hearings that were held in Harrisburg.

A. Yes.

Q. I believe you were there, and were very attentive at those hearings, were you not?

A. I attended some, not very many.

Q. At the time of these hearings whom did you represent?

A. My committee.

Q. Still this public policy committee or committee of public information?

A. Yes, I didn't take any active part in any of the hearings, I merely attended.

Q. Did you take any active part in any of the material that was produced for these hearings?

A. No.

Q. Were you interested in any way either directly or indirectly in what was said at these hearings, either for or against giant power?

A. Most certainly.

Q. And if there was anything said in favor of giant power that did not meet with your approval did you take any action in any way?

A. I was not in a position to take any action.

Q. Major, I show you here Federal Trade Exhibit No. 1201, which is a letter addressed to Mr. Theodore Grayson, and I will ask you if you will read that letter?

(Witness reading letter in Federal Trade Commission Report Marked Exhibit No. 1201.)

A. I wrote the letter.

MR. WALKER: For the information of the Chairman, I would like to read this letter into the record.

#### PENNSYLVANIA PUBLIC SERVICE INFORMATION COMMITTEE.

Philadelphia, April 11, 1935.

Mr. Theodore J. Grayson.

Attorney, New Jersey Water Service Co.

Stephen Girard Building, Philadelphia, Pa.

My dear Theodore:

BY MR. WALKER:

Q. Before we proceed any further, Major, is that also Professor Grayson of the University of Pennsylvania?

A. Yes.



Q. "At a hearing a few days ago before the manufacturers' committee of the house at Harrisburg, a somewhat unpleasant thing occurred which I believe you should know about."

BY MR. WALKER:

Q. And before we proceed any further, there was a committee meeting here in connection with the giant power project, was there not?

A. I believe so.

Q. "Mr. Gadsden suggested I advise you.

A young man named Ullman—I am not sure whether that is the correct spelling—appeared as an expert ostensibly in behalf of the farming interests of the State. He was heralded somewhat extravagantly as "Professor of engineering at the University of Pennsylvania." The university was used fluently by counsel to advertise the young man. Even if he had been a normal technician, such use of the university connection would have seemed extraordinary.

As it developed, the young man gave expression to sentiments which, to say the least, were radical. He wandered off into general channels and lauded "giant power" from its public-ownership angle. The electrical engineers present were nauseated by his zealous and quite inaccurate tirade.

If that is the kind of representative the University of Pennsylvania lets loose it will have a sad bearing on the fund campaign. Aside from that, the young man is not a healthy type to be preaching in any educational institution.

BY MR. WALKER:

Q. And you say you were the author of that letter?

A. I was.

Q. And you were present when that testimony was given?

A. I was.

Q. Who were the electric engineers present, who were thrown overboard by this zealous and quite inaccurate tirade?

A. I don't know that there was anybody thrown overboard.

Q. Well, nauseated then.

A. That is better. I don't recall the name, there were several of them, but I don't recall their names.

Q. Do you recall one of them, Major?

A. No; I don't.

Q. Do you recall whether or not these engineers, who were nauseated by this zealous and quite inaccurate tirade, represented utilities?

A. Oh, I assume some of them may have represented utilities.

Q. In compliance with your letter to Mr. Grayson, do you recall whether or not any action was taken on the part of the university to check up this tirade?

A. I don't recall. He may have replied to my letter. I don't know.

Q. In order to refresh your memory, I show you page 1951 of the Federal Trade exhibit book, under Exhibit 1201, a letter addressed to Mr. Grayson, a copy of which was sent to you, and ask you whether that is correct?

A. Yes; I recall those letters.

Q. Then, according to that letter, which was written by the dean of the University of Pennsylvania Scientific School, it would indicate that what was termed in your letter as a "zealous and quite inaccurate tirade" was not quite exactly subscribed to; is that right?

A. According to Dean Frazier's letter, that is correct.

Q. I will read a paragraph from that letter to you, Major:

"The Director had, first of all, a talk with the instructor in question for the purpose of ascertaining, in a general way, what transpired, and in addition conferred with Major Pike, president of the Engineers Club of Philadelphia, a former instructor in the mechanical engineering department, who was actually present during the entire testimony in question in Harrisburg. Major Pike emphatically states that there was nothing that in his judgment was in any way improper or improperly presented during the entire period and that that testimony was given in a manner which seemed to him to be entirely dignified."

A. That would be the attitude, I would assume, Major Pike would take, inasmuch as his remarks at the same meeting were quite akin to those expressed by Mr. Ullman.

Q. I understand from that that these engineers who were nauseated by this zealous and quite inaccurate tirade did not include Major Pike; is that right?

A. I don't recall who they were, but may be by the time that Major Pike started talking the engineers were overcome.

Q. In other words, you do not place very much credence in Major Pike, president of the Engineers Club of Philadelphia?

A. I do not.

BY THE CHAIRMAN:

Q. When two majors disagree, who is to decide?

A. He was an engineer. I was an infantryman.

BY FATHER COX:

Q. You watched the textbooks throughout the country, didn't you? Now, there is a report to our committee that a Mr. Jones of Kansas wrote to you and said that "Community Civics," a book which was being used in the schools of the country, was very inimical to the corporations and public utilities, and you took the matter up immediately? I think that was brought out in this investigation.

A. I may have done so; yes, sir.

Q. You had committees all over the country, watching that same thing?

A. No sir. Mr. Jones was a member of an educational committee in Kansas, which was similar to the committee which was functioning in Pennsylvania.

Q. But you worked hand in hand, and you believed that it was a very necessary propaganda to be sent out?

A. I don't consider it propaganda in the modern meaning of the term.

Q. I am putting it in a good way.

A. Well, it slipped from lexical grace during the war. Three centuries ago it was a highly respectable word. As you know, it was fashioned by the then head of the Roman Catholic Church when he formed the College of Propaganda. I think it was Urban II, if I recall.

Q. That is correct.

A. And its meaning meant a laudable institution for the schooling of missionary priests, but during the war the Germans adopted the word first and made it roll over and beg; and it burst forth to a blazoned crescendo to suiting the military exigencies of the hour. All of the combatants in time took it up; so, it has now become a sort of war wanton in lexicography, and today I think the accepted meaning of the word "propaganda" is a superstructure of misrepresentation whose foundation is a modicum of fact.

Q. You organized these committees all over the country for the purpose of the dissemination of information which would put the right idea into the minds of the pupils of our public schools?

A. We never functioned with the idea of putting anything into the minds of the pupils of our public schools.

Q. But you wanted the pupils to have the right information?

A. In the beginning the idea was purely an educational organization to give publicity to developments in the utility industry within each state where they might operate. And in time, when we discovered that objectionable paragraphs appeared in those text books, we surveyed the text books, and, as I say, in the State of Pennsylvania, as far as we went. Later we prepared the four booklets or pamphlets which I have submitted here, and I am quite convinced that if you go through them, you will find there is no propaganda in them; and these were the only thing we sent to the schools, those four text books.

BY FATHER COX:

Q. But you kept in close touch on all that—your liaison system was very good.

A. We had about the same relationship as exchange editors on newspapers have one with the other.

Q. That is good.

A. It is not always so good.

Q. But it is informative.

A. I think it is, yes.

Q. You knew what you were doing, that is the point we want to appreciate.

A. Oh, we knew what we were doing; yes.

Q. I am not criticizing you for that.

A. No, I don't think it is susceptible of criticism.

Q. We want to know whether you did that, that is what Mr. Walker is trying to develop. Why don't you tell him just that?

A. I think we had a very close relationship, the chairmen of the different committees, one with the other.

BY THE CHAIRMAN:

Q. A lot of these utility men that we asked about it were very shy on this thing.

A. Well, they probably were not informed, Mr. Moore. They probably said you better ask me.

MR. HAGMAIER: We had a lot of fellows and were inquiring about this last week, with the men connected with the different companies, men who should have known, and some of them didn't even recognize you.

FATHER COX: What is the use of talking about directors in these companies? In the company that was here this morning, they only had two men that controlled the common stock, and these two men could not speak and that was the end of it, and they certainly were dummy directors.

MR. WALKER: Major, I believe that little lecture on propaganda that you gave, I think you wrote that to one of your associates at one time, didn't you? I was just looking for that.

BY FATHER COX:

Q. What century is Pope Urban the Second.

A. I think the College of the Propaganda was established in 1627.

Q. What year was Pope Urban in the picture?

A. He was Urban the Second, and he was Pope at that time. I don't recall when he became pope. The first Urban was the Pope who inspired the Crusades, you may recall.

FATHER COX: I can see now why he is in charge of the information department.

BY MR. WALKER:

Q. Well now, Major, to revert to Father Cox's comment on your interlocking committees: practically every state in the union had a committee similar to yours, did it not?

A. No. I think there were 32 states that had committees.

Q. 32 out of the 48?

A. 32 out of the 48. But several of those states were lumped. For instance, all of the New England states had just one committee, and the Rocky Mountain states, I think, there were four states out there had one committee. And Louisiana and Mississippi had one committee. There wasn't any interlocking there. There was an intercommunication between directors, that was all.

Q. An association of ideas, an exchange of thought and ideas, was there not, between the committees?

A. Oh, yes; quite.

Q. For example, when Governor Pinchot made a tour through the west, speaking on power and power monopoly, there was a very close connection by communication between your committee and the committees in the western states visited by Governor Pinchot, wasn't there?

A. Oh, I suppose I got a lot of letters from those fellows; yes.

Q. As a matter of fact, you did get a lot of letters, didn't you?

A. Yes, I think I did.

Q. And you wrote a lot of letters, did you not?

A. I wouldn't be a bit surprised.

Q. In fact, through these committees in these other states your committee was enabled to keep in very close touch or contact with Governor Pinchot's tour?

A. Oh, we could do that through the newspapers.

Q. Do you suppose the newspaper comment would be correct, would it, now?

A. We were not interested in anything except generally what he said.

BY FATHER COX:

Q. Just a moment. The Major said he didn't depend much on newspapers; you always followed the record.

A. Well, I was talking then about facts. The Governor was not dealing in facts.

Q. Wasn't it a fact that he was going around? That is what we were talking about. He asked if you followed him around the country.

A. We didn't follow him. I got letters from directors of committees in states where the Governor discussed the power question.

BY MR. WALKER:

Q. You wrote and asked that these committees send you the copies of the speeches if possible, and the newspaper comments, if possible, did you not?

A. I don't recall that.

Q. And you also prepared a series of editorials for one of the Philadelphia papers, did you not?

A. I don't recall that.

Q. Now, Major, I don't know—being an old newspaper man, I figured that if you had prepared a series of editorials for the paper since you had left it, you would recall it.

A. I think I would if I had.

Q. In other words, to the best of your recollection you did not?

A. To the best of my recollection I did not.

Q. Do you recall submitting any editorials to any of the Philadelphia newspapers in regard to Governor Pinchot's western tour?

A. I may have done so. I don't recall.

Q. You did all in your power, that is you and your committee, personally and impersonally, to counteract Governor Pinchot's western tour, did you not?

A. Oh, I wouldn't say so.

Q. Well, what was the purpose of it then, Major?

A. Just wanted to keep track of him.

BY FATHER COX:

Q. He must have been saying some damaging things.

A. I wouldn't call them damaging, Father.

Q. Why pay so much attention to them?

A. They might have been misinterpreted.

Q. Did you try to correct that?

A. After all, when anybody is attacking you, you like to know about it.

Q. Attacking you effectively, too.

A. That is as you might consider it.

BY MR. WALKER:

Q. Well now, Major, would it refresh your mind any if I read some of these letters to you that you had from these people in the west?

A. Yes; but I am not denying that I had any communications with the people in the west.

Q. And I ask you once more if you, through the medium of these committees through the west, on the west coast, if you did not keep in very close contact with Governor Pinchot and his activities out there?

A. Oh, I don't recall that we kept very close touch. I think we got newspaper clippings from different places. That was all.

Q. May I read just one letter to you? It is from your Oregon Public Utilities Information Bureau. Portland, Oregon, July 27, 1925. Major J. S. S. Richardson, Director, Pennsylvania Public Service Information Committee, 1410 Widener Building, Philadelphia, Pa. My dear Sandy:—that was you, wasn't it?

A. I think so.

Q. You may be sure it was great fun to work with you in checking up on Governor Pinchot during his mad antics out here on the Pacific Coast. We were fortunate in having fine cooperation in all states where he delivered his talks. We also did our best to cooperate with the newspapers and got satisfactory results there. There is one phase of the situation which I am sure tended to discount the effect of his work, and that was that the Republican newspapers, together with some splendid support from Mark Sullivan, at Washington, clearly indicated what the political move was back of Pinchot's trip. You may say to your committee that if at any time we can do anything out here to help things along, we will be only too glad to do it; and furthermore, you do not owe me anything. I will get even with you the next time I come down your way. With kind regards, I am, Very sincerely yours, W. P. Strandborg.

Does that express the general sentiment of the letters that you received, Major?

A. No, I don't think I received any other such letters.

Q. Did you receive any letters at all from other secretaries out there?

A. I may have, but I think that was the only one of that sort I received. I don't think I received any others.

Q. Do you recall some editorials that were printed in the Portland and Oregon papers regarding his western trip?

A. I don't recall them distinctly. I think there were some. It is a long time ago. How long is it? About five or six years?

Q. May I read—does this fellow Strandborg—is he always as spontaneous as he was in this first letter?



A. He is a good writer, that fellow.

Q. This one letter, which is dated July 3, 1925, addressed to you from Mr. Strandborg, he says: "Enclosed is a clipping from this morning's Oregonian covering Governor Pinchot's speech at Spokane last night. I have a wire from Frank A. Leach, Jr., vice president of the P. G. and E. Company at San Francisco, saying that they will take care of the Pinchot matter there. I will advise you about Los Angeles as soon as I hear from Mr. Miller. Very sincerely yours, W. P. Strandborg."

Q. Would you say from that that you were covering him pretty thoroughly in California.

A. He was sending me editorials and clippings.

Q. At your request?

A. At my request.

Q. You covered him pretty thoroughly throughout the West?

A. To my recollection I got most of my news clippings, yes.

Q. Now, Major, this letter which you sent to Mr. Evans on April 22, 1931, that you were not in Washington when you signed that?

A. I could not have signed it otherwise.

Q. I just wanted to make sure.

A. I don't think that is a fair question to put it that way. I have told you I was there, do you doubt my word?

Q. I just want to make sure that you were in Washington.

A. I was in Washington, D. C. when I signed that letter.

Q. Do you still operate this office in Washington, D. C.?

A. At Washington, that goes out of business either as of yesterday or today; either May 1st, or April 30th.

Q. Do you know Clinton W. Gibbon?

A. I know him, he is on the Ledger staff, chief of the Public Ledger Bureau in Washington.

Q. Are you familiar with his article which appeared in the Public Ledger under date of April 24th, 1931?

A. No, I am not. I think I saw an article by him in the New York Evening Post, he also is correspondent of the New York Evening Post.

(Counsel handed clipping to witness)

THE WITNESS: It is the same article, but I don't think it is relevant to the present inquiry.

Q. He is not referring to your office there, is he? There are two separate offices, are there?

A. He is referring to our office, yes.

Q. That is what I am trying to understand. He is referring to your office in this article?

A. Yes.

Q. And you say that is not a correct representation of your office?

A. That certainly is not.

Q. And the policies and practices that he sets down there were not conducted by your office?

A. They were not. It is not my office, of course I am director of the department of information of that joint committee of national utility association, but the office is not mine personally, I am just one of the occupants of it.

Q. Whether it is your office or not, this does not represent a true picture of that office.

A. It does not represent a true picture of the office.

BY MR. HAGMAIER:

Q. Do you think it was good policy on the part of the public utilities to go into this question here as you propose to do?

A. Well, my opinion on the matter is not important.

Q. I think it is, I think you were the brains in back of it.

A. Well, that is very complimentary, but I don't think my opinion is important.

Q. Well, if you want to leave it that way all right, but all the rest of these men who were here, Shearer, and Millar, and all of the other fellows they seem to leave it all to you. They knew you, they saw you occasionally and they paid you a salary, and all that kind of stuff, but they didn't know anything about what you were doing, you were just kind of your own boss.

BY FATHER COX:

Q. How about sending out your information now, or what is your particular work in this bureau, if I may ask you?

A. There is nothing secret about it. My work at the present time is exclusively connected with the Federal Trade Commission investigation. I attend all the hearings and I sum-

marize each day the papers before the commission; the transcript as you perhaps realize is very voluminous, and it takes several days to get enough copies of the transcript to get to the different executives throughout the country, and I summarize the proceedings each evening, have the summary mimeographed and sent out to the executives the utility executives, those interested in the Federal Trade Commission inquiry, throughout the country.

BY THE CHAIRMAN:

Q. Living in Western Pennsylvania I am interested in the comments of Professor Hughes' book, and after critizing, for example his attitude, there are several paragraphs, and then there is a closing paragraph: "In some communities they have been managed dishonestly or unwisely, with bad results to their posterity. Oftentimes, though, the public has not understood the real difficulties of operation. Street railways in a hilly district, costs more to operate than in a level district. A fare which is reasonable in one place would therefore be unfair in another. We ought to be open to the truth in this matter, as in all others, and ask simply the square deal for our companies and ourselves." Now, what is there objectionable in that?

A. I testified that I considered nothing in Prof. Hughes' book objectionable.

THE CHAIRMAN: I did not catch that.

BY MR. WALKER:

Q. As a matter of fact the office has just been moved from Washington to New York?

A. No, we have an office in New York; that is our main office, and we just continued the Washington office.

Q. G. H. Q. has moved to New York?

A. G. H. Q. has always been in New York, I live in New York.

Q. Do you know anything about the expenditures made by your Committee?

A. The Pennsylvania Committee?

Q. Yes.

A. I don't recall, but I think it cost about \$25,000 a year for that work. That includes everything. There were several people in the bureau for them.

Q. Mr. John S. Wise, of the Pennsylvania Power and Light Company, testified last night that this money was raised by subscriptions and donations and from the electrical industries?

A. From the people in the electrical business and from people in the street railways, gas, water and telephone companies all five.

Q. You say these donations averaged about \$25,000 a year?

A. That is my recollection now.

Q. How was that money expended?

A. Some for publication. We got out a pamphlet issued once a week, which went to the newspapers. Not only to the newspapers; it went to the utility executives and to anybody who wanted to get on the mailing list. Several thousand every week. We had printing bills and salaries of people in the office, rents, which was not very expensive.

BY FATHER COX:

Q. What do you think of this Pennsylvania investigation? Major?

A. Is this on the record? I have no opinion to express. I have not followed it as a matter of fact. I have read some of the articles in the newspapers, but I have not followed it at all. I have not had the time. I have been entirely too busy, and then I don't live in the state anymore.

Q. You are interested in us?

A. I like Pennsylvania. I am still a member of the legion post of this state.

BY MR. WALKER:

Q. Are you familiar with the utility regulation in Pennsylvania?

A. No I am not. I have a vague notion about it, but I have never studied it.

Before I leave I would like to express my very deep appreciation for the courteous treatment I have received at the hands of the Committee.

THE CHAIRMAN: As from one newspaper man to another,

A. Yes sir.

STEPHEN ROUSHE. BUSH recalled.

BY MR. WALKER:

Q. Do you have a statement you wish to make on the record in regard to the rates of the Harrisburg Power and Light Company for the year 1930, which you furnished by former exhibit.

A. Yes sir. Yesterday Mr. Wise made some statements in regard to the rates which prevailed in Harrisburg which were incorrect, he was in error. I want to offer this calculation for 1930 showing that the calculation given to the Committee was 100% correct.

Q. What number of rooms was this calculated on?

A. Four active rooms is the basis, and in that connection I want to object to Mr. Wise's statement that six active rooms should be taken in Harrisburg. There should be that many in Harrisburg, but let me read the rooms that are not to be counted. They allow you three bed rooms, a cellar, attic, closet, coal shed, garret, hallway, outhouse, play house drawing room, parlor, toilet rooms, unfinished rooms and several others. When the thing is based on four counted rooms in Harrisburg, whether he was incorrect by saying that at that rate there could not be a ten cent charge per kilowatt, whether he was incorrect in regard to using fifteen kilowatts. The only other comment I wish to make is that he says that the P. P. & L. charges lower rates in Pike County. In his calculation he failed to take in the two boroughs. There are only two boroughs in the county. I feel that the figures I gave you originally were one hundred per cent. correct.

Q. When you refer to this sheet here, Harrisburg Light, Heat and Power rates for 1930, is that the name of the Company?

A. Yes sir that is the name that they filed under with the Commission.

Q. As you stated in your prior testimony these were 1930 rates filed with the Public Service Company, by the company?

A. Certainly, and they run all through the testimony.

The reason for that was that the study was begun in January before these changes were made.

MR. MOORE: This hearing now stands adjourned until Thursday, May 7, 1931 at nine o'clock A. M.

#### COMMITTEE OF INVESTIGATION ON RESOLUTION NO. 10.

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Thursday, May 7th, 1931.

There were present:

Messrs. D. Glenn Moore, Chairman,  
Martin Memolo,  
Chester A. Rhodes,  
Ellwood J. Turner,  
Morris L. Cooke,  
Harold Evans, Esq.,  
John M. Walker, Esq.

The meeting was called to order at 9.30 o'clock A. M., Eastern Standard Time, by Chairman Moore.

MR. WALKER: Mr. Chairman, on April 20, 1931, you addressed a letter to the Pennsylvania Electric Association of Harrisburg, calling their attention to some material which we desired to have them furnish to this committee. Last week I again called the committee's attention to the fact that this material had not been furnished the committee, and today I once more repeat that that material has not been furnished to this committee, and I suggest that Mr. Arch Millar be subpoenaed at once to come here and explain why they have held it up.

(Mr. Walker here again reads into the record the letter which has twice before been read in).

MR. TURNER: Mr. Chairman, I move that Mr. Walker be instructed to call up Mr. Millar on the phone and ask him to come over here and explain why he didn't get the material asked for.

MR. RHODES: Mr. Chairman, I second the motion.

The motion was agreed to.

(The committee so instructed Mr. Walker)

MR. EVANS: There are several matters that should be put in the record at this time. There is a letter from Mr. P. B. Sawyer, Chairman of the Board of the Pennsylvania Power and Light Company, which reads as follows:

PENNSYLVANIA POWER & LIGHT COMPANY  
Allentown, Pa.

May 2, 1931.

Harold Evans, Esq., Counsel,

Committee on Investigation of Public Service Commission  
and Public Utilities Companies,  
Room 601, South Office Building,  
Harrisburg, Pa.

Dear Sir:

In the course of my testimony before the House Committee investigating the Public Service Commission Law at Harrisburg on April 30, 1931, I was asked certain questions as to whether Phoenix Utility Company paid fees to Electric Bond and Share Company and specifically as to certain charges by Electric Bond and Share Company to Phoenix Utility Company on account of work for "Harrisburg," "Pennsylvania" and "United," as shown on Exhibit No. 12 at page 674 of the Federal Trade Commission Reports, volumes 23 and 24.

I stated in substance that I did not know but volunteered information as to my understanding or impressions of the situation. This testimony will be found beginning at page 4582 of the typewritten transcript of the record and concluding on page 4586.

I am informed by representatives of the Phoenix Company that the specific charges referred to against "Harrisburg," "Pennsylvania" and "United" companies, as shown on page 674, Exhibit No. 12 of the Federal Trade Commission Report, were for services performed by Electric Bond and Share Company Engineering Department for those companies and not construction fees; and that these charges were billed through the Phoenix Company merely as a matter of convenience.

The above answers the specific questions which you asked but I am also advised that the statements which I volunteered, particularly as to the accounting between the Phoenix Company and Electric Bond and Share Company were also incorrect. The facts are that Phoenix Utility Company is a completely owned subsidiary of Electric Bond and Share Company. Its headquarters, official, technical and administrative staff, is that of the Electric Bond and Share Company. The Phoenix 4% construction fee discussed elsewhere in the testimony is based upon the direct cost of construction, exclusive of such fee, and with other eliminations recited in the construction contract. The amount of this fee is paid over to Electric Bond and Share Company to compensate that Company for the use of its staff and quarters, and for other expenses of the Phoenix Company.

I also find that my statement on page 4582 of the transcript that "I am not an officer of the Phoenix" is not supported by the Phoenix's records, which show that my appointment as a vice president, made for convenience in 1917, is still in effect, although I had distinctly understood, several years ago, that it was to be discontinued. I know that I have not functioned in that capacity within my recent recollection. The Phoenix Company has eighteen or twenty vice presidents and has, therefore, been under no necessity of calling on me for even perfunctory acts.

I greatly regret having made these mistakes and I will appreciate your reading this letter into the record so that the errors will be corrected.

Thanking you for this courtesy, I am,

Very truly yours, (Signed) P. B. Sawyer,  
(Chairman of the Board).

MR. EVANS: I also wish to read into the record the correspondence between the Chairman of this Committee and the Chairman of the Public Service Commission since our last hearing.

May 4, 1931.

Hon. Wm. D. B. Ainey, Chairman,  
Public Service Commission,  
Harrisburg, Pa.

Dear Mr. Ainey:

At the hearing of the House Committee on Investigation of Public Service Commission and Public Utilities Companies under Resolution No. 10, we desire to make sure that every member of the Public Service Commission has an opportunity to lay before the Committee any facts pertinent to this investigation. We have already had the pleasure of hearing from you and Commissioners Benn, Brown and Young, as well as from your counsel and Chief of your Bureau of Engineering and



Accounts and Statistics. If the other members of the Commission desire to be heard or if those that have already appeared wish to present further facts, we shall be glad to try to accommodate them as far as possible.

As you have received a transcript of the testimony and Arthur B. Hull, as attorney for individual commissioners has attended many of our hearings, it is perhaps unnecessary for me to remind you that the record is comprehensive, comprising over 4900 pages of testimony and 179 exhibits. In addition to members and employees of your Commission we have heard from representatives of consumers and municipalities throughout the State. We have had rates and reports of various classes of utilities and certain decisions of your Commission analyzed by certified public accountants or engineers. We also have had before us the responsible heads of all but one of the larger electric systems operating in Pennsylvania. The Chairman of the Massachusetts Department of Public Utilities and other experts in the field of public utilities regulation have appeared and given us great assistance.

The Pennsylvania Electric Association on April 15th demanded a hearing to refute certain criticism directed at the electric industry, but when invited to present its evidence. Thursday, week of April 26th unfortunately declined to appear.

The Committee will be glad to hear any members of your Commission on Thursday, May 7th at 9.00 A. M. Standard Time. Will you be good enough to let me know tomorrow if any Commissioner will accept this invitation and if so, how long a time they will require.

Yours very sincerely,

(Signed) D. Glenn Moore, Chairman.

THE PUBLIC SERVICE COMMISSION  
of the  
COMMONWEALTH OF PENNSYLVANIA.

Harrisburg, May 5, 1931.

Hon. D. Glenn Moore, Chairman,  
House Committee on Investigation,  
Room 601, South Office Building,  
Harrisburg, Pennsylvania.

Dear Chairman Moore:

In reply to your letter of May 4, in reference to the meeting of the House Investigation Committee on Thursday, May 7, and the invitation to the Public Service Commission extended therein, I am directed by the Commission to advise you that a statement is being prepared for submission to the Committee.

This statement, in the opinion of the Commission, will cover the matters concerned in the record before the Committee bearing upon the functions and activities of the Commission. The statement will also, the Commission believes, obviate the necessity of developing by further oral testimony on the part of the Commission, any of the matters which have been brought to the attention of the Committee.

Sincerely yours,

(Signed) Wm. D. B. Ainey,  
Chairman.

May 5th, 1931.

Honorable William D. B. Ainey,  
Chairman, Public Service Commission  
1. Harrisburg, Pennsylvania.

My dear Mr. Chairman:

In reply to my letter of May 4th, you advise me that "a statement is being prepared for submission to the Committee.

"This statement, in the opinion of the Commission, will cover the matters concerned in the record before the Committee bearing upon the functions and activities of the Commission. The statement will also, the Commission believes, obviate the necessity of developing by further oral testimony on the part of the Commission, any of the matters which have been brought to the attention of the Committee."

In reply to this letter, I wish to recall to your memory that the Committee has not allowed any statement to be entered except by witnesses having knowledge of the facts, and submitting themselves to cross examination thereon. We expect to follow the same policy throughout the hearings and, herewith, call it to your attention.

Be satisfactory for any Commissioner to appear before subject to examination.

Sincerely yours,

(Signed) D. Glenn Moore,  
Chairman.

THE PUBLIC SERVICE COMMISSION  
of the  
COMMONWEALTH OF PENNSYLVANIA.

Harrisburg, May 5, 1931.

Hon. D. Glenn Moore, Chairman,  
House Utilities Investigating Committee,  
Room 601, South Office Building,  
Harrisburg, Pennsylvania.

Dear Chairman Moore:

In accordance with your letter of May 5, setting forth the policy of the House Investigating Committee as applied to the statement which the Public Service Commission proposed to submit to the Committee, I am directed by the Commission to inform you, that under the circumstances, the Commission will not request the Committee to alter its procedure.

Therefore the Commission will not submit the statement referred to in my letter of May 4, nor will it desire to present any further oral testimony.

Thanking the Committee, and yourself, as Chairman, for the courtesies extended, I am

Sincerely yours,

(Signed) Wm. D. B. Ainey,  
Chairman.

MR. TURNER: The only question I would raise is that none of us ever had a chance to pass on that question, at least I never had.

MR. EVANS: Mr. Turner, you may remember the policy at the beginning that statements of this sort were not to be put into the record and we have followed it entirely throughout the hearing.

MR. TURNER: We have had a lot of statements put on the record, of course somebody has been here with them.

MR. EVANS: They were always offered with somebody with them subject to cross examination.

MR. TURNER: I think it would have been fair to the committee to give us some opportunity to know just what it was. I read that in the paper, and that was the first that I ever knew a letter had been received and replied to.

MR. RHODES: I think wherever anybody has offered a statement into the record, they have been present and questioned.

MR. EVANS: You may remember, Mr. Turner, that the Public Service Commission before the Senate investigating committee offered a statement prepared by Mr. Arthur B. Hull as their attorney, and that was accepted by the Senate committee, but that has never been the policy of this committee on any of these matters, and the chairman was merely following out that policy.

MR. TURNER: I am raising the question with the Chairman here that we should have had an opportunity to go into it.

MR. COOKE: Mr. Evans, have you a copy of that statement Mr. Hull made before the Senate committee? I don't want to press it, but I think it would be well to have the last paragraph of that statement read into the record.

MR. TURNER: I don't think that is the issue, as to what happened before the Senate investigating committee. I think the committee should have had an opportunity to see the statements and see what it was, and then see whether we wanted anybody to come before the committee and testify.

MR. EVANS: All Mr. Moore did was to remind Chairman Ainey of the policy of this committee, and left him free to do what he cared to in regard to it.

Certain information has been requested from the Public Service Commission from time to time, some of which has been placed in the record and some of which has not. I think in order to complete the record we should offer the other items at this time.

EXHIBIT NO. 180—Statement of the Public Service Commission showing Rate Cases decided since January 1, 1926, in which the total allowable expenses were reduced.

EXHIBIT NO. 181—Statement of the Public Service Commission, showing list of Employees and Statement of Ex-

penditures Classified by Bureau, for the Five Year Period 1926 to 1930, Inclusive.

EXHIBIT NO. 182—Statement by the Public Service Commission, showing Classified List of Employees of the Commission with Salaries of Each Employee for the Five Year Period January 1, 1926 to December 31, 1930.

EXHIBIT NO. 183—Statement showing dates of argument sessions held by P. S. C. at which the Chairman was present.

EXHIBIT NO. 184—Statement showing dates of Executive Sessions held by P. S. C. at which the Chairman was present.

EXHIBIT NO. 185—Statement by Public Service Commission showing List of Members with Dates of Commencement and Expiration of Terms.

EXHIBIT NO. 186—Statement by the Public Service Commission showing Traveling Expense Accounts of Each Employee in Excess of \$500 Per Annum for Five Year Period January 1, 1926 to December 31, 1930.

MR. EVANS: I wish to read into the record the following letter from Chairman Ainey addressed to Mr. Moore under date of May 5, 1931; in further answer to the letter of March 4th:

THE PUBLIC SERVICE COMMISSION  
of the  
COMMONWEALTH OF PENNSYLVANIA  
Harrisburg, May 5, 1931.

Honorable D. Glenn Moore, Chairman,  
House Utilities Investigating Committee,  
Room 601, South Office Building,  
Harrisburg, Pennsylvania.

My dear Mr. Moore:

In further answer to your letter of March 4, I am submitting the information requested in paragraph 3 of that letter, as follows:

"Hearings in contested cases attended by each Commissioner, arranged under the name of each Commissioner chronologically, with name of case, dates, and place of hearing."

The list submitted comprises the hearings in all contested cases heard by any of the present Commissioners from January 1, 1926, to December 31, 1930. At the hearings on applications which were not protested, the evidence was sometimes voluminous, but such cases are not included. The compilation of this list required an examination of all records of proceedings heard during the five year period, totalling approximately 15,000 cases. The work has been checked as carefully as possible in the time available in an attempt to reduce errors and omissions to a minimum.

This list completes the information requested by your Committee, with the exception of that covered by paragraph 13 of said letter of March 4, as follows:

"A list of all cases heard by an Examiner in Philadelphia decided since January 1, 1927 against the recommendation of Commissioner J. S. Benn, or in which there was a dissenting opinion."

Cases heard by Examiner Wolfe are submitted on his recommendation, unless the filing of briefs or presentation of oral argument is requested, or some unusual feature develops. The recommendation is not made by Commissioner Benn, as was apparently your understanding from the request. A letter from Examiner Wolfe explaining the handling of cases heard by him is hereto attached.

Sincerely yours,

(Signed) Wm. D. B. Ainey,  
Chairman.

Enclosure.

MR. EVANS: There is a letter also accompanying that from Mr. Russell Wolfe, Philadelphia, the Examiner, which is offered in evidence as follows:

EXHIBIT NO. 187—Letter of Russell Wolfe, Examiner, 1921 Chestnut Street, Philadelphia, to Mr. W. Y. Blanning, Chief, Bureau of Public Convenience, Public Service Commission, Harrisburg, under date of May 4, 1931; setting out cases in which his recommendations were not followed by the Commission.

EXHIBIT NO. 188—Hearings in contested cases held by Chairman Ainey from January 1, 1926 to December 31, 1930, arranged chronologically; and the same information for all the other Commissioners.

MR. TURNER: Do I understand that all the information we have asked for from the Commission has been supplied by them?

MR. EVANS: My remembrance is that we asked for the cases in which the recommendations of the sitting Commissioner were not followed, and I think the Commission replied that to ascertain that would involve so much work they didn't think they could get it out in any reasonable time. Aside from that, I think all the information has been furnished.

MR. TURNER: I think it was testified that the sitting commissioner's recommendation was generally taken, is that right?

MR. EVANS: I am not sure if that was testified to or not.

MR. WALKER: Mr. Chairman, it is with mingled pleasure and regret that I report that Mr. Millar has been unexpectedly called out of town.

MR. EVANS: I also want to read into the record the following letter from J. S. Wise, Jr., president of the Pennsylvania Power & Light Company:

PENNSYLVANIA POWER & LIGHT COMPANY

Harrisburg, Pa., May 5, 1931

Mr. Harold Evans, Esq.,  
Counsel for House Investigating Committee,  
Commonwealth of Pennsylvania,  
Harrisburg, Pennsylvania.

Dear Mr. Evans:

In compliance with your request made at the time I testified before the House Committee on Thursday, April 30, 1931, and in pursuance with arrangements made with Mr. Walker 1, herewith, give you the rate applicable in Harrisburg on an eight room house, calculated under the rates in existence during 1930:

15 K.W.H.—9.46 cents  
40 K.W.H.—7.2 cents.  
80 K.W.H.—6.0 cents.

The above calculation does not give effect, of course, to rate reduction effective January 1, 1931.

Yours very truly,

(Signed) J. S. Wise, Jr.

MR. EVANS: The committee will remember Mr. Raushenbush last Friday explained the basis on which he made his calculations, on a four room house, and verified his calculations.

MR. TURNER: Did Mr. Raushenbush only give you the basis on which he worked out the Harrisburg rates which are the rates that Mr. Wise had used, or did he give you the basis for all of the rates that he worked out?

MR. EVANS: Mr. Raushenbush's figures are all based on rates here in Harrisburg, but he made his figures first on a four-room house, whereas Mr. Wise made his on a six room house, and if an eight room house had been taken instead of either a four or a six room house, the figures then would have been as set forth in Mr. Wise's letter of May 5th.

MR. TURNER: I should think there would be an exact way for these companies to say whether this rate is up or down.

MR. COOKE: You are not familiar with the myriad variations in rates. In New York City there are over two thousand rural rates, and I don't know what they are in Pennsylvania. Mr. Rhodes told me the basis on which he paid his bill some days ago and I never heard of that before. That is a brand new feature.

MR. RHODES: I pay three dollars and sixty cents and don't get anything for it at all. I am not even allowed the rate of 10 cents a kilowatt hour, but I pay this fixed amount and then pay for the amount of electricity I consume.

P. J. KEADY recalled.

BY MR. EVANS:

Q. Mr. Keady, did you prepare an exhibit summarizing write-ups of all these electric company groups covered by testimony already introduced in these hearings?

A. I have.

Q. It was prepared by you or under your direction?

A. It was.

MR. EVANS: Before proceeding further, I also wish to offer in evidence Exhibit No. 189, a statement prepared by the Public Service Commission and furnished in the Senate hearing, entitled, "Statement Showing Financial, Operating



and Statistical Data with Respect to Public Service Companies Subject to the Commission's Jurisdiction."

EXHIBIT No. 190 offered in evidence, being a summarizing of the write-ups of the electric company groups included in the testimony before the Committee.

BY MR. EVANS:

Q. I understand that this exhibit presents no new material but merely summarizes what is already in the record and has already been furnished to the Committee?

A. That is right.

Q. Are there any comments that you wish to make in regard to it, or any explanation?

A. I think the exhibit is self-explanatory, and wherever there is an explanation required, it is covered by the footnotes shown on the bottom of the exhibit.

BY MR. TURNER:

Q. Mr. Keady, these write-ups, this question has been in my mind, you took these from the reports to the Commission, as I recall it, didn't you?

A. Yes sir.

Q. You didn't find anything in these reports that showed the basis on which these write-ups were made, did you?

A. No, the report would not show it; in some cases there were references made to the appraisals.

Q. Therefore it is fair to assume that most of or all of these write-ups came purely from the question of some appraisal of valuation made by the company itself, is that true?

A. I think so, Mr. Turner.

Q. Now in Mr. Sawyer's testimony on this Pennsylvania Power & Light the other day I rather gathered that these write-ups were more or less involved in the problem of merging and amalgamating all these companies into the Pennsylvania Power & Light. Do you know anything about that?

A. I think in the case of the Pennsylvania Power & Light, this amount represents just as you said, the write-up of the fixed capital assets of the underlying companies which were merged over and above what they were shown in the individual reports that were previously submitted to the Public Service Commission.

Q. The previous report would show book value, would it not?

A. I don't know what the bases were, you might have had write-ups in those for all I know.

Q. What were the fixed capital assets as shown by the last report of the individual companies before they were merged with the Pennsylvania Power & Light Company?

A. There is nothing to show what these figures were as shown by the write-ups. I think Mr. Dietrich could give you some further information on that, inasmuch as it was he who worked on the Pennsylvania Power & Light case. That is my understanding of how this write-up arises. In the Metropolitan Edison Company there was about nineteen million dollars for write-up in the 1930 report. The report to the Commission did not have anything on it other than the fact that there was a mention made in the report that an appraisal was made by E. J. Chaney. I don't know whether they did anything on this appraisal or what the basis of it was, but they didn't have anything in it as to how it was done.

BY MR. RHODES:

Q. Would not these reports show if there was any additional capital invested or other capital placed in there to represent these write-ups? Your balance sheet would certainly show the additions?

A. You don't have the total there; all you have is the balance at the first of the year and the balance at the end of the year. Of course, the merged company report shows you that they were brought over at a much higher figure.

Q. The additional stock issues could be reflected or additional bond issues would be reflected in the balance sheet; could they not?

A. Yes.

MR. TURNER: Mr. Evans, what is the purpose of this exhibit? What does it do?

MR. EVANS: Mr. Turner, it merely draws together in condensed form the information already before the Committee and calls attention to the fact that the extent of these write-ups is very great. Now, the significance of that may be a matter of argument one way or the other.

MR. TURNER: I understand, of course, that it would show the extent of the write-up, but where does the public interest come in?

MR. EVANS: I think the public interest comes in in two ways; in the first place, as you know, the public service company law requires the Commission in fixing rates to take into account all outstanding stocks and bonds and securities of the companies. Therefore, an artificial inflation of the amount of those outstanding securities has a very direct effect in that way upon rates. Furthermore, it has an indirect effect on rates, because when these securities are outstanding in the hands of the public, and the Commission may be and frequently is, confronted with the alternative of either fixing rates high enough to furnish a return on those securities, or else fixing rates which on the basis of the value of the company's are correct, but will not furnish enough to pay the interest on their securities, and that is a very difficult position for the Commission to be in.

Looking at the other side, from the standpoint of the investor, the significance of these write-ups is the fact that investors put their good money into these companies on the faith of these appraisals, and if these appraisals do not truly reflect the values of the properties, then the investors, as has been stated, are left holding the bag; that's all.

MR. TURNER: Of course, that last question involves two things. In the first place, it would go to the responsibility of the Public Service Commission in security issues, which we won't debate at the moment; it is a long question; but it seems to me that the second thing is this: That it has to determine that the value is not there; that is, if the value is in the property, and the law being that the utility is entitled to a fair return upon the value of its property, then the public is not harmed, and it does get something for its money. Now, that is a question I do not see how you can determine under a survey of this kind. It might show that there is a need to inquire into it; it might show that there are conditions which would bear scrutiny, but I do not see how you can determine it is affected until you determine that the value is not in back of it.

MR. EVANS: I think you are correct, that you cannot come to a final determination. I think, however, it is true that if these companies have a full and complete disclosure in disposing of their securities, of the book value of their property without the write-ups, then the investing public would be dealing with a situation with their eyes open, but that is not the practice, and, therefore, these write-ups, I think, are an important factor to be taken into consideration.

MR. TURNER: I think there is a second thing we might know, if we could. I think we ought to know whether these write-ups have affected the rates in any instances in the past. I mean this, you cannot perhaps determine wholly whether they have been affected, but you can determine this, whether or not these write-ups have had any bearing on the matter.

MR. COOKE: That has all been before our Committee.

MR. TURNER: It has been Mr. Cooke, and I think we could pick it out if we were to chase all through this testimony.

MR. EVANS: Mr. Turner, I don't think you would have to go any further than the Scranton testimony.

MR. TURNER: That is true.

MR. RHODES: Is it not true that after every one of these write-ups, securities have been issued and put into the hands of the public, and that those securities issued could only have been put out with these write-ups?

MR. TURNER: Mr. Rhodes, that seems to be rather broad to say in all cases.

MR. RHODES: I did not mean to say in all cases, but that it did happen in many cases, and therefore that is an indication why the issue of securities should be more rigidly controlled.

(Discussion off the record.)

BY MR. EVANS:

Q. Have you something else to say?

A. I was going to say in connection with one of Mr. Turner's questions there in regard to the write-ups of this Metropolitan-Edison, you will recall when their representatives were here, that they said that all of these properties were appraised from time to time as they were taken in, and after all these appraisals were made prior to this particular write-up, all the property of the company was on the book at appraised

values. Then, in 1930, they come along and have another write-up, which wrote-up the books 19 million more.

MR. TURNER: If you will recall, the man on the stand, Mr. ———, I have forgotten his name, but he was the first man for that company—

MR. EVANS: King, I think, from Reading.

MR. TURNER: He said that the appraisals of the individual companies that had been made did not include all of the appraisals that went into this in 1900 and—whatever it was, 1929 or the 1930 rates.

THE WITNESS: I think there were one or two minor companies that he cited. All the others had appraisals in, because I went over the whole setup, and the biggest part of the property was appraised by Day & Zimmerman, and this write-up in 1930—in 1930 the prices started to drop—they still have a further increase of 19 million.

BY MR. RHODES:

Q. In other words, they appraised it individually and put it into the Metropolitan and then wrote it up collectively; is that correct?

(No answer.)

BY MR. COOKE:

Q. When did Day & Zimmerman appraise it?

A. In 1925. In 1925 they purchased the Metropolitan-Edison properties as they stood at that time. Generally speaking, the other factors effecting valuation have been going down since that time, so they must have used a somewhat different yardstick in getting the \$19,000,000 five years later?

A. Yes, I wanted to find out what the basis of this new appraisal was, but the Public Service Commission didn't have anything on it.

MR. EVANS: Mr. Turner, do you want to ask Mr. Dietrich any questions in regard to the Pennsylvania Power?

MR. TURNER: Do you want to develop that question? It seems to me it was left rather hanging in the air when Mr. Sawyer was here, and I was not quite satisfied in my mind, and you will remember that I asked you afterwards if you had something to develop.

MR. EVANS: He is here. Do you care to hear him?

A. Yes.

W. M. DIETRICH recalled

(In re: Pennsylvania Power & Light Co.)

BY MR. TURNER:

Q. In the Pennsylvania Power & Light, as I recall the testimony, all of these write-ups appeared in certain transactions with the individual companies in being merged and amalgamated into the Pennsylvania Power & Light, is that right?

A. That is right. This increase, as Mr. Keady stated, is the increase over the original book value, which was carried on the books of the Pennsylvania Power & Light at that time.

Now, it has been developed and hinted that during the testimony, that these original companies were owned by the Lehigh Power Securities Corporation, were owned directly or indirectly, and the Lehigh Power Securities Corporation owns the Pennsylvania Power and Light, or rather controls it through the majority of the stock. The Lehigh Power Securities Corporation sold all these companies to the Pennsylvania Power & Light through the Mentz agreements. Now, any profit that was made—any inter-company profit is buried in the books of the Lehigh Power Securities Corporation, and we cannot tell whether Lehigh paid this price for these companies; the price that they turned them over to the Pennsylvania Power and Light for.

Q. I agree with that. You have not been able to check it. The only thing we have on that, as I recall the testimony of both Mr. Wise and Mr. Sawyer was that these companies were taken over and what they paid?

A. I did not recall that the Lehigh Power Securities Corporation owned all of these companies. Some of them were owned by the Pennsylvania Power & Light, and some of them were owned by the Lehigh, which in turn had a controlling interest in the Pennsylvania Power and Light. Along this line, I might say I am preparing at the present time the 1928 and 1930 mergers, a detailed statement of it, and I expect to put it in either today or tomorrow.

Q. I think that would be a difficult thing, because Mr. Sawyer's testimony, as I recall it, was that this practically was nothing more than a legal device to get these companies worked into one head.

A. And at the time I developed the P. P. & L. case, you wanted to know whether there were not some schedules, and I was hurried too much at the time, and I couldn't prepare them, but we have them now and expect to submit them today or tomorrow.

Q. That will give us some further information?

A. Yes; it will show how I got all my figures.

Q. I do not question your figures. The only thing, after the testimony of the other day, whether it is merely a legal device to get all these companies merged, therefore, it did not make much difference whether it was on the books or whether that was true or not.

A. You may remember that Mr. Sawyer testified that these write-ups were supported by appraisals made by Theodore Stebbins in New York City.

Q. Yes, I recall he said Stebbins.

BY MR. COOKE:

Q. What properties did Stebbins value; these 35?

A. Yes.

Q. That is, he valued them individually at the time the Lehigh Power Securities or somebody else bought them.

Q. That is, he valued them individually at the time the Lehigh Power Securities or somebody else bought them.

A. He made no detailed appraisal. In the testimony that was developed he appraised them collectively, but when the Carlisle Gas and Water—the attorney for the Carlisle Gas and Water Company, they wanted to know the price they set on Carlisle company and he couldn't because he didn't have it. They were all priced collectively.

MR. COOKE: Mr. Evans, can I ask you, as a member of the Committee, to have prepared for me a list of the valuing engineers and valuing agents—a statement as to the properties they valued. I would like to have it.

MR. EVANS: I can do that.

#### WRITE-UPS OF WATER COMPANIES

W. W. COLLEDGE recalled

BY MR. EVANS:

Q. At a prior hearing you referred to certain corrections which you wished to make in the transcript of your testimony. Now, have you prepared a statement of those corrects?

A. Yes sir.

MR. EVANS: I suggest that these be submitted to the stenographer to note in the record.

THE WITNESS: This is a correction of my testimony on pages 632 to 683, and it is submitted in statement form, and if necessary I can have it typed and put additional copies in.

MR. TURNER: If you have the statement of the corrections appear in this part of the transcript, it would be possible to go back and correct them.

MR. EVANS: It would, Mr. Turner.

MR. TURNER: I don't think we need another exhibit.

A copy of the corrections in question follows:

Page 632, line "of" should be "from".

Line 16, "risk" should be "it".

Lines 18 to 22 should read: "Those percentages mean that forty-two of the companies show earnings above 7%; eleven of the fifty-three show earnings less than 7% on books figures; two of the eleven show deficits and of the other forty-two, three show earnings between seven and—"

Page 633, line 6—"twelve" should be "two"; line 12—"thirty" should be "thirty-eight".

Page 635, line 13-14—"repairs and renewals" should be "renewals and replacements"; line 15—"on" should be "of".

Page 636, line 6—"Reduction" should be "deduction"; line 14—"on" should be "of"; line 19—"repairs and rentals" should be "renewals and replacements".

Page 646, line 14—Name of company should be "Colver Electric Company."

Page 647, line 8—Name of company should be "Lehighon Electric Light, Heat and Power Company"; Line 21—Name of company should be "Palmerton Lighting Company."

Page 648, lines 3—No. 27 should be "No. 28"; line 9—Name of company should be "West Penn Power Company"; line 10—Name of Company should be "Windber Electric Corporation."



Page 652, line 10—"\$17,869.07" should be "\$17,869.09"; Line 12—"Carried" should be "created"; line 12—First "of" should be "to."

Page 653, line 10—"\$117,107.25" should be "\$117,107.27."

Page 659, line 20-21—"204,954.95" should be "\$204,958.95."

Page 660, line 12 and 14—Name of company should be "Carlisle Gas and Water Company."

Page 661, line 2—"Six" should be "fixed capital"; line 19—"thirty" should be "twenty."

Page 662, line 4—"49,052.92" should be "\$49,502.92."

Page 663, line 2—"32,436.45" should be "\$32,426.45."

Page 665, line 20—"1,149,594.66" should be "\$1,449,594.66."

Page 671, line 11—"228,339.98" should be "\$228,399.98"; line 19—"559,008.36" should be "\$59,008.36"; line 21—"559,008.36" should be "\$59,008.36."

Page 672, line 23—Name of company should be "Lehigh Electric Light and Power Company."

Page 673, line 2—Name of company should be "Lehigh Electric Light and Power Company"; Line 14—"with" should be "of".

Page 674, line 6—second "over" should be stricken out; line 13—"204,034.27" should be "\$245,024.37"; line 15 and 16—Word "rejected" should be stricken out and words "deducted the reserve" inserted.

Page 675, line 5—"4,288,608.93" should be "\$5,298,608.93"; line 8—"5,049,226.36" should be "\$5,045,226.36."

Page 676, line 10—"46,932.35" should be "\$72,869.00"; line 13—Word "Electric" should be stricken out; line 22—"valuation" should be "capital."

Page 678, line 8—"8.868%" should be "8.68%."

Page 679, lines 4 and 5—Name of company should be "Palmerton Lighting Company"; line 7—"195,555.96" should be "\$195,556.96."

Page 679, lines 18 and 19—Name of company should be "Pennsylvania Water and Power Company."

Page 680, lines 4 and 5—"29,916,092.53" should be "\$24,916,092.53"; line 14—"901,651.15" should be "\$109,651.15."

Page 681, line 3—"45%" should be "45.44%"; line 10—Name of company should be "Shippensburg Gas and Electric Company."

Page 682, line 8—"108,838.41" should be "\$158,838.41"; line 15—"42,042.40" should be "\$42,023.40."

Page 683, line 2—"1,098,577.17" should be "\$1,098,577.13."

BY MR. EVANS:

Q. Have you prepared a summary exhibit showing the write-ups in the water companies that have been testified to in these hearings?

A. Yes; certain groups.

Q. And this was prepared by you or under your direction?

A. Yes sir.

MR. EVANS: I offer this in evidence as Exhibit No. 191.

Paper in question entitled, Water company Write-ups during 1927, 1928 and 1929 in certain groups, produced and marked Exhibit No. 191.

BY MR. EVANS:

Q. If I understand this exhibit correctly, it shows the total write-ups during 1927, 1928 and 1929 in these five groups of water companies, amounting to approximately \$30,000,000?

A. Yes sir.

Q. Are there any additional companies which you have not included in this exhibit, which you wish to add now?

A. Yes; I would like to add to the North American Water Works Corporation group the Hanover and McSherrystown Water Company, a write-up in the 1927 column of \$241,755.68. That then should be extended over to the "total" column as \$241,755.68.

Then, the Gettysburg Water Company—

BY MR. TURNER:

Q. The same group?

A. The same group, under the 1927 column, \$193,117.16. That should also be extended to the "total" column as \$193,117.16. That makes the total of the 1927 column \$4,684,255.85. The '28 and '29 columns remain the same, and the "total" column is increased to \$30,421,865.48.

MR. COOKE: Mr. Evans, have we any record as to which of these companies was in financial difficulties. That is, I recall one or two of them as being in the hands of a receiver.

MR. L.V. B.S.: That was the North American Water Works Corporation.

THE WITNESS: I wouldn't say for sure that the American Water Works Corporation was in the hands of a receiver, but the Keystone Water Works, which is the immediate holding company of these companies under the North American Water Works Corporation, is in the hands of a receiver.

BY MR. COOKE:

Q. Now, have we any information about any of the others?

A. No; I have not. Of course, the United States Steel Corporation is not.

MR. EVANS: Are there any questions the members of the Committee want to ask Mr. Colledge in regard to this exhibit?

BY MR. TURNER:

Q. Mr. Colledge, the same thing applies to this as it does the other exhibits of electric rates? There is nothing to show whether these write-ups had any relation to the value or not.

A. They were all made, I presume, on the basis of appraisals made either immediately prior to or immediately after the purchase by the holding companies. In the case of the Williamsport Water Company, that write-up was based on an appraisal made in connection with a rate case in the year 1925 by Morris Knowles, Incorporated, of Pittsburgh, and then was brought up to date by adding additions at cost.

Q. As I remember it, it was the rate case plus additions at cost?

A. That was so stated in the report of the company submitted for the year 1927.

Q. The same thing is true of the Chester Water Company there; as I recall the testimony, it was that the water company and the city got together and agreed upon an appraisal.

MR. COOKE: The difference in that case was that Morris Knowles, Incorporated, represented the consumers in Chester.

MR. TURNER: Represented the city.

THE WITNESS: They were on the other side of the fence in that case.

MR. COOKE: There was no trouble in reaching an agreement?

MR. TURNER: No; but there is a write-up of \$1,114,000.

THE WITNESS: There is another thing I would like to add to this, that all of the information which was obtained from the write-up of the company was available to the Commission in case they wanted to make an investigation on their own motion.

MR. TURNER: Yes; I think we all understand that, that nobody ever investigated these question.

(IN RE: QUAKER CITY CAB CO.)

MR. EVANS: If the Committee please, Mr. Barker, president of the Bankers Trust Company, has arrived, and I do not want to keep him waiting any longer than is necessary.

In order that the Committee may understand the transactions leading up to Mr. Barker's testimony, it has been developed in the Senate hearing. I might make a statement which will enable the Committee, I think, to follow its practice of not duplicating what the Senate has done.

The matter about which Mr. Barker has been invited to testify, is in connection with two checks drawn by A. M. Greenfield and Company—Albert M. Greenfield and Company, I should say—on the Bankers Trust Company of Philadelphia. One is dated January 6, 1928, to the order of "Cash" for \$250,000, and perforated with the bank stamp, "Paid 1-6-28." The other a check of Albert M. Greenfield and Company, dated January 11, 1928, on the Bankers Trust Company of Philadelphia, to the order of "Cash" for \$486,000; perforated with the bank stamp "Paid 1-11-28."

These checks were given by Albert M. Greenfield and Company, according to the testimony developed before the Senate Committee and the findings of the Court of Common Pleas No. 1, in the case of Will B. Hadley et al and the City of Philadelphia v. The Philadelphia Rapid Transit Company, as of September Term, 1929, No. 2827, under the following circumstances:

The Quaker City Cab Company, a cab company operating in the city of Philadelphia, went into bankruptcy. Its assets, including the taxicabs, were offered by the trustee in bankruptcy to the Philadelphia Rapid Transit Company or to Mr. Thomas E. Mitten, the president of Mitten management for

\$350,000, and the offer was refused. Subsequently a man by the name of Sawyer from Boston purchased the personal property of the bankrupt from the trustee for \$75,000. He also purchased the cabs which were then held by a financing corporation, for \$262,500, or a total of \$337,500 for all of the property, and Sawyer, who was financed by Thomas E. Mitten or Mitten management formed a corporation known as Quaker City Cabs, Incorporated. Albert M. Greenfield and Company represented Sawyer in purchasing the cabs from the trustee in bankruptcy and from the financing company, and also represented Quaker City Cabs, Incorporated in the sale of its capital stock to the Philadelphia Rapid Transit Company. This sale was made under the following circumstances:

On January 6, 1928, which is the date of the first of these two checks, Albert M. Greenfield and Company entered into a written contract with the Philadelphia Rapid Transit Company by which Greenfield sold to the P. R. T. the stock of Quaker City Cabs, Incorporated and the stock of three bus lines operating in or about Philadelphia for \$1,825,000, conditioned upon the Public Service Commission's approval of the contract. The consideration of \$1,825,000 was then paid to A. M. Greenfield and Company, but the transaction was not approved at that time by the Public Service Commission. On April 22, 1929, a new contract was made between A. M. Greenfield and Company and the Philadelphia Rapid Transit Company covering only the stock of Quaker City Cabs, Incorporated, and not contingent upon the approval of the Public Service Commission. The consideration for this sale—for the Quaker City Cab, Inc., alone was \$1,360,000. That contract has not been approved by the Public Service Commission, and the Senate inquiry failed to develop who now actually hold the stock of the Quaker City Cabs, Inc., but it was developed that the cabs have been operated continuously by the Philadelphia Rapid Transit Company or by Mitten Management.

Before the Senate Committee, Mr. A. M. Greenfield testified that the two checks in question had been delivered to Thomas E. Mitten or Sawyer, but it was not developed as to how the checks were paid or to whom. Under date of April 8th, 1931, William A. Grey, Esq., counsel for the Senate Investigating Committee, addressed a letter to Honorable William H. Earnest, Chairman of the Senate Investigating Committee at Harrisburg, Pa., referring to this matter as follows, in part:

"Yesterday, Thomas Hart, Esquire, and I called at the office of Albert M. Greenfield, and there he exhibited to us two checks, one for \$250,000 and the other for \$486,000, being the two checks referred to in the testimony which he gave before the Senate Investigating Committee last week as representing part of the distribution of the \$1,825,000 paid by him by the Philadelphia Rapid Transit Company for the purchase of Quaker City Cabs, Inc., and the bus lines included in the contract made between Greenfield and the Philadelphia Rapid Transit Company on January 6th, 1928.

The check for \$250,000, was dated January 6th, 1928; drawn to the order of cash, contained no endorsements, and was perforated indicating that the bank paid it on that date.

The check for \$486,000, was dated January 11th, 1928; drawn to the order of cash; contained no endorsements, and was perforated indicating that the bank paid it on the same day.

Mr. Greenfield informed Mr. Hart and me that upon inquiry he found that these checks were not paid by either New York draft, cashier's check or clearing house due bill; that they were paid in cash; that he could not ascertain to whom they were paid; but could only reiterate his statement, given on the witness stand, that they were delivered to Mr. Mitten or Mr. Sawyer.

"I enclose herewith exact typewritten copies of these checks.

"Mr. Hart arranged to communicate this information to you by telephone yesterday, but I felt that I should make a written report to you.

"I do not know what view the Committee will take of this matter, but I deem it important to determine who received this money. This is especially true if the circumstances under which the Quaker City Cabs and the bus lines were operated by the Philadelphia Rapid Transit Company, without the consent of the Public Service Commission, are to be fully investigated.

"I would respectfully suggest that the various officials and tellers of the banks be subpoenaed and the books of the bank, with relation to this transaction, be produced for the purpose of determining whether they will reveal any information pertinent to the matter."

The Senate Investigating Committee did not comply with Mr. Gray's suggestion, and we have asked Mr. Barker and Mr. Robert N. Wilson, treasurer of Albert M. Greenfield & Company, who signed the checks, to come here this morning and throw what light they can upon the transaction. I will first call Mr. Wilson to produce the checks, and I identify them.

ROBERT M. WILSON sworn

BY MR. EVANS:

Q. Where do you live, Mr. Wilson?

A. Narberth, outside of Philadelphia.

Q. You are the treasurer of the Albert M. Greenfield & Company?

A. I am secretary and assistant treasurer.

Q. Were you in January, 1928, the treasurer of Albert M. Greenfield & Company?

A. No sir, I was secretary and assistant treasurer.

Q. On January 6, 1928, did you sign on behalf of that company a check to the order of cash \$250,000?

A. Yes sir.

Q. Do you have that check with you?

A. Yes sir.

Q. And did you on January 11, 1928, sign a similar check for \$486,000?

A. Yes sir.

Q. And you have that check with you?

A. Yes sir.

Q. Will you be good enough to produce those checks for the committee?

A. (Witness hands two checks to counsel.)

Q. Mr. Wilson, at whose direction did you draw these checks?

A. Either Mr. Greenfield or Mr. Rosenbaum.

Q. Were you familiar in any way with the transactions to which they pertain?

A. I was not.

Q. In other words, you acted merely in a clerical capacity in signing the checks as far as these checks were concerned.

A. Yes.

Q. Were you in any way familiar with the contract dated January 6, 1928, between Albert M. Greenfield & Company, and Philadelphia Rapid Transit Company covering the sale of stock of the Quaker City Cab Company and certain bus companies?

A. I was not, no sir.

MR. EVANS: In view of the fact that these are original records of Albert M. Greenfield & Company, I would suggest to the committee that copies of them be made and placed in the record as exhibits without requiring the original checks to be held here.

BY MR. TURNER:

Q. Were these checks both drawn on the same date?

MR. EVANS: No, one was drawn on January 6th and the other on January 11, 1928.

MR. TURNER: I wondered if there was a settlement of any kind at that time in the office.

BY MR. COOKE:

Q. Mr. Wilson, in transactions with which you are a part in your line of work, is it a frequent occurrence to draw checks the size of these to cash?

A. Oh yes.

Q. It is a matter of every day occurrence?

A. I don't know about it being every day, but we frequently make checks to cash.

BY MR. EVANS:

Q. Mr. Wilson, will you try to recollect any settlement in which you have made a check for an amount anywhere near \$486,000 in which a check has been drawn to the order of cash by your company?

A. You see, Mr. Evans, we probably issue quite a number of thousands of checks a month, covering several millions of dollars. In view of the fact that this transaction is several years—

BY MR. RHODES:

Q. Do you think it is good business to draw checks to cash?

A. It depends on the nature of the transaction.



Q. What could be the purpose of drawing any check to cash, let alone one in an amount of a quarter million dollars?

A. Well, in real estate deals, some people don't wish to take checks.

Q. Are the transactions of such a nature that people don't want to disclose their identity in connection with them?

A. There are some transactions in which they request cash.

Q. Is it not a good business practice to have checks drawn to somebody and have them endorse, and in that way you will have a receipt in your office for them?

A. It depends entirely on the transaction.

Q. Is it customary for your firm to draw checks for a quarter of a million dollars without any record to show who cashed them?

A. I don't know whether it is the custom or not, but it is done.

Q. Why was it done in this case?

A. I don't know.

Q. Do you consider that a good business practice to draw checks like this without having the purpose on the check?

A. I don't know whether it is a good business practice or not, but we have to follow the desires of our clients. If you are a client of ours and you come in and ask for cash and we are representing you, and you demand cash, we have to give it to you.

MR. TURNER: Was this fully paid out of the funds of Albert M. Greenfield and Company or was it somebody else's money?

A. This check was drawn by us.

BY MR. EVANS:

Q. These checks were drawn in a transaction involving the sale by Albert M. Greenfield & Company of certain property to the Philadelphia Rapid Transit Company?

A. Yes.

Q. Do I understand you to mean that you drew them at the request of Mr. Greenfield?

A. No, I drew them either at the request of Mr. Greenfield or Mr. Rosenbaum.

Q. You explained to Mr. Rhodes that sometimes your clients request payments in cash. Was the Philadelphia Rapid Transit Company a client of yours in this case?

A. I know very little about this transaction. I didn't see the contract. I simply know I was requested to draw these checks when they were drawn, and I drew them.

Q. To whom did you deliver these checks?

A. They were sent into Mr. Greenfield's office.

Q. Where is that with relation to your office?

A. His office is on the Walnut street end of our building. The secretary's office comes next, and my office comes next.

Q. All in the same suite?

A. Yes sir.

Q. You say you got your instructions either from Mr. Greenfield or Mr. Rosenbaum?

A. Yes sir.

Q. You don't remember which one of these gentlemen gave you the directions?

A. No sir.

Q. You remember drawing these checks, don't you?

A. I don't remember that, I signed them.

Q. You remember signing them?

A. Yes sir.

Q. You remember the request and the directions given you?

A. No sir, I do not.

Q. Now, do you remember signing these checks to the order of cash, dated more than three years ago; if you did, you would also remember drawing checks for a similar amount drawn to cash, would you not?

A. I assume I would; I might or I might not. As I explained before, I sign several thousand checks a month, and it is impossible for me to remember all of them.

BY MR. RHODES:

Q. Do you run your business on a cash basis and draw all of your checks to cash?

A. No sir, we do not.

BY MR. EVANS:

Q. Now, Mr. Wilson, will you rack your brains and tell me any case within the past three years in which you have drawn

checks in any similar amount to this to the order of cash. You remember signing these checks to the order of cash. Now, since these checks were signed, I want you to try to think of other cases you can remember of checks of this size that were drawn to cash?

A. All that I can tell you is that it is not uncommon for us to draw checks to cash, but as to amounts and dates, I cannot tell you.

Q. Why do you remember drawing these if you draw other similar checks to cash?

A. I remember signing these checks.

Q. You didn't say that?

A. I recognize my signature; I don't know that I could recollect the month, the hour and the day that I signed these particular checks. I spend a part of my time each day signing checks.

Q. What I am trying to get at is this, you do not, as I understand it, in the regular course of business of signing checks for \$486,000 to the order of cash. The fact that this is drawn for that much makes you remember signing that check?

A. No sir, it doesn't.

Q. Do you want this Committee to understand you don't remember signing this check? Do you remember signing it or don't you remember signing it?

A. No sir, I don't remember signing this particular check.

Q. Then you want to correct your testimony and say that you don't remember signing them, when a few moments ago you said you did remember signing them?

A. I misunderstood your question.

Q. You say you sent this in to Mr. Greenfield's office. How do you happen to remember that?

A. That was the regular procedure.

Q. So you don't remember whether they were sent to his office or not?

A. I presume they were sent to his office.

Q. But you don't know that any more than you know about signing the checks?

A. All I can say is that I presume they went in there.

BY MR. MOORE:

Q. You said a moment ago you remembered sending them in. Now do you remember sending them in or don't you?

A. On different transactions our firm handles, it is customary to send the checks in to them.

Q. Your testimony gave me the definite understanding that you remembered this transaction; now it looks as though you were trying to get out from under it?

BY MR. COOKE:

Q. We all had the same impression that Mr. Moore, and feel that you are now changing your testimony. Is that right or not?

A. Mr. Cooke, as I tried to explain before, we issue thousands of checks a month.

Q. Are you or are you not now changing your testimony? We all understood your testimony in the same way?

A. All I can say is that I cannot remember all the details relating to these particular checks or any of the others amounting to tens of thousands.

Q. You are saying you cannot remember in detail now?

A. I have not understood—

Q. What do you remember?

A. I have told Mr. Evans—

Q. We cannot tell what you mean because you keep changing it? Do you remember any detail in regard to these checks?

A. I remember as I can recollect I was called on the phone, either by Mr. Greenfield or Mr. Rosenbaum, to make out these checks to cash and as is customary we made them out and I presume they were sent in there to Mr. Greenfield or Mr. Rosenbaum's office, which is the customary, every-day method of handling dozens and hundreds of transactions which we handle.

BY MR. EVANS:

Q. Now you say you remember the telephone instructions either from Mr. Greenfield or Mr. Rosenbaum?

A. I didn't say that.

Q. You said you remember having signed them on Mr. Rosenbaum's or Mr. Greenfield's request to sign these checks?

A. What I am trying to explain is the customary method.

Q. (Reading the previous answer). "I remember as I can recollect I was called on the telephone either by Mr. Greenfield or Mr. Rosenbaum to make out these checks to cash, and as is customary we made them out and I presume they were sent in there to either Mr. Greenfield or Mr. Rosenbaum's office, which is the customary every-day method of handling dozens and hundred of transactions which we handle."

You notice you said you remembered and you presumed that they were sent to Mr. Greenfield's office. Do you want to say that and say your presumed you were telephoned to?

A. That was the customary way of handling these transactions.

Q. You say you remembered the fact, now. Was that true or was it not true when you said you recollect being called on the telephone by Mr. Greenfield or Mr. Rosenbaum and told to prepare and sign these checks; is that true or not?

A. What I intended to say was that that was the customary way of handling these transactions.

BY MR. MOORE:

Q. You were asked specifically with reference to these two checks and you stated that you remembered being called and directed to prepare these checks?

A. What I am trying to convey to you gentlemen is, that there are a large number of transactions every day, and as I have explained before, a great deal of my time is taken up in having checks issued and signed.

BY MR. COOKE:

Q. There is not much difficulty in finding out what you are trying to convey to this Committee.

You don't want to try to convey to the Committee that it is the ordinary, common, daily routine course of business for checks of \$250,000 and \$480,000 to be drawn to the order of cash, do you?

A. We have drawn a lot of checks just as large or larger, and we have drawn a lot of checks to cash.

(Question read.)

A. It is not an everyday occurrence, no sir.

Q. You remember any other instance where a check for \$480,000 has within the last three years been drawn by you to the order of cash?

A. I don't recall any.

Q. Do you recall any case where a check for \$250,000 has been drawn in the last three years to the order of cash?

A. I don't charge my memory with every check that is drawn.

Q. Do you remember it?

A. I do not recall it.

Q. Mr. Wilson, there is a blank line on this check, that is for the purpose of inserting the object for which the check is drawn, is it not?

A. Yes sir.

Q. Is it the custom of your business to fill that out or not?

A. Sometimes it is filled out and other times it is not.

Q. Who determines whether it is to be filled out?

A. If the officer who requests the check to be drawn would give us any information, we will put it on.

Q. Who gives the bookkeeper the account to which checks are to be charged which do not have that on?

A. I usually have that information when the check is drawn, or secure it subsequently.

Q. Then at the time these checks were drawn, you knew the account to which these were to be charged?

A. I don't recall that.

Q. You have not determined it here?

A. No sir.

Q. Was that omission made at the direction of Mr. Greenfield or Mr. Rosenbaum?

A. No, if I have the information when the check is drawn, we put it on, and if we don't have the information, we don't put it in, and it is not done at anybody's direction.

Q. In this instances did Mr. Rosenbaum or Mr. Greenfield give you the account to which it should be charged to?

A. That is the regular procedure, that would be the procedure we would follow.

Q. Do you remember whether that was the case?

A. As I explained before, Mr. Evans, I don't remember the details surrounding the drawing of these checks, Mr. Evans, and that is one of the details.

Q. You do not remember whether or not Mr. Greenfield gave you any directions for that?

A. I do not, no sir.

Q. How did the bookkeeper get any instructions as to the account to which these checks were to be charged?

A. I presume they ascertained from Mr. Greenfield or Mr. Rosenbaum who the checks were to be charged to, and they charged it to that account.

BY MR. RHODES:

Q. Do you have any stubs for these checks?

A. There are stubs in the checkbook.

Q. Were these checks taken out of the checkbook?

A. Yes sir.

Q. What is disclosed on the stub of the check as to account they were charged to?

A. When this question was raised in the Senate, we turned over all our records to Mr. Greenfield together with these checks.

Q. Did you make an entry on the stub of the check?

A. No sir.

Q. Who did?

A. One of the clerks.

Q. Is there any notation there as to the account they are to be charged to?

A. I didn't look at the stub.

Q. You never looked at it?

A. No sir.

Q. As assistant treasurer don't you know for whose account checks are being issued?

A. We often do.

Q. How do you keep track of whether the checks are cashed by the proper party, or whether they are lost and the proceeds go to somebody to whom they should not go; can you answer that?

A. When checks are drawn to cash, they are sent to various officers in the department, and the officers to whom they are sent are responsible for the disbursement.

Q. Your office has no way of knowing whether they were cashed by the proper and responsible party or not, have you?

A. No sir.

Q. You don't know whether the party entitled to them get the proceeds or not?

A. No sir.

Q. Is that the way you run your business in Philadelphia?

A. Cash transactions I handle that way.

Q. Do you mean that no one of your company would know?

A. That is for the officer.

Q. You are an officer of the company?

A. I am an accounting officer, but I am speaking about the officer who makes the transaction.

Q. Have you nothing in your records to show to whom these checks should have gone and the proceeds been paid to?

A. No sir.

BY MR. EVANS:

Q. Do you mean your company takes no receipts for cash payments made by it?

A. The officer who handles the transaction takes his own receipt.

Q. Then in the regular course of business Mr. Greenfield will have receipts for these checks from the party to whom he delivered them?

A. I don't know whether he has or not.

Q. You say the officer handling the transactions takes receipts?

A. He takes his own receipt if he feels it is necessary.

Q. This is company money and not Mr. Greenfield's?

A. He was president for the company.

Q. You are paying out three-quarters of a million dollars in cash and do you mean to say your company conducts its business in that way and takes no receipts for it? Is that the policy and practice of your company?

A. It depends on the individual deal handled by each officer.

Q. In other words, do you know of any case where a transaction of this size, or anything like this size, was handled without taking a receipt for the funds dispersed?

A. Yes, we don't get receipts for money on all our transactions.



Q. Cash transactions?

A. Yes, I would say they are all on cash transactions.

BY MR. RHODES:

Q. Do you have the kind of transactions that you cannot keep records on them?

A. Sure we keep records.

Q. You don't have any records on this case?

A. I was not asked to bring any.

BY MR. EVANS:

Q. Have you any records on this case?

A. All the records I had were turned over to Mr. Greenfield at the time of the Senate investigating committee.

Q. What did they consist of?

A. The ledger account, and the cancelled checks.

Q. In whose name was the ledger account?

A. I believe in Mr. Greenfield's name, although I didn't see these for several months.

BY MR. COOKE:

Q. You have the stubs?

A. Yes sir.

BY MR. RHODES:

Q. By ledger account in Mr. Greenfield's name, you mean this three-quarter million dollars was charged to Mr. Greenfield individually?

A. As I recollect, these checks were charged to the ledger account in Mr. Greenfield's name.

BY MR. COOKE:

Q. How would you describe the voucher for these transactions?

A. There are no vouchers, we don't operate on the voucher system.

Q. What piece of paper would anybody coming in to audit your accounts have to check against this ledger account, and would an auditor pass that check?

A. He could go to the other officer who signed it and get an explanation by him.

Q. Have you ever seen a check like that that was not endorsed, a check of that size, I mean?

A. I don't know about the size, but I have seen lots of checks made to cash and not endorsed.

Q. Is that the banking practice in Philadelphia, to pay checks without endorsement?

A. I don't know about the practice in Philadelphia, but in Atlantic City where I was in a bank for several years, if a depositor brought in a check, they would get the money without endorsing it.

BY MR. RHODES:

Q. A teller in a bank would not make a payment of cash on a check drawn to cash without endorsement unless he absolutely knew the individual to whom he was making the payment?

A. I would think so.

Q. So in this instance they would not have cashed that check unless they absolutely knew to whom they were paying the money?

A. They should know to whom they were paying the cash to.

Q. Do you as assistant treasurer of this company happen to know who paid in the money to this company against which these checks are charged, and how was that credited?

A. I presume to Mr. Greenfield's account.

Q. And these checks were charged against his individual account?

A. Yes sir.

Q. Don't the books show by whom the money was paid in?

A. I do not have the records here.

Q. You ought to remember the details of a transaction of this size?

A. If you gentlemen knew how many millions and tons of millions of transactions we have handled in the last few years ———

Q. Did you conduct them all like you handled this?

A. We conduct them in the way we think is proper as far as the clients are concerned.

Q. You say you will do anything your client desires to keep his identity from being disclosed?

A. The accounts are run in accordance with the information we get from the officers handling the transaction.

Q. And the desire of your client?

A. Our clients have to be considered.

Q. It is not a matter of business ethics it is a matter of the desire of clients?

A. We get our instructions from the officers handling the particular transaction.

Q. Do you mean to say you are passing the buck entirely in these transactions to Mr. Greenfield?

A. Mr. Greenfield and Mr. Rosenbaum are the men who are more familiar with these transactions than I am.

Q. Are they entirely familiar with it, and you have no knowledge of it?

A. I have no knowledge of it.

Q. You say you have no knowledge of these transactions except that you attached your name to two checks?

A. That is it.

Q. And Mr. Greenfield and Mr. Rosenbaum know the details?

A. Either Mr. Greenfield or Mr. Rosenbaum.

Q. What did he know about it?

A. I don't know.

Q. You said he did?

A. I presume he did because he countersigned the check.

Q. What records do you have in your office to show you were the payee of these checks?

A. There is no payee on this check, it is payable to cash.

Q. Someone was supposed to get the money?

A. I suppose someone did.

Q. Suppose that the party came in and asked for the \$250,000?

A. I would refer them to Mr. Greenfield or to Mr. Rosenbaum.

Q. What records do you have to show that that was paid?

A. None.

BY MR. RHODES:

Q. In other words, this is an individual transaction between Mr. Greenfield and somebody else and Mr. Rosenbaum?

BY MR. COOKE:

Q. Is Mr. Greenfield the sole owner of Albert M. Greenfield & Company?

A. At that time he held about eighty per cent. of the interest. In the new company he owns a little over fifty per cent.

BY MR. WALKER:

Q. Do you have any records in your office showing who collected the funds and the distribution of the funds?

A. I don't understand what you mean.

Q. The treasury department is charged up with the bank account?

A. I don't understand what you mean.

Q. The treasury department of Albert M. Greenfield and Company is charged up with a bank account?

A. They have the responsibility of the bank account.

Q. When you issue a check and make an expenditure, you make certain entries in your debit and credit?

A. When we issue a check we don't make both, we account either to the debit or the credit under certain transactions.

BY MR. EVANS:

I think in view of the testimony of this witness, the only thing for the Committee to do is to issue a subpoena to Mr. Rosenbaum to produce the records which this witness has failed to bring with him and which he believes may throw some light on the transaction.

(Discussion among members of the Committee off the record).

BY MR. EVANS:

Q. What records, Mr. Wilson, were kept of these transactions other than the stub of the check on the ledger account? Did you keep any journal entry at all?

A. No.

BY MR. RHODES:

Q. You have a check book showing the money paid into your firm?

A. Yes sir.

Q. Your check book will show by whom payments are made?

A. Yes sir.

Q. We will ask you, Mr. Wilson, to produce at a hearing of this committee, to be fixed, the records pertaining to this transaction, including the check book stub, cash sheet and ledger sheet.

MR. RHODES: And let us have also the deposit records.

SAMUEL H. BARKER affirmed

BY MR. EVANS:

Q. Mr. Barker, you are president of the Bankers Trust Company?

A. I was.

Q. You held that office in January, 1928?

A. That is correct.

Q. How long prior to that time did you hold the office?

A. Since the company was organized and began business in the beginning of 1927.

Q. To what date did you hold that office?

A. Until the date of the closing of the institution on December 22d, last.

Q. You are familiar with the banking practices in Philadelphia, are you not?

A. More or less, I hope.

Q. And prior to your connection with the Bankers Trust Company, what had been your experience along banking lines?

A. I had been in newspaper work for exactly 21 years, and 17 years of that time I was financial editor of the North American, and I resigned from the North American and have been in financial business for myself for about two years before the Bankers Trust Company was organized.

Q. Was it the practice of the Bankers Trust Company to cash checks of \$250,000 and more drawn to the order of cash without requiring any endorsement?

A. That would depend altogether upon the circumstances. Whenever a check was presented and it was a good check, and by that I mean that the balance was there to cover the check, and the teller knew the presenter of the check, the check would be cashed in the ordinary course of business.

Q. Were your tellers authorized without specific directions to cash checks of these sums without endorsement?

A. Our tellers were authorized to conduct the business in the way which would facilitate it in every way eventually. (Last question read.)

A. Our tellers would have cashed any check presented unless there was some question in their minds about it, and then it would be referred to some officer of the bank.

Q. Mr. Barker, what amount of cash did the Bankers Trust Company maintain at its principal office for the payment of checks?

A. The Bankers Trust Company did a great big business, and we commonly had from three to four million dollars on hand.

Q. In your vaults?

A. Yes sir.

Q. And if that cash was available you would pay a million out in cash if the check might have been presented without any question?

A. Certainly.

Q. Was that the usual banking practice in Philadelphia common, to maintain such large balances of cash in the vaults?

A. Certainly. Every bank, of course, has cash on hand to pay over-the-counter. You will perhaps understand it better if I tell you this, that the Bankers Trust Company had a turnover of deposits and checks in and out, of over \$2,000,000 a day. Perhaps we would take in a million and a half and have to pay out in checks through the clearing house approximately an equal amount during the day.

Q. That was including your branch offices?

A. Yes sir.

Q. How many branch offices did you have?

A. We had 20 offices until December 22d.

Q. And how much of its business was turned back to those offices?

A. The main office did the larger proportion of the business.

Q. How much would that amount to?

A. From the main office all the main transactions would take place, all the exchanges would come over to the main office. The local offices would take care of the deposits made

there and checks to be paid over the counter. In this way all of the offices would come through the one exchange.

Q. At your main office what was your average of checks and deposits by depositors daily?

A. I would only have to give you a guess. That is, as to what it was, but we handled in the bank anywhere from 20,000 items to 30,000 a day.

Q. Can you give us the total transactions in the branches, that was made up of individual offices?

A. Correct.

Q. Arriving at that total are you not familiar with the details of each one of them at the main office?

A. No sir, not exactly.

Q. Approximately?

A. As I explained, the main office cleared for the whole bank, and consequently the number of items which passed through the teller's cage in the main office were larger in proportion for the reason that the amounts that came in from the clearing house and presented there at the central point for collection, consequently the business in the main office was much greater in proportion.

Q. What amount of cash was paid over the counter daily at the main office?

A. Anywhere from 500 to 800 thousand dollars.

Q. So that at that office you had cash that you kept on hand?

A. We always kept plenty of cash on hand. Assuming that there would be \$4,000,000 cash on hand, the bulk of it would be in the main office.

Q. Do I understand you that no special arrangements would be made of any sort for cashing a check for \$486,000 to the order of cash?

A. Not necessarily.

Q. Would it or would it not?

A. It would depend altogether on whether the drawer of the check advised the bank that such character of check was going to be drawn. Obviously the depositor told us he was going to draw a million dollars in cash at a certain time, we would have the cash available. Very often if a depositor was going to withdraw a million dollars, he would probably advise the bank he was going to draw out a million dollars.

Q. What would be the purpose of that?

A. Just a matter of normal courtesy.

Q. Were any special arrangements made, as far as you are aware, by the Bankers Trust Company for the cashing of either of these two checks?

A. Not that I know of.

Q. Were you informed, as far as you know, or was any officer of the bank informed that these checks had been drawn?

A. My information concerning all this came from the newspapers. I had no knowledge of this matter at all until I read it in the newspapers, which I do in my daily course. I started as a newspaperman, and I naturally follow the newspapers and read the testimony as it was brought out, and that was my first information as to the matter.

Q. Then you did not have any knowledge yourself of this transaction prior to the time you read it in the newspapers?

A. During the last couple months, none whatever.

Q. Who, besides yourself, in the Bankers Trust Company might be likely to have information in regard to the transactions of this sort?

A. Let me answer that question so you can be fully informed. The Bankers Trust Company was a pretty large bank, and it necessarily had a large organization. Now, my plan and my efforts in conducting the Bankers Trust Company was to develop that organization so that it would be fully efficient and capable of conducting the business of the bank, and that meant that each officer and employee all the way down the line where responsibility was placed for their particular work. A teller had a certain responsibility and the officer over him had responsibility to see that the teller did his work properly, but nothing in the routine such as this would not come to me, only in the event there was some special reason for it, for we had a most capable organization of men and women to handle the business we were doing. The best evidence that it was handled carefully and conscientiously, and people knew what we were doing in a business way, in that with this multitude of transactions, which I think might run into millions of transactions, there was never an action, nor any depositor that ever made any question as to the payment of any check which had been drawn on the Banker



Trust Company, and there never was a claim that had to be carried to the insurance companies.

Q. I am informed, by responsible banking facilities in Philadelphia, that matters of this sort are not handled in Philadelphia as matters of routine. That I understand you to say is not true of the Bankers Trust Company?

A. I would say that they probably misunderstood your question if they say that a matter of \$250,000 would not be handled without referring it to higher officials.

Q. I have been informed by a gentleman that on one occasion he had a check for \$5000 drawn to the order of cash which he presented to a bank, and after having been identified, was advised that payment would be made within a half hour in order that the funds can be brought up from a central bank, and that banking institution is larger than the Bankers Trust Company?

A. It sure was. And if there would be any time that the Pennsylvania Trust Company could not pay you \$25,000 on one minute's notice, I would be very much surprised.

Q. Who was treasurer of the Bankers Trust Company at that time?

A. I think it was Raymond Scott.

Q. Can you give us the names of the assistant treasurers at that time?

A. I can name some of them.

Q. Name all you can?

A. This was in January, 1928: Mr. Edward Ristine was a vice president at that time; George W. Brown, Jr., was a vice president.

Q. I am particularly interested in the officials at the main office of the Bankers Trust Company?

A. At the main office at that time, Mr. Scott was there. I am not sure whether Mr. Ristine was at the main office at that time or not.

Q. What other vice presidents were at the main office?

A. I question whether there were any other vice presidents at that time at the main office.

Q. What assistant treasurers were at the main office?

A. We were running with very few people at that time. I question whether there were very many more than I named to you, at that time in the main office.

Q. So if any special arrangements were made or any notice given by Albert M. Greenfield & Company for the drawing of this check it would, in your opinion, very probably be given to either Scott or one of the vice presidents you have named?

A. I should think so.

Q. What records of the Bankers Trust Company would be kept in regard to transactions of this sort, cashing checks without endorsement?

A. A check, whether for five dollars or five hundred dollars being presented to the teller, if the account is good for the amount of the check, would naturally be paid, and the check would be debited to the account and at the end of the month the check would be returned with a statement.

BY MR. RHODES:

Q. Do you mean to say it would be paid to someone who was not known?

A. I mean, presented in the proper shape.

Q. In other words, when the check for \$250,000 was presented to the teller, the individual presenting it must have been well known to the bank?

A. He must have been known to the teller or it would not have been paid.

Q. The same is true as to the check for \$486,000?

A. Yes sir; and any check of that size or any other size would not be cashed by any teller unless he knew that the check itself was good and unless he knew the man he was paying it to.

Q. Would the teller cash the check unless he received authority from the superior officer?

A. Yes sir.

Q. And it is true that these two checks were cashed by tellers of your bank?

A. Yes sir.

BY MR. EVANS:

Q. Can you give the names of the tellers?

A. No sir.

Q. Who could give it?

A. All the records are in the hands of the private banking company.

Q. Would Mr. Scott have any of these facts?

A. He is not with us at this time. I think now he is president of a bank at West Chester, I think the Chester County Trust Company, if I am correct.

BY MR. MOORE:

Q. In some banks it is necessary for the teller cashing the checks to stamp them in order to identify the teller cashing it?

A. I don't think we ever did that.

Q. Don't bankers usually do that?

A. Not necessarily.

Q. I happen to be connected with a trust company and I don't think any teller in our bank would ever cash it without stamping it. Do you think it is good banking for transactions of this kind to be put through the bank?

A. I think it is perfectly all right.

Q. Is it not unusual?

A. It may be unusual, but it is proper.

Q. Can you remember any other transaction where there was no identification of the payee?

A. I think there was in this case.

Q. Do you think it is well for tellers in a bank to cash checks of a quarter million dollars without referring it to someone in charge?

A. I think very likely that they did refer this.

Q. Did you give your tellers authority to cash checks as large as this is, you think they had the authority to do it if they desired?

A. Yes sir, but with any reasonable man, he would want to be certain.

Q. But they had the authority?

A. Every teller must have authority to meet a situation that comes to his window and if he is in doubt, he naturally goes to his next higher officer.

Q. Do you think that any teller in good banking circles should have authority to pay out half a million dollars on a check drawn to the order of cash?

A. I think it would depend on the circumstances of the case.

Q. Isn't it unusual where a man would present a check for \$486,000 and have the money handed out to him, is that not unusual?

A. Yes sir, it is unusual.

MR. COOKE: In regard to this matter of endorsement, I don't recall ever getting a check back from a bank I had business with without an endorsement, in my life.

The WITNESS: It is very usual for checks drawn to cash to be paid without endorsement. I think it is unusual to have them endorsed, especially when the check is presented by the maker or by the agent of the maker.

BY MR. EVANS:

Q. You say, assuming that the check is presented by the maker or agent of the maker, then you assumed in this case, that these checks were presented by Albert M. Greenfield and Company or an agent of Albert M. Greenfield and Company?

A. The checks, undoubtedly, must have been presented by some one who was well known to the bank as being entitled to receive that money.

Q. But, Mr. Barker, you just stated that it was not unusual in banking practice to cash checks drawn to the order of "Cash" without endorsement when presented by the maker or agent of the maker?

A. That is true.

Q. From that do you infer that these checks were presented by the maker or the agent of the maker?

A. Of course, I don't know how these checks were presented.

Q. I asked you whether you infer that?

A. The teller or the officer in charge of the bank, to whom the matter was probably referred, undoubtedly must have known that the money was being paid in the proper kind of way to satisfy the maker or the agent, or it would not have been paid.

Q. If any member of this Committee, who was not known to the tellers at the Bankers Trust Company in January, 1928, had walked in with a check for \$250,000 it is your opinion that the teller would merely on his identification of that individual have paid the check without any further question?

A. No; I don't believe he would.

Q. Why not?

A. Because in that event he would have wanted to have a receipt in the way of an endorsement of the check to show that the check had been paid to him.

Q. Why would he have wanted it, from any member of this Committee, and not wanted it from the person who cashed these checks?

A. Because a member of this Committee, holding a check to cash, would be an outside person so far as the bank was concerned, and therefore the bank would want to know why he presented the check.

BY MR. RHODES:

Q. And, therefore, an insider must have cashed these checks?

A. I would say that either somebody representing Albert M. Greenfield & Company, either cashed these checks or advised the bank that they were satisfied, and in having the checks cashed.

BY THE CHAIRMAN:

Q. That is something that is referred to in newspaper parlance as an inside job?

A. I wouldn't say that, Mr. Moore, because, after all, Albert M. Greenfield had the money themselves; I don't say they had it; but supposing they had that balance, and if they wanted it, they had a right to draw it.

Q. It has been my experience in Pennsylvania that you can't get a check cashed without an endorsement on it.

A. Well, they do it differently in Philadelphia, then. I have issued many checks on my signature which have been cashed without any endorsement.

BY MR. EVANS:

Q. On what banks?

A. The Pennsylvania, the Fidelity-Philadelphia Trust Company, the Philadelphia National, the Girard National, before it went into the Philadelphia.

Q. In large amounts?

A. I never had the good fortune to have as much as \$200,000, in my bank account.

Q. You might have \$1,000. Do you remember cashing a check for \$1,000?

A. Oh, much more than that.

Q. You did?

A. Oh, sure.

BY MR. RHODES:

Q. There is no reason why there should be any secrecy in this transaction from the standpoint of your bank?

A. None whatever. Our bank's interest was solely that he be a depositor, that the depositor was a good depositor, a man who carried a large sum of money with us.

Q. How many tellers did you have?

A. We probably had four or five tellers in the main office.

Q. When these items went into the teller's cage unless the teller stamped these items with his initials how can you tell when making up your balance for the day whether an error might not have occurred?

A. Because these checks are all passed back and a statement made of what each teller pays out.

Q. Is it not true that when an item comes into the teller's cage he stamps his initial on that particular item.

A. Sometimes he does, sometimes he doesn't.

Q. And when it gets into the bookkeeping department you can check back that item?

A. Each of these tellers was responsible for his own individual window settlements.

Q. But isn't it true that in most of these cases that the tellers stamp these items with their initials when they have them?

A. Sometimes they do, sometimes they don't.

Q. But isn't that true of most of the banks?

A. No; I wouldn't say it was. Some of the banks; yes. Others, no.

Q. By having the item stamped it gives you a check upon the individual teller who handled that particular transaction?

A. For instance, I know that at the present time the Fidelity doesn't make any such marks on its checks.

Q. I think most bankers would fire a teller who cashed a check for a quarter of a million without putting his initials

on that check when he cashed it; at least I know I would, and I know in my bank they would do it for even a \$250.

(No answer.)

BY MR. EVANS:

Q. Getting back to the tellers, you say there were four or five in the main office. Do you remember the names of any people who were tellers in the main office?

A. I guess I would. A man by the name of Marsh was a teller.

Q. What were his initials?

A. I am afraid I can't remember his first name at this time.

BY MR. RHODES:

Q. Can't you get a list of the tellers of the bank on those particular days when these checks were cashed, so that we may know the names of the tellers and the cashiers?

A. I can't because I am not in charge of the matter. The department has all the information.

Q. I know, but can't you get the information in some way or other?

A. No, the records are in the hands of the Banking Department.

BY MR. EVANS:

Q. Who, beside Mr. Marsh were tellers?

A. I don't remember.

Q. You certainly remember the name of one teller?

A. I may be wrong, but I think he was a teller in the main office at that time. I may be wrong.

Q. Do you know at all where he is located at this time?

A. Yes; he is employed by the State at our 60th and Market street office.

BY MR. RHODES:

Q. If I understood it correctly, these checks were cashed at your main office?

A. I think so.

BY MR. EVANS:

Q. Mr. Barker, was Thomas E. Mitten, a depositor of the Bankers Trust Company, in January, 1928?

A. No.

Q. Therefore, if these checks had been presented by Thomas E. Mitten, or an agent of Thomas E. Mitten, they would not have been cashed for him without his endorsement?

A. I would think not.

Q. You think not?

(No answer.)

BY MR. COOKE:

Q. Why don't you say that emphatically? You say that none of us could get it without endorsement? Why do you think he couldn't?

A. Well, I would say it emphatically, I would say not unless he was accompanied by somebody representing the drawer of the check.

Q. In other words, the drawer in that case would be getting it?

(No answer.)

BY MR. EVANS:

Q. Was Mitten management a depositor in your bank at this time.

A. No; it never was.

Q. Was the Philadelphia Rapid Transit Company a depositor in your bank at this time?

A. At that time; no.

Q. Was anybody by the name of Sawyer a depositor in your bank at this time?

A. Sawyer? No. I have an idea that either before or after, the Quaker City Cab Company was a depositor.

Q. But, if as Mr. Greenfield stated in his testimony before the Senate Committee that these two checks were delivered either to Thomas E. Mitten or to Mr. Sawyer of Boston, they would not have been cashed by the Bankers Trust Company for either one of those individuals without an endorsement?

A. I would say, no.

Q. Where is Edwin Ristine now located, if you know?

A. He lives over in Merchantville, New Jersey. He is out of work at present.



Q. Where is Mr. George W. Brown located?  
 A. He is with the company, in the employ of the State.  
 Q. At their main office?  
 A. Yes; George W. Brown, Jr.  
 Q. You understand that the interest of the Committee is directed solely to ascertaining who obtained the cash proceeds of these two checks?  
 A. So I understand.  
 Q. Have you any further information which might throw any light on that question whatever?  
 A. Not that I know of Mr. Evans.

BY MR. COOKE:

Q. You said you did not?  
 A. No; none.

BY MR. EVANS:

Q. Have you any suggestions as to anyone else connected with the Bankers Trust Company who might be able to throw any light on that situation, excepting those you have named?  
 A. No; I have none. I tried to explain to you briefly the method in which the bank was run, the responsibility of each person in the transaction. Now, in the organization at that time, there may have been other employees, and they would be the persons that passed upon any particular question that might arise in connection with these particular checks. They would have come to my office, as they undoubtedly would have, if any one thought they were wrong, and desired information.  
 Q. And Mr. Scott is the officer who in your opinion would be most liable to have the information?  
 A. Probably he would.

BY MR. COOKE:

Q. Would it be necessary for Mr. Greenfield, as chairman of the board to be a depositor?  
 A. Chairman of the Board of what, Mr. Cooke?  
 Q. Wasn't he chairman of the board of the Bankers Trust Company?  
 A. He was not. He was a director.

BY MR. RHODES:

Q. Was that the only connection he had with the bank, just a director?  
 A. Well, a director and depositor.

BY MR. COOKE:

Q. What I mean is, would it not be necessary for Mr. Greenfield as a director—  
 A. No more than to say than any other director; no; certainly not.

Q. I meant the fact that he was a depositor, is a depositor sufficient to meet this check, if he had been the identifier, that is all that would have been necessary?

A. Yes; certainly if he was.  
 Q. Was W. S. Sawyer, ever a depositor in your bank?  
 A. Never.

Q. Or one of his companies, either individually or corporate?

A. Not that I recall. I am quite sure not.

BY MR. EVANS:

Q. Can you suggest to the Committee how Mr. Greenfield ascertained that these checks were paid in cash and not by draft or other negotiable instruments?

A. I think that is perfectly plain. He looked at his own checks or the checks of his firm which were returned to him in due course, and he had them in his possession.

Q. Suppose a draft of the Bankers Trust Company had been issued in place of these checks, he would not know that that had been done.

A. I don't see how he would know it.

BY MR. RHODES:

Q. Do you know whether that was done or not?  
 A. No.

Q. As a matter of fact, you don't know whether it was paid out in actual cash—cash over the counter—

A. It might have been paid in the form of a due bill. They were evidently paid in a way which was satisfactory to the maker.

Q. But the records of the bank, however, would disclose the method of payment?

A. If there was a treasurer's check issued or due bill issued, of course, the records of the bank would disclose it.

Q. And if it were paid in cash?

A. They might or might not, no, if they were presented over the counter, if one check was issued against another, or if they came in in the regular course through the clearing?

Q. What do you mean through the clearing?

A. I mean, that if they had been deposited in some other bank, then they would have come in in the ordinary clearing the next day.

Q. If they were deposited in another bank, they would have that bank's endorsement on them?

A. I never seen the checks. I would say yes if the checks were paid other than in cash; if they were paid by a check issued in the Philadelphia National, the Pennsylvania Company, or the Real Estate at that time—I guess the Land Title and Trust Company.

Q. On the other hand, if they were paid in cash on these respective dates wouldn't the account show the payment by virtue of their being cash payments?

A. Of course, the cash is all in one total at the end of the day. You do not have the checks.

Q. In other words, the total shows the cash received from deposits?

A. It would be rather difficult, because you might start in the morning with \$4,000,000, and receive \$600,000 or \$800,000 in the course of the day, and then at the end of the day you would have \$4,800,000, or whatever it might be, and it would be difficult to trace what you did with the particular cash during the day's transactions.

BY MR. EVANS:

Q. You have discussed this matter within the past week or ten days with Mr. Greenfield, have you not?

A. No; I have not.

Q. Have you not talked to Mr. Greenfield in any way about this situation?

A. Only in this way, I went down to the hospital to see him the other day, and he said, "You might be subpoenaed in this case," and I said, "If so, I will be glad to respond to any subpoena that was issued."

Q. Did he or Mr. Rosenbaum inform you that they were anxious to identify the name of the agent or the officer at the bank who had paid these checks?

A. No.

BY MR. RHODES:

Q. You said that Mr. Greenfield was only a director. Nevertheless, he was the dominant factor in your institution?

A. I wouldn't say that. He was a very active factor in the organization, and he was a very aggressive and active man, and was very honest.

Q. One of the most dominant then?

A. He was very aggressive.

Q. And influential?

A. What do you mean by "influential?"

Q. In determining the policy of the bank?

A. Among a half dozen, yes.

Q. Was he influential in the creation of your institution?

A. He and I discussed that for two years before it was done.

Q. By that I understand that he was instrumental in the creation of the Bankers Trust Company?

A. Undoubtedly.

Q. And likewise, the Bankers Security Corporation?

A. The Bankers Security Corporation was my idea.

Q. And not Mr. Greenfield's?

A. No; it took me 18 months to sell him that idea.

Q. I was rather under the impression that it was Mr. Greenfield's idea?

A. No, it was not.

BY MR. WALKER:

Q. Are you the Samuel Barker who on March 3, 1926, received a fee of \$1,250 from the Public Policy Committee of the Pennsylvania Electric Association?

A. I don't remember.

Q. Did you ever do any work for the Pennsylvania Electric Association?

A. I don't remember the name of the association; I acted in an advisory capacity for some people. What was the year you say there?

Q. 1926?

A. 1926—possibly.

Q. As a matter of fact, that was paid to you for your services in connection with the Giant Power Project, was it not?

A. I suppose so.

BY MR. COOKE:

Q. What do you mean by "some people"?

A. I mean I don't remember the name of the association.

Q. Who were the people?

A. The contact I had was with no association. The contact I had was with one or two individuals.

BY THE CHAIRMAN:

Q. Was Walter Johnson one of them?

A. Not Walter Johnson.

BY MR. EVANS:

Q. Who were they?

A. I think the association was with Wise.

BY MR. RHODES:

Q. With whom?

(No answer.)

BY MR. EVANS:

Q. John S. Wise, Jr., the Pennsylvania Power and Light?

A. Yes; the Pennsylvania Power and Light.

BY MR. COOKE:

Q. Who was at that time president of the Pennsylvania Electric Association? What was the character of the services you rendered to Wise?

A. Well, I made some studies for them.

Q. You appeared as a witness?

A. I appeared as a witness.

Q. Was that principally what you did?

A. That was the—all that character of work.

BY MR. RHODES:

Q. Were you in the newspaper business at that time?

A. What is the date?

BY MR. WALKER:

Q. March 1, 1926.

A. No; I was not.

Q. When did you leave newspaper work?

A. January 21st, of that year.

Q. And these services, were they performed in 1926 or 1925?

A. I think 1926.

Q. When did you make that speech on the Giant Power Project?

A. I really don't remember.

Q. As a matter of fact that was in 1925, was it not?

A. I don't remember what the date was. If you have the dates there—

Q. I have the date when you received the money.

A. What date was that?

Q. The date was March 3, 1926, Samuel Barker, fee for services, \$1,250.

A. I guess that's right, if you have it there.

MR. COOKE: It was a good speech all right.

THE WITNESS: You were there, were you?

MR. COOKE: I read it.

BY MR. WALKER:

Q. You were opposing the Giant Power project, were you not?

A. I was, because I believed it was a bad project.

Q. Oh, I don't doubt your sincerity, Mr. Barker.

A. If I had to do it over again, I would make the same speech, and maybe I could make it better.

Q. For \$1,250?

A. Oh, no; I don't make speeches for the money.

BY MR. EVANS:

Q. Mr. William A. Gray, in a letter addressed to the Senate Investigating Committee, under date of April 8, 1931, in con-

nection with this transaction, states: "Mr. Greenfield informed Mr. Hart and me that upon inquiry he found that these checks were not paid by either New York draft, cashier's check or clearing house due bill." From your knowledge of the affairs of the Bankers Trust Company, can you suggest to this Committee of whom Mr. Greenfield would have made that inquiry.

A. All the affairs of the Bankers Trust Company at that time were in the hands of the Banking Department.

Q. From that, do I understand that there is no one other than the Banking Department, who you think could have given Mr. Greenfield that information?

A. I wouldn't say that.

Q. Who could have given it to him; if you know?

A. How could I tell you out of an organization—the State has at the present time, ninety people employed.

Q. I mean outside of the State?

A. I can't give you the information now. Why should I want to guess as to who it was then?

Q. We are only anxious to find all the channels of information?

A. I would be very glad to help you all I could, Mr. Evans, but I don't want to send you off in false leads.

Q. If you were making an inquiry as to whether these checks were paid in cash or by New York draft, or a cashier's check, or clearing house due bill, from whom would you make such an inquiry?

A. At the present time?

Q. Yes.

A. At the present time I would say, Dr. Gordon.

Q. And there is no one now or formerly connected with the Bankers Trust Company that you think would have that information?

A. I would question whether they would have it without looking into the records.

Q. And you still are sure that you have not discussed this matter in any way with Mr. A. M. Greenfield, or with the Mr. Rosenbaum, and told by them that you might be subpoenaed as a witness here?

A. I told you how it was brought up with Mr. Greenfield. I went down to see him at the hospital, and he said, "Sam, you probably read in the newspaper, you might be subpoenaed to give testimony in Harrisburg." And I said, "I have seen it, and, of course, if the Committee wants me there, I will be glad to go."

Q. And that was the extent of your conversation as far as the matter was concerned?

A. Yes; that is all.

Q. And you had no conversation with Mr. Rosenbaum?

A. Yes; I had a conversation with Mr. Rosenbaum, as you know, either yesterday or the day before.

Q. What was the substance of that conversation?

A. Mr. Rosenbaum told me yesterday that he had a subpoena for me, which he would serve upon me, if necessary, and if I would come to Harrisburg without a subpoena, which, of course, I would be glad to do; he wouldn't serve me with a subpoena, as I said to you yesterday, of course, I was very glad to come to Harrisburg today. I hoped that it might be postponed until tomorrow, because I had a very important conference in New York, today, but you said that the Committee might not meet tomorrow, and, of course, I came.

Q. That was the extent of your conversation with Mr. Rosenbaum in regard to this transaction?

A. Yes sir.

BY MR. MEMOLO:

Q. This matter here has all the earmarks of being a rather unusual transaction, has it not; as you view it now?

A. I think it has.

BY MR. RHODES:

Q. It seems peculiar to me that in A. M. Greenfield & Company the subordinates know nothing about the transaction, that the matter is left entirely to the head of the company, while so far as the banking end of it is concerned nobody in the bank knows anything about it, it is a matter for subordinates. In other words, it is reversed. I have always tried to build up an organization which would function from the top to the bottom, and my observation has been that unless you impose a certain amount of responsibility upon the men and women in an organization, they soon become machines and useless. Now, I wanted to develop active officers in our bank, and they were getting them very quick.



Q. But the same theory didn't seem to apply to Greenfield & Company from the disclosures?

A. I am not familiar with the methods pursued by Greenfield & Company.

Q. It puts the Committee in the position where they would have to go to the head of the company in one case and the subordinates in another.

A. I am giving you, however, the way the Bankers Trust Company was run.

Q. I am not questioning your theory?

A. I think the theory was a wise one, producing a real organization.

BY MR. WALKER:

Q. What was the name of your banking company?

A. Etna.

Q. Was the Etna the bonding company at the time the checks were drawn?

A. I think so.

Q. Now, was it or was it not?

A. I am not sure, but I think so. That is one of those details that was left to the other officers.

Q. Would the records of the Etna Company—

A. We had no special bond. As to the details, that was left, if I recall it, to Mr. Scott and to Mr. Ristine to work out. The records of the bonding company would have a list of the names of the employees at the time these checks were cashed?

A. I think not necessarily. Probably not. I may be wrong about it, but I question whether it does, because the personnel is changing all the time. We had a blanket bond covering everything that we wanted to be protected against.

BY MR. COOKE:

Q. You don't have to specify the names?

A. I think not. I may be wrong about that, but I think not.

Q. I think you are right in that; you don't have to specify the names?

A. I think so.

BY MR. EVANS:

Q. You stated from the facts you knew of this situation that these checks were presented at the main office of the Bankers Trust Company. What led you to that conclusion?

A. I was just assuming they were presented there, because the account was in the main office. That is, I am quite sure if they had them presented in another office, they would undoubtedly have raised some question in the man's mind as to them, and evidently the main office of the bank—I wrote—

Q. Your branch offices wouldn't have funds to cash these checks any way?

A. Many of the officers would not, of course.

Q. Would none of them have?

A. Oh, yes, some of them would.

Q. Would you have \$500,000 in cash?

A. Yes, our Chestnut street office would have more than that.

Q. In cashing a check at one of your branches, it would have been a matter that would have to be referred to your main office, would it not?

A. It undoubtedly would have been.

Q. So, if we would have to confine our investigation to those connected with the main office of the Bankers Trust Company, where will be able to get the information?

A. I think that the main office can get all the information that the company has available, and I am sure the company would be glad to do it; that is to say, I am sure it would, if we were running the bank. I am not saying that at this time, because it is run by Dr. Gordon.

THE CHAIRMAN: The Chairman and the other members of the Committee yesterday attended a hearing of the Senate Judiciary Committee on the three bills that are now before the Senate. At the conclusion of that hearing a statement was entered in the record, which, it seems, puts the Chairman in a false light. I have already submitted this statement to the Committee, which I think covers the situation. I ask that it be put in the record without reading it, because all the members of the Committee have read it.

At a hearing held yesterday by the Senate Judiciary General Committee on House Bills 1630, 1631 and 1632 a member

of that Committee saw fit publicly to charge that this Committee has heard only one side of the case and has refused to give the utilities a fair chance to present their case. The Senator has not attended the hearings of this Committee and his charges are utterly without foundation. He has been grossly misinformed.

This Committee has proceeded in an orderly manner to get the real facts in regard to the regulation of utilities in Pennsylvania. It has heard every witness who has asked to be heard. It has invited all members of the Public Service Commission to appear. Four of them, including the Chairman, have accepted. The heads of all of the large electric systems operating in Pennsylvania have been invited and the heads of all but one system have accepted. The Pennsylvania Electric Association on April 15th demanded a hearing, and arrangements were at once made to hear its representatives at the earliest practicable date during the week of April 28th. The Committee was ready to give them all the time they desired but at the last minute the Association reversed its stand and refused to appear.

In supporting his allegation the Senator pointed to the fact that seven of the technical staff of the Committee who have appeared as witnesses have been paid from the Executive Budget. He neglected to state that the reason for this was the Senate's refusal to acquiesce in the appropriation of \$25,000 passed by the House to defray the expense of the investigation. The Senate's refusal of funds would have prevented any adequate investigation had we not been able to arrange to have the necessary expenses paid from the Executive Budget. The public will draw their own conclusion as to the reasons for the Senate's action.

The Senator further endeavored to support his allegation by stating that the testimony of these seven witnesses of this Committee covered 856 pages of the record but neglected to state that the testimony of the utilities' witness covered 1,356 pages and the testimony of members and employees of the Commission 1,009 pages.

Testimony of the utilities and the Commission occupy 48% of the entire record.

Complaints from boroughs and citizens covered 1,005 pages or 28% of the entire record.

Furthermore, the evidence presented by the Committee's technical staff consists almost exclusively of data taken from the Public Service Commission's own records. The sworn reports of the utilities to the Commission were tabulated and the valuation methods used by the Commission as shown by its own records in certain cases were for the first time brought to light. Both the utilities and the Commission have had daily transcripts of the testimony and have evidently checked it thoroughly. Any errors could readily have been shown. The failure to point out any material mistakes in the testimony of the Committee's technical staff is the best possible tribute to their accuracy. It matters not who paid these experts. The salient fact is that their testimony stands unimpeached. The Senator's attempt to discredit them will deceive no one but himself.

(Adjourned to meet at the call of the Chair.)

#### COMMITTEE ON INVESTIGATION OF RESOLUTION No. 10

Pursuant to adjournment the Committee reconvened in the House Caucus Room on Thursday, May 14, 1931, at 11.30 A. M. There were present:

Messrs. D. Glenn Moore, Chairman  
Martin Memolo  
Chester A. Rhodes  
Ellwood J. Turner  
Morris L. Cooke  
Harold Evans, Esq.  
John M. Walker, Esq.

WILLIAM R. SMITH sworn

BY MR. EVANS:

Q. At the last hearing Mr. Wilson, assistant treasurer of Albert M. Greenfield & Company, produced and identified two checks of that company, one dated January 6, 1928, for \$250,000, to the order of cash, and the other dated January 11, 1928, for \$486,000 to the order of cash.

I offer the photostatic copy of the check of January 6, 1928, in evidence of Exhibit No. 192.

I offer the photostatic copy of the check dated January 11, 1928, as Exhibit No. 193.

Q. Mr. Smith, you are the Deputy Secretary of Banking?

A. Yes sir, I am the deputy in charge of the Bankers Trust Company of Philadelphia.

Q. You have produced here today certain records of the Bankers Trust Company pertaining to the cashing of the two checks which have just been introduced in evidence?

A. Yes sir. I assume that you are referring to the two checks, the one of January 6, 1928, and the other January 11, 1928.

Q. That is correct?

A. I have the original check, No. 1133 dated January 6, 1928, for \$250,000 issued by the Bankers Trust Company on the Philadelphia Girard National Bank. Also, I have a charge or credit slip dated January 6, 1928, for check No. 1133 on the Philadelphia Girard National Bank for \$250,000, with the initials on, "S. H. B." Also check No. 1143 dated January 11, 1928, for \$486,000, drawn by the Bankers Trust Company on the Philadelphia Girard National Bank, also the credit slip or requisition slip, dated January 11, 1928, for check No. 1143 on the Philadelphia Girard National Bank for \$186,000. That is the requisition slip for that check.

Q. What are the initials on the last credit slip?

A. I cannot make them out very well; someone else may be able to do so.

BY MR. TURNER:

Q. What do you mean by the original check?

A. The original check on the bank.

Q. This is the Bankers Trust Company check on the Philadelphia Girard National Bank for cash?

A. Yes, in other words, they had a bank book and acted as a clearing house.

BY MR. RHODES:

Q. And the dates of the checks correspond with the dates of the Albert M. Greenfield & Company checks?

A. Yes sir.

BY MR. MOORE:

Q. What are the initials on this check?

A. On the one is, "S. H. B." I also have here the initial record card of Albert M. Greenfield & Company which shows the data running from December 15, 1927, to January 26, 1928.

MR. EVANS: I offer in evidence the photostatic copy of the check on the Bankers Trust Company numbered 1133 and dated January 6, 1928, for \$250,000, as exhibit No. 194.

Q. That is a correct photostatic copy of that check, Mr. Smith?

A. Yes sir.

MR. EVANS: I offer in evidence as exhibit No. 195 the photostatic copy the credit slip corresponding to this check.

Q. That is a correct photostatic copy of the credit slip, Mr. Smith?

A. That is correct.

MR. EVANS: I offer as exhibit No. 196 a photostatic copy of the check of the Bankers Trust Company on the Philadelphia Girard National Bank, No. 1143, dated January 11, 1928, for \$486,000.

Q. That is a correct photostatic copy of that check, Mr. Smith?

A. That is correct.

MR. EVANS: I offer the photostatic copy of the corresponding pink credit slip as exhibit No. 197.

Q. Mr. Smith, that is a correct copy of that credit slip?

A. Yes sir.

MR. EVANS: I offer as exhibit No. 198 the photostatic copy of the Bankers Trust Company individual check and ledger card produced by Mr. Smith.

Q. That is a correct photostatic copy of that record, Mr. Smith?

A. Yes sir, with the exception of that red line across the top which the photographer says would not be possible to photostat.

BY MR. RHODES:

Q. Why did the Bankers Trust Company draw these checks?

A. I would rather prefer, I have only been there since December; I think Mr. Scott can answer that better.

Q. If the Bankers Trust Company has a demand for more money than they had in their vault, they would draw a check on the Philadelphia Girard National Bank for cash to pay that check, would they not?

A. That is correct.

E. RAYMOND SCOTT sworn.

BY MR. EVANS:

Q. Mr. Scott, where do you live?

A. 510 North Walnut Street, West Chester, Pennsylvania.

Q. You are the Vice-President of the Chester County Trust Company?

A. I am.

Q. You were treasurer of the Bankers Trust Company in Philadelphia in January, 1928?

A. I was treasurer and vice-president and secretary of the board and secretary of the executive committee.

Q. It has been brought out in the evidence before the Committee that on January 6, 1928, a check of Albert M. Greenfield & Company to the order of cash for \$250,000 dated January 6, 1928, was cashed by the Bankers Trust Company. Will you tell me what arrangements were made, as far as you can remember, by Albert M. Greenfield & Company, with the Bankers Trust Company, for the cashing of that check?

A. I really have no recollection of the transaction at all, Mr. Evans.

Q. In order to refresh your memory, Mr. Scott, I show you a photostatic copy of a check of the Bankers Trust Company drawn on the Philadelphia Girard National Bank, No. 1133, dated January 6, 1928, for \$250,000 and which has been introduced here as Exhibit No. 194, and the corresponding credit slip which was introduced here as Exhibit No. 195. In whose handwriting is the credit slip?

A. Mr. F. M. Marsh, Jr.

Q. Who was the head teller of the Bankers Trust Company?

A. Mr. Marsh was.

Q. What was the custom of the bank at that time when checks of large amounts as this were to be cashed?

A. It would depend on the amount of reserve cash in the vaults of the bank and whether or not the cash in the vaults of the Bankers Trust Company was sufficient to meet the demands.

Q. Judging from the papers now before you, was there at that time sufficient cash in the vaults of the Bankers Trust Company to cash these checks, or was it necessary to obtain the cash from another institution?

A. Judging from these papers, we obtained the cash from another institution.

Q. Will you correct me if I am wrong in regard to the banking practice in such cases. As I understand it, the makers of the check in this case, Albert M. Greenfield & Company, would make arrangements with some officer of the Bankers Trust Company for the cashing of such checks, and that officer would then draw a bank check on the Philadelphia Girard National Bank to get the cash and would direct Mr. Marsh to make out a credit memorandum corresponding to the check so drawn. Is that substantially the practice?

A. The normal practice would be, for a large check, to make arrangements to have the cash paid over and what would happen would be this: That officer would say to the teller, "So and So is going to draw so much money," and the head teller would say, "We may have," or "We may not have the money on hand." In any event, with a withdrawal like that we would have to replenish the reserves in our vaults under any circumstances. That is simply a matter of mechanics, whether we had the cash in the vaults or whether we had to draw on the other bank to furnish the cash for the transaction.

Q. If a check was to be cashed in thousand dollar bills, you would not carry normally two hundred and fifty thousand dollar bills in your vaults and you would have to send out for them?

A. I think that would be true, normally.

Q. In this particular instance of the \$250,000 check, which officer of the Bankers Trust Company initialed the credit slip and which officer signed the check on the Philadelphia Girard National Bank?

A. Mr. Samuel H. Barker initialed the credit slip, and Mr. S. H. Barker signed the draft along with Mr. Ristine, the Vice-President.



Q. Now having refreshed your memory from these records, can you give us any further information in regard to this check and to whom the cash was paid?

A. No I cannot. I cannot remember the circumstances surrounding this transaction sufficiently to come here and say that I do remember.

Q. Now Mr. Scott, turning to the transaction of January 11th, you have before you the check of Albert M. Greenfield & Company for \$486,000 to the order of cash, being Exhibit No. 193. I also show you the check of the Bankers Trust Company on the Philadelphia Girard National Bank for \$486,000 dated January 11, 1928, which is Exhibit No. 196, and the corresponding credit memorandum which is Exhibit No. 197. In this instance was not this check cashed at your direction? In other words—

A. I presume that is what happened. I presume I was called and asked to make provisions for the withdrawal of \$486,000.

Q. And who of the Albert M. Greenfield & Company made the arrangement with you for the cashing of this check, so far as you remember?

A. I do not remember. It might have been one of several persons up there.

Q. Who might it have been?

A. Well, it might have been Mr. Wilson, it might have been—probably Mr. Rosenbaum, because he rarely called me on matters. But other people called us. You must remember that the Albert M. Greenfield account with the Bankers Trust Company was a very large and active account. I think probably your records which have been produced here this morning indicate that.

Q. Mr. Scott, it has been testified before this Committee that the cashing of checks drawn to the order of Cash in as large sums as this, was out of the normal in banking practice, and does that fact not make this stand out in your memory as an unusual transaction?

A. It has not.

Q. You have no remembrance of any sort of either of these transactions?

A. No. I see these papers here. I mean they naturally indicate that the transaction went through.

Q. In the case of the \$486,000 check, you actually signed the check of the Bankers Trust Company on the Philadelphia Girard, through which the cash was obtained, did you not?

A. That is correct.

Q. And you also signed the pink credit slip corresponding to this check?

A. That is correct.

Q. And then you have no remembrance of the transaction at all, even though it was an unusual one?

A. Well, I would not say it was such an unusual one. The Bankers Trust Company, remember, was a very large company. It would not be anything out of the ordinary for me to sign a check for twice this sum or three times this sum. I mean in the ordinary course of business, every day, at least one or two of those checks were put through. I don't mean in connection with the Greenfield Account, but with all sorts of transactions going through the bank.

Q. Now, Mr. Scott, I call your attention to the fact that this was a check of A. M. Greenfield & Company drawn to the order of cash and cashed at the Bankers Trust Company without endorsement. Do you mean to say to this Committee that that was a usual transaction for the Bankers Trust Company?

A. Well, it was a usual transaction for the Bankers Trust Company to cash a check drawn by the maker for the maker.

Q. Now, if you will answer my question, was it a usual transaction for the Bankers Trust Company to cash checks drawn in the amounts such as \$486,000, without endorsement?

A. I don't quite follow you, Mr. Evans.

(Question repeated by the stenographer.)

THE WITNESS: I don't think that the amount would make so much difference, it would be a matter of practice, what your practice was with respect to cashing checks drawn to the order of Cash.

BY MR. EVANS:

Q. Now, we will take it up in two parts. Was it the usual thing for the Bankers Trust Company to cash checks as large as \$486,000? Was that a normal, everyday occurrence with the Bankers Trust Company?

A. Oh, no, that would not occur every day.

Q. How many times in your remembrance do you remember checks of that size being cashed at the Bankers Trust Company?

A. That I couldn't recall.

Q. You do not recall any other transactions, do you?

A. Well, I can recall others—I don't mean specific transactions—I can recall the practice, but not the specific instances.

Q. Well, in other words, you don't—

A. Remember, Mr. Evans, this thing is nothing but banking detail. I mean it is not anything that has anything to do with the policy of running the bank. It is the mechanics of banking.

Q. Mr. Scott, everyone that I have talked to about the transaction, and Mr. Barker himself, testified that this was an unusual transaction. Now, do you want to give this Committee the impression that it was not an unusual transaction?

A. Well, I think that depends on your viewpoint.

Q. Well, I ask you, do you consider it an unusual transaction?

A. It is a very large transaction, yes.

Q. And one out of the ordinary?

A. Probably so.

Q. Yet, in spite of that fact, you have no remembrance of any sort in connection with it?

A. I am sorry, but I do not. I told you that. I am under oath here. I have taken an oath here, and I do not propose to come and say something—if I remembered it, I would tell you frankly that I remember it. But I really do not remember it.

BY MR. RHODES:

Q. Who in your institution would know something about it?

A. Why, the head teller would probably be the party—not probably—he would have been the party who handled all the details. You see, what would happen, the telephone message would come in to me, and I would simply, quickly, say to him, "Get ready for this, or that, or the other thing," whatever the case may be, and then dismiss it from my mind. There was no purpose in charging my mind with it.

Q. Was it the practice of your bank to have cash transactions checked by the teller cashing the check?

A. I should expect in this case, if it went through the head teller, it would probably go through as a special item, and go through his reconciliation sheet.

Q. It would be specially marked and identified to show by what teller the item was taken care of?

A. I don't think it would be in that particular case.

Q. Was it not the practice in your bank to have the teller stamp these items that went through him?

A. If that would go through the average teller, every teller had a stamp and number.

Q. So that the items could be identified?

A. Yes.

Q. There is no identifying mark, and therefore that would indicate that the head teller handled the transaction?

A. Yes.

Q. Who was the head teller?

A. F. Maynard Marsh.

BY MR. EVANS:

Q. Now, Mr. Scott, as a matter of fact, this \$486,000 check was cashed in your presence, was it not, by the payment of \$486,000 large sized gold certificates for \$1,000 each, which were not new certificates, but had been in circulation. Now, don't you remember that?

A. I do not. I never saw the money.

Q. You never saw the money?

A. It would not be necessary for me to see the money.

MR. EVANS: Well, I think we will ask you to withdraw from the stand, and recall you a little later, if you will.

F. MAYNARD MARSH, Jr. sworn

BY MR. EVANS:

Q. Where do you live?

A. I live at 4346 Pine Street, Philadelphia.

Q. You were head teller of the Bankers Trust Company in January, 1928, were you not?

A. I was.

Q. How long had you been a teller at the Bankers Trust?

A. Well, I have been connected, I guess, with the bank going on eight years.

Q. How long have you been head teller?

A. Why, I don't remember the exact number of years, I would say several years.

Q. You have heard Mr. Scott's testimony, that from his examination of the records in this case, which are here in evidence, he is of the opinion that you, as head teller, would be the person who would be familiar with the transaction, taking up first the \$486,000 transaction, will you state what your remembrance of that transaction is?

A. Well, the \$486,000 represents money that was ordered from the correspondent Philadelphia Girard National Bank, for money that was to be delivered to Albert M. Greenfield & Company.

Q. Yes, and Mr. Scott directed you, did he not, to draw that check on the Philadelphia Girard National Bank, did he not?

A. Yes, the directions came from Mr. Scott.

Q. Have you made out the pink credit slip to correspond with that check, and that was o.k'd by Mr. Scott?

A. That is right.

Q. Were you present when this money was actually paid over to the representative of Albert M. Greenfield & Company?

A. Yes.

Q. To whom was it paid over?

A. Paid to Mr. Wilson.

Q. He was the assistant treasurer of Albert M. Greenfield & Company, was he not? His name appears on the check?

A. Yes.

MR. RHODES: Was that the gentleman that was on the stand here last week?

MR. EVANS: Yes.

BY MR. EVANS:

Q. And where was that payment made?

A. It was made in the bank, in my department.

Q. Over the counter, or was it made in the office of one of the officers?

A. No; it was made over the counter.

Q. Over the counter?

A. Yes.

Q. And do you remember that payment was made in 486 thousand dollar bills?

A. I couldn't swear to it; I don't remember.

Q. You remember it was in large denominations, do you not?

A. Yes, they were larger denominations.

Q. And with regard to the \$250,000 check; from whom did your directions come to draw the check on the Philadelphia Girard in that instance?

A. In both instances the instructions came from Mr. Scott.

Q. From Mr. Scott?

A. Yes.

Q. But in that case the credit memorandum is initialed, I think, by Mr. Barker, is it not?

A. Well, that happened because Mr. Scott was not present at that time, and the voucher had to be signed, and of course, I explained that matter to Mr. Barker, and he o.k'd it for that reason.

Q. And in large transactions of this sort, where large sums of money are to be needed to cash checks, it is the practice, is it not, of the drawer of the check to make arrangements with the bank in advance, so that they will have the funds?

A. It is customary, yes.

Q. And that was done in this case by Albert M. Greenfield & Company?

A. Yes.

Q. To whom was the cash covering the \$250,000 check paid?

A. You mean to whom was the cash delivered?

Q. Yes.

A. In the same instance, to Mr. Wilson.

Q. To Mr. Wilson?

Q. And he was the person who had signed the check of Albert M. Greenfield & Company?

A. Yes, that is his signature.

Q. And that also was paid over the counter in the Bankers Trust Company?

A. Yes sir.

BY MR. RHODES:

Q. By "over the counter," you mean through the teller's cage?

A. No; I mean it was given by me to Mr. Wilson.

Q. In your office or the cage?

A. In my cage.

Q. Not in your office?

A. No. My cage is my office.

BY MR. EVANS:

Q. Was anybody besides yourself and Mr. Wilson present when this cash was paid over to him?

A. No one else was present.

Q. And in both instances the payment was made in notes of large denominations?

A. They were large; what they consisted of, I don't know.

Q. And you do not remember any particular instructions that were given to the Philadelphia Girard National Bank as to denominations that were desired?

A. No, I don't remember.

Q. And you would have no record of that?

A. I would have no record of that.

BY MR. COOKE:

Q. How is that information passed to the bank, when you ask them to send the money up in a certain form, what form does that instruction slip take?

A. You mean the order that I gave the Philadelphia National for the money?

Q. Yes.

A. I would call them over the phone, and either they would deliver it to me or we would send our guard for it.

Q. But you would tell them over the phone, for instance, that you wanted 486 thousand dollar bills?

A. If that was the case.

Q. There would be no written record?

A. No.

BY MR. RHODES:

Q. These two checks have no teller's stamp on them?

A. Well, through the head teller's cage there wasn't an identification in that case.

Q. Wherever you took care of the transaction as head teller, you didn't stamp them?

A. No, because I know my writing, and it was not designated that way.

Q. I am speaking of the two Greenfield checks.

A. Yes.

Q. They had no identification marks on them, because they were handled by you as head teller?

A. Yes.

Q. If they had been handled by any other teller, they would have had an identification stamp on them?

A. They would have had an identification stamp, yes.

Q. It was the practice in your bank to have all the tellers stamp items of that sort with their initials, is that correct?

A. With their numbers.

BY MR. EVANS:

Q. Now, Mr. Marsh, in regard to cashing checks of this size without endorsement, what is the banking practice, so far as you are familiar with it?

A. Well, as I understand it, a cash check is considered a bearer instrument, and may be negotiated upon delivery without bearing an indorsement. That is, where the party is known to you at the time of cashing the check.

Q. But it is good banking practice, is it not, where the check is presented by anyone other than the maker, to require an endorsement?

A. Require an endorsement, yes.

Q. And that is usually done?

A. It is always done.

Q. In this case the check was drawn by Albert M. Greenfield and Company and signed by Mr. Robert M. Wilson, if I can read his name correctly?

A. That is correct.

Q. As assistant treasurer, and because his signature appeared on the check, you paid the cash to him without requiring his individual endorsement on it?

A. That's right.

Q. Now, I show you the Bankers Trust Company deposit ledger card of Albert M. Greenfield and Company, which has been introduced as Exhibit No. 198, and call your attention to an item charged against that account on August 26, 1928,



of \$250,000. That would be this transaction, would it not, so far as—

A. That is right.

Q. In the same way, on January 11, there appears a charge against this account of \$486,000, and that would be the entry cover the check of January 11th of that amount, would it not?

A. That's right.

BY MR. COOKE:

Q. Was there anybody with Mr. Wilson?

A. No one when I gave the cash to him.

Q. I have never seen 480 thousand dollar bills. How big does it bulk?

A. Well, it could not be a very large package. It could be carried.

Q. Was it something you could put in your inside pocket?

A. It could be wrapped in paper or some thing like that.

I don't believe it could be put in one's pocket.

Q. You don't recall what disposition Mr. Wilson made of it?

A. To by best recollection it was wrapped.

Q. Do you recall that it was wrapped?

A. That is my best recollection. I don't think he could get it in his pocket.

Q. But he was not going to hand it to somebody outside, in the alleyway out there?

A. No; I didn't see anyone with him at all.

BY MR. RHODES:

Q. You had no other official of the bank present when you handed the money over to Mr. Wilson?

A. No one was present at the time.

Q. Is that rather hazardous, to hand over \$486,000 without some witness being present when you deliver it to the individual?

Q. Why it is no more than an ordinary transaction, to cash a check when it is presented and payment is demanded.

Q. The amount is not ordinary though?

A. No, but I mean the principle is the same.

BY MR. EVANS:

Q. As a matter of fact, Mr. Wilson was also a director of the Bankers Trust Company, was he not?

A. The Bank and Trust Company of West Philadelphia. The Bank and Trust Company of West Philadelphia merged with the Bankers Trust Company.

Q. Had they merged prior to the time, Mr. Marsh?

A. Oh, yes.

Q. And was Mr. Wilson a director of the Bankers Trust Company at that time.

A. I really don't remember that offhand.

BY MR. COOKE:

Q. Did Mr. Wilson frequently take cash in large amounts?

A. Well, I have waited on Mr. Wilson several times, but as far as the number of times and the amounts, it would be hard for me to recall.

BY MR. RHODES:

Q. Was that the practice of the Greenfield Company, to have large checks cashed and the money taken out in this manner?

A. Yes, I would say so, because it was done through our other departments, and there was no reason why we should make any further demand of them.

Q. I mean, was it done more frequently with the Greenfield Company than any other depositors you had?

A. I would not say that, because we had many customers. They were not all of the same amount.

Q. Do you think that this is rather a prevalent practice in Philadelphia, to have checks cashed in large amounts, to have money taken out in that manner, instead of putting it through the banks in the usual form?

A. Why, I wouldn't think so, where it was a large account.

Q. So that seems to be characteristic of business in Philadelphia, to do things on a cash basis?

A. Well, I should think if a depositor has an account and wishes to do business in that manner, that would be up to him.

Q. That is perfectly all right, but I am asking about the prevalent practice down there, whether it is a common and

ordinary practice to carry money out of banks in such quantities, in order to have cash for delivery?

A. Well, I couldn't answer that, except that I have done that.

Q. What is that?

A. I don't know what the practice in Philadelphia is.

Q. I mean, has this thing happened frequently in your experience with the banks?

A. Well, I don't remember many transactions, but as I say, I would not remember that.

BY MR. MEMOLO:

Q. Do you remember any other besides this individual one in that amount, a transaction of this kind?

A. Well, I would say we had other depositors that the pay-rolls amounted to a fair figure, and they were withdrawn in the same manner.

BY MR. COOKE:

Q. But they would not be in notes of such large denominations, would they?

A. The would hardly be in that size.

Q. Would transactions of this kind—in what transactions of this kind were bills of large denominations involved, do you remember?

A. I don't remember offhand.

Q. Just for my own personal satisfaction, what are your sensations when you handle \$480,000 in cash. I mean, is it something gives you satisfaction or dread, or what?

MR. RHODES: In other words, did you get a thrill out of it?

THE WITNESS: Well, I couldn't say that it gave me a thrill. I was very glad to see that it was handed to the proper party and it was off my hands.

MR. RHODES: I should think you would.

BY MR. EVANS:

Q. Now, if this money was delivered in a package to Mr. Wilson, was that the form in which it came from the Philadelphia Girard National?

A. Well, of course, I verified it before handing it to Mr. Wilson.

Q. Yes, and do you remember in what form it did come from the Philadelphia Girard National?

A. I don't remember that.

Q. You don't remember counting it out?

A. Oh, I remember verifying when I received it from the Philadelphia National, because I do that with all cash that I receive.

Q. But you still cannot recollect whether it was actually 486 thousand dollar bills or not?

A. I don't remember that.

Q. Do you remember whether there were any thousand dollar bills in it?

A. That I couldn't say.

Q. Do you remember how much of a package it was when you handed it over to Mr. Wilson?

A. Well, I don't remember how large the package might be. I know this, that he could not get it into his side pockets, and my best recollection is that it was wrapped in paper when it was taken out; but the exact size, I wouldn't know, I don't remember.

Q. Did you know whether they were the old style notes or the smaller new style notes?

A. I don't remember that.

Q. Then you don't remember at all the size of the package which would indicate how many bills were in it? That is what I am trying to get at.

A. No, I don't remember. I don't remember the size of the package.

BY MR. COOKE:

Q. You said you recall that there were bills of large denomination. How do you recall that?

A. Well, I know that they were large denominations but whether it was fifties, hundreds, or one thousands, I don't remember. I know it was not a one dollar note or a five dollar note.

Q. It seems to me it is funny thing that a transaction of that kind, which you said did not give you a thrill, but which

gave you some sensations, that you would not recall what the man did with it, whether he put it in his side pocket or put it in a bag. What is your best recollection on that?

A. My best recollection is, as I say, that what it consisted of I don't know. Of course I placed the order, it is true; but it has been some time ago, and naturally, when the transaction was completed, why it immediately went out of my mind.

BY MR. EVANS:

Q. If this were in hundred dollar bills, it would have been a very large package, would it not? It would have been four thousand eight hundred and sixty bills?

A. It would have been, I should think, if they were one hundred dollar bills.

Q. And you know it was not a package that large don't you?

A. I don't remember of its being all in one hundred dollar bills.

Q. And you say that Mr. Wilson put the package in his pocket?

A. No.

Q. I thought you said in his side pocket?

A. No, I said it could not be gotten in his side pocket.

Q. I thought you said it could not be gotten in his vest pocket?

A. No, it could not be.

Q. Do you mean to say he just carried the package off in his hand?

A. Yes.

BY MR. RHODES:

Q. He didn't even have a black bag for it, eh?

A. I don't remember if he did.

ALBERT M. GREENFIELD sworn

BY MR. EVANS:

Q. You live in Germantown, Philadelphia, do you not?

A. I do.

Q. And you are president of Albert M. Greenfield and Company?

A. I was, I am not now. I am chairman of Albert M. Greenfield and Company.

Q. In 1927 and 1928, you were president of Albert M. Greenfield and Company, were you not?

A. I was.

Q. And you owned approximately eighty per cent. of the stock of the company as it existed at that time?

A. Of the then Albert M. Greenfield and Company, I owned something between seventy and eighty per cent. I don't recall the exact amount.

Q. This Committee has not had the benefit of any direct statement in regard to the transactions which led up to the cashing of these two checks, and in order to get the picture before them, I wanted to run very briefly over that with you. In 1927, the Quaker Cab Company was in bankruptcy, was it not?

A. Yes sir, in 1927.

Q. And you, then representing the Trustee in Bankruptcy sold the assets of the concern to Frank Sawyer of Boston for \$75,000?

A. Well, the exact amount I can't tell you, but I sold it in 1927, representing the Trustee in Bankruptcy to Frank Sawyer. I have testified to the amount, I think, before the Senate Committee. If you have that testimony, that will show you. I then had that memorandum, I do not have it now.

Q. I think I have the Trustee in Bankruptcy's account here, which will probably be as good as evidence. I show you the account of the Trustee in Bankruptcy, showing a sale of the business in the amount of \$75,000. That is correct, is it not, according to your remembrance?

A. I think it is correct, yes.

Q. And a commission paid to you in the amount of \$3,750, or five per centum of the purchase price?

A. I would say that is correct.

Q. Now, you also sold, for Hare and Chase, and the Royal Indemnity Company, taxicabs which were operated by that company under lease, did you not?

A. I did. That is, the Albert M. Greenfield and Company did.

Q. I am referring to Albert M. Greenfield and Company. And the purchase price there, as set forth in the report of the Public Service Commission, was \$262,500; that is correct, is it?

A. If that is set forth, it is probably correct.

Q. As far as you remember, that is correct, is it not?

A. Yes.

Q. So that the total consideration paid by Mr. Sawyer for the assets of the old Quaker City Cab Company, including its cabs, was the sum of these two figures or \$337,500. Mr. Sawyer then formed a new company called Quaker City Cabs Incorporated, did he not?

A. He did.

Q. And you sold the stock of that company, 5,000 shares, to the Philadelphia Rapid Transit Company?

A. I did.

Q. That sale was originally included in a contract between Albert M. Greenfield & Company, and Philadelphia Rapid Transit Company covering not only this stock, but also the stock of three bus companies for a consideration of \$1,825,000. That is correct, is it not?

A. You will have to repeat that.

(Question repeated by the stenographer).

THE WITNESS: You ask me whether we made that sale to the P. R. T.?

BY MR. EVANS:

Q. To the P. R. T., Albert M. Greenfield & Company?

A. We did.

Q. And there was a contract covering that sale dated January 6, 1928, which has been referred to, I think, in that equity case, and also before the Senate?

A. That is correct.

Q. This sale was subject to the approval of the Public Service Commission, was it not?

A. It was.

Q. And the consideration of \$1,825,000 was paid over as of the date of the contract to Albert M. Greenfield & Company?

A. It was.

Q. Subsequently, at the request of the Philadelphia Rapid Transit Company, a new contract was entered into on April 22, 1929, eliminating the bus companies and covering only the stock of Quaker City Cabs Incorporated?

A. Under what date did you say?

Q. April, 1929?

A. That is correct. April 22, 1929.

Q. And the consideration for this stock was there stated to be \$1,360,000?

A. That is correct.

BY MR. EVANS:

Q. This contract was not subject to the approval of the Public Service Commission but was an absolute contract?

A. That is correct. This contract is not subject to the approval of the Public Service Commission.

Q. Now, when did you first learn, Mr. Greenfield, that Frank Sawyer was acting as the agent of Mr. Mitten or Mitten Management, when did you first learn that?

A. I never did learn that.

Q. Did you not, during the course of the transaction, find that Mitten Management or Mr. Mitten was financing Mr. Sawyer?

A. Yes sir, I did.

Q. When was that?

A. Well, Mr. Sawyer was introduced to us sometime in 1927 by somebody connected with Mitten Management. That is when we offered him the Quaker City Cab Company. The next time I recall, and it is four years ago or pretty nearly that much, of seeing Mr. Sawyer, was when he came to meet me in New York so that I could go down with him and see the officials of the Royal Indemnity Company and see what they would accept for the cabs. I recall taking him down and some Englishman, whose name I do not remember, but who came here because of the trouble the Royal Indemnity Company had with Hare & Chase, I don't remember his name, he was the head of the Royal Indemnity Company of Great Britain which owns the Royal Indemnity Company of America, and following that I negotiated a deal with Sawyer or through Sawyer. And the funds that Sawyer brought with which to pay for the cabs as well as the franchise of the receiver as well as other moneys, he deposited on account of this transac-



tion, these funds he delivered to us and they were Mitten Management funds. Of course they may not have come direct from Mitten Management, but in any case they were checks of Mitten Management so that it was apparent, and I have so testified before, that Mitten Management financed Sawyer in the purchase of this company. I don't know whether I have answered your question or not.

Q. I think you have. It fixes the date, which is the point I was interested in. Now will you state to the Committee how and to whom the \$1,825,000 paid by the Philadelphia Rapid Transit Company in January, 1928, was disbursed?

A. Our records indicate that we received this money on January 26th, and that we had prior to January 6th, 1928, paid out for the acquisition of the bus company the sum of \$520,228.26, and that we had also received prior to that, \$500,000 which is in here, a cash item in our books, and there are lead pencil marks alongside of it. This is our original book of entry. It would indicate that that \$500,000 had come to us from Mitten Management. This looks like "M.M." So I would believe that the \$500,000 came from Mitten Management against which we had advanced \$520,000. In fact, we had advanced some of this \$520,000 to acquire these bus companies before we received the \$500,000, and that item, all but about \$20,000, is—these items really are washed by this \$500,000 that I believe came from Mitten Management. Subsequent to that, on January 6th, our records indicate that we received a cash payment of \$1,825,000. That is undoubtedly, from what has gone before, a check from P. R. T. I say that because it corresponds with the contract price. Our records further indicate that on January 6th we received a cash item of \$91,250. Then there is a wash item of \$394,840.62. In other words, we received that amount and we paid it out. It is one of our own checks. We were going to buy some property and not having succeeded, and not having used the check which was drawn on one side and it was redibursed and was a wash item and was of no significance. We used all of this money, according to our records and to my recollection, to pay ourselves the \$20,000 that was overdrawn. We drew a check to Mitten Management for \$972,325.64. We have this contra item of \$394,840.62 which washed out the money that came in, and that is just a cash transfer and doesn't mean anything. We drew a check for \$250,000 on January 6th and on January 11th, one for \$486,000. Then there is credited to me personally \$37,923.59, which was my portion or some part of this that I had either advanced before or was a portion of what I would get out of the commission which was to be approximately about \$180,000.

BY MR. RHODES:

Q. You mean that the commission of A. M. Greenfield & Company would be \$180,000?

A. Yes sir, ten per cent, which is the usual commission in transactions of this kind. So there is left there in the account the sum of \$149,772.51, which together with the \$37,923.59, makes approximately that commission item. In other words, the account is about exhausted, with a credit to us of approximately the commission that we are entitled to have for the deal. And that cleans the entire account up and here is the book of original entry.

BY MR. EVANS:

Q. So that as I understand it, Mr. Greenfield, all of the \$1,825,000, with the exception of \$2,228.26, representing the difference between the \$500,000 which you received for the busses and the amount which you paid for the busses and your commission, was paid out either in check or in cash to Mr. Mitten or to Mitten Management?

A. Well, of course, as to the checks that are drawn to Mitten Management, as this record indicates, there is no question that checks to the order of cash are what you are interested in. I have had a good deal of time to study this matter over, and to think it over, having been ill for about four weeks, and have had an opportunity to talk it over with Mr. Wilson whom I had come to see me, and I also tried to reach Mr. Sawyer because I felt and I thought that he was present on one occasion when the money was paid over. I didn't succeed in reaching him. However, reconstructing the memory of a transaction that is three and a half years old, and referring to these records, my best recollection is that both the \$250,000 and the \$486,000 were paid by me to Mr. Mitten on those dates in my office.

Q. In cash?

A. In cash. They were turned over by me to him in cash.  
Q. Now when you refer to Mr. Mitten, you refer to Mr. T. E. Mitten, who is no longer living?

A. That is right.

Q. Have you any recollection, Mr. Greenfield, as to the form the cash took, whether it was large denomination bills or what form it was in?

A. No, because in point of fact, I didn't see the money, the actual money. I have tried to think about this and have been searching my memory. I recall this, that he came in after these contracts were sent over for signature and the check for \$1,825,000 came in and was turned over to Mr. Wilson and deposited. He came in one day—this was after negotiating the deal, or a day or two before—and he asked for \$250,000. It seems to me that Sawyer was with him. I am not certain about this; but I called Mr. Wilson up, I think, on the intercommunicating phone that we have in our office on which we issue instructions to various people, and asked him to draw a check as Mr. Mitten wanted it. I believe he asked for it in cash or rather to be drawn to cash, and Mr. Wilson brought that check in. I did not sign the check and Mr. Mitten I believe asked for cash and I asked Wilson to get the cash. That is not entirely clear to me but that is what I have gathered from all of this and from the time I have had to think about it and from my discussions with Mr. Wilson since he was up here. I believe that some little while elapsed and then I believe that Wilson brought the cash in and put it on my desk and I turned it over to Mr. Mitten. I never looked at it, and I don't know whether it was in large or small bills. I believe that they were in an envelope or in a package and he took them that way. I could not tell you whether they were large or small or the number of them, or anything about them excepting that he got them I feel certain because that is how he asked for the checks, I remember distinctly, to be payable to the order of cash.

Q. Is it your remembrance that Mr. Mitten remained in your office while the Bankers Trust Company got the money from the Philadelphia Girard National Bank?

A. I think he, and possibly Sawyer, stayed there for some time. This is a sort of settlement. Whether Sawyer was there when I turned the money over to him actually I don't recall, but if I should testify to my best recollection, I should say he was.

Q. Was anyone else present?

A. No, except Wilson brought this money in to me and I turned it over. I visualize his sitting there at my desk.

Q. Did you take any receipt from Mr. Mitten for that?

A. No sir, at that time I would not have taken a receipt from Mr. Mitten for millions. He was financing the organization that represented the Quaker City Cabs. Sawyer was the president and operator, subject to Mr. Mitten's wishes as his financial backer, and asked him how he wanted the money and the check, and we drew it the way he wanted it. It didn't seem unusual then because of the request. It seems unusual now, but he asked for it that way, and as Sawyer and he apparently were the owners or at least we knew Sawyer as the owner and Mr. Mitten as having financed Sawyer and having introduced him to us, we naturally paid it out as requested.

Q. Now, what is your remembrance in regard to the \$486,000 check?

A. Now I will go back to a little before that time. I think he stopped at my house to take me down town a day or two before he got the \$486,000, and he asked me for the \$486,000, and I hurriedly calculated in my mind and I said to him, if you get \$486,000 out of the proceeds of this sale, we will be short of our commission or compensation which we are to receive. He said that he would make that good, and I said to him, "Then all right"; and I said to him, "Whenever you want the \$486,000, come in; when do you want it?" I don't remember the exact language but he on the 11th our records indicate, came in and I again phoned Wilson on that intercommunicating phone; I recall that distinctly, and Wilson brought the check in and I told him, Mr. Mitten wanted the cash, or Mr. Mitten may have said that to him himself, I don't remember exactly. Whether Sawyer was there that day or not I don't know; the first day I really feel he was, without being absolutely certain, and he may have been there the second time. He was in and out of our office a good deal, he came to the office frequently. Mr. Wilson brought the cash up. Some time had elapsed when he brought it up and I never counted the

money, as I would not. I didn't even sign checks, hundreds of millions of dollars' worth of checks would go out annually, and it would not surprise me that there were several millions of dollars of clearances in our office in one day in large transactions, so that I am not interested much, as large as they are, with each comparative detail. I am interested in completing the transactions. Mr. Wilson brought that money up to my office and I in turn shoved it over to Mr. Mitten, that is my best recollection. I have talked this matter over with Mr. Wilson and have asked him to look up the records to see what has happened here, and he got it and a check for \$486,000 was the proceeds of everything that there was in the account except what we would be entitled to receive as a commission.

Q. Now, Mr. Greenfield, did Mr. Mitten count the money when you handed it over to him?

A. No sir, he didn't. I am pretty sure of that. And if you knew Mr. Mitten, you would know he was that type of man, I think you know he would not be counting money.

BY MR. RHODES:

Q. You said the Philadelphia Rapid Transit furnished the \$1,825,000?

A. Yes sir.

Q. And who was on the other end?

A. The Quaker City Cab Company of which Sawyer was the head.

Q. Did that include Mr. Mitten?

A. The relationship between Mr. Mitten and Sawyer I don't know, except that Mr. Mitten or Mitten Management, or both, financed Sawyer.

Q. What I was wondering was why Mr. Mitten was entitled to the three-quarter million dollars in cash?

A. He financed them. He put all the money up; we got our money from him. As far as our records show, everything was in Sawyer's name, the stock and the money we paid for the stock to finance the acquisitions of the company and the conduct of it came from Mr. Mitten or Mitten Management.

Q. Everything was in Sawyer's name and Mr. Mitten was the financial backer of Sawyer?

A. That is correct.

Q. You said a while ago that \$500,000 was paid to you in the first instance. Was that in addition?

A. Yes, that came from Mr. Mitten, that covered the acquisition of the cab companies and of course the \$500,000 and the other moneys that were advanced were all advanced by Mr. Mitten or by Mitten Management, and all of this money was utilized for the acquisition of the cab companies and not for the bus company.

Q. The \$1,825,000 was for that?

A. That covered the purchase of the cab company and the three bus companies.

Q. Then there is \$2,325,000 involved in this transaction?

A. No. I would say that the only thing involved is the \$1,825,000 because the \$500,000 is included in the \$1,825,000.

Q. That is what I wanted to get at. With these withdrawals from the bank, it appears on the face of it as though there was a total value of \$2,311,000, but the actual amount involved is only \$1,825,000. You say that Mitten Management put in the \$500,000, and you reimbursed Mitten Management by check of how much?

A. We first spent \$520,000, then they reimbursed us by giving us a check for \$500,000, and we were then in the red for \$20,000, then we credited this to balance the red and reimbursed ourselves on this side, and the next item is that we drew a check for Mitten Management for \$972,000.

Q. What does the excess above the \$500,000 represent?

A. I think that represents additional sums advanced to us in the acquisition of the Quaker City. I think \$472,000 is the money we expended for Sawyer's account while the figures first mentioned were \$307,000, I believe there were other items. I recall one item of \$50,000 that Sawyer was obliged to put as security to the Public Service Commission before they would allow him to run. This is all a matter of memory; I am giving you my best recollection. Whether there were any advances direct to Sawyer from Mitten Management I cannot tell. Then we paid out these two items, one of \$250,000 and the other \$486,000. My best recollection would indicate to me, after three and one-half years, but having had a good bit of time to think about it lately and to search the records.

Q. You don't know whether that represents any profit on the money advanced to him?

A. Really, I cannot tell. My knowledge of it would not indicate, others would; I mean that the Management books would indicate whether it was a profit or advance. They would have the records. Our records are pretty complete. But we do not have the record of that, although we have accounted for every dollar we have taken in and paid out.

Q. Now, Mr. Greenfield, was the \$912,000 that you received on January 10th from the Philadelphia Rapid Transit Company?

A. I could not tell you. When I told Mr. Mitten that we would be short in our accounts if we gave him \$486,000, he said he would make that good. I never knew until I came up before the Senate Committee frankly, how he made it good. Now, whether he made it good from the Philadelphia Rapid Transit Company or from some other way, I don't know. I never saw any check and I never looked up this account to know if he had made it good. I assumed that he had, because I believed that whatever he said he would do. Now, as I figure out the Compensation of Albert M. Greenfield and Company consisted of two items, first \$37,923.59 and second \$149,772.51, unless some part of that \$37,923.59 was spent, and I believe it was. I have not been able to trace it, but it is close to what would be our regular compensation which would be about \$82,000, and we know that these two items made the commission or compensation that we were entitled to as I figure it. I think it makes our compensation, although we may have been paid \$5,000 over. I would have to search my personal records, which are not as good as my firm records. I doubt if we were overpaid. I judge that something was spent in connection with this matter of counsel fees.

Q. You testified that the \$972,000 check was drawn to Mitten Management, according to the memoranda made here?

A. Yes.

Q. Is it your remembrance that the cash totaling \$736,000 was turned over to Mr. Mitten as president of Mitten Management, or as an individual?

A. The technical part I don't know. I don't know how he received it. My best recollection is that he got it. I am pretty certain that he received the money. What he did with it, whether he reimbursed himself or Mitten Management, I cannot tell you, I have not the least record that would indicate that.

Q. I suppose you also do not know whether it was Mr. Mitten individually or Mitten Management who was financing Sawyer?

A. I think I know, it was Mitten Management, because I recall the first check Sawyer brought to us was a Mitten Management check. I am not certain, but I believe it was a Mitten Management check, so I would say that Mitten Management was financing Sawyer.

Q. So that normally you would pay over the proceeds of the sale either to Sawyer or to Mitten Management?

A. Yes; and of course Mitten Management, as far as Albert M. Greenfield was concerned, was T. E. Mitten.

Q. In regard to the receipt of this \$1,825,000 from the Philadelphia Rapid Transit Company, have you any recollection, Mr. Greenfield, as to how that is?

A. I have no recollection; I don't even recall seeing the check. I believe it was sent over with this first agreement of January 6, 1928. He took part in the negotiations himself in acquiring these properties from Sawyer, the Quaker City Cabs of which Sawyer was the head, and the Philadelphia Rapid Transit, and fixed the price. They drew the contract over there. They sent the contract over and I signed it. I believe the check came along with it. If it did, as I believe it did, it was merely turned in for deposit and as a fact our books will show we received it. Here is the record.

Q. The think I am interested in is, where you banked it?

A. I think I can tell you that. You asked for these records and we brought them here. We banked it at the Mitten Bank, and it was a check on the Mitten Bank, and here is the deposit book which will show you it was their bank. You will see many large amounts that we deposited both before and after that in that bank which would indicate that the size did not mean much to us. In those days we cleared many, many millions weekly. In 1929 I made one deal that amounted to \$33,000,000. So you can well imagine that whether it is an item of \$1,825,000 or \$825,000 would not make much difference to me.



Q. You banked the funds received from the Philadelphia Rapid Transit in the Mitten Bank and you drew out the funds which you deposited there and disbursed some funds through the Bankers Trust Company, and evidently made some transfers?

A. Yes, we made transfers. I have some here. The funds were distributed in many of the different banks as we usually do. We had very large balances in those days as this record will indicate to you. We carried millions in the banks of Philadelphia at that time, which of course was not ours.

BY MR. RHODES:

Q. Suppose Mitten Management at this time said that these checks belonged to it, how would you ever show that you had paid them to anybody?

A. I would have had difficulty in showing it, excepting if I could get a hold of Sawyer who I feel was present when Mr. Mitten received it, or Mr. Wilson should remember.

Q. Was he present?

A. He brought the money in. I had Wilson down to the hospital to see me. I really tried to get at the bottom of the thing and see where we were and how we could recall what transpired, and I turned this matter over in my mind and I am certain that I gave the money to Mr. Mitten. Wilson brought it in while Mr. Mitten was sitting there. Mr. Mitten came over often, and I really believe that Sawyer was there when he got the money. They have never raised a question to the effect that this money belonged to Mitten Management and that they didn't get it, and if they hadn't got it they would have long ago raised a question. Not having raised a question in four years I really feel that there is no question in their minds that they really received the money.

Q. From the standpoint of protecting your own company it would have been better to have had receipts showing who received this cash?

A. I agree it would have been better.

BY MR. EVANS:

Q. Mr. Greenfield, the agreements of January 6th, 1928, and of April 29, 1929, were between the Philadelphia Rapid Transit Company and Albert M. Greenfield and Company, were they not?

A. No sir, they were between Albert M. Greenfield and the Philadelphia Rapid Transit Company.

Q. Between the Philadelphia Rapid Transit Company and you as an individual?

A. Yes sir, they prepared that. I was pretty busy in those days and I signed the contract without regard to whether it was signed by myself as an individual or as representing the corporation, and I carried out the transaction as I had negotiated it. It was really a corporation matter. I mean that the compensation or the commissions that were earned in negotiating the transactions would belong to the corporation.

Q. Did you or the corporation actually own the stock of the Quaker City Cabs at that time?

A. No, we had it, we had it, that is, we had the stock in our possession. Sawyer delivered it to us for the sale and we transferred it to the Philadelphia Rapid Transit Company and here is the receipt for it, and we searched three weeks to find it because we had to go through our entire filing vault. This was a transaction under the old corporation and not under the present one, and all of the records have been filed away, received from A. M. Greenfield and Company, one thousand shares of Philadelphia Rapid Transit Stock, four hundred and ten share of Montgomery stock, two hundred shares Doylestown and Easton stock, four hundred shares Cab stock, all above duly endorsed to be transferred.

Q. Whose signature is that?

A. I could not tell you who that is. That is not written on our stationery. When we sent them the stock and they paid us the \$1,825,000, we took the receipt for all these securities, and someone there who is a vice president signed the receipt.

Q. This is dated January 6, 1928, so that they gave you a receipt for the stock, although you didn't require any receipt from Mr. Mitten when you turned the money over to him?

A. I don't know now whether I required a receipt. I don't know. We searched for a receipt and I am not sure that we won't be able to find it. I don't recall getting a receipt because of the manner in which he came and got the money, but I would not be surprised to find that we had gotten a receipt,

we may not have. If this had been done by someone else in the company other than myself I think we would have had a receipt. I was a little different when it came to dealing with Mr. Mitten in the matter of receipts. I trusted him entirely. When he said something, you could depend on it that that was the thing he did.

BY MR. RHODES:

Q. Was he cranky about giving receipts?

A. I don't know. He was a very forcible individual whose business friendship we valued. We represented him personally and we represented Mitten Management and the Mitten Bank and the Mitten Business Corporation and all those enterprises, including the National Railways of Buffalo. We did a great deal of business with all of these concerns and there was never a question raised as to whether he was to get the money or who it was to be paid to; there was mutual trust. Possibly we have a receipt, but I have not been able to find it so far. I have only been back from the hospital a day and I came here today against the doctor's orders. I am not through looking for the receipt. I didn't want Mr. Evans to think that I was trying to dodge his request to come here. At any rate, I have not to date been able to locate it.

Q. One other thing I want to ask you. When the final agreement was made in 1929, it was amended after the acquisition of the bus company's stock and the consideration was changed from \$1,825,000 to \$1,360,000, which would indicate that the bus companies were taken over at a valuation of \$460,000?

A. I have a pretty clear recollection of that. In these transactions we were the agents for the Quaker City Cabs Incorporated, and Sawyer and Mitten were not so much interested. We sold them to the Philadelphia Rapid Transit Company. In the original contract with the Philadelphia Rapid Transit Company they had a right to make a demand on us for the money back if the Commission didn't approve this purchase by them. We were the agents for the Quaker City Cabs Company and we had a right to get our property back. They came along and wanted to make a new contract in April of 1929. I think it was Mr. Joyce, if I am not mistaken, who came in and presented this new contract, and I said to him, what is the purpose of this new contract, and he said that it was because of the sale of the Quaker City Cabs.

We want to reduce the purchase price to \$1,360,000. I am only now—I mean I would not recall the amount except by looking at the contract. And I said to him—I examined the old contract, you see, sent for it, and I said "What about the Commission's approval? Did you get the Commission's approval?" and he said, "no, not yet," or, at least I think he said he had not gotten it at that time. I don't remember whether he said it was decided or not. I am not entirely clear about it. "Well," I said, "if you want me to give you a new contract, I don't want any more conditional contracts," I could have sold Quaker Cabs several times for more money than you paid for it." In point of fact, I had an offer from Checker of New York of several hundred thousand more for it, and Mitten knew that when we negotiated the deal, and latterly, even after the contract was changed, we had people interested who were willing to buy Quaker Cabs. But he always had an idea of forming a monopoly of the taxicab business in Philadelphia, because he felt that was how he could give better service. You know how he used to talk about it. I can visualize it now. That is how he can give the best results, when he would not be wasting money because of competition. He would not still have the Quaker Cab.

I said I won't be bound. Now, if you want a new contract, you have got to make it without any conditions, and whilst, in point of fact I learned legally it didn't make any difference, the change, that a public service corporation could not make a contract that was not subject to the approval of the Public Service Commission; nevertheless I thought that we would make a contract unconditionally, and they sent this new contract over, which was unconditional, and which I signed, and they said they turned over the bus companies to the Pennsylvania Railroad.

BY MR. EVANS:

Q. Did they say at what price they had turned them over?

A. No, they just fixed this themselves, and whether they got the difference or more or less, I really couldn't tell you, because they made that negotiation themselves with the

Pennsylvania Railroad. Their records, of course, must indicate what they received for them. Mine would not.

BY MR. RHODES:

Q. Well, the Pennsylvania Railroad now owns the bus companies, doesn't it?

A. I couldn't tell you whether they own them now.

Q. Well, delivery was made by you?

A. Not by me, no. You see, I had delivered all of these to P. R. T. under the original sale, and then they came along and they sold them off to the Pennsylvania Railroad and wanted a new contract for Quaker City alone.

Q. You made delivery yourself, so that you have no knowledge of the transaction between the P. R. T. and the Pennsylvania Railroad?

A. Not the slightest, or what the price was, or whether they have actually gotten them or whether they own them or not, I don't know.

Q. I say, you did not participate in that particular phase of the transaction?

A. I didn't negotiate that, no.

BY MR. EVANS:

Q. Now, Mr. Greenfield, who actually owned the stocks of the three bus companies at the time you made this contract? Did you own them?

A. No. I owned nothing, I had no interest in this, excepting for Albert M. Greenfield and Company as agents for the Quaker City and these owners.

Q. As a matter of fact, didn't Mitten Management own the three bus companies?

A. I have no knowledge of that, but I would not be surprised if they did, you see.

Q. You made this contract to sell the stocks of the three bus companies?

A. Yes.

Q. You did not own the stock yourself, so you must have known for whom you were acting as agent?

A. Well, Mitten Management sent these stocks to us, and they were in various names, and we drew various checks for them in various names. Now, who actually owned them, I couldn't tell you. They could. Whether Mitten Management owned these bus companies and these men were merely acting for Mitten Management, I don't know. We drew the checks as directed by Mitten.

Q. But in all events Mitten Management put up the \$500,000 with which you acquired stock of the three companies?

A. Right you are, and I think that check—there is no indication except this lead pencil mark, I was asked by Mr. Gray in the Senate Investigation who gave me this \$500,000. I couldn't tell him, and we tried to work out who this was, and he thought it might be P. R. T., and I said it didn't look like it was P. R. T., and it is not, of course, and since then I looked at it again and again, and I see that there are two M's there, and hence it is Mitten Management's \$500,000.

BY MR. RHODES:

Q. These checks, you say, were drawn at the direction of Mitten Management, were they, to the various individuals?

A. Yes. We receive our instructions—well, when you say Mitten Management—Mr. Mitten—I don't know whether he was acting for Mitten Management or for his own account or for these people. I haven't any actual knowledge as to whom he was acting for.

Q. In other words, all of your instructions came from Mr. Mitten?

A. Yes; we merely negotiated these transactions in accordance with his instructions. Of course, in the case of Quaker City, Sawyer too sat in and instructed us to make the deal, and in fact, if I am not mistaken—I am not sure about this—Sawyer had some interest in one of these companies too, because, if I am not mistaken, one of these checks went to Sawyer, actually to him.

Q. And it may have been, so far as you know, that Mitten Management was selling these companies to P. R. T.?

A. It may have been.

Q. Or, Mr. Mitten may have been selling these companies to P. R. T.?

A. He may have been. Of course, we were instructed to draw these checks for \$520,000 in the acquisition but all they sent over was \$500,000. Now, the amount they sold them for,

I cannot tell, but the record would indicate that they made a loss on them in the sale to the Pennsylvania Railroad. According to Mr. Evan's figures they made a loss. How much of that loss was made up by these cash items, I cannot say.

Q. In other words, you don't know who made the profit on these transactions, whether it was Mitten Management or Mr. Mitten personally?

A. It really does not look to me as if there was a profit. It looks the other way.

Q. In \$1,855,000?

A. Well, am I supposed to express an opinion?

MR. EVANS: You may do whatever Mr. Rhodes wants.

MR. RHODES: There is no harm in having your opinion.

THE WITNESS: I think whatever money Mitten got, my judgment is that he used it in the furtherance of his property, and in support of it, and in the object that he wanted to attain.

BY MR. EVANS:

Q. You mean for political purposes?

A. I couldn't tell, right or wrong—I mean I have no knowledge right or wrong—in his ideals, if you call them that—he was not a man who cared much about money, and that is evidenced by the condition of his estate, and the fact that he often said he did not want any money. He used these monies and these properties, I don't believe, for any other purpose but to further their interests.

BY MR. RHODES:

Q. Well, when you say furthering their interests, do you mean improving the properties physically, or taking care of political necessities?

A. I would say improving the properties and buying things, the wisdom of which now seems to me to be questionable, I mean when you buy bus companies for 520 and sell them for 420, your judgement may not be so good. Of course, things may have changed too, you know, it was not two years before we were in a state of depression.

Q. Wasn't the price of Quaker Cabs out of all proportion to its actual value?

A. It depends upon two things—no, not to its actual value. It would appear to its actual cost, not to its actual value. It would appear on its face that it was out of proportion to its cost.

Q. In other words, Sawyer made a good purchase?

A. Yes, he made more than a good purchase, unless in the operation by Sawyer for the number of months that he did operate it, he had spent more money in equipment and lost in operation, which must come in the acquisition of a corporation of that kind, when it is down at the heel like that was when he bought it—it was receivership, it was down at the heel. But this very same company I offered three million dollars for to the people in Indianapolis who owned it a year before it went into receivership.

Q. Well, Sawyer, didn't have any money himself, did he? He was financed by Mitten Management, wasn't he, or Mitten?

A. Well, I don't know whether he had any money, but in this transaction he was financed by Mitten Management or Mitten; but Sawyer is a man of some means and some responsibility.

Q. Do you know whether or not he was financed by the original purchase by Mr. Mitten or Mitten Management?

A. The original purchase would indicate it was financed by Mr. Mitten or Mitten Management, yes.

Q. In the final analysis, you don't know what Mr. Mitten did with this \$750,000 in cash which he received from you, do you?

A. No, I don't.

Q. You were drawing your conclusions from what you know of Mr. Mitten?

A. I mean I am expressing opinions, I am not testifying now to facts.

Q. You have no actual knowledge of the disposition of that money?

A. I have no actual knowledge, but having known Mitten, I wouldn't know, I have seen him do things so often that looked as if they were not wise, that he thought were in support of his property. He felt as he then expressed it, about the P. R. T., as if this was his child. He felt more about it as if it was a part of his body, than just a corporation or business proposition, and whether rightly or wrongly, he fought for it



along certain lines, and he did many things, that some of us may not think now, in the light of subsequent events were wise. But he must have thought so or he would not have done it.

BY MR. EVANS:

Q. Well, Mr. Greenfield, it is true, that the Philadelphia Rapid Transit Company, or Mr. Mitten, could have purchased this property from the Trustee in Bankruptcy and from the Royal Indemnity for something like \$400,000, or less?

A. Yes. If Sawyer bought it for that there is no reason why they could not have.

MR. EVANS: I might call the Committee's attention to the fact that, according to the reports here of the Quaker City Cab Company, Incorporated, to the Public Service Commission for the period 1927, after its incorporation, the company showed a deficit of net income of \$42,346.11.

MR. RHODES: That is in operation?

MR. EVANS: That is in operation. For the next year, for the year 1928, it showed a deficit of \$87,913.59. For the year 1929, it showed a deficit of \$82,298.83.

MR. RHODES: That is the reason it went into bankruptcy—into the hands of a receiver, wasn't it?

MR. EVANS: For the year 1930, it showed a deficit of \$241,226.53.

BY MR. EVANS:

Q. Mr. Greenfield, you have no knowledge, I expect as to who now owns the stock of Quaker City Cab, Incorporated, do you?

A. Well, my only knowledge is this: this contract I turned it over to P. R. T., to whom I sold it.

BY MR. RHODES:

Q. You have no knowledge beyond your records?

A. No. Well, I have this knowledge that apparently they still own it—

Q. Who?

A. P. R. T., because they were ordered by common pleas court number one in Philadelphia to divest themselves of it, in this recent decision. That is the adjudication. I mean to that extent I have the knowledge that you would have, having read the decision; but I haven't any personal knowledge.

THE CHAIRMAN: The Committee will recess for one-half hour.

#### AFTER RECESS

ROBERT M. WILSON recalled

BY MR. EVANS:

Q. You testified before the Committee last week in regard to the two checks for \$250,000 and \$486,000. Have you heard the testimony of Mr. Greenfield this morning?

A. Yes.

Q. To the effect that you were present when the proceeds of these checks were turned over to Mr. Mitten, that you brought the money up from the bank, and the testimony of Mr. Marsh, that you were the person in A. M. Greenfield's organization to whom you paid the cash proceeds of these checks?

A. I heard Mr. Greenfield's testimony. I didn't hear Mr. Marsh's.

Q. It is correct, is it not, that you went to the Bankers Trust Company and got the cash for these two checks and brought it up to Mr. Greenfield's office?

A. Yes.

Q. You testified last week that you had no knowledge of this situation other than drawing the check. Do you want to correct that testimony?

A. Yes, I do, Mr. Evans. When I was called up here last week, I was not told that I had to come up until the evening before, Wednesday evening. I was told that I simply was to come up and identify the signatures on the checks. I didn't know that I was going to be cross examined or questioned about this transaction or about these checks at all, and the consequence is I didn't look up the records, I didn't discuss the matter with anyone, and I didn't make any effort to refresh my memory on the situation at all. I testified last week that we draw a great many checks, and to allow you

and the Committee to understand how difficult it was to recollect any particular transaction without having given it some study and thought and some investigation, I made up a schedule of our disbursements during the past five years, and I find that we have drawn, and I have found that I have signed \$173,606,000 worth of checks, covering 246,461 items. So you gentlemen, Mr. Evans and you gentlemen, I think I can realize and appreciate if anyone asks a question without previous preparation of one or two particular items out of this number, it is rather difficult to remember the circumstances connected with it.

Q. Now, you were unable to recollect last week any other transactions where a check of this amount had been cashed, and you know at the time that you were asked to testify here that you were going to be asked with respect to those two checks, did you?

A. The only thing I was told, Mr. Evans, was that I had to identify the signatures on the checks.

Q. Well, you remember now that it had been called to your attention, quite clearly, going down to the Bankers Trust Company, making the arrangements for having these checks cashed, with Mr. Scott, and getting the money from Mr. Marsh, and taking it up to Mr. Greenfield, don't you?

A. I do remember it. In fact, when I got back to Philadelphia, I got back to the office between 5 and 6 o'clock, last Thursday evening. The testimony was already in the paper. Two of my boys came in and talked to me about this thing, and one of them said to me, "Mr. Wilson, I think you did cash those checks," and the other boy said, "Well, no, Mr. Wilson, I don't think you did," and they discussed the matter pro and con for several minutes as to whether I did or did not cash these checks.

Q. Well now, the checks were paid to you in notes of large denominations, were they not?

A. As I recollect it, Mr. Evans, this money was in a package or envelope when I got it from the Bankers Trust.

BY MR. RHODES:

Q. Didn't you count it before you took it out of the bank?

A. No, I didn't, Mr. Rhodes.

BY MR. EVANS:

Q. You mean that you took a package that contained \$486,000 and never checked it over and knew whether it contained that or whether it contained \$400,000?

A. I don't recall counting it, no sir.

Q. Is that your practice in cashing checks?

A. We had a great deal of confidence in the Bankers Trust, and we assumed that if we asked for a certain amount of money and we gave them a check for it, they gave us the proper amount.

Q. And how large a package did this make?

A. I don't remember the exact size, Mr. Evans.

Q. Did you carry it up to the office in your hand or did you have a bag? How did you carry it?

A. As I recollect it, I carried it in my hand.

Q. A package of \$486,000?

A. Yes sir.

Q. But you have no remembrance as to the size of the package?

A. Well, as I recall it, it was in a legal envelope or a package the size of a legal envelope, and as I recall it, it was quite thick, just how thick I don't remember.

Q. Three or four inches thick?

A. No, I would say maybe an inch thick or a couple of inches thick.

Q. That was the \$486,000 transaction?

A. Yes.

Q. What do you remember about the \$250,000 transaction?

A. Well, the same procedure took place. I got it from the Bankers Trust Company and brought it up to Mr. Greenfield's office.

Q. From whom did you get the cash at the Bankers Trust Company?

A. I don't really recall, Mr. Evans. Either one of the officers or one of the tellers.

Q. Don't you remember which?

A. No, I don't.

Q. With whom did you make the arrangements to have the cash on hand to take care of these checks?

A. I presume I called up one of the officers and asked him to secure it for me.

Q. You called up Mr. Scott, didn't you?

A. Mr. Scott is the man I usually dealt with down there.

Q. Who was present when you obtained the cash for the check other than the teller or the officer?

A. I don't recall that, Mr. Evans.

Q. You testified in answer to a question of mine that no journal entries of these records were made on the books of Albert M. Greenfield and Company. Was that correct.

A. You mean last week?

Q. Yes.

A. Someone asked me how these cash transactions—if these cash transactions were handled by journal entry, and I said no, they were handled by cash book entry.

Q. Well, in the ledger sheet which Mr. Greenfield used this morning, there is reference to a folio for each of the items. Isn't there, a journal book entry?

A. You may call it a journal book entry, but we call it a cash book.

Q. You call it a cash book?

A. Yes.

Q. So that when you answered my question stating that you did not keep any journal entry at all you meant that you kept a cash book, but did not keep a journal?

A. That is what they are—I mean there is a difference in accounting practice and procedure.

Q. That's all.

A. A. MITTEN sworn

BY MR. EVANS:

Q. Dr. Mitten where do you live?

A. I live in Philadelphia.

Q. You are president of Mitten Management, Incorporated, are you not?

A. Yes.

Q. How long have you been an officer of Mitten Management, Incorporated?

A. I became a Mitten Management director in 1921. I was an officer of Mitten Management—I became vice president in 1924.

Q. And you held that office until your father's death in 1928?

A. In 1929.

Q. And succeeded him as president in the fall of 1929?

A. Yes.

Q. Testimony has been introduced before this Committee by Mr. A. M. Greenfield and others in regard to the purchase by the Philadelphia Rapid Transit Company of the capital stock of the Quaker City Cab, Incorporated. Were you familiar with that transaction?

A. I was not.

Q. Mr. Greenfield has testified that the purchase of the assets of the old Quaker City Cab Company by Frank Sawyer of Boston was financed by Mitten Management, Incorporated, in 1927. As vice-president of Mitten Management, Incorporated, did you know that fact?

A. I did not. I was vice-president in charge of Welfare and Labor Relations of that organization. Mitten Management, Incorporated, Mr. Evans, was my father, and he had surrounded himself with those who were in effect specialists in different lines of endeavor. My particular specialty, and that with which I had to do entirely in those early years, was the welfare and labor relations, the relationship between the management and the men. I had no knowledge of financial transactions of any sort.

Q. Who were the officers of Mitten Management, Incorporated, in 1927 and 1928?

A. I would have to refresh my memory to give you that without any omissions. My memory is, however, that my father was president and there were five vice-presidents. I was vice-president in charge of industrial relations, as it was called. Mr. Queeney was vice-president in charge of operations. Mr. Myers, was vice-president in charge of finance and accounting. Mr. Joyce was vice-president in charge of law, and my memory is that Mr. Shaw was vice-president in charge of public relations. I recall no other vice-presidents at that time.

Q. And Mr. Myers, as vice-president in charge of accounting, would be the vice-president who would have had knowledge of this transaction, primarily, would he?

A. If anyone aside from my father had knowledge of the transaction, Mr. Myers would probably be that man. My father was a lone wolf, Mr. Evans, as you remember.

Q. Mr. Greenfield has testified that in January, 1928, Albert M. Greenfield and Company paid over certain funds representing the proceeds of the sale of Quaker City Cabs, Incorporated, to the Philadelphia Rapid Transit Company. On January 6th, there was a payment of \$972,325.64 to Mitten Management?

A. Yes sir.

Q. Have you been able to find any record as to what disposition was made of that fund by Mitten Management?

A. I find that sum—you asked me to bring the books of the company for 1928 and 1929?

Q. That is correct.

A. I took the liberty of adding the figures for 1927 of the transactions between T. E. Mitten and or Mitten Management with Albert M. Greenfield and or Albert M. Greenfield and Company for the years 1927 and 1928. There was no transactions between these two parties except minor real estate transactions, except in the years 1927 and 1928. I find on January 6, 1928, there was a payment made by Albert M. Greenfield and Company, a deposit was made for \$972,325.64, which repaid advances made to A. M. Greenfield, one of \$500,000, and the other of \$472,325.64. That was made on a Franklin Trust Company check, the deposit slip which is here. It also carries the repayment of \$250,000 advance, which is there. This is a certified duplicate copy of the bank deposit slip.

BY MR. COOKE:

Q. That is a Mitten Management deposit slip?

A. Yes. Now, the item of \$472,325.64 represents the reimbursement for two advances made in 1927, one for \$175,000 and the other for \$297,325.64.

Q. Then, according to your records, it was not true as testified by Mr. Greenfield that all but \$500,000 of this \$972,325.64 represented the proceeds of sale of the Quaker City Cabs to P. R. T.?

A. I cannot answer that question, Mr. Evans. I don't know. I can only tell you what the books reveal.

Q. Do the books not reveal, Dr. Mitten, the purpose for which the \$500,000 and the \$472,325.64 were advanced by Mitten Management to Albert M. Greenfield and Company?

A. They did not. They are merely labelled advances. I have those books where when you choose to look at them, Mr. Evans.

Q. All right; I would like to see those entries if you have them available.

(Witness produces books.)

A. The two headings are listed, one, Albert M. Greenfield, and the other Albert M. Greenfield and Company. A. M. G. and Company. They are here as charges; here is the balance, and these are the credits.

MR. EVANS: I want now to read into the record from the Mitten Management, Incorporated, ledger, sheet headed, "Mitten Management, Inc.," time loans, A. M. Greenfield. This is divided into date, item and charges balance, 1927, February, \$300,000 balance nil. Credits, \$300,000. February, 1927.

September, \$485,000, under charges; balance, \$485,000. Credit blank. Date September.

November, item blank again. Charges \$154,000.75. Balance, \$639,265.75. Credits blank. Item blank.

MR. COOKE: Are there no dates of the month on those?

MR. EVANS: No days. December, item blank. Charges, \$500,000. Balance, \$1,139,265.75. Credits blank. Item blank.

1928, January, item blank. Charges blank. Balance nil. Credits, \$1,139,265.75. January, 1928.

On the next page, under the heading A. M. G. and Co., date, July, 1927, item blank. Charges, \$281,949.07. Balance, \$281,949.07. Credits blank. Item blank. July.

August, item blank. Charges, \$15,000. Balance, \$296,949.07. Credits blank. Item blank. August.

September, item blank. \$376.57 under charges. Balance, \$297,325.64. Credits blank. Item blank. September.

January, 1928, item blank. Charges blank. Balance nil. Credits, \$297,325.64. Item blank. 1928, January.

BY MR. EVANS:

Q. Dr. Mitten, this is not a book of original entry. Did you bring with you the books of original entry from which this ledger was posted.



A. I did.

MR. COOKE: Mr. Evans, what is the relation between the first date in these entries and the date of the first cash payment? Do those antedate that cash payment?

MR. EVANS: Yes. These entries run down to and include January, 1928, and there are no entries subsequent to that time, so, the only correspondence that I can see between these entries and those Mr. Greenfield gave us, would be in the January, 1928, entries.

MR. COOKE: In other words, these are advances from Mitten, Incorporated, to Greenfield and Company quite prior to the checks that have been before us?

MR. EVANS: Yes.

MR. COOKE: And there is nothing there to show that those were other than time loans?

MR. EVANS: Nothing in this letter.

THE WITNESS: Here is the day book. Those are the vouchers upon which the advances were made.

BY MR. EVANS:

Q. Dr. Mitten, will you just read into the record the dates and amounts of these various vouchers to the order of A. M. Greenfield?

A. There is a voucher dated February 3rd to A. M. Greenfield for \$300,000.

BY MR. TURNER:

Q. What year is that?

A. February, 1927.

BY MR. EVANS:

Q. Voucher 319?

A. Voucher 319. There is a voucher No. 692 to Albert M. Greenfield and Company for \$330,000.

BY MR. RHODES:

Q. Do those vouchers disclose the purpose?

A. They say for advance, that is all that is on the retained copy of that record.

BY MR. EVANS:

Q. The first one had nothing at all?

A. The first one had nothing. The third voucher, No. 698, to Albert M. Greenfield and Company, dated September 12, 1927, for \$100,000, for advance, it is noted.

Voucher No. 881, dated December 30, 1927, Albert M. Greenfield, personal, \$500,000. It is noted on the retained copy that that is for advance.

BY MR. RHODES:

Q. Do I understand that is for advances to Greenfield or for the repayment of advances made by Greenfield to your company?

A. No. A voucher is made out to him advancing to him a sum of money. On July 1st, 1927, Voucher No. 560 to Albert M. Greenfield & Company, \$212,500. It is marked on the reclaimed copy, an advance.

July 21, 1927, A. M. Greenfield & Company, \$16,875, Voucher No. 596. It is marked Commission 5% on \$337,500.

BY MR. EVANS:

Q. That was the price paid by Sawyer for the assets and cabs of the old Quaker City Cab Company?

MR. RHODES: That was bought in bankruptcy, wasn't it?

MR. EVANS: Part of it, the good will and certain physical property was bought from the trustee in bankruptcy for \$75,000. The taxicabs themselves were bought from the financing company and insurance company for \$262,500.

MR. RHODES: And this represents both items, is that correct?

MR. EVANS: This apparently represents a commission on the total of those two items. It also appearing from the trustee's account in bankruptcy that he had paid Greenfield a commission on the \$75,000 which he had received from the sale.

THE WITNESS: July 29, 1927, Voucher No. 614, Albert M. Greenfield & Company, \$50,000. The copy says advanced.

BY MR. EVANS:

Q. Marked under distribution expense?

A. Voucher No. 621, made on August 1st, 1927. A. M. Greenfield & Company, \$15,000, marked for advance.

MR. COOKE: Mr. Evans, those first two vouchers therefor, I think, \$300,000 each in the Spring of 1927, is that right?

MR. EVANS: One was for \$300,000, and the other for \$330,000.

MR. COOKE: Both early in the spring of—

MR. EVANS: No; the first February 3, 1927, was \$300,000, and September 7, 1927, was \$330,000.

MR. COOKE: But you have \$300,000 in the spring of that year. Have you any theory, Dr. Mitten, as to why that advance was made?

THE WITNESS: I have not, sir.

BY MR. COOKE:

Q. Mr. Greenfield this morning said that your father made expenditures sometimes to advance his own interests. Now, in this case apparently if there was any advancing done, it was done from T. E. Mitten to A. M. Greenfield, rather than from A. M. Greenfield to T. E. Mitten?

A. I find no record on the books of advances by A. M. Greenfield to T. E. Mitten. I know nothing of those advances. I find no record of them.

Q. But these are advances from T. E. Mitten to A. M. Greenfield at a time when you have no record of any obligation having been created?

A. I have none. I have no knowledge and no record. It was not from T. E. Mitten; it was from Mitten Management. It was not a personal transaction, sir.

Q. You would not have known it if there was any relationship between that transaction and the primary election that was going on in the spring?

A. I know nothing of it, sir, at all; no.

MR. COOKE: That was the mayoralty primary election, held that spring.

MR. TURNER: No, not in 1927, Mr. Cooke.

MR. COOKE: Am I not right?

MR. TURNER: No, the primaries are in September in the odd years.

MR. COOKE: Then the second payment would be at a time right before the primary election, because it came along in September. Perhaps this was the pre-primary.

BY MR. RHODES:

Q. Doctor, as we understand it, you don't know of any reason for those advances?

A. I do not.

Q. You have no way of ascertaining?

A. I have no way. The only man who could answer that question would be my father. I can only tell you what his records and the records of the corporation show. That I am here to do as far as I can, sir.

BY MR. EVANS:

Q. Dr. Mitten, have you prepared a detailed statement of this ledger loan account of A. M. Greenfield and of A. M. Greenfield & Company?

A. I have.

Q. I show you such a statement and ask you whether that was prepared under your direction from the books of Mitten Management, Incorporated?

A. Yes.

MR. EVANS: I think this will help to clarify the record if we offer this in evidence as exhibit 199.

THE WITNESS: May I say, that this record is the record which builds up the figure which I have shown as the first figure that appears—\$1,139,365.75 is developed here, where there is \$1,439,000, where there is a \$100,000 credit, which reduces that to \$1,139,000, going into the following year. The \$300,000 credit across the way, you see, the \$300,000 in both cases. So that the first item which you find on the ledger, which is \$1,139,265.75 is made up as shown on this exhibit 199, which you have just mentioned.

BY MR. EVANS:

Q. I will ask you, Dr. Mitten, have you prepared a statement showing the loan account of the Mitten Management with A. M. Greenfield and with A. M. Greenfield and Company as of December 31, 1927, and subsequent transactions?

A. I have, showing all advances and all the payments so that the amounts of advances are balanced by the payments.

Q. And this statement was prepared under your direction?

A. Yes sir.

MR. EVANS: I offer this in evidence as exhibit number 200.

BY MR. EVANS:

Q. Now, Dr. Mitten, do I understand from your testimony that the \$250,000 in cash received by your father from Mr. Greenfield on January 6th, 1928, was deposited to the account of Mitten Management, Incorporated, in the Mitten Bank as of that date?

A. May I answer that question this way.

MR. TURNER: Mr. Evans, did I understand you to say that you understood Dr. Mitten to say that?

MR. EVANS: He has introduced this exhibit, this deposit slip, which shows the entry.

THE WITNESS: I introduced the deposit slip which showed on January 6th there was a deposit by Mitten Management Incorporated of a check on the Franklin Trust Company for \$972,325.64. There is an additional item which is listed under checks on the bank deposit, which shows \$250,000. This, however, does not state upon which bank or what bank that check was drawn. But my inquiry to the controller of Mitten Bank in which this deposit was made, he investigates and finds that the teller who accepted this deposit had in this possession \$250,000 in cash. Therefore I assume that that is a cash item and not a check.

BY MR. EVANS:

Q. Now, Mr. Greenfield further testified that on January 7, 1928, in his office, he paid to your father \$486,000 in cash. I so far have not found any reference to that item on the exhibits, and I do not think you have covered it in your testimony?

A. I find no evidence of that, Mr. Evans. I can find no record on Mitten Management's records, in Mitten Management's account nor in the accounts of my father's estate, which show any retreat of any \$400,000, what is the amount?

MR. EVANS: \$486,000.

THE WITNESS: Of \$486,000 on any date from any one.

BY MR. EVANS:

Q. Do the records of Mitten Management, Incorporated show to whom the \$250,000 deposit on January 6th was disbursed?

A. I do not know.

Q. There is not on the books of Mitten Management anything to whom that money went?

A. There is not. It was deposited to the account of Mitten Management.

Q. And to what account was that credited?

A. You will find on your number two hundred, sir, that T. E. Mitten advanced \$150,000, under December 31, 1927. You will find in January, 1928, marked advances 1-27-28 \$100,000. I find no items excepting those two which could balance that \$50,000 item.

Q. Taking up Exhibit 200, the first item under loan account as of December 31, 1927, A. M. Greenfield advanced \$1,139,265.75, represents, as you have stated, the balance carried over from 1927?

A. As shown on your Exhibit 199. That is all I can reconstruct, sir.

Q. Then the following items represent advances by Mitten Management, Incorporated, to the persons or firms designated; is that correct?

A. That is true, except in the case of the item marked "Hilltop Land Company," that was an account that passed through Mitten Management and was held in Mitten Management for a time, for three or four months, but was repaid by an advance—as a repayment of an advance from A. M. G. so marked in the ledger.

Q. So that in addition to the \$1,139,265.00 advanced to A. M. Greenfield, there was also an advance as of December 31, 1927, to A. M. Greenfield and Company of \$297,325.64, which is also shown on Exhibit 199?

A. Yes sir.

Q. And there was an advance to T. E. Mitten of \$150,000?

A. Yes sir.

Q. In January, 1928, there was a further advance to T. E. Mitten of \$100,000?

A. Yes.

Q. And is there anything on that statement to show the payment of those advances?

A. The last half of that statement shows the repayment of those advances.

Q. I see no statement of a repayment by T. E. Mitten of any advance.

A. I don't see a statement. I don't find that. I find the repayment of advances \$250,000, marked repayment of advances. It is blank in front of it, it follows on that date, and it is return of advance, \$250,000. I can only reconstruct that since that item of \$250,000 balances the two advances made to T. E. Mitten, I can only—since it is set up so on the ledger, with the return of that \$250,000.

Q. Then it might be that this was the \$250,000 and which Mr. Greenfield paid over to Mr. Mitten and which Mr. Mitten in turn paid over to Mitten Management?

A. It might be.

Q. All on January 6, 1928?

A. Yes sir.

Q. And that, so far as you can reconstruct it, was deposited in the Mitten Bank to the credit of Mitten Management on January 6, 1928?

A. Yes sir.

Q. And I understood you said that your search of the records of Mitten Management and your father's records, failed to disclose any entry of the \$486,000, alleged to have been paid to your father on January 11th by Mr. Greenfield?

A. That is correct. They fail to show any entry which would designate or signify that \$486,000 had been received by him or Mitten Management.

A. I can find nothing of that sort. I have the records of my father's estate and his personal records with me, Mr. Evans, as you requested.

Q. Did your father keep books individually?

A. Yes sir.

Q. What do his own individual books show in regard to the \$250,000?

A. They show nothing.

Q. What do they show in regard to the advance of \$150,000 and \$100,000 for Mitten Management, Incorporated?

A. They show nothing. They do not enter his records, either in or out.

Q. And there is no reference to either of these items in his income tax return, I suppose?

A. There is not. I have those income tax statements with me. I find nothing in the inventory of the estate which would indicate anything of the transactions.

Q. According to the testimony of Mr. Greenfield, Mitten Management, Incorporated, or T. E. Mitten realized a profit from the sale of Quaker City Cabs, Inc., to the Philadelphia Rapid Transit Company of somewhere in the neighborhood of 800 or 900 thousand dollars. Is there any reference that you have been able to find of any such item in the income tax return of either Mitten Management, Incorporated or of your father?

A. No, neither in the income tax returns or in the books.

Q. Do you know Mr. Frank Sawyer?

A. I have met Mr. Frank Sawyer once and only once.

Q. When was that?

A. I don't recall the date. I was introduced to Mr. Sawyer on Broad street.

Q. Do you remember what year?

A. During the time that he was operating the Quaker City Cab Company.

Q. And before Quaker City Cabs were acquired by either the P. R. T. or by Mitten Management?

A. Yes. It was about the time that he started operating the cabs, because I recall he was introduced to me as the new operator of Quaker City Cabs.

Q. Dr. Mitten, where did your father keep his bank account in 1928 besides in the Mitten Bank?

A. I know of no other bank account that he had except in Mitten Banks. He had a small bank account in the Chemical Bank in New York, I think it was, or Chase Bank, I can't remember, but he had a small bank account in New York, the balance of which ran around, at the time of his death, about \$20,000, with which he paid his incidental expenses when he was in New York.

Q. So that the records of these transactions, so far as the banking of the funds is concerned, would all be with the Mitten Bank?

A. Yes.

Q. And you have no knowledge of any sort as to whom the \$486,000 would have been passed on, if it was not repaid by your father and so received by him?



A. I know nothing about \$486,000. I have never heard of it.

Q. As nearly as I can see the transaction, Dr. Mitten, the \$250,000 probably went to your father from A. M. Greenfield and Company and was paid by your father to Mitten Management in repayment of advances, and deposited on January 6th in the Mitten Bank, but there is no trace of the \$486,000. Is that a fair summary of the situation?

A. I think that is a fair summary, sir, to the best of my ability, that \$250,000 there was cash. It was paid from somebody and came into the accounts of Mitten Management and cancelled advances made. The accounts as between T. E. Mitten and Mitten Management and A. M. Greenfield and Company, both of them balance perfectly. There is no outstanding obligation from Greenfield to Mitten or Mitten to Greenfield. Every advance that was made is accounted for.

BY MR. RHODES:

Q. Those payments by Greenfield in 1928, I presume were by checks of \$385,000 and the \$100,000 on the 24th and 27th of January?

A. Those are on this deposit slip represented by checks on the Bankers Trust Company. There is a further one on January 27th for \$100,000.

Q. Those are all check items and not cash?

A. Those are check items, sir. The only cash item is this one. The others are all labeled.

MR. EVANS: In order that the record may be complete, I think we should put in evidence the original account of Albert M. Greenfield and Company, from which Mr. Greenfield testified this morning, and of which Mr. Walker made a copy, so that will be a part of the record. That can be typed and put in as Exhibit 201.

MR. RHODES: When does the Greenfield Ledger account start?

MR. EVANS: It starts on December 30, 1927, and shows the payments made by A. M. Greenfield and Company on that day and the succeeding day to acquire the three taxicab companies, in the amount of \$520,228.26. It shows the receipt on December 31, 1927, of the sum of \$500,000, which corresponds with the entry on Exhibit No. 199 of an advance to A. M. Greenfield of \$500,000 on September 30, 1927.

BY MR. EVANS:

Q. Dr. Mitten, what do the letters V. O. 881 in that entry mean?

A. That is the voucher number.

MR. EVANS: There is then, according to the Greenfield Ledger a debit balance, or a balance in red of \$20,228.26, as at the close of 1927. The ledger begins with that balance in 1928, and shows the payment of \$972,325.64, which was deposited by Mitten management in the Mitten Bank on January 6, 1928, but which, according to Dr. Mitten, as I understand it, was not in any way part of the purchase price of Quaker City Cabs, Incorporated, but was the repayment of advances.

THE WITNESS: That is what the books show, Mr. Evans. I can only testify to what they show. I know nothing about this.

MR. EVANS: Both ledgers balance, but they do not seem to quite agree in their explanation as to what the items cover.

MR. RHODES: Well, that \$972,325.64 on Greenfield's books indicate a payment by A. M. Greenfield and Company, does it not?

MR. EVANS: Yes

MR. RHODES: On the Mitten Management books it indicates a payment on January 6th of A. M. Greenfield for repayment of the advances individually.

MR. EVANS: Yes; those two items on the Mitten Management books are not definitely stated to be repayment of advances, are they Dr. Mitten?

MR. RHODES: Well, it just says payment, it does not say for what — it they are credited to A. M. Greenfield individually and not A. M. Greenfield and Company.

THE WITNESS: Those are marked in the cash book, sir. A. M. Greenfield and Company return of advances \$500,000. Ditto. \$472,000. The total of which is the nine.

MR. RHODES: \$972,325.64?

THE WITNESS: Yes.

MR. RHODES: Well, I notice you have individually and here you have company.

THE WITNESS: As I stated, Mr. Evans, this is an absolute copy of the account. This is the cash book. In making these entries, I did not try to make them, I copied them just as they were.

BY MR. EVANS:

Q. Well, now, Dr. Mitten, does it not appear to be true from these entries, that the item of \$472,325.64 credited to A. M. Greenfield, as the return of an advance was made up of the advance to the Hill Top Land Company of \$175,000 and an advance to A. M. Greenfield and Company of \$297,325.64?

A. Yes; if you would like the deposits, sir, I brought those certified copies there, and they are therefore duplicates, and they are available as records if you wish them.

MR. EVANS: I think, in order to make the record complete, I will offer in evidence the duplicate deposit slips certified by the assistant treasurer of the Mitten Management Bank and Trust Company, covering deposits by Mitten Management, Incorporated, one dated January 6th, 1928, as exhibit two hundred and two; one dated January 24th, 1928, as exhibit number two hundred and three; and one dated January 27th, 1928, as exhibit number two hundred and four.

BY MR. EVANS:

Q. I notice, Dr. Mitten, that the deposits of January 24th, and 27th, are all composed of checks on the Bankers Trust Company?

A. Yes sir.

Q. Do you have any information as to whose checks those were?

A. I do not.

Q. Your father did not have an account with the Bankers Trust Company, did he?

A. He did not, not to my knowledge.

Q. I call your attention to the transcript of the ledger account of Albert M. Greenfield and Company with the Bankers Trust Company, introduced as Exhibit 198, in which there is charged to that account two checks of January, 25th, 1928, one of \$392,966.68, and one of \$159,085.66, which corresponds exactly with the deposits on January 24th of Mitten Management, Incorporated in exhibit two hundred and three. Does that indicate to you that these were checks of Albert M. Greenfield and Company?

A. It does.

Q. Do you have any knowledge at all of any other transaction between Mitten Management and Albert M. Greenfield and Company in January, 1928, which might be covered by these checks?

A. I have no knowledge of any other transaction.

BY MR. RHODES:

Q. What is the Hill Top Land Company deal?

A. Hill Top Land Company was the company that owned our real estate. It was my father, he owned one hundred per cent. of the company, and in order that the company might be a company and not a personal matter, he had his farm up in Pike County incorporated as Sunny Land, Incorporated and he owned all of that stock. It is in his estate. The farm on which he lived is called now, Dunroamin Farms, and that Dunroamin Farms is owned by a holding company called the Hill Top Land Company.

BY THE CHAIRMAN:

Q. Doctor, on that \$250,000 repayment of advances on February 6th, I notice that on those deposit slips, all the other items were checks.

A. The other was one check.

Q. Have you any theory as to why that should be cash? It seems to me to be a cumbersome way of doing it.

A. I have no theory, Mr. Moore, and no knowledge. I come here with all the records I have, —

Q. Yes, I understand, you have been very frank.

A. —and I am trying to give you to the best of my knowledge everything there is there. I don't know anything about it, sir.

Q. It just aroused my curiosity, and I thought maybe it aroused yours, and I thought maybe you had some theory.

A. I have no theory, sir.

MR. EVANS: Dr. Mitten, would you produce your modest deposit records of January, 1928?

(The witness complies).

MR. EVANS: Note for the record that Dr. Mitten produces the statement of Mitten Management Bank and Trust Com-

pany for January, 1928, and the same shows a deposit of \$25,000 on January 4th, 1928, and after that no deposit of more than \$5,000.

FRANK B. ELLIS sworn

BY MR. EVANS:

Q. Where do you live, Mr. Ellis?

A. Philadelphia.

Q. You are the secretary of the Quaker City Cab Company. Incorporated, are you not?

A. Yes sir.

Q. And you have produced the stock ledger here this afternoon?

A. I have the stock record here.

Q. Mr. Ellis, this stock record shows the issuance of four thousand, five hundred shares of the capital stock of Quaker City Cabs, Incorporated to Frank Sawyer on July 16th, 1927; one share to C. William Sawyer, and four hundred and ninety shares to Frank Sawyer; three shares to C. William Sawyer; also the issuance of one share to C. William Sawyer, cancelled October 12, 1927; and five shares to George F. Palmer, since cancelled; making a total of five thousand shares of the capital stock of the company. It also shows the issuance of one share transferred from C. William Sawyer to W. W. Pestae on October 12, 1927, and the transfer of five shares from George S. Palmer to C. H. Fenstermacher on July 16, 1928, and the transfer of one share to C. H. Fenstermacher from W. W. Pestae on December 18, 1930, so that at the present time Mr. Frank Sawyer and Mr. C. William Sawyer, and C. H. Fenstermacher, are the stockholders of the Quaker City Cabs Incorporated?

A. That is correct.

BY MR. RHODES:

Q. How many shares are there outstanding?

A. Five thousand.

Q. What is the par value of them?

A. One hundred dollars per share.

BY MR. EVANS:

Q. Mr. Ellis, who holds the certificates representing the Sawyer stock?

A. They are in my custody.

Q. And who is the actual owner of these shares at the present time?

A. The Philadelphia Rapid Transit Company.

BY MR. RHODES:

Q. In other words, you hold them for the Philadelphia Rapid Transit Company?

A. Yes sir.

Q. How many shares is that?

A. Five thousand shares altogether.

Q. I thought you referred to Sawyer's stock?

A. I hold them all as Secretary of the Philadelphia Rapid Transit Company.

BY MR. EVANS:

Q. And it is the beneficial owner of that stock?

A. Yes sir.

Q. In spite of the fact that the Public Service Commission refused last December to approve the sale of that stock to the Philadelphia Rapid Transit Company at the price of \$1,360,000?

A. I hold them, I don't know anything about that.

BY MR. RHODES:

Q. Since what date have you held these five thousand shares for the Phila. Rapid Transit Company?

A. I could not say the exact date, but I think it was sometime in 1928.

Q. In January, 1928?

A. Very likely, but I won't say positively.

Q. And you have held five thousand shares for the Philadelphia Rapid Transit Company since that time?

A. Yes sir.

BY MR. EVANS:

Q. Mr. Ellis, when you have a meeting of the stockholders of the Quaker City Cabs Incorporated, do you have to get a power of attorney from the Messrs. Sawyer every time?

A. Yes sir.

BY MR. RHODES:

Q. The certificates are all endorsed in blank, are they?

A. Yes sir.

Q. Who are the officers of the Quaker City Cab Company?

A. Mr. R. F. Tyson, Mr. William Campbell, Mr. M. P. Brown is Vice President, Mr. G. W. Davis is Treasurer, and myself a secretary.

BY MR. EVANS:

Q. Who are the directors?

A. The directors are Mr. Tyson, Mr. Campbell, Mr. Brown, W. J. Mack and myself.

BY MR. RHODES:

Q. How can they be directors without having a share of stock?

A. It is not necessary in Pennsylvania for directors to have a share of stock.

Q. This is a Pennsylvania corporation?

A. Yes sir.

Q. You take the position that it is not necessary in Pennsylvania for a director to own any stock?

A. That is what I understand.

BY MR. EVANS:

Q. Mr. Ellis, according to your annual for 1930, the directors for the term expiring February 11, 1931, were Mr. Tyson, Mr. Campbell, Mr. Graves, Mr. Ellis, and W. W. Festae?

A. That is correct. They were the officers I gave. They were elected in February, 1931.

Q. Let me ask you this; you are also secretary, are you not, of the Philadelphia Rapid Transit Company?

A. I am, sir.

Q. Is there any agreement by which the Phila. Rapid Transit Company holds this stock in any way for any other person or corporation?

A. Not to my knowledge.

MR. EVANS: The reason I asked that question was because a witness before the Senate Committee said he understood it was held by the Pennsylvania Railroad Company.

THE WITNESS: I know of no such thing.

BY MR. RHODES:

Q. Does the Phila. Rapid Transit carry this stock on its books as an asset?

A. I do not know, Mr. Rhodes; I have no knowledge of the financial transactions.

Q. I understand this 5,000 shares only apply to the Quaker City Cabs?

A. They are all of the Quaker City Cabs Incorporated stock.

Q. What about these bus lines, does the Philadelphia Rapid Transit own those?

A. The Montgomery bus line was sold to the Pennsylvania Railroad, and the Suburban Bus Line was also sold to the Pennsylvania Railroad, and the Doylestown & Easton bus line, I don't remember anything about the Doylestown and Easton bus line. I know there is such a company, but I don't know what became of them.

Q. They are not owned by the Phila. Rapid Transit?

A. No sir

BY MR. WALKER:

I have here a number of complaints that have been received from different communities which I desire to have noted in the record as follows:

E. H. Kauffman, of Joanna, Pennsylvania, complaining of the rates charged by the Associated Gas & Electric Company.

H. C. Mays, complaining that the Greenwood Water situation has not been improved since the time they appeared before the House investigating committee.

Borough Council of Mercer Borough, complaining against the charges by the Mercer Water Company, and also the Mercer Light, Gas and Fuel Company, and the Pennsylvania Power Company.

Supervisors of Snowden Township, complaining against excessive rates and services of the South Pittsburgh Water Company

The borough solicitor of Scottdale, complaining against the Citizens Water Company of that borough in the form of a brief.



Fred. J. Thompson, Clearfield, Pennsylvania, complaining against the rural electrification in his district.

Kane Borough. A resolution by borough council complaining against the excess charges of the Atlantic Gas & Electric Corporation.

Kane Borough. A further resolution complaining against the excess charges of the Kane Spring Water Company.

Allied Board of Trade of Pittsburgh, complaining against the Pittsburgh Motor Coach Company's excess rates.

James F. Haere, Chairman Transportation Committee, Overbrook Civic Association, complaining against the services and the charges of the Rapid Transit Bus Line.

Charles Keefe, of Bala, Pennsylvania, complaining against the excess charges of the Philadelphia Suburban Water Company.

F. R. Moyer, of Renfrew, complaining against the service of Butler Short Line.

Eddy McCloskey, complaining against the water company and other utilities of the city of Johnstown.

Harry W. Taylor, Philadelphia, complaining against the strangle hold which the Phila. Rapid Transit Company has on the citizens.

John E. Zimmerman, President of United Gas Improvement Company, taking exception to the testimony of S. Davis Wilson.

MR. EVANS: When Mr. John E. Zimmerman, President of the United Gas Improvement Company, and Mr. W. H. Taylor, President of the Philadelphia Electric Company, were on the stand, they were asked to furnish certain data, some of which has already been introduced into the records. Supplementing this, I offer in evidence the following letters:

EXHIBIT No. 205, being a letter from John E. Zimmerman, President of United Gas Improvement Company, dated April 17, 1931, in regard to the rates of dividends on the common stock of the Philadelphia Electric Company.

EXHIBIT No. 206, being a letter from Mr. W. H. Taylor, President of the Phila. Electric Company, dated April 17, 1931, in regard to the returns from penalties and collection costs to the Philadelphia Electric Company.

Letter from W. H. Taylor, President of Philadelphia Electric Co., dated April 17, 1931, produced and marked Exhibit No. 207.

Letter from W. H. Taylor, in regard to amount expended by Philadelphia Electric Company for fixed capital, produced and marked Exhibit No. 208.

Letter from W. H. Taylor, in regard to amount of fees paid by the Philadelphia Electric Company to the United Engineers and Constructors, produced and marked Exhibit No. 209.

Letter from W. H. Taylor, in regard to fees paid by Philadelphia Electric Company to John E. Windrum, produced and marked Exhibit No. 210.

W. M. DIETRICH recalled

BY MR. EVANS:

Q. Have you prepared a summary of the financing of the mergers and consolidations of the properties of the Pennsylvania Power and Light Company, giving the details as covered by your previous testimony?

A. I have, yes sir.

Q. This is a paper consisting of seven sheets?

A. Yes sir.

Statement headed "Summary of Pennsylvania Power and Light Company mergers and consolidation in the years 1928 to 1930, produced and marked Exhibit No. 211.

Q. Is there any comment you want to make on that?

A. Only to the extent that there may be some slight changes between this exhibit and the figures presented in my former testimony, and I wish this exhibit to supercede the figures given in the former testimony.

Q. You did find some corrections which you wish to make in your former testimony and incorporate it in this exhibit?

A. Yes sir.

Q. Have you some more exhibits here?

A. Yes sir.

Q. Have you prepared an exhibit consisting of seven pages headed, "Earning of actual investment on common stock, 1930?"

A. I have.

Q. This exhibit shows the earnings of the electric companies of Pennsylvania on their common stock?

A. On the electric stock. The common stock is for 1930. The first calculation is on the stated value of the common stock and the second calculation is on the stated value of the common stock plus their surplus. And column 5 does not include the surplus.

Q. And the following column does include the surplus?

A. That is right.

Statement, "Actual investment in common stock—1930," produced and marked Exhibit No. 212.

BY MR. EVANS:

Q. You prepared a similar exhibit of seven sheets constituting all the water companies in Pennsylvania?

A. Yes sir.

Q. And that has been prepared on the same basis has it not?

A. Yes sir.

Statement of actual investment on common stock of Class A and B water companies—1930, produced and marked Exhibit No. 213.

BY MR. EVANS:

Q. Are there any other exhibits, Mr. Dietrich, which you have to offer?

A. That is all.

Q. Are there any comments on these which you wish to make?

A. No. I think you will find them self explanatory, unless someone wants to ask some questions about them.

W. W. COLLEDGE recalled

BY MR. EVANS:

Q. Have you prepared an exhibit showing the earnings of the electric companies A and B, for the year 1930, as taken from the 1930 reports of these companies to the Public Service Commission?

A. Yes sir.

EXHIBIT No. 214 offered in evidence, being the earnings of electric companies (A and B), 1930.

Q. Have you any comments you wish to make on this exhibit?

A. No. I think the columns as headed up are self-explanatory in the first and second sheets. Now on this third sheet you will find explanatory notes which refer to certain guide letters set opposite certain sets of figures on sheets 1 and 2. Also, at the top of page 3 is shown the total fixed capital depreciated, including write-ups of all of the different companies of \$1,048,339,443. I have eliminated the cents in all cases, and what was a seven per cent. return on that. Then we have taken the adjusted gross income and determined the excess over seven per cent. return by deducting the adjusted gross income from the seven per cent. returns so calculated, and then we have capitalized the excess at seven per cent., and then rated on excess of the fixed capital depreciated, and that has also been done as to the total fixed capital depreciated excluding the write-ups, giving us a figure of \$936,274,926.

BY MR. RHODES:

Q. According to your figures, the capitalized excess is 32.73 per cent., including the write-ups?

A. Yes sir.

Q. And it is 48.62 per cent. exclusive?

A. Yes sir. Then on the third page you will also note that we have made a note in regard to the Pennsylvania Power & Light Company, that the report for the year 1930 had not been received at May 13, 1931, and that the net write-up as shown in the 1929 return was \$1,263,005, so that we were unable to obtain any statistics on that property.

MR. EVANS: When Mr. Monroe, borough manager of Ellwood City, was on the stand, he had with him a paper showing information in regard to the municipal light department of that city, and the committee requested that it be put into exhibit form as a matter of convenience.

EXHIBIT No. 215 offered, being information regarding the municipal light department, Ellwood City.

The Public Service Commission was requested by the committee to submit a statement of all cases where management fees were paid to holding or affiliated companies and have

been included in the operating expenses, and the action, if any, taken by the Commission in regard thereto.

EXHIBIT No. 216, being letter from Chairman Ainey dated April 14th, 1931, in connection with the above paragraph.

EXHIBIT No. 217, being statement furnished by Public Service Commission showing all cases in which a dissenting opinion had been filed.

EXHIBIT No. 218, being a statement from Public Service Commission showing the rate cases where the respondent was permitted to amortize the rate case expenses.

When Mr. H. L. Mitchell, President of the West Penn Power Company, was on the stand, he asked to furnish additional information in regard to the reduction in residential rates made by the West Penn Power Company from 1925 to 1930 inclusive.

EXHIBIT No. 219 is additional information furnished by Mr. H. L. Mitchell of the West Penn Power Company.

EXHIBIT No. 220 is additional information from Mr. H. L. Mitchell in regard to the acquisition of the Center Electric Company in 1930 by the West Penn Power Company, being a letter dated May 12, 1931.

EXHIBIT No. 221 is a copy of the minutes of the Electric Rate Committee furnished by the Public Service Commission.

EXHIBIT No. 222 is information furnished by the Public Service Commission in the form of a compilation made with respect to certain companies for the year 1927 which is presumed to answer certain information which Commissioner Young was requested to furnish and which does not seem to cover this information but is offered for what it is worth.

I desire to call the attention of the Committee to the fact that in connection with the Scranton-Spring Brook Water Company case it appeared that the Federal Water Service Corporation paid Field-Glore & Company a fee of \$500,000 in connection with the acquisition of the Scranton Gas & Water Company. In accordance with the directions of the Committee I wrote Field-Glore & Company on April 13th asking them for a statement of the services rendered by them to this company. I think by mistake I referred to the Scranton-Spring Brook Water Supply Company instead of to the Scranton Gas & Water Company. Garrett A. Brownback a member of the firm of Field-Glore & Company replied under date of April 18th, 1931, stating that this firm received no commission whatsoever in connection with the sale referring to the sale of the Spring Brook Water Supply Company. He says: "If you refer to the commission it received for the sale of the Scranton Gas & Water Company please advise. There is no information this firm has that is not available to you." In reply to that letter of April 20th there was addressed to Field-Glore & Company a letter advising that it was the Scranton Gas & Water Company we were interested in and that we should like to have complete information as to the services rendered for this company and the places at which rendered and the individual expenditures of the members of the firm and others who rendered services in connection with this sale. No reply has been received to this letter and on May 7th I wired Mr. Brownback: "Please furnish me immediately information requested" but I have had no reply to that communication. This concern I think has no resident partner in Pennsylvania, although it has an office here.

The Committee may remember that when Mr. Sawyer, chairman of the Board of the Lehigh Power Securities Company, was on the stand, he was asked whether they would be willing to have the accountants of the Committee examine the books of that company, particularly in connection with the acquisition of various companies on behalf of the Pennsylvania Power & Light Company, and Mr. Sawyer, as I remember, said he would recommend that it be done, although he had no authority to pass on it definitely. No further information has been received in regard to that.

MR. WALKER: We wish to have noted on the record receipt of a letter from the Pennsylvania Electric Association dated May 12, 1931.

EXHIBIT No. 223 is offered, being a letter from the Pennsylvania Electric Association, signed by Mr. A. B. Millar as Managing Director.

EXHIBIT No. 224 is offered, being a balance sheet of the Pennsylvania Electric Association for the year 1926.

Balance sheet of Pennsylvania Electric Association for the year 1927, produced and marked Exhibit No. 225.

Balance sheet of Pennsylvania Electric Association, 1928, produced and marked Exhibit No. 226.

Balance sheet of Pennsylvania Electric Association, 1929, produced and marked Exhibit No. 227.

Balance sheet of Pennsylvania Electric Association, 1930, produced and marked Exhibit No. 228.

Balance sheet of Pennsylvania Electric Association, for period from Jan. 1, to April 15, 1931, produced and marked Exhibit No. 229.

Special account of Pennsylvania Electric Association, produced and marked Exhibit No. 230.

Report of Educational Committee of the Pennsylvania Electric Association, produced and marked Exhibit No. 231.

Excerpt from report of Industrial Relations Committee for years, 1925, 1926, produced and marked Exhibit No. 232.

Report of Pennsylvania Electric Association of co-operation of Education Committee, 1927, produced and marked Exhibit No. 233.

Receipt is also acknowledged on the record of pamphlets and advertising material as requested by Mr. Morris L. Cooke from the Pennsylvania Electric Association.

THE CHAIRMAN: This hearing will now stand adjourned, subject to the call of the Chairman.

#### REMARKS OF SENATOR SORDONI ON THE REPORT OF THE COMMITTEE OF CONFERENCE ON HOUSE BILL NO. 1922

Mr. President and Gentlemen of the Senate:

I realize that what I have to say will not in any way change the result of this conference Committee on the Congressional Apportionment, but I wish to draw the attention of the members of the Senate to the following inequalities of the division. First, the total number of people in Pennsylvania at the last census was nine million, six hundred and thirty-one thousand, three hundred and fifty, represented by thirty-four Congressmen under the new reapportionment, the average district having approximately two hundred eighty thousand people, the smallest district less than two hundred thousand and Luzerne County, the largest district, with a total of four hundred forty-four thousand. Why the conference Committee came to this conclusion is beyond me. According to the population, Luzerne County should have two Congressmen, not one, and any reapportionment without taking that into consideration is, in my opinion, unjust, unwarranted and uncalled-for.

Gentlemen. We talk about the harmony prevailing in this Senate. We apparently have harmony when we blindly follow the few who have set themselves up as leaders and apparently intimidate enough members so that these so-called leaders get everything they want and care nothing for the opinion and rights of others. We are supposed to be representing the people of this State who are naturally very much interested in the representation they have, not only in the State Government but in the National Government, and why we have not been consulted on a matter of such grave importance as this to the people we represent, is more than I can say.

These so-called leaders should use better business judgment in performing their duties and not bring in legislation as important to the people of Pennsylvania as this Congressional Apportionment is, and expect us to swallow it hook, line and sinker without having an opportunity to study the same. This matter should have been brought before the Senate and the House of Representatives months ago and not brought before us at the last hour of the last day of the session. Luzerne County is not getting what it is justly entitled to in this matter and I vigorously protest and object to the report and shall vote "No" upon it. The people of Luzerne County pay their proportion of taxes and are entitled to representation in proportion to their population.

Do not misunderstand me, in connection with my criticism of the method in which this matter was handled. The criticism is not in any way directed against Senator McClure or the members of the Conference Committee. It is directed against these so-called leaders who decide the policy of this Legislature and procrastinate to the point of almost criminal negligence.



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